VIVA INDUSTRIAL TRUST

Comprising:

VIVA INDUSTRIAL REAL ESTATE INVESTMENT TRUST	**VIVA INDUSTRIAL BUSINESS TRUST**
(a real estate investment trust constituted on 23 August 2013 under the laws of the Republic of Singapore) managed by	(a business trust constituted on 14 October 2013 under the laws of the Republic of Singapore) managed by
Viva Industrial Trust Management Pte. Ltd.	**Viva Asset Management Pte. Ltd.**

Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch are the Joint Global Coordinators and Issue Managers for the initial public offering and listing of Viva Industrial Trust (the "**Offering**"). Standard Chartered Securities (Singapore) Pte. Limited, Merrill Lynch (Singapore) Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, CIMB Securities (Singapore) Pte. Ltd., Maybank Kim Eng Securities Pte. Ltd. and Credit Suisse (Singapore) Limited are the Joint Bookrunners and Underwriters for the Offering.

INTRODUCTION

Viva Industrial Trust ("**VIT**") is a stapled group (the "**Stapled Group**") comprising Viva Industrial Real Estate Investment Trust ("**VI-REIT**") and its subsidiary (collectively, "**VI-REIT Group**") and Viva Industrial Business Trust ("**VI-BT**"). VI-REIT and VI-BT are managed by Viva Industrial Trust Management Pte. Ltd. (the "**REIT Manager**") and Viva Asset Management Pte. Ltd. (the "**BT Trustee-Manager**"), respectively.

VI-REIT is a Singapore-based real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is used predominantly for business park and other industrial purposes, whether wholly or partially, in Singapore and elsewhere in the Asia-Pacific region, as well as real estate-related assets in connection with the foregoing. VI-BT is a Singapore-based business trust which has remained dormant since its constitution on 14 October 2013.

As at 31 March 2015, VI-REIT has a diversified portfolio of five properties located in Singapore comprising:

- two business parks, namely UE BizHub EAST ("**UEBH**") which includes a hotel, and Technopark@Chai Chee ("**TPCC**");
- a logistics property, namely Mauser Singapore; and
- two light industrial properties, namely Jackson Square ("**JS**") and Jackson Design Hub ("**JDH**").

Stapled securities in VIT ("**Stapled Securities**") commenced trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 4 November 2013 (the "**Listing Date**").

The consolidated financial statements of the Stapled Group and of VI-REIT Group included the financial statements of a wholly-owned subsidiary, Viva iTrust MTN Pte. Ltd. ("**VMTN**"), which was established on 28 August 2014 with an initial capital of S$1 to act as the issuer of a S$500 million Multicurrency Medium Term Note Programme (the "**MTN Programme**"), which was established by VMTN on 28 August 2014.

Distribution Policy

VI-REIT's distribution policy is to distribute 100% of its distributable income for the period from the Listing Date to 31 December 2015 and thereafter, to distribute at least 90% of its distributable income. Distributions are made on a quarterly basis at the sole discretion of the REIT Manager.

As at 31 March 2015, VI-BT remains inactive. In the event that VI-BT becomes active and profitable, VI-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by VI-BT will be at the sole discretion of the BT Trustee-Manager.

Summary of results of Viva Industrial Trust

	Stapled Group				
	1Q2015 Actual	1Q2014 Actual	Variance	1Q2015 Forecast[(a)]	Variance
	S$'000	S$'000	%	S$'000	%
Gross revenue	18,084	14,974	20.8	14,828	22.0
Net property income	12,414	9,866	25.8	9,731	27.6
Distributable income[(b)]	11,628	10,250	13.4	10,341	12.4
Distribution per Stapled Security[(c)] (cents)	1.870	1.722	8.6	1.663	12.5

Notes:

(a) The forecast results are derived from the corresponding period of the full year projection for 2015 as disclosed in VIT's initial public offering prospectus dated 28 October 2013 (the "**Prospectus**"). Please refer to section 9 on page 15 of this announcement for the detailed comparison between the actual and forecast results for 1Q2015.

(b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.

(c) Please refer to section 6 on page 14 of this announcement for the calculation of Distribution per Stapled Security.

1(a) Income statements together with comparatives for corresponding periods in immediately preceding financial year

1(a)(i) Consolidated Statement of Total Return for the quarter ended 31 March 2015 ("1Q2015")

	Note	1Q2015			1Q2014			Inc / (Dec)		
		Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group %	VI-REIT Group %	VI-BT %
Gross revenue	(a)	18,084	18,084	-	14,974	14,974	-	20.8	20.8	-
Property expenses	(b)	(5,670)	(5,670)	-	(5,108)	(5,108)	-	11.0	11.0	-
Net property income		**12,414**	**12,414**	**-**	**9,866**	**9,866**	**-**	25.8	25.8	**-**
Rental support / rental arrangement	(a)	3,600	3,600	-	3,510	3,510	-	2.6	2.6	-
REIT Manager's fees	(c)	(1,180)	(1,180)	-	(1,025)	(1,025)	-	15.1	15.1	-
REIT Trustee's fees		(45)	(45)	-	(45)	(45)	-	-	-	-
Amortisation of intangible assets	(d)	(1,050)	(1,050)	-	(1,050)	(1,050)	-	-	-	-
Other trust expenses	(e)	(205)	(203)	(2)	(216)	(216)	-	(5.1)	(6.0)	n.m.
Finance expenses	(f)	(3,721)	(3,721)	-	(2,608)	(2,608)	-	42.7	42.7	-
Net income		**9,813**	**9,815**	**(2)**	**8,432**	**8,432**	-	16.4	16.4	n.m.
Change in fair value of derivative financial instruments	(g)	2,270	2,270	-	349	349	-	550.4	550.4	-
Total return before income tax		**12,083**	**12,085**	**(2)**	**8,781**	**8,781**	-	37.6	37.6	n.m.
Income tax expense	(h)	(627)	(627)	-	(536)	(536)	-	17.0	17.0	-
Total return after income tax		**11,456**	**11,458**	**(2)**	**8,245**	**8,245**	-	38.9	39.0	n.m.

n.m – not meaningful

Notes:

(a) The breakdown of gross revenue and rental differential derived from each property in 1Q2015, and the occupancy rate and weighted average lease expiry ("**WALE**") of each property as at 31 March 2015 are as follows:

	Stapled Group			
	1Q2015			
	Gross revenue S$'000	Rental differential S$'000	Occupancy rate %	WALE[(1)] Years
TPCC	6,617	122	64	1.9
UEBH - Business Park	5,874	2,781	85	4.3
UEBH - Hotel Leased Premises	2,138	-	100	3.6
UEBH - Hotel Retail Areas	232	(7)	100	0.9
Mauser Singapore	479	-	100	4.2
JS	2,197	704	80	2.1
JDH	547	-	100	9.7
	18,084	3,600		

Note:

(1) WALE is calculated based on the underlying committed gross rental income as at 31 March 2015 assuming renewal options are not exercised.

Gross revenue of S$18.1 million for 1Q2015 was S$3.1 million or 20.8% higher than that of 1Q2014 mainly due to:

- additional rental contribution of S$2.7 million from JS and JDH, which were acquired by VI-REIT on 21 November 2014;
- higher rental contribution from the business park space at UEBH by S$0.2 million; and
- higher rental contribution from TPCC by S$0.2 million.

Rental support / rental arrangement relates to the rental differentials which are received/receivable under:

(i) the UEBH rental arrangement, pursuant to which the vendor of UEBH agreed to pay VI-REIT for the rental differential (where the actual net rental income derived from UEBH (excluding the Hotel Leased Premises) is less than an agreed amount of S$26 million per annum for each of the first two years, with a step-up of 5% in each of the third and fifth year) for a duration of five years from the Listing Date;

(ii) the TPCC rental support arrangement, pursuant to which the vendor of TPCC agreed to pay VI-REIT for the rental differential (where the actual gross rental income derived from TPCC is less than S$2.15 million per month) for a duration of two years from the Listing Date subject to a cap of S$2.3 million; and

(iii) the JS rental support arrangement, pursuant to which the vendor of JS agreed to pay VI-REIT for the rental differential where the actual aggregate gross rental income derived from JS is less than S$58 million over the period of five years commencing from the date of acquisition of JS on 21 November 2014.

Income from rental support / rental arrangement of S$3.6 million for 1Q2015 was S$0.1 million or 2.6% higher than that of 1Q2014 mainly due to:

- additional rental top-up of S$0.7 million under the JS rental support arrangement;
- partially offset by lower rental top-up under the UEBH rental arrangement by S$0.4 million as a result of higher net rental income derived from UEBH; and
- lower rental top-up under the TPCC rental support arrangement by S$0.2 million as a result of higher gross rental income derived from TPCC.

(b) Property expenses of S$5.7 million for 1Q2015 was S$0.6 million or 11.0% higher than that of 1Q2014 mainly due to property expenses of S$0.6 million pertaining to JS.

(c) This relates to the REIT Manager's base fee ("**REIT Base Fee**"), which is calculated based on 10% per annum of the distributable income of VI-REIT (before accounting for the REIT Base Fee).

The REIT Base Fee of S$1.2 million for 1Q2015 was S$0.2 million or 15.1% higher than that of 1Q2014 due to the increase in distributable income of VI-REIT as a result of the contributions from JS and JDH, which were acquired in November 2014.

(d) This relates to the amortisation of the rental differential to be provided to VI-REIT by the respective vendors of UEBH and TPCC pursuant to the UEBH rental arrangement and TPCC rental support arrangement, respectively as described in note (a) above. Such rental differential is amortised on a straight line basis over the duration of the UEBH rental arrangement and TPCC rental support arrangement of five years and two years from the Listing Date, respectively.

(e) Other trust expenses include recurring expenses such as annual listing fee, registrar and secretarial fees, audit and tax compliance fees, valuation fees, costs associated with the preparation of annual reports, investor relations costs and other miscellaneous costs.

(f) Finance expenses include interest expense, loan commitment fees and amortisation of debt-related transaction costs. Finance expenses of S$3.7 million for 1Q2015 was S$1.1 million or 42.7% higher than that of 1Q2014 mainly due to the interest expense of S$1.1 million incurred on the S$100 million in principal amount of medium term notes ("**MTN**") issued in September 2014 to finance the acquisition of JS and JDH. Please refer to the unsecured borrowings as disclosed on page 10 of this announcement for further details.

(g) This relates to the change in fair value of interest rate swaps entered into to fix the interest rates for a substantial portion of the Stapled Group's floating rate borrowings. In accordance with Singapore Financial Reporting Standard ("**FRS**") 39 – *Financial Instruments*, the change in fair value of interest rate swaps is recognised in the consolidated statement of total return.

The fair value gain on interest rate swaps of S$2.3 million in 1Q2015 was mainly due to the significant increase in the Singapore dollar Swap Offer Rate ("**SOR**") during 1Q2015, which was in turn driven by the strengthening of the US dollar against the Singapore dollar.

(h) As the rental income support received/receivable under the UEBH rental arrangement and the JS rental support arrangement is not accorded the tax transparency treatment by the Inland Revenue Authority of Singapore ("**IRAS**"), the Stapled Group has recognised income tax expense in respect of such rental income support. Together with VI-REIT's tax advisers, the REIT Manager will continue to engage with the IRAS to seek its approval for tax transparency treatment to be accorded to the rental income support received/receivable under the UEBH rental arrangement and the JS rental support arrangement. Further announcements will be made on the SGXNET when there are further developments on this matter.

Income tax expense of S$0.6 million for 1Q2015 was S$0.1 million or 17.0% higher than that of 1Q2014 mainly due to:

- income tax expense of S$119,000 in respect of the rental income support received/receivable under the JS rental support arrangement for 1Q2015; and
- under-provision for income tax expense of S$41,000 in respect of the rental income support received under the JS rental support arrangement for 4Q2014;
- partially offset by decrease in income tax expense of S$69,000 due to lower rental income support received/receivable under the UEBH rental arrangement for 1Q2015 as mentioned in note (a) above.

1(a)(ii) Distribution Statement

	Note	1Q2015		1Q2014		Inc / (Dec)	
		Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group %	VI-REIT Group %
Total return after income tax		**11,456**	**11,458**	**8,245**	**8,245**	**38.9**	**39.0**
Net tax adjustments (**Note A**)		172	172	2,005	2,005	(91.4)	(91.4)
Net income available for distribution for the period	(a)	**11,628**	**11,630**	**10,250**	**10,250**	**13.4**	**13.5**
Distribution per Stapled Security (cents):							
For the period	(b)		1.870		1.722		8.6
Annualised			7.584		6.984		8.6

Notes:

(a) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.

(b) Please refer to section 6 on page 14 of this announcement for the calculation of Distribution per Stapled Security.

Note A

	1Q2015		1Q2014		Inc / (Dec)	
	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group S$'000	VI-REIT Group S$'000	Stapled Group %	VI-REIT Group %
Net tax adjustments comprise:						
REIT Manager's fees paid/payable in Stapled Securities	1,008	1,008	1,025	1,025	(1.7)	(1.7)
Property Manager's fees paid/payable in Stapled Securities	341	341	331	331	3.0	3.0
REIT Trustee's fees	45	45	45	45	-	-
Adjustment for recognition of rental income on a straight-line basis over the lease term	(560)	(560)	(557)	(557)	0.5	0.5
Amortisation of intangible assets	1,050	1,050	1,050	1,050	-	-
Amortisation of debt-related transaction costs	523	523	441	441	18.6	18.6
Change in fair value of derivative financial instruments	(2,270)	(2,270)	(349)	(349)	550.4	550.4
Other non-taxable items	35	35	19	19	84.2	84.2
Net tax adjustments	**172**	**172**	**2,005**	**2,005**	**(91.4)**	**(91.4)**

1(b) Statement of Financial Position

1(b)(i) Statement of Financial Position as at 31 March 2015

	Note	31 Mar 2015			31 Dec 2014		
		Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000	Stapled Group S$'000	VI-REIT Group S$'000	VI-BT S$'000
Non-current assets							
Investment properties	(a)	852,644	852,644	-	852,700	852,700	-
Intangible assets	(b)	12,385	12,385	-	13,435	13,435	-
		865,029	865,029	-	866,135	866,135	-
Current assets							
Trade and other receivables	(c)	10,457	10,457	-	11,423	11,423	-
Derivative financial instruments	(d)	1,948	1,948	-	-	-	-
Cash and cash equivalents	(e)	8,697	8,670	27	4,957	4,928	29
		21,102	21,075	27	16,380	16,351	29
Total assets		**886,131**	**886,104**	**27**	**882,515**	**882,486**	**29**
Non-current liabilities							
Interest-bearing borrowings	(f)	366,008	366,008	-	365,571	365,571	-
Current liabilities							
Trade and other payables	(g)	22,629	22,627	2	22,881	22,879	2
Interest-bearing borrowings	(f)	14,536	14,536	-	20,456	20,456	-
Derivative financial instruments	(d)	-	-	-	322	322	-
Income tax payable		2,426	2,426	-	1,799	1,799	-
		39,591	39,589	2	45,458	45,456	2
Total liabilities		**405,599**	**405,597**	**2**	**411,029**	**411,027**	**2**
Net assets		**480,532**	**480,507**	**25**	**471,486**	**471,459**	**27**
Represented by:							
Stapled Securityholders' funds		**480,532**	**480,507**	**25**	**471,486**	**471,459**	**27**

Notes:

(a) Decrease in investment properties was due to partial refund of land premium in respect of JDH amounting to S$56,000 from JTC Corporation ("**JTC**"). When VI-REIT acquired JDH in November 2014, the land premium paid to JTC was capitalised as investment property.

(b) This represents the carrying amounts of unamortised rental differential to be provided to VI-REIT by the respective vendors of UEBH and TPCC pursuant to the UEBH rental arrangement and TPCC rental support arrangement, respectively as described in note (d) on page 5 of this announcement.

Intangible assets decreased by S$1.1 million due to amortisation charge for 1Q2015.

(c) Decrease in trade and other receivables of S$1.0 million was mainly due to:

- decrease in trade receivables of S$0.1 million;
- deferred property tax of S$1.4 million charged to the statement of total return in 1Q2015; and
- recovery of property tax on Mauser Singapore and JDH from the respective master lessees of the said properties amounting to S$0.1 million;
- partially offset by increase in receivables of S$0.6 million due to the recognition of rental income on a straight-line basis over the lease term of the respective leases.

(d) This represents the fair value of interest rate swaps entered into to hedge against fluctuations in interest rates for a substantial portion of the Stapled Group's floating rate borrowings.

During 1Q2015, the Stapled Group entered into a forward start interest rate swap to fix the interest rate for the entire principal amount of the two secured term loans of S$135 million each for the last year of their respective tenor. Please refer to the secured borrowings as disclosed on page 9 of this announcement for further details.

Under the interest rate swaps, the Stapled Group pays interest at fixed rates and receives interest at floating rates based on SOR. Due to the significant increase in SOR during 1Q2015, all of the Stapled Group's interest rate swaps have turned from being derivative financial liabilities as at 31 December 2014 to derivative financial assets as at 31 March 2015.

(e) Cash and cash equivalents increased by S$3.7 million as a result of net cash inflow from operating and investing activities of S$17.8 million, partially offset by net cash outflow from financing activities of S$14.1 million during 1Q2015. Please refer to the consolidated statement of cash flows for 1Q2015 on page 11 of this announcement for further details.

(f) Decrease in total interest-bearing borrowings of S$5.5 million was mainly due to repayment of S$6.0 million of borrowings, partially offset by amortisation of debt-related transaction costs of S$0.5 million for 1Q2015.

(g) Decrease in trade and other payables of S$0.3 million was mainly due to:

- payment of property tax amounting to S$0.8 million;
- decrease in security deposits received from tenants of S$0.3 million; and
- decrease in accrued interest expenses of S$1.1 million;
- partially offset by increase in payables and accruals for property and trust expenses of S$1.9 million.

(h) As at 31 March 2015, the Stapled Group's current liabilities exceeded its current assets by S$18.5 million (31 December 2014: S$29.1 million). The current liabilities of the Stapled Group as at 31 March 2015 included S$14.5 million (31 December 2014: S$20.5 million) of outstanding Revolving Credit Facility (net of transaction costs).

Although the outstanding Revolving Credit Facility ("**RCF**") has been classified as current liabilities in the statement of financial position, the Stapled Group has contractual rights under the Credit Facilities Agreement to roll over the outstanding RCF on a monthly or quarterly basis until its final maturity date on 28 October 2016. As at 31 March 2015, the Stapled Group does not intend to fully repay the outstanding RCF within the next 12 months.

As the outstanding RCF of S$14.5 million is not expected to be repayable within the next 12 months; by excluding this amount from current liabilities, the Stapled Group would have a negative working capital of S$4.0 million as at 31 March 2015. As the Stapled Group still has unutilised committed RCF of S$30.0 million as at 31 March 2015, the REIT Manager and the BT Trustee-Manager (collectively, the "**Managers**") are of the view that the Stapled Group will be able to meet its obligations as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Note	Stapled Group	
		31 Mar 2015 S$'000	31 Dec 2014 S$'000
Secured borrowings	(a)		
Amount repayable within one year		15,000	21,000
Less: Unamortised transaction costs		(464)	(544)
		14,536	20,456
Amount repayable after one year		270,000	270,000
Less: Unamortised transaction costs		(2,898)	(3,255)
		267,102	266,745
Total secured borrowings		281,638	287,201
Unsecured borrowings	(b)		
Amount repayable after one year		100,000	100,000
Less: Unamortised transaction costs		(1,094)	(1,174)
		98,906	98,826
Total borrowings		**380,544**	**386,027**
Current		14,536	20,456
Non-current		366,008	365,571
		380,544	**386,027**

Details of borrowings and collateral:

(a) Secured borrowings

VI-REIT has in place a Singapore dollar senior three-year secured term loan facility and a Singapore dollar senior four-year secured term loan facility, each amounting to S$135 million, from a syndicate of lenders (the "**Syndicated Lenders**") (the "**Term Loan Facilities**"). In addition, VI-REIT has in place a committed revolving credit facility of S$45 million from the Syndicated Lenders (the "**Revolving Credit Facility**", together with the Term Loan Facilities, the "**Credit Facilities**").

The Credit Facilities bear interest at rates based on the aggregate of SOR plus a margin per annum and are secured by way of the following:

- mortgages over three properties, namely UEBH, TPCC and Mauser Singapore (the "**Mortgaged Properties**");
- debenture creating fixed and floating charges on all present and future assets in relation to the Mortgaged Properties;
- an assignment of the relevant lease agreements, acquisition agreements, services agreement and other key agreements in relation to the Mortgaged Properties;
- an assignment of all tenancy agreements, insurance policies, rental assignments, rental support arrangements and bankers' guarantees in relation to the Mortgaged Properties; and
- an assignment of all rental, sale and insurance proceeds and all sums from time to time which VI-REIT is entitled to receive from the Mortgaged Properties.

S$270 million in aggregate of the Term Loan Facilities has been drawn down on the Listing Date to partially finance the acquisition of the Mortgaged Properties and S$15 million of the Revolving Credit Facility has been utilised as at 31 March 2015 for general working capital purposes.

VI-REIT has entered into interest rate swaps to fix the interest rates for 80.7% of the outstanding Credit Facilities as at 31 March 2015.

(b) Unsecured borrowings

The Stapled Group issued S$100 million in principal amount of four-year Singapore dollar MTN comprised in series 001 (the "**Series 001 Notes**") in September 2014 (maturing in September 2018) under its S$500 million Multicurrency MTN Programme. The Series 001 Notes are unsecured and bear interest at a fixed rate of 4.15% per annum payable semi-annually in arrears.

1(c) Consolidated Statement of Cash Flows

	Stapled Group	
	1Q2015 S$'000	**1Q2014 S$'000**
Cash flows from operating activities		
Total return for the period before income tax	12,083	8,781
Adjustments for:		
Effects of recognising rental income on a straight-line basis over the lease term	(560)	(557)
Finance expenses	3,721	2,608
Change in fair value of derivative financial instruments	(2,270)	(349)
Amortisation of intangible assets	1,050	1,050
REIT Manager's fees paid/payable in Stapled Securities	1,008	1,025
Property Manager's fees paid/payable in Stapled Securities	341	331
Operating income before working capital changes	**15,373**	**12,889**
Changes in working capital:		
Trade and other receivables	1,526	7,540
Trade and other payables	847	(1,414)
Net cash generated from operating activities	**17,746**	**19,015**
Cash flows from investing activities		
Refund of land premium for an investment property	56	-
Net cash generated from investing activities	**56**	-
Cash flows from financing activities		
Issue expenses paid	-	(4,797)
Repayment of borrowings	(6,000)	-
Payment of transaction costs on borrowings	(6)	-
Finance expenses paid	(4,297)	(1,602)
Distributions paid to Stapled Securityholders	(3,759)	(6,415)
Net cash used in financing activities	**(14,062)**	**(12,814)**
Net increase in cash and cash equivalents	3,740	6,201
Cash and cash equivalents at beginning of the period	4,957	11,683
Cash and cash equivalents at end of the period	**8,697**	**17,884**

1(d)(i) Consolidated Statement of Changes in Stapled Securityholders' Funds

	Stapled Group	
	1Q2015 S$'000	**1Q2014 S$'000**
Balance at beginning of the period	**471,486**	**448,555**
Operations		
Total return for the period after income tax	11,456	8,245
Net increase in net assets resulting from operations	**11,456**	**8,245**
Stapled Securityholders' transactions		
Issue expenses	-	(166)
Stapled Securities issued and issuable:		
- As payment of REIT Manager's fees	1,008	1,025
- As payment of Property Manager's fees	341	331
Distributions to Stapled Securityholders	(3,759)	(6,415)
Net decrease in net assets resulting from Stapled Securityholders' transactions	**(2,410)**	**(5,225)**
Balance at end of the period	**480,532**	**451,575**

1(d)(ii) Details of any changes in the number of Stapled Securities

	Stapled Group	
	1Q2015	**1Q2014**
Stapled Securities in issue at beginning of the period	620,241,958	594,000,275
New Stapled Securities issued as payment of:		
- REIT Manager's fees	1,207,476	829,645
- Property Manager's fees	434,203	260,790
Total issued Stapled Securities	621,883,637	595,090,710
New Stapled Securities issuable as payment of:		
- REIT Manager's fees	1,258,217	1,336,765
- Property Manager's fees	426,147	432,205
Total issued and issuable Stapled Securities at end of the period	**623,568,001**	**596,859,680**

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors of the Stapled Group.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied in the Stapled Group's financial statements for the current financial period are consistent with those applied in its audited financial statements for the financial year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There has been no change in the accounting policies and methods of computation adopted by the Stapled Group.

6 Earnings per Stapled Security ("EPS") and Distribution per Stapled Security ("DPS") for the period

	Note	Stapled Group	
		1Q2015	1Q2014
EPS is calculated based on:			
Total return after income tax (S$'000)		11,456	8,245
Weighted average number of issued and issuable Stapled Securities during the period		621,902,352	595,110,365
Basic and diluted EPS (cents)	(a)	1.842	1.385
DPS is calculated based on:			
Net income available for distribution for the period (S$'000)	(b)	11,630	10,250
Applicable number of Stapled Securities for calculation of DPS		621,883,637	595,090,710
DPS (cents)	(c)	1.870	1.722

Notes:

(a) Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments in issue during the period.

(b) Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the DPS.

(c) The pro forma DPS for 1Q2015 without the effects of rental support / rental arrangement would be 1.402 cents (1Q2014: 1.222 cents).

7 Net asset value ("NAV") per Stapled Security based on the number of issued and issuable Stapled Securities at the end of the period

	Stapled Group	
	31 Mar 2015	31 Dec 2014
NAV per Stapled Security is calculated based on:		
Net assets (S$'000)	480,532	471,486
Number of Stapled Securities:		
- issued	621,883,637	620,241,958
- issuable	1,684,364	1,641,679
	623,568,001	621,883,637
NAV per Stapled Security (cents)	77.06	75.82

8 A review of the performance for the quarter ended 31 March 2015

Please refer to section 9 for a comparison of the Stapled Group's actual results for 1Q2015 against its forecast results for 1Q2015 derived from the full year projection for 2015 as disclosed in the Prospectus.

9 Variance between the actual results and forecast

9(a) Statement of total return and income available for distribution (actual vs forecast)

	Note	Stapled Group		
		1Q2015 Actual S$'000	1Q2015 Forecast[(a)] S$'000	Inc / (Dec) %
Gross revenue	(a)	18,084	14,828	22.0
Property expenses	(c)	(5,670)	(5,097)	11.2
Net property income		**12,414**	**9,731**	**27.6**
Rental support / rental arrangement	(b)	3,600	3,439	4.7
REIT Manager's fees	(d)	(1,180)	(1,097)	7.6
REIT Trustee's fees		(45)	(45)	-
Amortisation of intangible assets		(1,050)	(1,050)	-
Other trust expenses	(e)	(205)	(387)	(47.0)
Finance income		-	11	n.m
Finance expenses	(f)	(3,721)	(2,660)	39.9
Net income		**9,813**	**7,942**	**23.6**
Change in fair value of derivative financial instruments		2,270	-	n.m
Total return before income tax		**12,083**	**7,942**	**52.1**
Income tax expense	(g)	(627)	(589)	6.5
Total return after income tax		**11,456**	**7,353**	**55.8**
Net tax adjustments		172	2,988	n.m
Net income available for distribution for the period	(h)	**11,628**	**10,341**	**12.4**

Notes:

(a) The forecast results are derived from the corresponding period of the full year projection for 2015 as disclosed in the Prospectus.

(b) n.m – not meaningful.

9(b) A review of the performance

(a) The actual gross revenue of S$18.1 million for 1Q2015 was S$3.3 million or 22.0% higher than the forecast mainly due to:

- higher actual rental contribution from new tenancies in respect of business park space at UEBH, which was S$0.7 million higher than the forecast;
- the effect of recognising higher rental income on a straight-line basis over the contracted lease term of the respective leases, which amounted to S$0.6 million; and
- additional revenue contribution of S$2.7 million from JS and JDH, which were acquired in November 2014;
- partially offset by lower actual revenue derived from TPCC, which was S$0.7 million lower than the forecast as the actual occupancy rate at TPCC was below the forecast. The underperformance of TPCC was largely due to the preparations ahead of the proposed asset enhancement initiative ("**AEI**") where certain lettable areas, which will be affected by the proposed AEI, were not marketed to potential tenants.

(b) The actual income from rental support / rental arrangement of S$3.6 million for 1Q2015 was S$0.2 million or 4.7% higher than the forecast mainly due to:

- the actual rental top-up of S$0.7 million received/receivable under the JS rental support arrangement provided by the vendor of JS, which was acquired in November 2014 and hence, such rental top-up was not included in the forecast; and
- the actual rental top-up of S$0.1 million received under the TPCC rental support arrangement as compared to the forecast where no such rental top-up was included as the projected monthly gross rental income from TPCC was expected to exceed the guaranteed amount of S$2.15 million per month under the TPCC rental support arrangement but due to the proposed AEI as mentioned in note (a) above, the actual monthly gross rental income derived from TPCC in 1Q2015 was less than the aforesaid guaranteed amount, thus resulting in the rental top-up of S$0.1 million in 1Q2015;
- partially offset by lower actual rental top-up received/receivable under the UEBH rental arrangement, which was S$0.6 million lower than the forecast as the actual net property income derived from UEBH in 1Q2015 was higher than the forecast mainly due to new tenancies in respect of business park space at UEBH as mentioned in note (a) above.

(c) The actual property expenses of S$5.7 million for 1Q2015 was S$0.6 million or 11.2% higher than the forecast mainly due to actual property expenses of S$0.6 million pertaining to JS, which was acquired in November 2014 and hence, such property expenses were not included in the forecast.

(d) The actual REIT Manager's fees of S$1.2 million for 1Q2015 were S$0.1 million or 7.6% higher than the forecast as the distributable income of VI-REIT for 1Q2015 was higher than the forecast.

(e) The actual other trust expenses of S$0.2 million for 1Q2015 were S$0.2 million or 47.0% lower than the forecast mainly due to lower professional fees incurred.

(f) The actual finance expenses of S$3.7 million for 1Q2015 were S$1.1 million or 39.9% higher than the forecast mainly due to the interest expense of S$1.1 million incurred on the S$100 million in principal amount of MTN issued in September 2014 to finance the acquisition of JS and JDH, thus the interest expense on the aforesaid amount of MTN was not included in the forecast.

(g) As disclosed in note (h) on page 5 of this announcement, the Stapled Group has recognised income tax expense in respect of the rental income support received/receivable under the UEBH rental arrangement and the JS rental support arrangement for 1Q2015.

The actual income tax expense of S$0.6 million for 1Q2015 was 6.5% higher than the forecast mainly due to:

- the actual income tax expense of S$160,000 in respect of the rental income support received/receivable under the JS rental support arrangement, which was not included in the forecast;
- partially offset by lower actual income tax expense in respect of the rental income support received/receivable under the UEBH rental arrangement, which was S$122,000 lower than the forecast as the actual rental top-up received/receivable under the UEBH rental arrangement for 1Q2015 was lower than the forecast as mentioned in note (b) above.

(h) The actual net income available for distribution for 1Q2015 was 12.4% higher than the forecast.

10 Commentary on the significant trends and competitive conditions of the industry in which the Stapled Group operates and any known factors or events that may affect the Stapled Group in the next reporting period and the next 12 months

According to Ministry of Trade and Industry ("**MTI**"), based on advance estimates, the Singapore economy grew by 2.1% on a year-on-year basis in the first quarter of 2015, the same rate of growth as that achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1% as compared to the 4.9% in the preceding quarter[1].

According to CBRE Singapore, vacancy rates for business parks fell from 11.7% to 10.4% in the first three months of 2015, resulting from the expansion of the infocomm technology, pharmaceutical and technology sectors. About 0.91 million sqft of business park space was taken up by occupiers in 1Q2015. The rental gap between city fringe and the rest of island business parks sub-markets maintained in the first quarter of 2015. The completion of several asset enhancement initiatives of the older business parks has also widened the rental gap between existing older business parks and newer ones. This led to an increase in leasing activity in the older business parks in recent quarters such as UBS which took up approximately 110,000 sqft at Jansapoint and Huawei which took up 20,000 sqft at 1 Changi Business Park Avenue 1[2].

According to Colliers International, rents for higher-specification industrial space strengthened further in 1Q2015. Against this backdrop, landlords of multi-tenanted conventional industrial buildings generally held onto their rental expectations, while remaining mindful of the stiff competition for qualifying tenants, as well as tenants' continued cost sensitivity. The average rents of business park premises also strengthened further in 1Q2015, with the average monthly gross rent posting 1.5% QoQ gain, mainly on the back of limited supply and higher rental expectations for newer developments that enjoyed healthy take-up, particularly in one-north[3].

Moving forward, the outlook for the business parks market is expected to be positive for the rest of the year. Rents for business parks and independent high-specs buildings are expected to strengthen by a total of up to 3% and 6.5% in 2015. Coupled with limited speculative supply in the near future, vacancy rates will continue to head downwards assuming stable demand especially from the technology sectors.

Taking the macroeconomic outlook, as well as demand-supply dynamics into consideration, the REIT Manager remains cautiously optimistic on VIT's prospects over the next 12 months. As at 31 March 2015, VI-REIT's property portfolio is valued at S$852.6 million, with only Singapore-focused business parks, logistics and light industrial properties. The REIT Manager will continue to actively pursue investment opportunities for good quality assets that will deliver stable distribution and maximize returns to Stapled Securityholders.

Asset Enhancement Initiative ("**AEI**") at TPCC

The REIT Manager has secured its first retail anchor tenant, global sporting goods retailer, Decathlon, for the AEI at TPCC. This will be Decathlon's first flagship store in Singapore and South-east Asia, spanning 35,000 sqft on the ground floor of one of the blocks. Decathlon also plans to base its Asia headquarters out of TPCC. Prospective tenants for retail and commercial space will also include retail, food & beverage, education and sports-related tenants. The REIT Manager has received in-principle consent and provisional permission from the relevant authorities for the proposed AEI plans. The proposed full-scale works will involve three of the six blocks where the ground floor car parks of two buildings will be repurposed to maximise prime leasable areas. Works are targeted to start in 2Q2015.

[1] "Singapore's GDP Grew by 2.1 Per Cent in the First Quarter of 2015", Press Release, Ministry of Trade and Industry Singapore, 14 April 2015

[2] "Occupancy rates at Business Parks Remained Healthy in Q1 2015", Press Release, CBRE Singapore, 8 April 2015

[3] "Weak sales persist, leasing still healthy", 1Q 2015 Singapore Industrial Research & Forecast Report, Colliers International, 16 April 2015

11 Distributions

11(a) Current financial period

Any distribution declared for the current period?

Yes.

Name of distribution:	Distribution for the period from 1 January 2015 to 31 March 2015
Distribution type:	Taxable income / Tax-exempt income
Distribution rate:	1.870 cents per Stapled Security comprising: (a) taxable income - 1.417 cents (b) tax exempt income - 0.453 cents
Tax Rate:	Taxable income distribution The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets). Tax exempt income distribution The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

11(b) Corresponding period of the immediately preceding financial year

Any distributions declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of distribution:	Distribution for the period from 1 January 2014 to 31 March 2014
Distribution type:	Taxable income / Tax-exempt income
Distribution rate:	1.722 cents per Stapled Security comprising: (a) taxable income - 1.283 cents (b) tax exempt income - 0.439 cents
Tax Rate:	Taxable income distribution The distribution is made out of VI-REIT's taxable income. Stapled Securityholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their Stapled Securities through partnership or as trading assets). Tax exempt income distribution The distribution is made out of income that has been taxed on VI-REIT's trustee and will be exempt from tax in the hands of all Stapled Securityholders, regardless of their nationality, corporate identity or tax residence status. Stapled Securityholders are not entitled to claim tax credit against their Singapore income tax liability in respect of the tax paid at VI-REIT's trustee level.

11(c) Books closure date: 30 April 2015

11(d) Date Payable: 25 May 2015

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 If the Stapled Group has obtained a general mandate from Stapled Securityholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Stapled Group has not obtained a general mandate from its Stapled Securityholders for IPTs.

14 Segment revenue and results

	Stapled Group				
	1Q2015				
	Business Park S$'000	**Hotel S$'000**	**Logistics S$'000**	**Light Industrial S$'000**	**Total S$'000**
Gross revenue	12,491	2,370	479	2,744	18,084
Property expenses	(4,980)	(88)	(13)	(589)	(5,670)
Net property income	**7,511**	**2,282**	**466**	**2,155**	**12,414**
Rental support / rental arrangement	2,903	(7)	-	704	3,600
Reportable segment results	**10,414**	**2,275**	**466**	**2,859**	**16,014**
Unallocated items:					
- REIT Manager's fees					(1,180)
- REIT Trustee's fees					(45)
- Amortisation of intangible assets					(1,050)
- Other trust expenses					(205)
- Finance expenses					(3,721)
Net income					**9,813**
Change in fair value of derivative financial instruments					2,270
Total return for the period before income tax					**12,083**
Income tax expense					(627)
Total return for the period after income tax					**11,456**

	Stapled Group				
	1Q2014				
	Business Park S$'000	**Hotel S$'000**	**Logistics S$'000**	**Light Industrial S$'000**	**Total S$'000**
Gross revenue	12,128	2,367	479	-	14,974
Property expenses	(5,010)	(88)	(10)	-	(5,108)
Net property income	**7,118**	**2,279**	**469**	**-**	**9,866**
Rental support / rental arrangement	3,510	-	-	-	3,510
Reportable segment results	**10,628**	**2,279**	**469**	**-**	**13,376**
Unallocated items:					
- REIT Manager's fees					(1,025)
- REIT Trustee's fees					(45)
- Amortisation of intangible assets					(1,050)
- Other trust expenses					(216)
- Finance expenses					(2,608)
Net income					**8,432**
Change in fair value of derivative financial instruments					349
Total return for the period before income tax					**8,781**
Income tax expense					(536)
Total return for the period after income tax					**8,245**

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to Rule 705(5) of the Listing Manual of Singapore Exchange Securities Trading Limited, we, on behalf of the directors of the Managers, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Managers which may render the unaudited financial results of the Stapled Group for the quarter ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Leong Horn Kee
Chairman

Wilson Ang Poh Seong
Chief Executive Officer and
Executive Director

By Order of the Board
Wilson Ang Poh Seong
Chief Executive Officer

Viva Industrial Trust Management Pte. Ltd.
(Company Registration No. 201204203W)
As manager of Viva Industrial Real Estate Investment Trust

Viva Asset Management Pte. Ltd.
(Company Registration No. 201316690M)
As trustee-manager of Viva Industrial Business Trust

22 April 2015

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any Stapled Securities of VIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Stapled Securities and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by the Managers, The Trust Company (Asia) Limited (as trustee of VI-REIT) or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of VIT. The forecast financial performance of VIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.