Viva Industrial Trust
FY2017 Annual General Meeting

20 April 2018



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Contents

- Key Highlights
- Financial Performance
- Portfolio Update
- Outlook & Strategic Focus



Key Highlights

Significant Events for 2017



16 JAN

COMPLETED ACQUISITION OF 6 CHIN BEE AVENUE



7 AUG

CLINCHED PLATINUM AWARD AT THE ASIA PACIFIC BEST OF THE BREEDS REITS AWARDS 2017



21 NOV

INCLUSION OF VIT IN THE MSCI SINGAPORE SMALL CAP INDEX



8 MAY

COMPLETED ASSET ENHANCEMENT INITIATIVE AT VIVA BUSINESS PARK



16 AUG

OFFICIAL OPENING OF VIVA BUSINESS PARK



24 NOV

WON THE MOST SIGNIFICANT RETURN REIT IN ASIA AT THE FORTUNE TIMES REITS PINNACLE AWARD



9 MAY

ENTERED INTO A S$35 MILLION TERM LOAN FACILITY WITH MALAYAN BANKING BERHAD



27 OCT

AWARDED THE ARCA OUSTANDING LEASERSHIP EXCELLENCE (INDUSTRIAL REIT) AWARD AT THE BEI ASIA AWARDS 2017

Robust Y-o-Y Performance in FY2017

Distribution Yield[1]

8.0%

17.4%

Gross Revenue

S$111.7m

19.5%

Net Property Income

S$81.8m

21.6%

Distributable Income

S$74.1m

7.4%

Distribution per Unit

7.472c

Total Assets[2]

S$1.32b

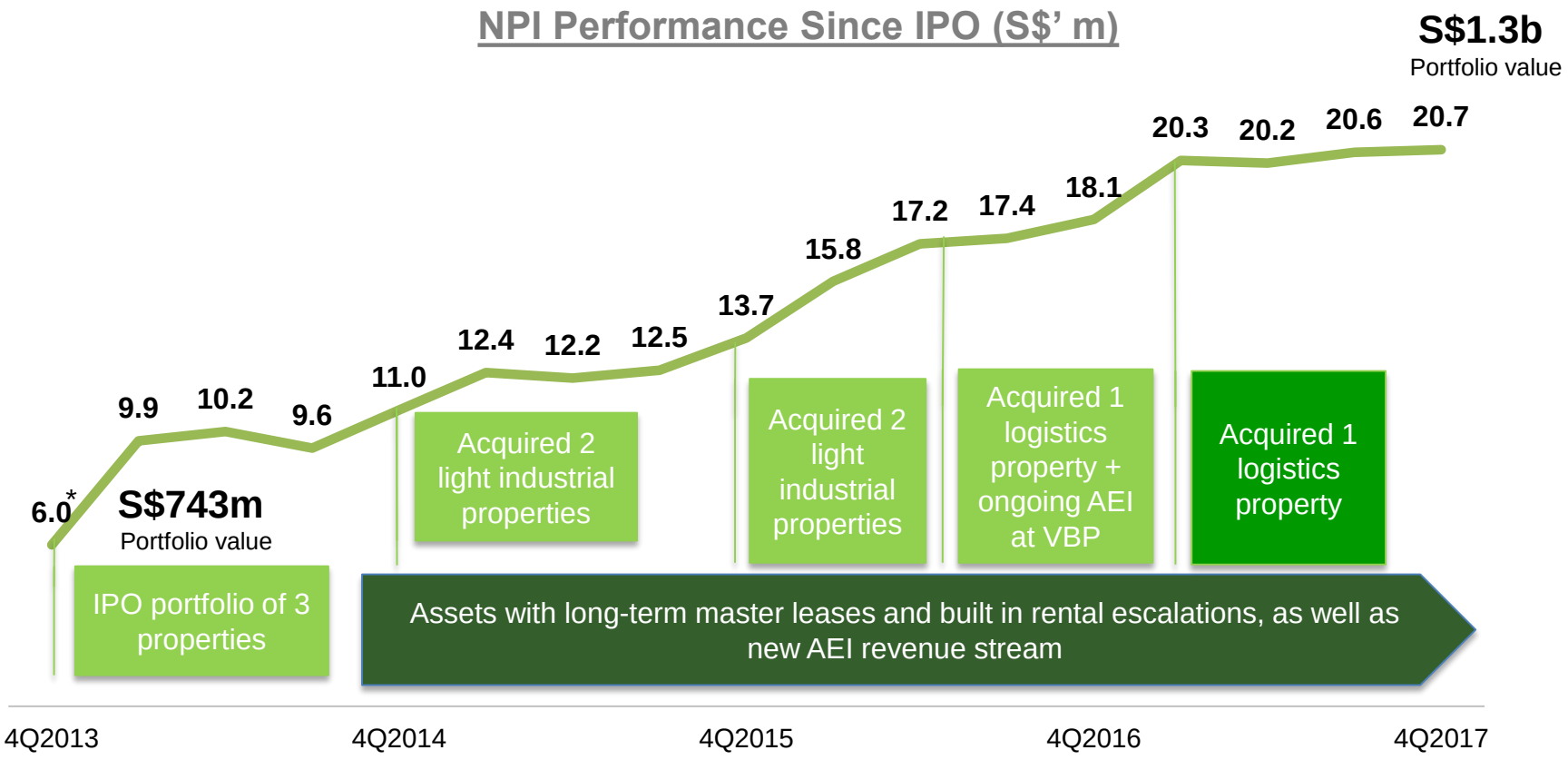
NAV per Unit[2]

76.5c

[1] *Based on closing price of S$0.935 as at 29 December 2017.*
[2] *As at 31 December 2017*

Growing Revenue Streams and Delivering Income Growth

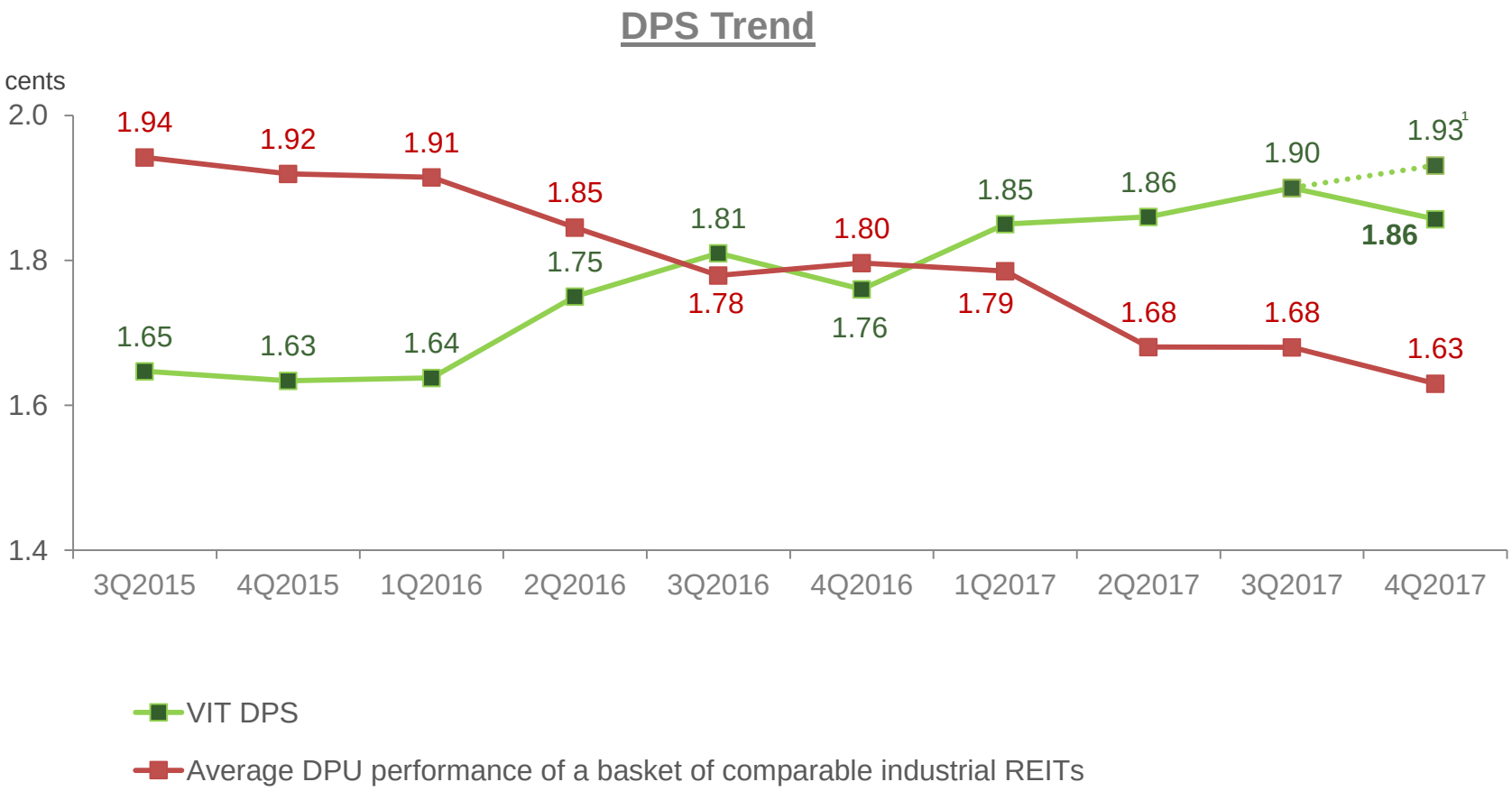
Strategic acquisitions and AEI have resulted in steady NPI growth since listing.



** Relates to the period from 4 November 2013 (the "Listing Date") to 31 December 2013.*

VIT's DPS Remains Resilient Despite Industrial Headwinds

VIT continues to deliver on the back of sound fundamentals and resilient business park properties.



[1] From 1 Oct 2017 onwards, the REIT Manager has elected to pay 100% of the property and lease management fees to the Property Manager in the form of cash. Had the REIT Manager continued to pay the Property Manager in stapled securities, DPS for 4Q2017 would have been 1.93 cents.

Attractive Return on Investment since IPO

	FP13[1]	FY14	FY15	FY16	1Q17	2Q17	3Q17	4Q17
Price at Period End (S$)	0.775	0.795	0.710	0.755	0.795	0.885	0.945	0.935
Cumulative DPS (SG cents)[2]	1.080	7.913	14.913	21.871	23.725	25.586	27.486	29.343
Price Appreciation (%)	(0.6)	1.9	(9.0)	(3.2)	1.9	13.5	21.2	19.9
Cumulative Distribution Yield (%)	1.4	10.1	19.1	28.0	30.4	32.8	35.2	37.6
Total Return (%)[3]	**0.8**	**12.0**	**10.1**	**24.8**	**32.3**	**46.3**	**56.4**	**57.5**



1. *Relates to the period from the Listing Date (4 November 2013) to 31 December 2013.*
2. *Assume that a Stapled Securityholder has been holding the Stapled Securities in VIT since the listing of VIT on 4 November 2013.*
3. *Sum of cumulative distribution and capital appreciation over the IPO issue price of S$0.780.*



Financial Performance

Financial Performance

		Year-On-Year Comparison		
	FY2017	**FY2016**	**Variance**	
Gross Revenue (S$'000)	**111,663**	95,119	▲	17.4%
NPI (S$'000)	**81,806**	68,478	▲	19.5%
Distributable Income[1] (S$'000)	**74,084**	60,938	▲	21.6%
Distribution Declared[2] (S$'000)	**72,305**	60,938	▲	18.7%
Number of stapled securities for calculation of DPS ('000)	**967,564**	875,667	▲	10.5%
DPS (SG cents)	**7.472**	6.958	▲	7.4%
Distribution Yield	**8.0%[3]**	9.2%[4]		--

1. *As VI-BT is inactive, only the distributable income of VI-REIT has been included for the purpose of calculating the DPS.*
2. *The distribution declared for FY2017 is made on the basis as if the JS rental support arrangement is still in place notwithstanding the settlement agreement entered into with Jackson International Private Limited ("JIPL") on 19 May 2017 pursuant to which JIPL had been fully released and discharged from all its obligations under the JS rental support arrangement.*
3. *Based on closing price of S$0.935 as at 29 December 2017.*
4. *Based on closing price of S$0.755 as at 30 December 2016.*

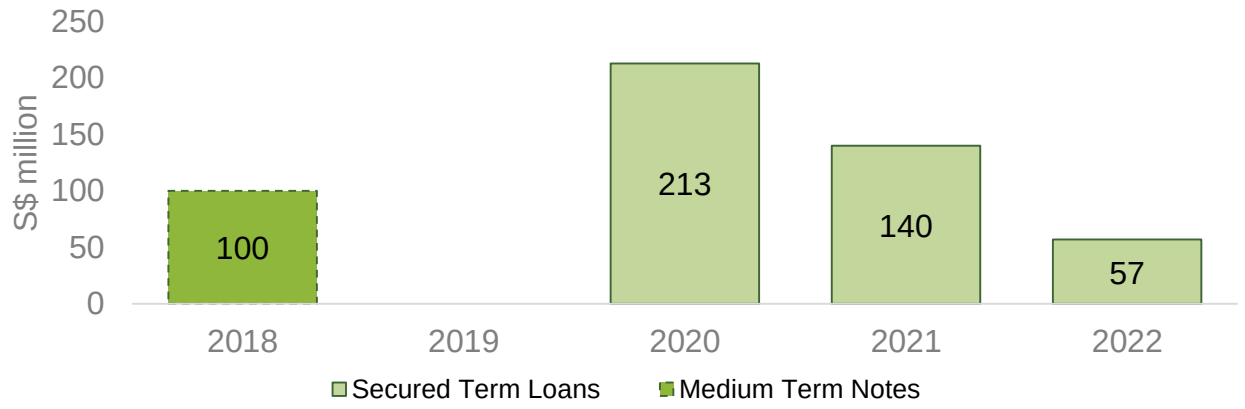
Financial Position

	31 Dec 2017 S$ mil	31 Dec 2016 S$ mil
Investment Properties	1,284.7	1,199.7
Other Assets	33.7	54.2
Total Assets	**1,318.4**	**1,253.9**
Borrowings (net of transaction costs)	520.5	461.5
Other Liabilities	51.3	53.5
Total Liabilities	**571.8**	**515.0**
Net Assets	**746.6**	**738.9**
No. of Stapled Securities issued and issuable (in mil)	975.8	934.1
Net Asset Value per Stapled Security (SG cents)	**76.5**	**79.1**

Proactive Capital Management

As at 31 December 2017	
Gross Borrowings	S$525 million
Gearing Ratio (Gross Borrowings over Total Assets)	39.8%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	2.5 years
Interest Rate Exposure Fixed[2]	84.4%
Interest Cover	4.55 times

Debt Maturity Profile[1]



1. *Excludes the revolving credit facility of S$50 million.*
2. *Based on outstanding borrowings as at 31 December 2017.*



Portfolio Update

Well-Spread, Strategically Located Assets in Singapore

9	3.9m	S$1.285b	Singapore Focused Portfolio
Property Assets	Sq ft GFA	Total Portfolio Valuation	



6 Chin Bee Avenue

GFA: 324,166 sq ft
Valuation: S$94.3 m



Jackson Square

GFA: 418,586 sq ft
Valuation: S$73.2 m



Jackson Design Hub

GFA: 85,070 sq ft
Valuation: S$33.4 m



Viva Business Park

GFA: 1,526,762 sq ft
Valuation: S$350.0 m



UE BizHub EAST (Hotel & Business Park)

GFA: 783,415 sq ft
Valuation: S$518.0 m



Mauser Singapore

GFA: 107,566 sq ft
Valuation: S$28.0 m



Planned development of Tuas Port, where all of Singapore's port operations will be consolidated



30 Pioneer Road

GFA: 281,090 sq ft
Valuation: S$55.0 m



11 Ubi Road 1

GFA: 253,058 sq ft
Valuation: S$85.0 m



Home-Fix Building

GFA: 120,556 sq ft
Valuation: S$47.8 m

- Major Business Park Cluster
- Business Park Properties
- Light Industrial Properties
- Logistics Properties

Improved Portfolio Fundamentals

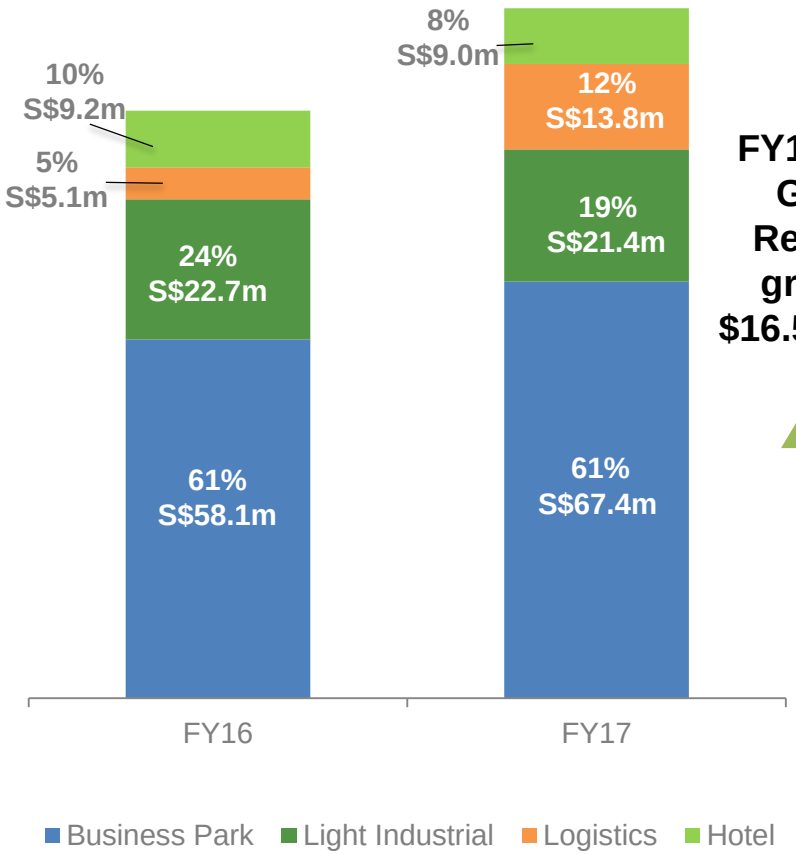
Portfolio Summary		
	31 December 2017	31 December 2016
Total Number of Properties	9	8
Total Portfolio GFA	3,900,269 sq ft	3,576,103 sq ft
Net Lettable Area (NLA)	3,320,464 sq ft	3,001,401 sq ft
WALE (by rental income)[1]	2.6 years	3.1 years
Weighted Average Land Lease (by valuation)	33.7 years	35.5 years
Weighted Average Age of Buildings (by valuation)	8.3 years	9.8 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	90.6% 70.1%	89.8% 70.1%
Total Portfolio Valuation	**S$1.28 billion**	S$1.20 billion

[1] By Rental Income - based on net property income and rental support, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.

Key Revenue Drivers

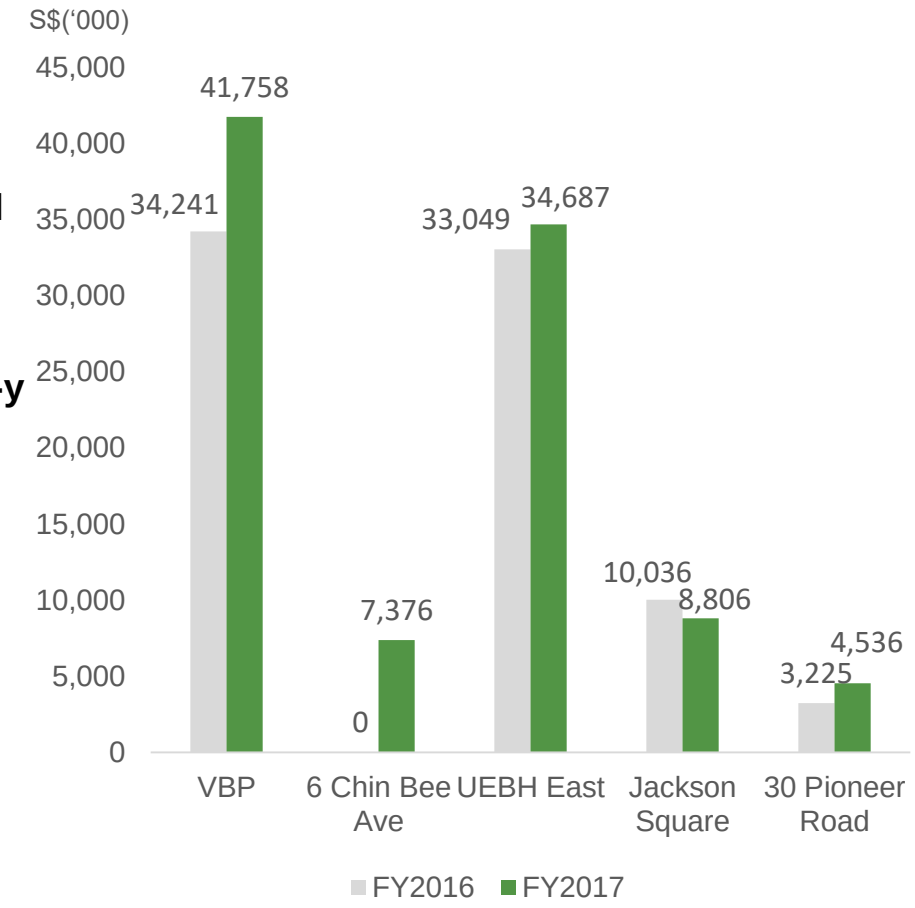
Increasingly diversified portfolio underpinned by resilient business park assets.

Gross Revenue (by Asset Type)

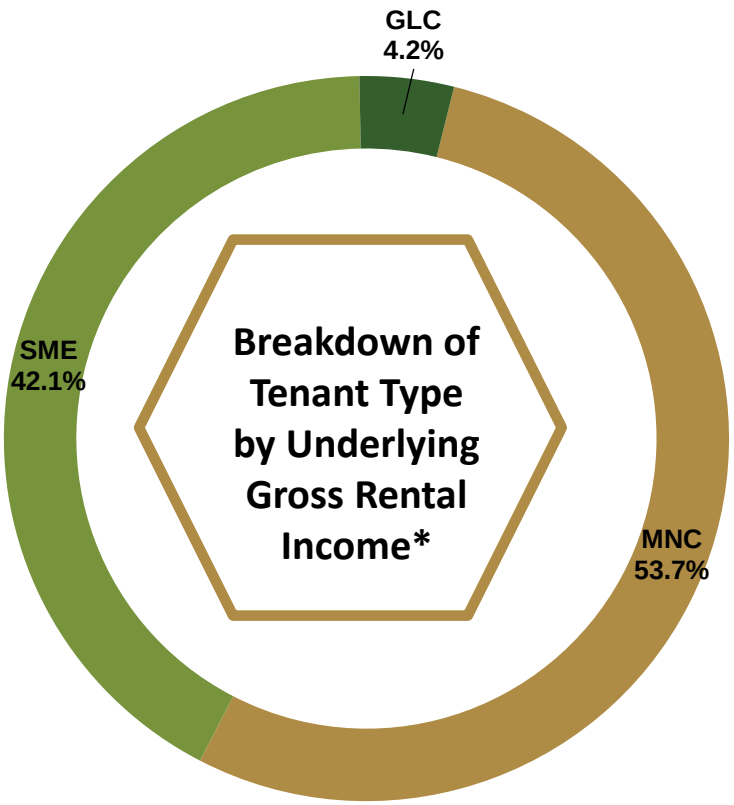


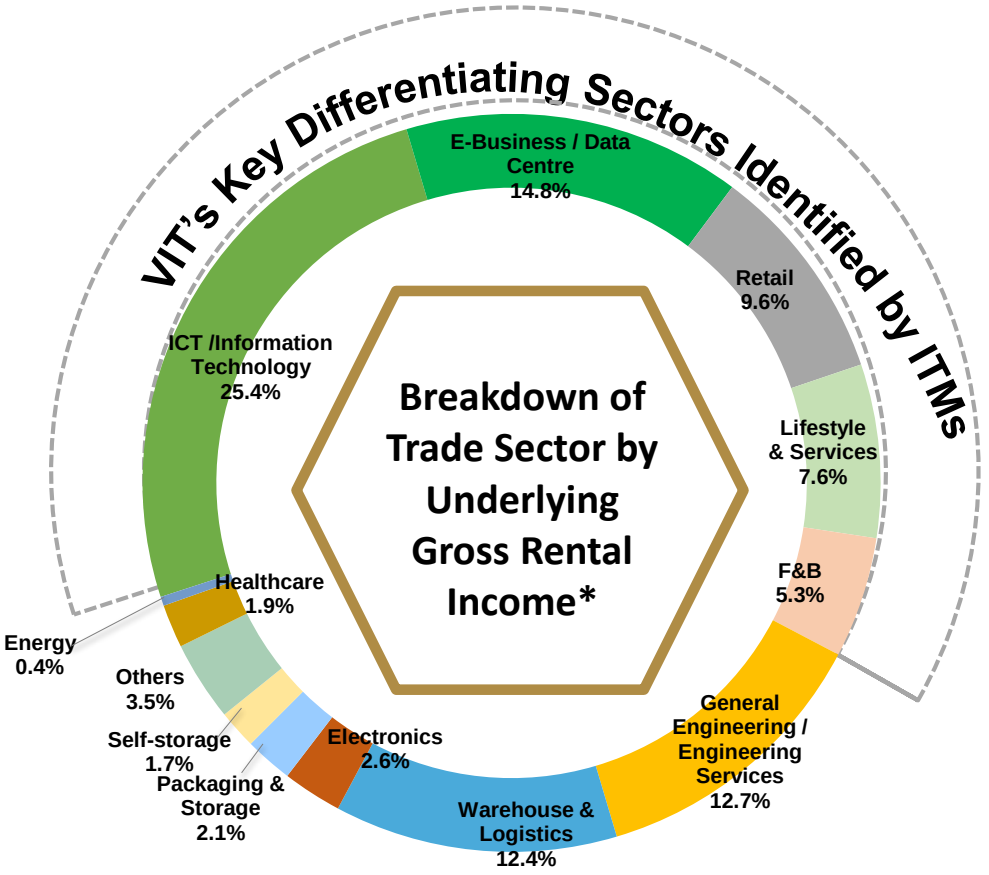
FY17 Total Gross Revenue grew by $16.5m y-o-y

Contribution to y-o-y Revenue Growth



Diversified Quality Tenant Mix



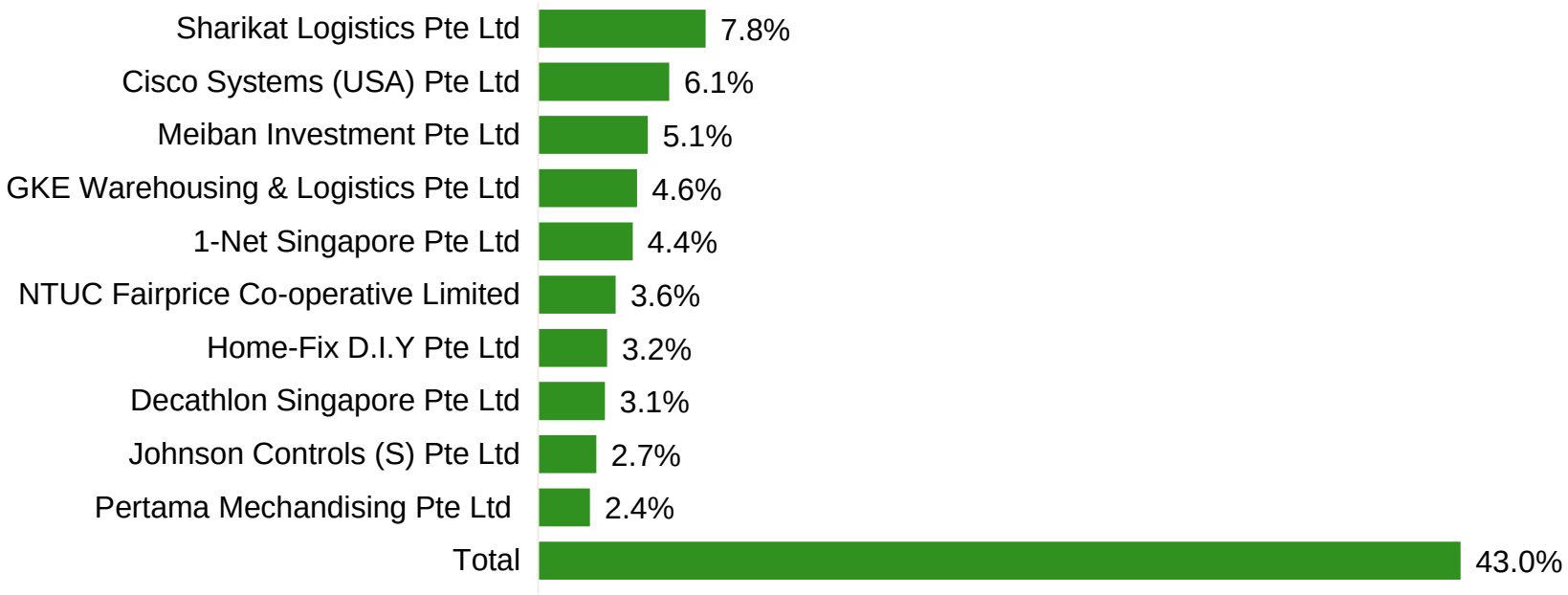


- Total of 155 tenants, of which 40% operate in the information technology, e-business or data centre sectors.
- 58% of tenants are multinational corporations or government-linked corporations.

** Based on monthly gross rental income for the month of December 2017, excluding the rental income from the UEBH Hotel Leased Premises.*

Diversified Quality Tenant Mix[1]

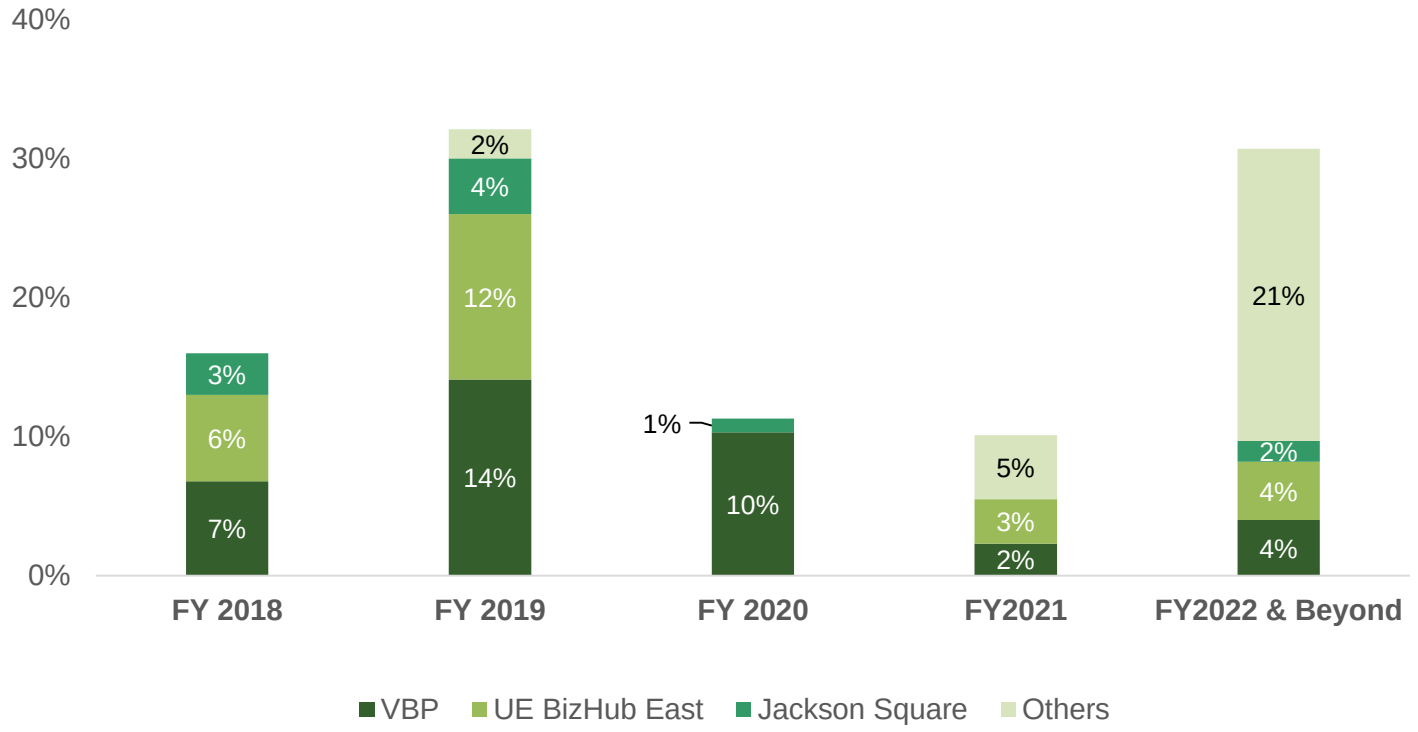
Top 10 tenants/sub-tenants account for 43% of monthly committed rental income.



[1] *As at 31 December 2017, excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability

Expiry by % of Underlying Gross Rental Income[1]



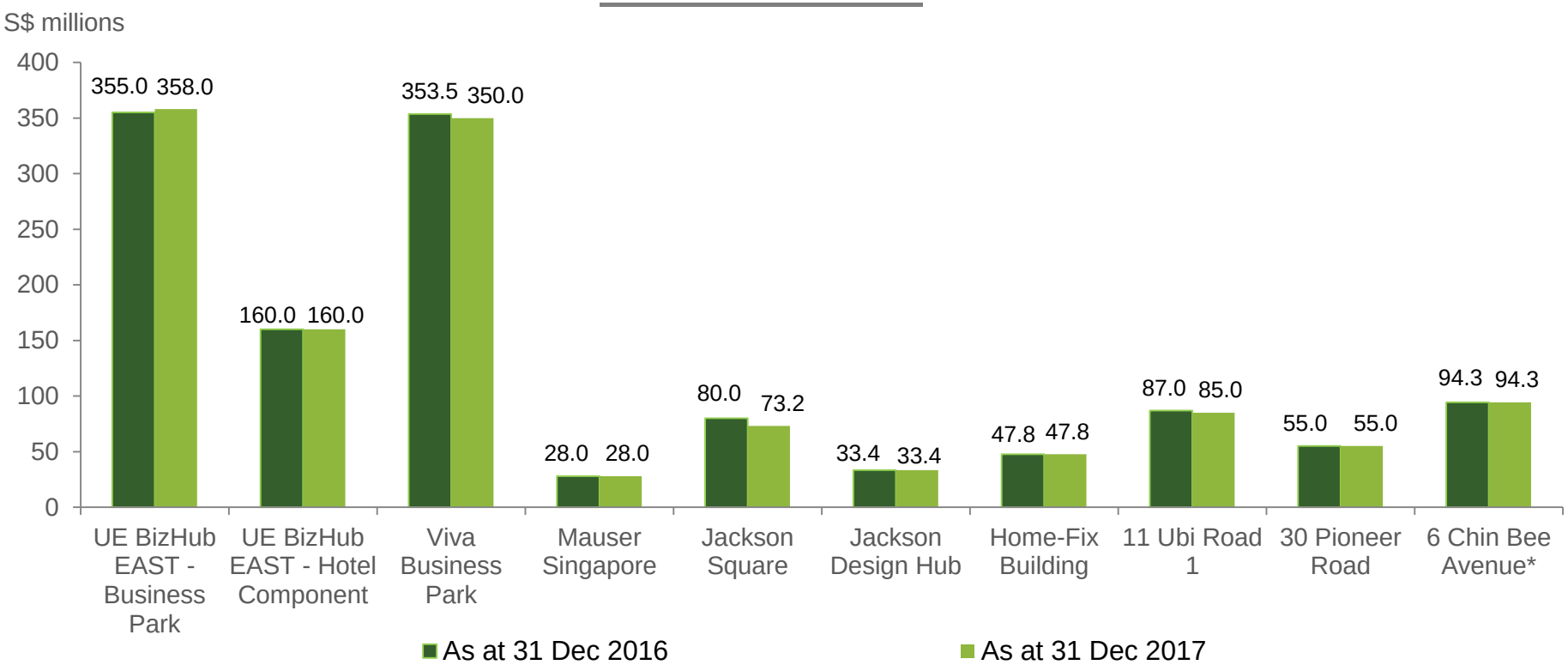
- Secured over 410,000 square feet of lease renewals and new leases in FY2017.
- Renewed 71% of leases due for renewal in FY 2017 with an overall rental reversion of 2.6%.

1. *Based on committed leases as at 31 December 2017, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

VIT's Portfolio Valuations Held Relatively Stable

Despite depressed industrial property rentals and prices in FY2017, VIT's portfolio valuations only declined a marginal 0.7% underpinned by strong operational performance.

Portfolio Valuation



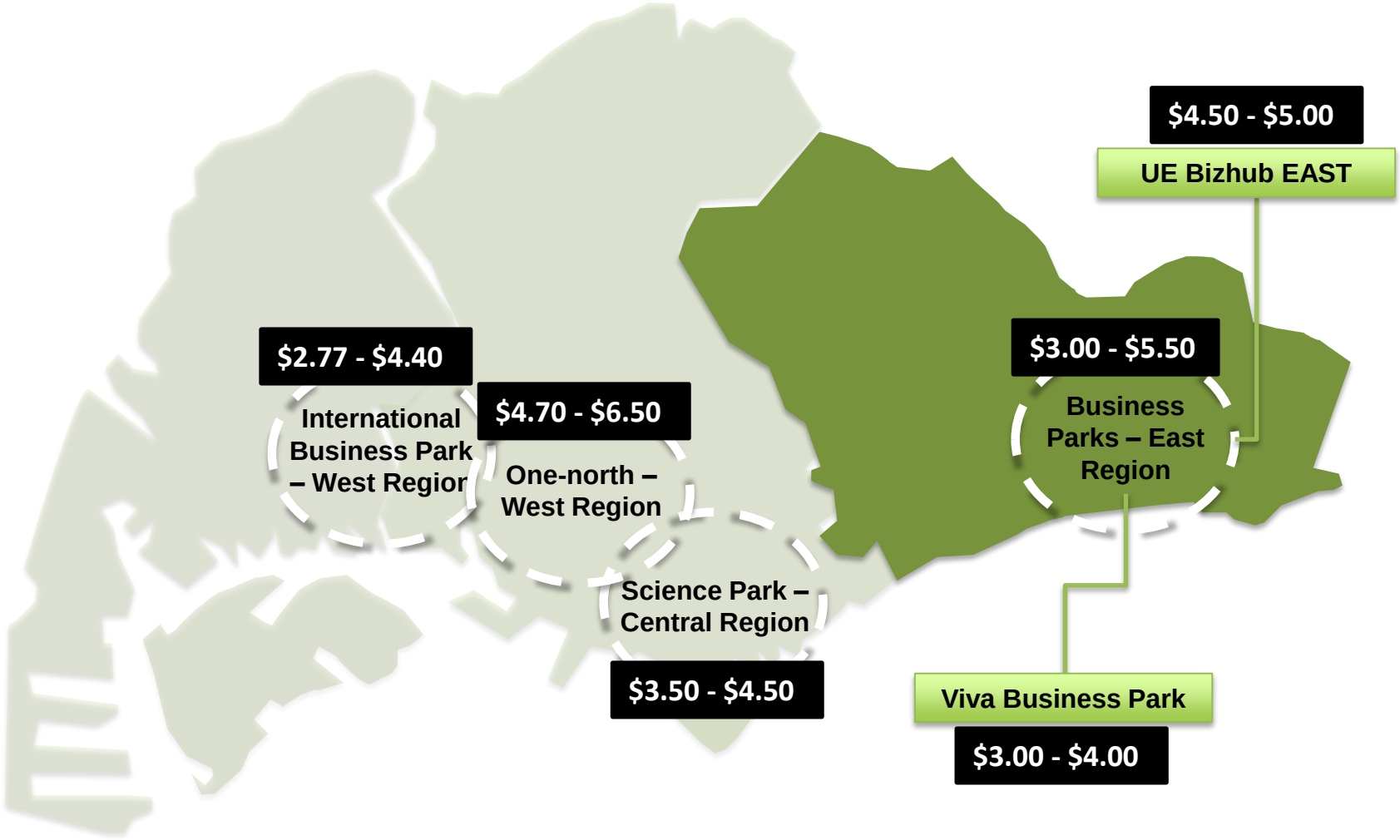
** Acquired on 16 January 2017*



Outlook & Strategic Focus

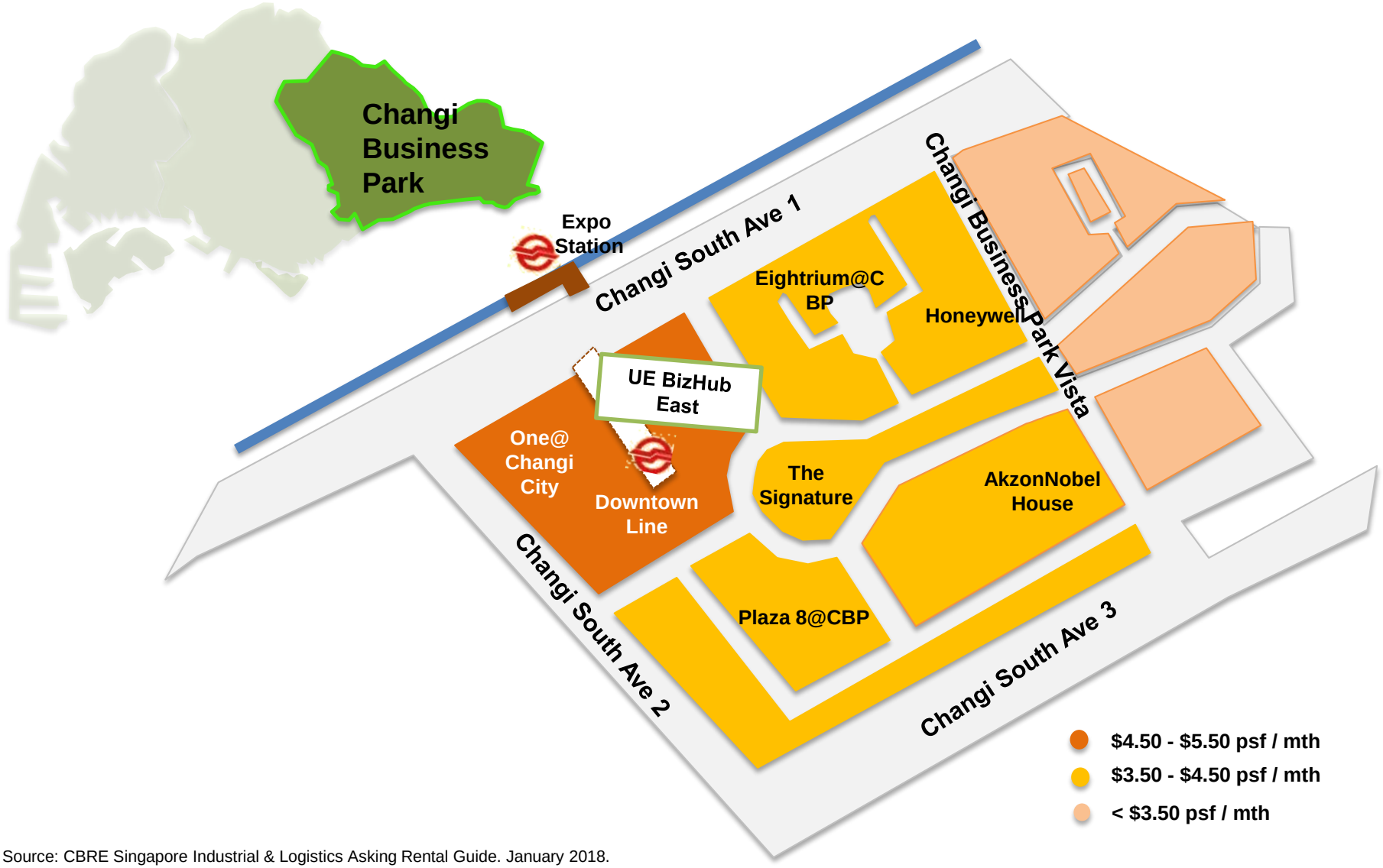
Business Park Rentals Vary Across the Island

Asking Rents Across Key Business Parks in Singapore (S$ psf / mth)



Source: CBRE Singapore Industrial & Logistics Asking Rental Guide. January 2018.

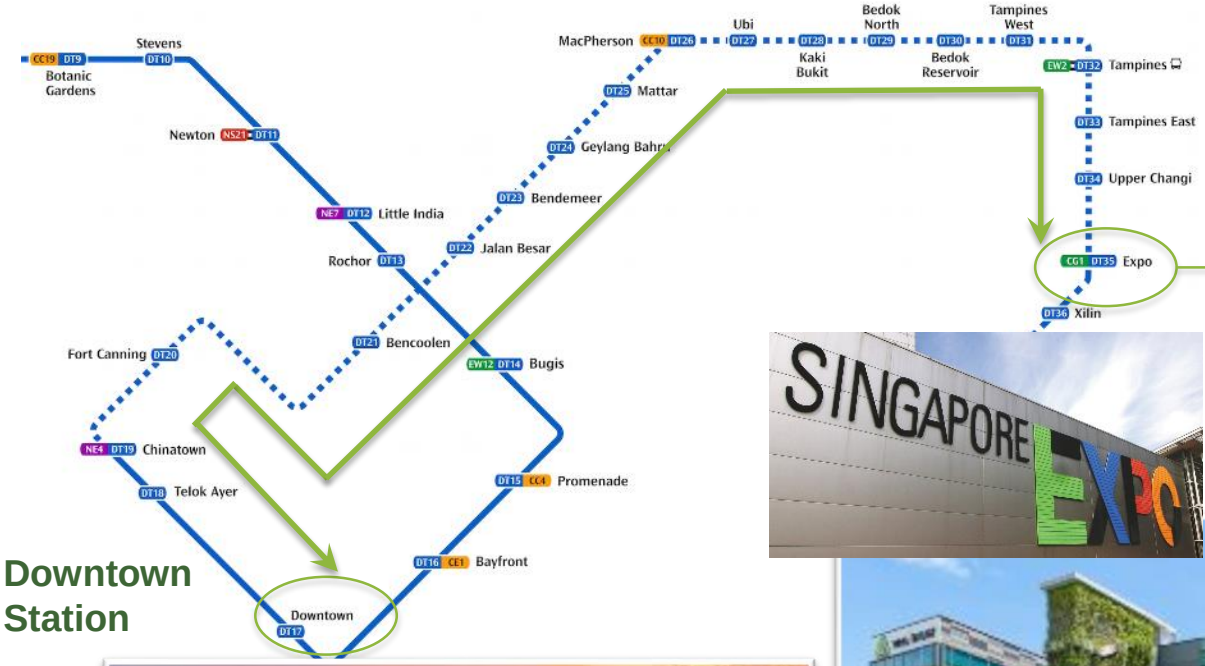
UE BizHub East Commands the Highest Rentals in CBP



Source: CBRE Singapore Industrial & Logistics Asking Rental Guide. January 2018.

Realizing Value – UE BizHub East

UE BizHub East enjoys direct access to the newly opened DTL Expo station via the subway link. The DTL connects bank back offices in Changi Business Park to their front offices in the Central Business District.



Downtown Station



One stop away from Changi Airport

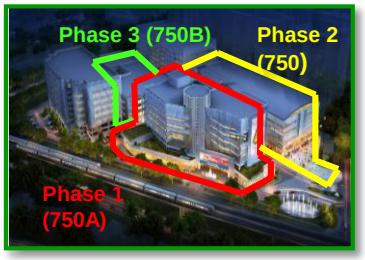


Expo Station



Realizing Value – Viva Business Park

Increasing occupancy and positive rental reversions for the business park space despite soft industrial market are testament to the success of VBP's transformation.



AEI Announced in May 2015



Phase 1 (750A) Obtained TOP in January 2016



Phase 2 (750) Obtained TOP in May 2016



Phase 3 (750B) Obtained TOP in May 2017



Official Opening of VBP

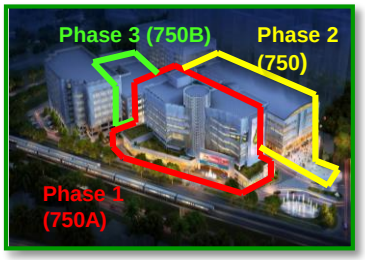
VBP's Roadmap to transformation

2015 | 2016 | 2017 Q1 | 2017 Q2 | 2017 Q3 | 2017 Q4

	2015	2016	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Business Park Space Rental Reversion[1]	1%	2%			3%	
Overall Occupancy	68%	78%			79%	

[1]*Calculated based on increase in rental rate from previously signed rates weighted by total renewed lettable area for the respective period*

Realizing Value – Viva Business Park



VBP offers a feast for the senses with over 12 F&B selections, unique retail experiences at Decathlon, Harvey Norman and Global Halal Hub and family-oriented activities with gyms and enrichment centres.

Block 750



Bai Nian Foodcourt



Muk Bang Korean Restaurant



Gelare

Block 750A



Decathlon

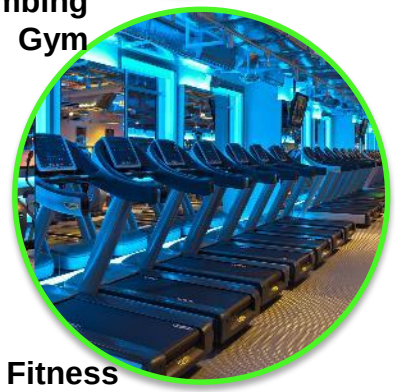


Burger King

Block 750B

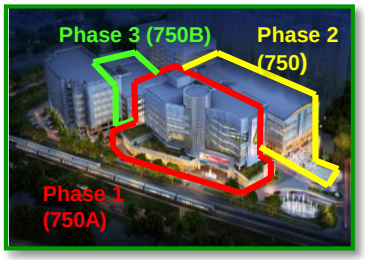


Gorilla Climbing Gym



True Fitness

Realizing Value – Viva Business Park



Significant increase in visitor traffic following the revitalization of VBP. Vibrant retail and F&B offering as well as lifestyle and family-oriented activities continue to attract tenants and residents in the East.









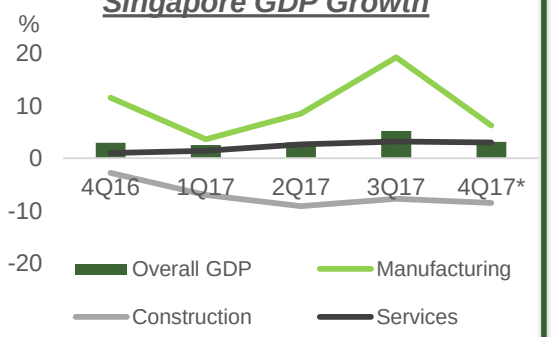


Outlook

Singapore Economy

- Singapore economic growth surpassed expectations to close at 3.1% for 4Q2017 and 3.5% for FY2017
- GDP growth of 3.5% in FY2017 is the fastest pace of growth since 2014.
- GDP outlook for 2018 is more stable but growth is expected to slow.

Singapore GDP Growth



Source: Ministry of Trade & Finance
** Based on advanced estimates*

Industrial Property Sector

- There continues to be high supply of industrial space coming on-stream. With the nascent signs of the macro-economy gaining momentum, the general industrial property market should begin to see some improvements in rents and occupancy over the course of the year in 2018.
- Business parks remain the most resilient industrial property type with favourable demand and supply dynamics. An average of only 60,000 sqm of new supply is estimated to be made available yearly from 2018 to 2020.

VIT's plan

- Differentiate ourselves in the challenging REIT market with active management, strong tenant relationships and prudent investment decisions while bringing the REIT forward to outperform expectations and crystallise value for our stapled securityholders.



Thank you

VIVA iTRUST

