Viva Industrial Trust
3Q2017
Results Presentation

27 October 2017



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Contents

- Key Highlights
- Financial Performance
- Update on Tax Transparency
- Portfolio Update
- Outlook & Strategic Focus



Key Highlights

Robust Y-o-Y Performance in 3Q2017

Distribution Yield[1]

8.0%

16.8%

Gross Revenue

S$28.3m

18.3%

Net Property Income

S$20.6m

13.6%

Distributable Income

S$17.9m

5.0%

Distribution per Unit[2]

1.900c

Total Assets[3]

S$1.33b

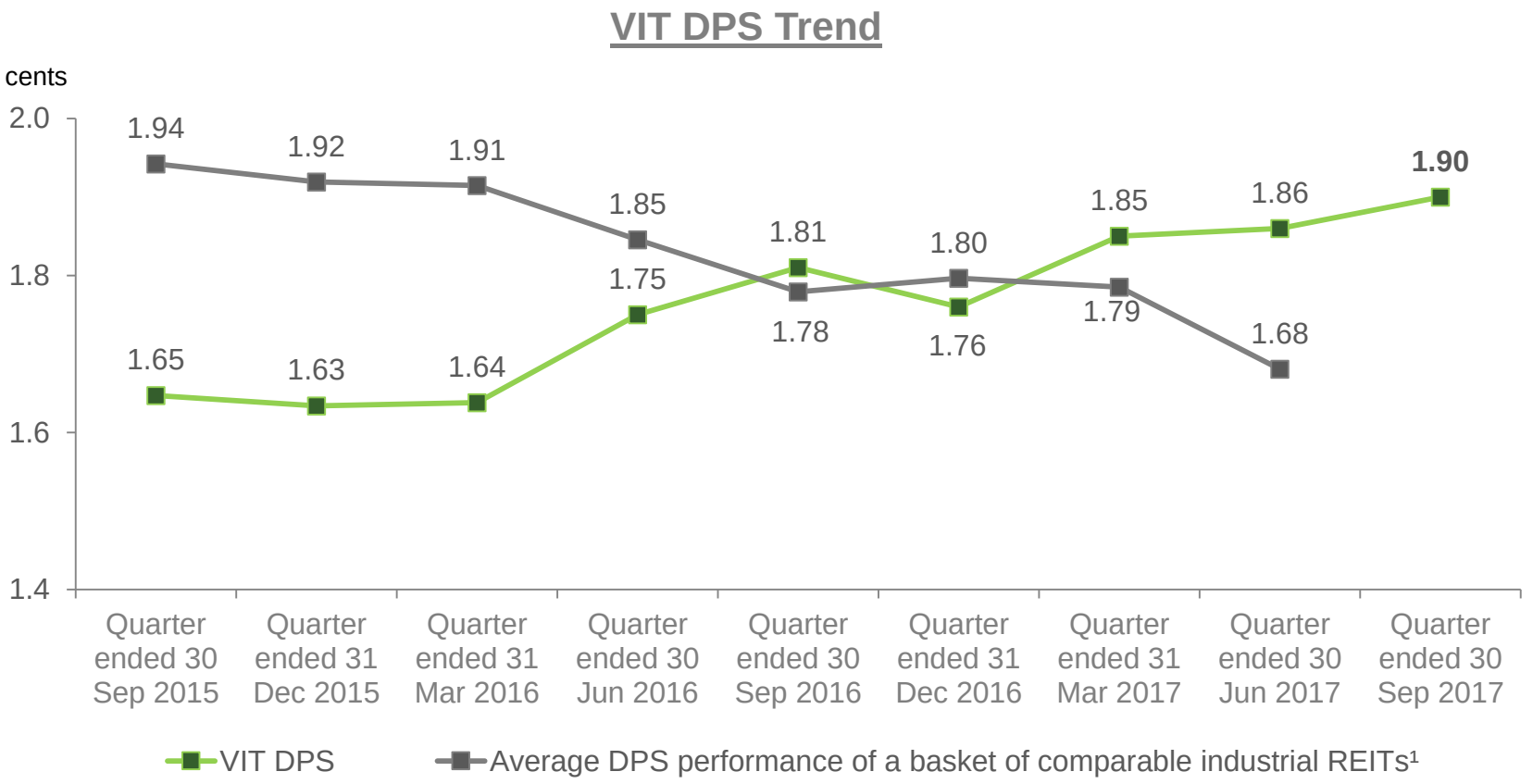
NAV per Unit[3]

78.8c

[1] *Based on annualised 3Q2017 DPS and closing price of S$0.945 as at 29 September 2017.*
[2] *Annualised distribution of 7.538 cents.*
[3] *As at 30 September 2017*

VIT Continues its DPS Growth Momentum

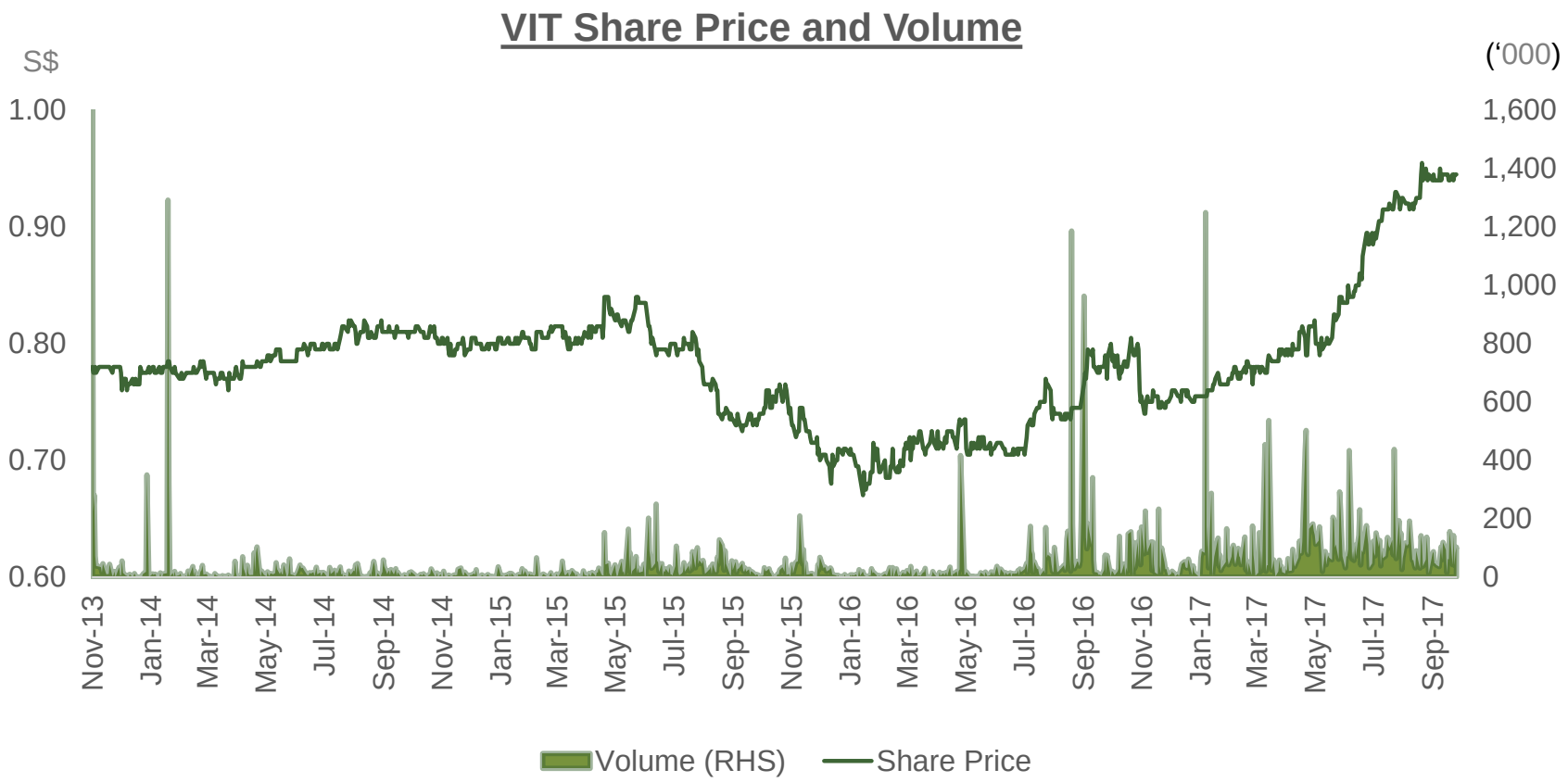
DPS uptrend is intact as VIT continues to deliver on the back of sound fundamentals.



[1]Includes Cache Logistics Trust, Soilbuild Business Space REIT, Aims AMP Capital Industrial REIT, ESR REIT

VIT's Share Price Hit a New High on the Back of Sound Fundamentals

YTD average daily trading volume crossed 1 million and share price hit new high of S$0.955.

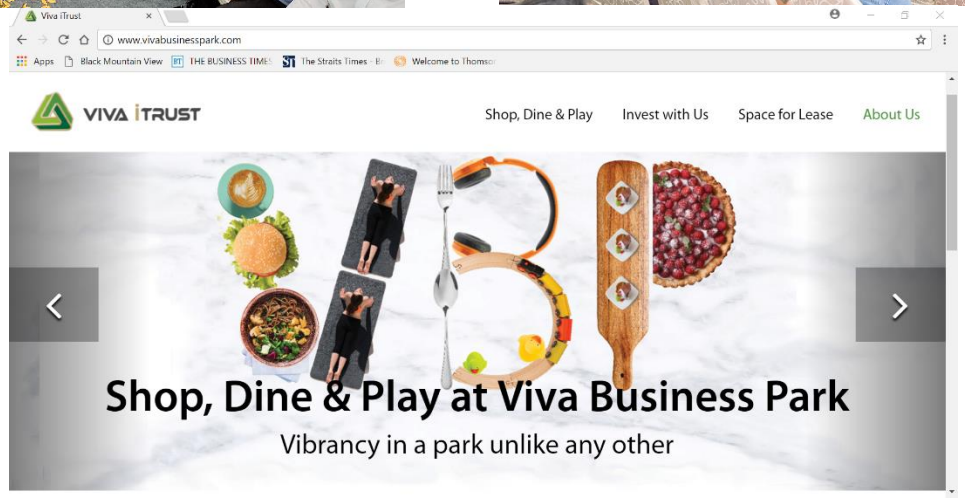


Realizing Value – Viva Business Park

Official Opening Ceremony and launch of the VBP microsite in August 2017, showcased the successful transformation of VBP into a vibrant business park with "work live play" offerings.

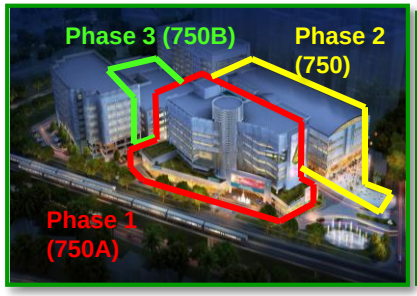






Realizing Value – Viva Business Park

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











AEI Announcement in May 2015

Phase 2 (750) Obtained TOP on 4 May 2016

Phase 3 (750B) Obtained TOP on 8 May 2017

Official Opening of VBP

VBP's Roadmap to transformation

2015	2016	2017 Q1	2017 Q2	2017 Q3
1%	2%	YTD 3%		

VBP Business Park Rental Reversion[1]

[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

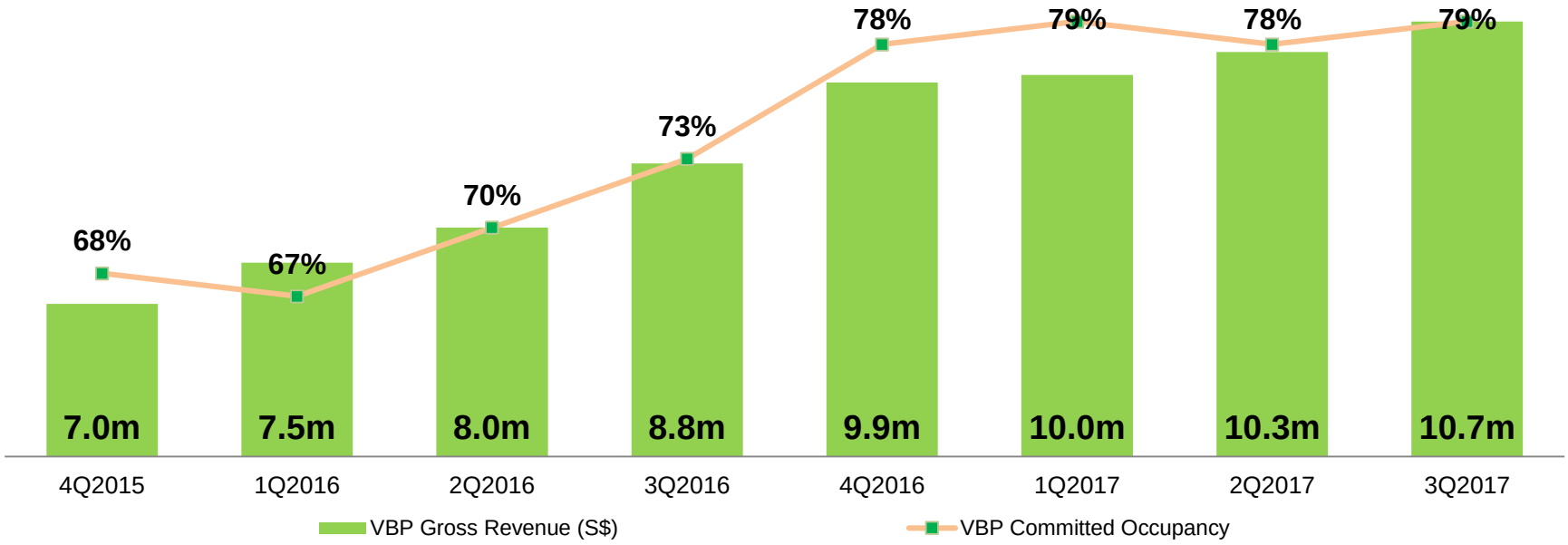
Increasing occupancy and positive rental reversions despite soft industrial property market are testament to the success of VBP's transformation.

96.2% of "white" space is committed

87.3% of total "white" space contributed to 3Q2017 income

Average monthly footfall of **432,531** in 3Q2017

19% increase in Carpark income[1] from 2016



[1] *Based on annualized year to date carpark income after adjustment for increase in carpark rates from January 2017*

Realizing Value – UE BizHub East



Downtown Line Station Newly Opened on 21 Oct 2017

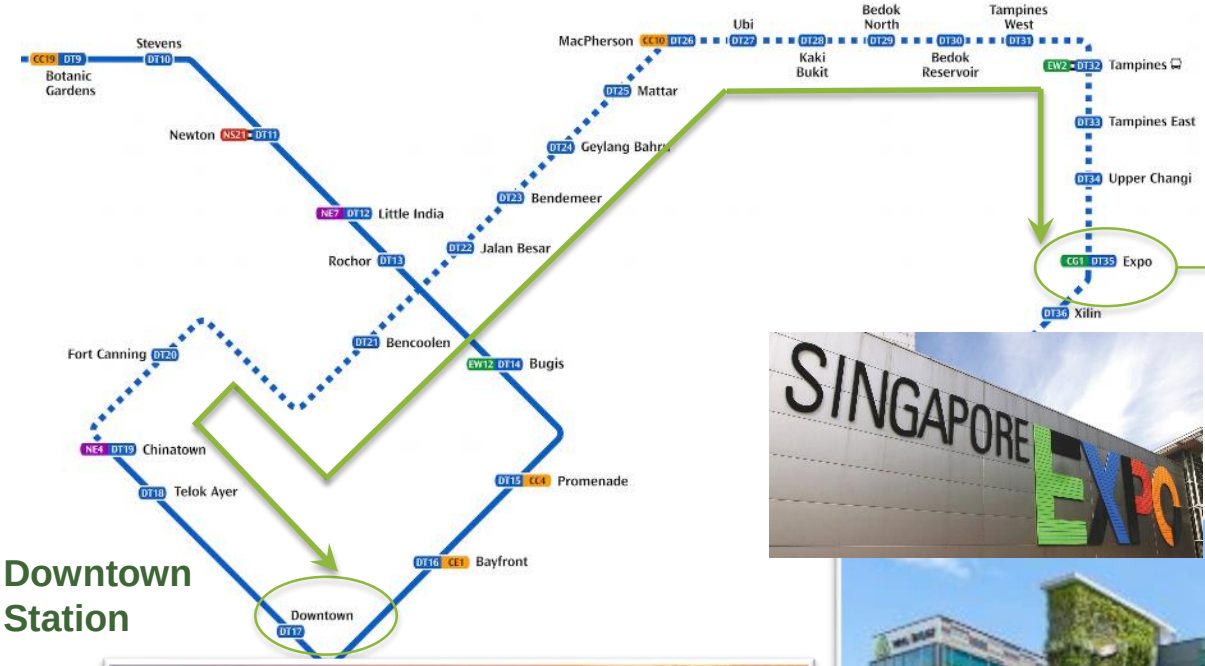
- Direct Subway Link at property
- Commute to CBD within minutes
- Better accessibility with construction hoarding removed at urban plaza
- Positive rental reversion catalyst

UE BizHub East Rebranding Exercise

- Rename and rebrand the property as a central hub within Changi Business Park
- Host exciting activities and promotions to bolster footfall
- Digital marketing to reach out to leasing agents and extend the marketing reach of the rebranded property

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



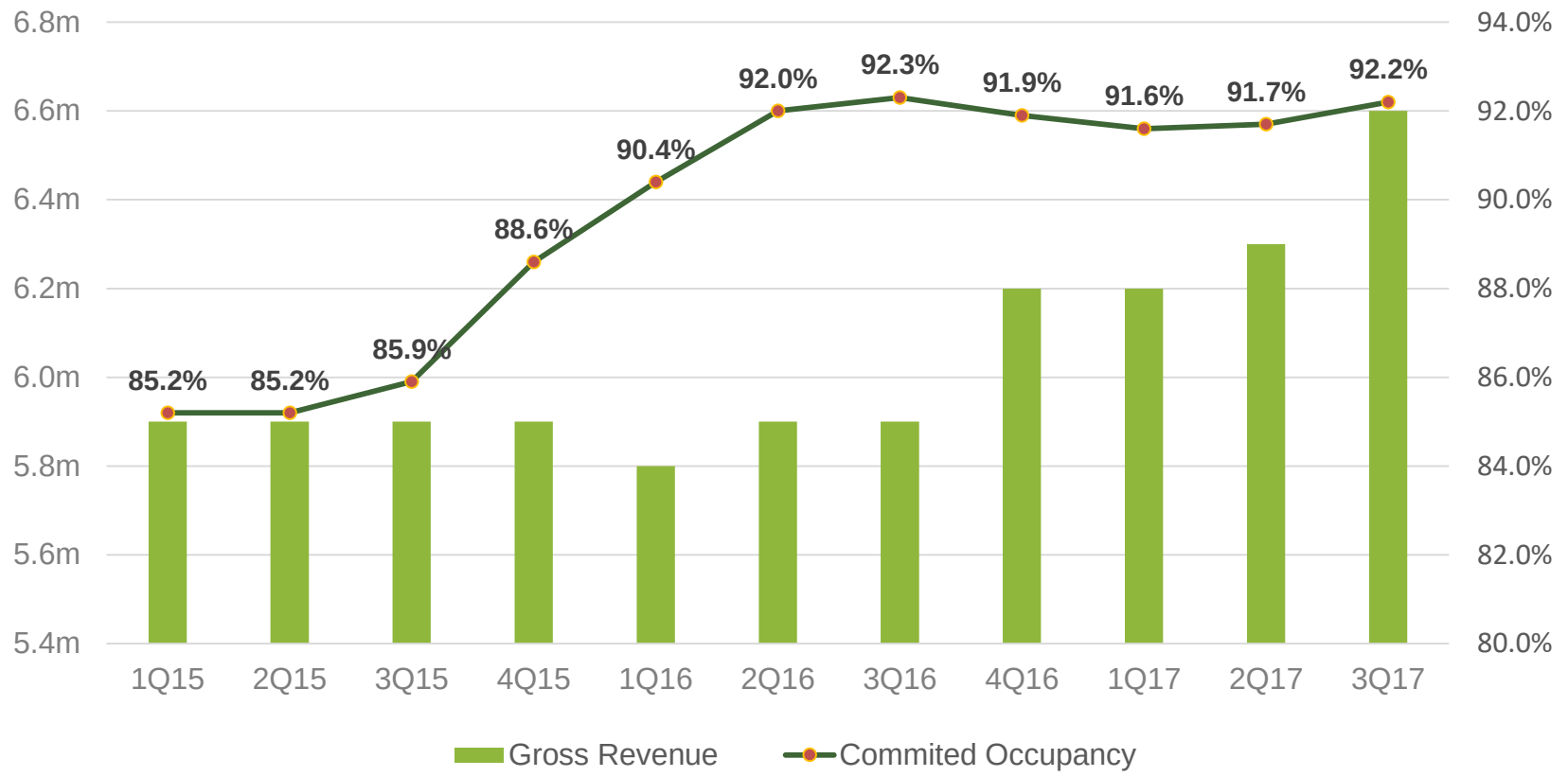
Expo Station



Realizing Value – UE BizHub East

In the previous leasing cycle, positive rental reversions increased revenue from UE BizHub East. On track to unlocking full potential of UE BizHub East.

UE BizHub East Gross Revenue and Occupancy





Financial Performance

Financial Performance 3Q2017

		Year-On-Year Comparison		Quarter-On-Quarter Comparison	
	3Q2017	3Q2016	Variance	2Q2017	Variance
Gross Revenue (S$'000)	**28,337**	24,252	▲ 16.8%	**27,606**	▲ 2.6%
NPI (S$'000)	**20,598**	17,405	▲ 18.3%	**20,211**	▲ 1.9%
Distributable Income (S$'000)	**17,851**	15,713	▲ 13.6%	**20,971**	▼ 14.9%
Distribution Declared [1] (S$'000)	**18,430[2]**	15,713	▲ 17.3%	**18,005**	▲ 2.4%
Number of stapled securities for calculation of DPS ('000)	**970,098**	868,112	▲ 11.7%	**967,473**	▲ 0.3%
DPS (SG cents)	**1.900**	1.810	▲ 5.0%	**1.861**	▲ 2.1%
Annualised Distribution Yield	**8.0%[3]**	9.2%[4]	--	**8.4%[5]**	--

1. *As VI-BT is inactive, only the distribution of VI-REIT Group has been included for the purpose of calculating the DPS.*
2. *The distribution declared for 3Q2017 includes the release of previously retained distributable income of S$0.6 million, which is made on the basis as if the JS rental support arrangement is still in place notwithstanding the JS Rental Support Settlement as announced on 21 May 2017.*
3. *Based on closing price of S$0.945 as at 29 September 2017.*
4. *Based on actual DPS for FY2016 and closing price of S$0.755 as at 30 December 2016.*
5. *Based on closing price of S$0.885 as at 30 June 2017.*

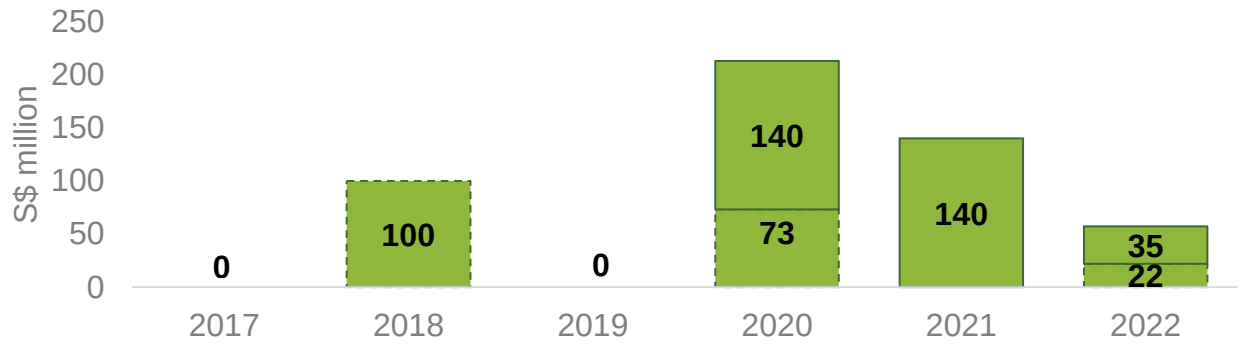
Financial Position

	30 Sep 2017 S$ mil	31 Dec 2016 S$ mil
Investment Properties	1,296.3	1,199.7
Other Assets	36.0	54.2
Total Assets	**1,332.3**	**1,253.9**
Borrowings (net of transaction costs)	523.1	461.5
Other Liabilities	43.1	53.5
Total Liabilities	**566.2**	**515.0**
Net Assets	**766.1**	**738.9**
No. of Stapled Securities issued and issuable (in mil)	972.7	934.1
Net Asset Value per Stapled Security (SG cents)	**78.8**	**79.1**

Proactive Capital Management

As at 30 September 2017	
Gross Borrowings	S$528 million
Gearing Ratio (Gross Borrowings over Total Assets)	39.6%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	2.7 years
Interest Rate Exposure Fixed[2]	83.9%
Interest Cover	4.70 times

Debt Maturity Profile[1]



1. *Excludes the revolving credit facility of S$50 million.*
2. *Based on outstanding borrowings as at 30 September 2017.*

Distribution Details

3Q2017 Distribution Details	
Distribution Period	1 July 2017 – 30 September 2017
Distribution per Stapled Security (Singapore cents)	1.900 comprising (a) taxable income – 1.649 (b) tax exempt income – 0.251
Ex-Date	2 Nov 2017
Books Closure Date	6 Nov 2017
Distribution Payment Date	28 Nov 2017



Update on Tax Transparency

Clarification on Tax Transparency

- Income Tax Act amended in 1Q2017 - Rental support may be accorded tax transparency treatment subject to certain conditions being met.
- IRAS has informed that it will not make an advance ruling on the tax treatment for rental support received/receivable by VI-REIT from 29 December 2016 onwards but would determine the tax treatment at the tax assessment stage.
- VI-REIT has **continued to make provision for income tax expense** in respect of the rental support received/receivable under the **UEBH rental arrangement** and the **JS rental support arrangement.**

Scenario 1

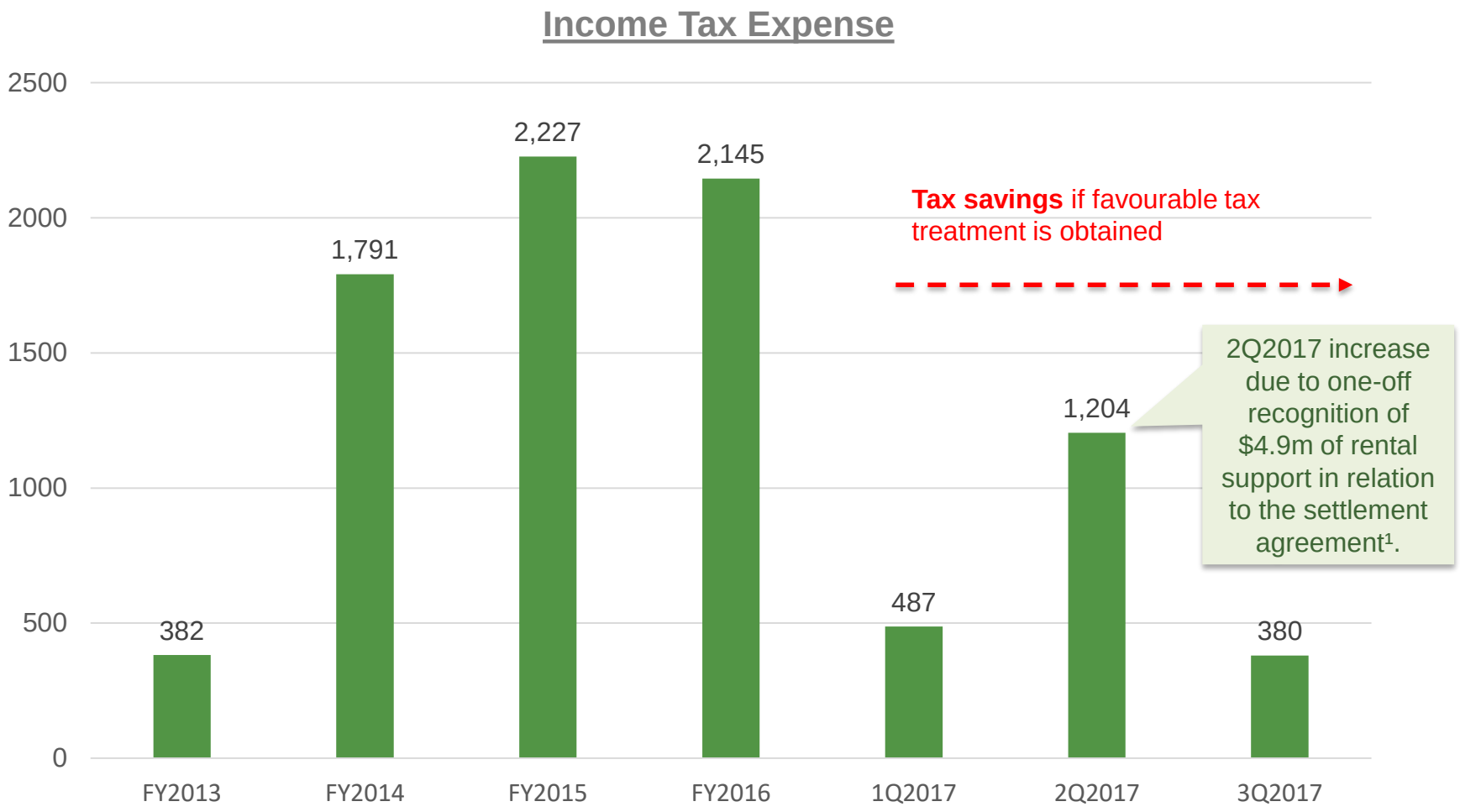
Unfavourable tax treatment
- No tax savings.

Scenario 2

Favourable tax treatment

Tax savings on
- Rental support for 9M2017 from Jackson Square and UE BizHub East of **S$2.1 mil.**
- Rental support from UE BizHub East up till expiry of the rental support arrangement in Nov 2018.

Clarification on Tax Transparency



[1]*Refer to announcement dated 21 May 2017 titled "Settlement Agreement with Jackson International Private Limited and Mr Tan Phong Guan".*



Portfolio Update

Well-Spread, Strategically Located Assets in Singapore

9	3.9m	S$1.294b	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$80.0 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$353.5 m



UE BizHub EAST (Hotel & Business Park)

GFA: 783,415 sq ft
Valuation: S$515.0 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$87.0 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

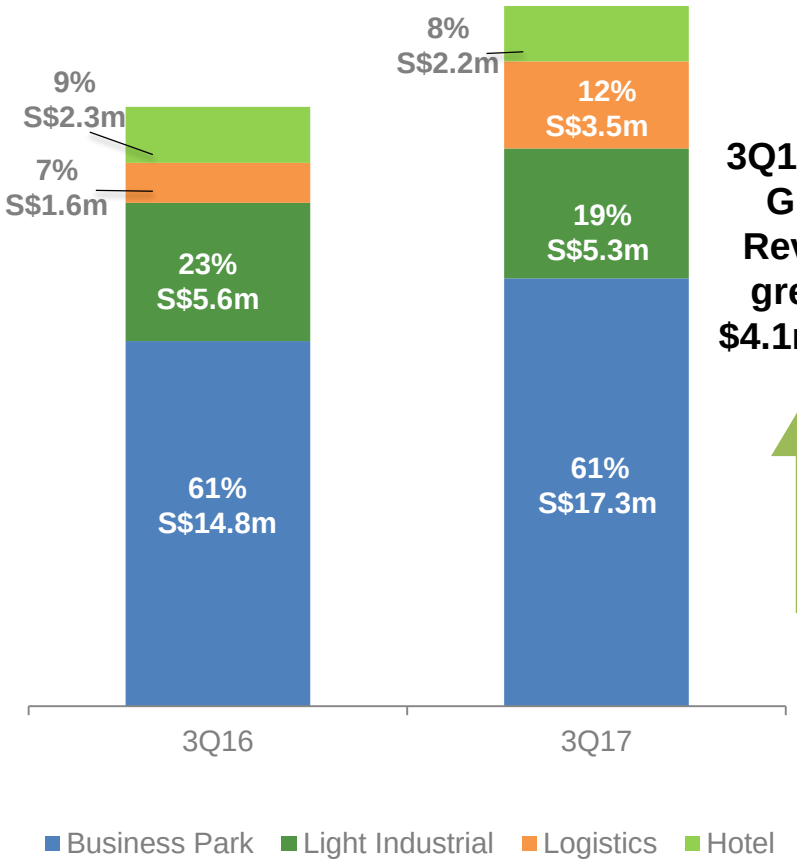
Portfolio Summary		
	30 September 2017	30 September 2016
Total Number of Properties	9	8
Total Portfolio GFA	3,900,269 sq ft	3,577,360 sq ft
Net Lettable Area (NLA)	3,321,948 sq ft	3,001,747 sq ft
WALE (by rental income)[1]	2.8 years	3.3 years
Weighted Average Land Lease (by valuation)	33.9 years	35.8 years
Weighted Average Age of Buildings (by valuation)	8.1 years	9.6 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	90.9% 70.1%	88.6% 70.1%
Total Portfolio Valuation	S$1.29 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

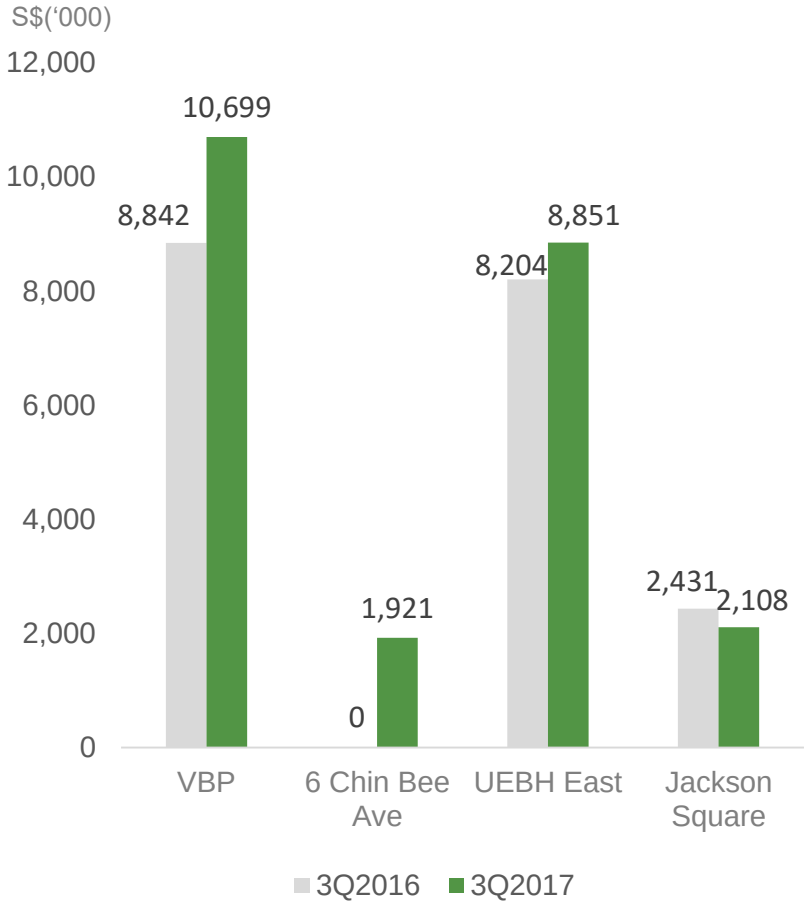
Increasingly diversified portfolio underpinned by resilient business park assets.

Gross Revenue (by Asset Type)

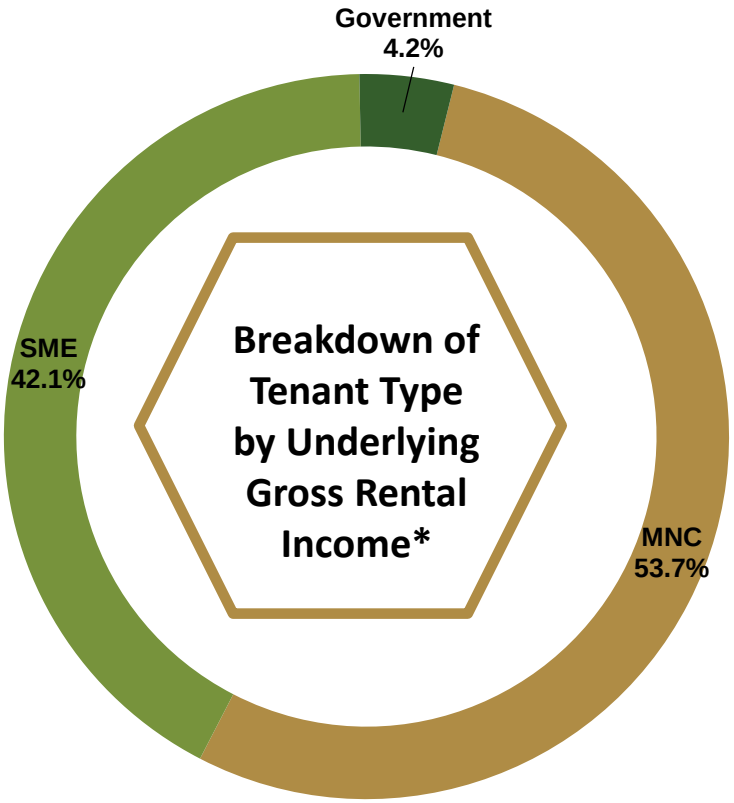


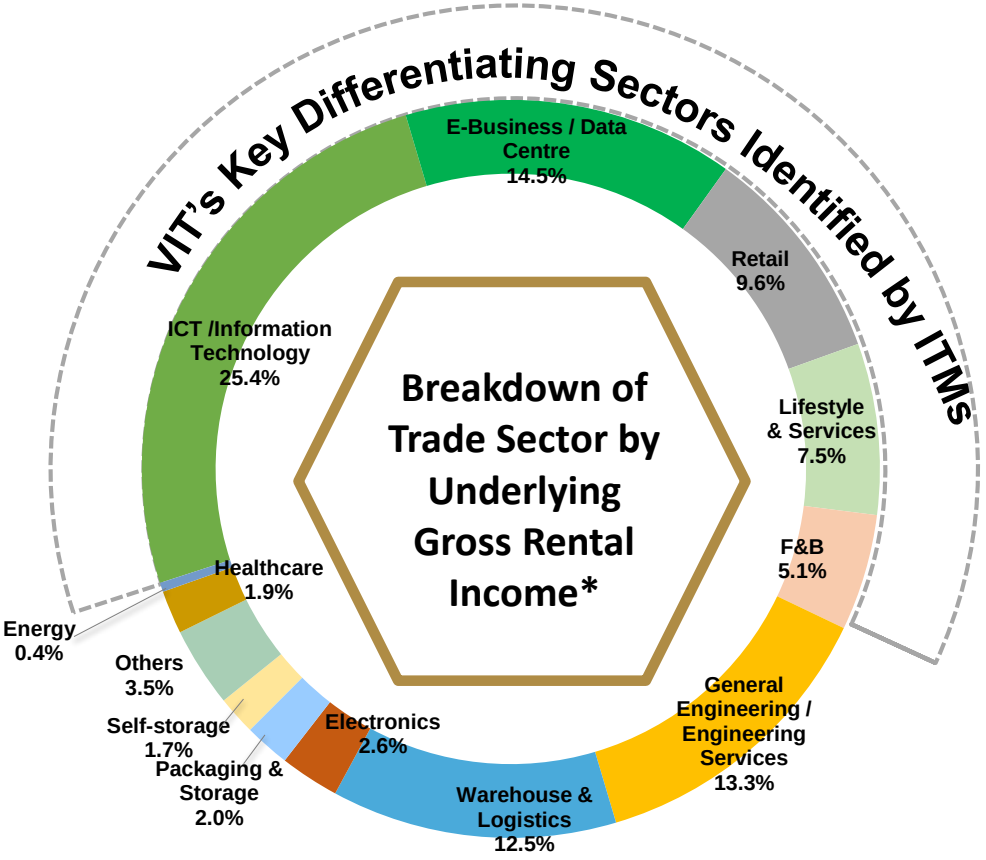
3Q17 Total Gross Revenue grew by $4.1m y-o-y

Contribution to y-o-y Revenue Growth



Diversified Quality Tenant Mix



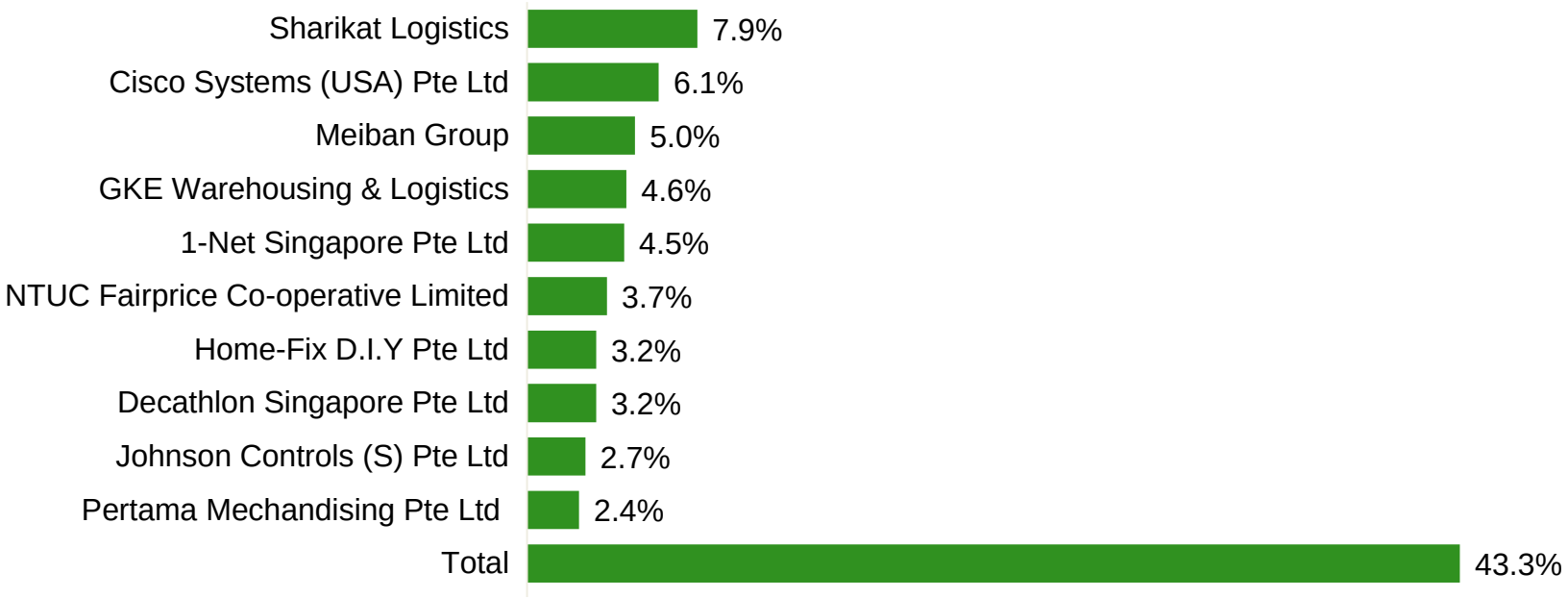


- Total of 145 tenants, of which 40% of tenants are in information technology, e-business or data centre operations.
- 58% of tenants are multinational corporations or government-linked corporations.

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

Diversified Quality Tenant Mix[1]

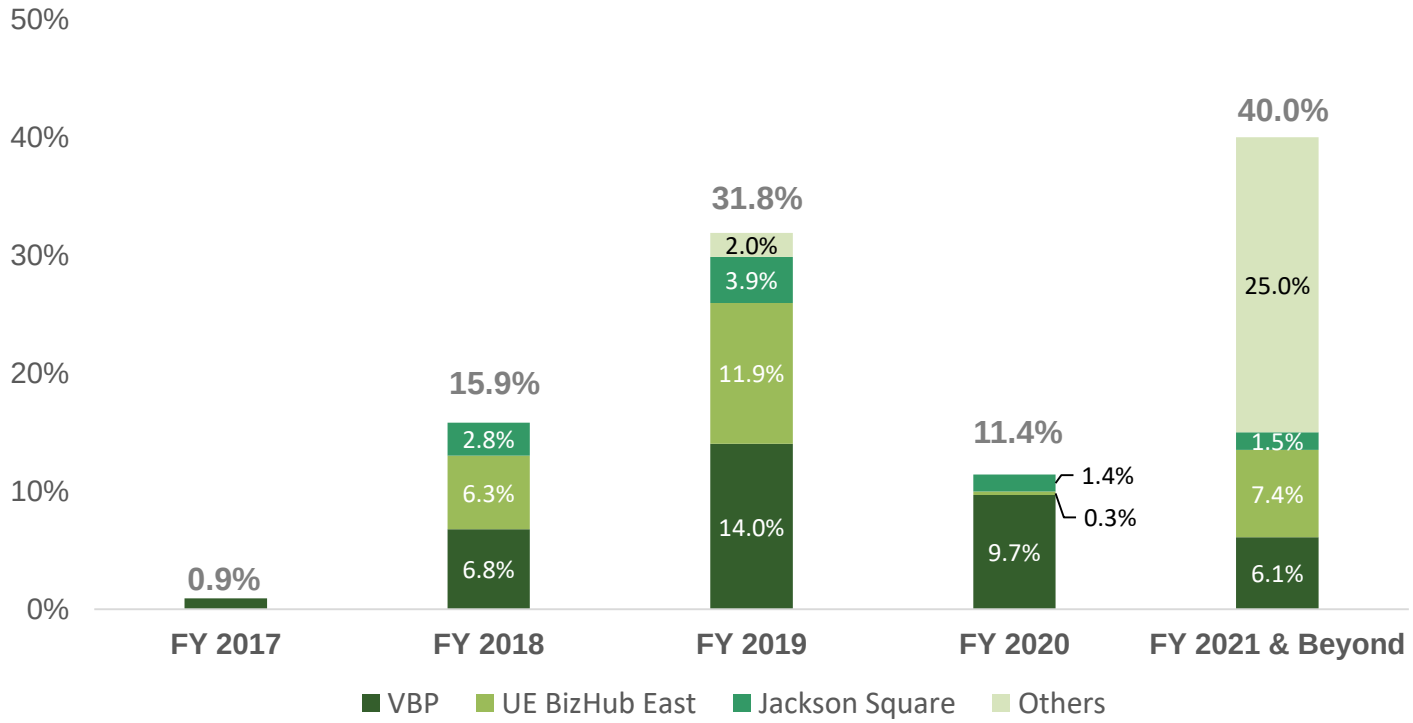
Top 10 tenants/sub-tenants account for 43.3% of monthly committed rental income.



[1] *As at 30 September 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]



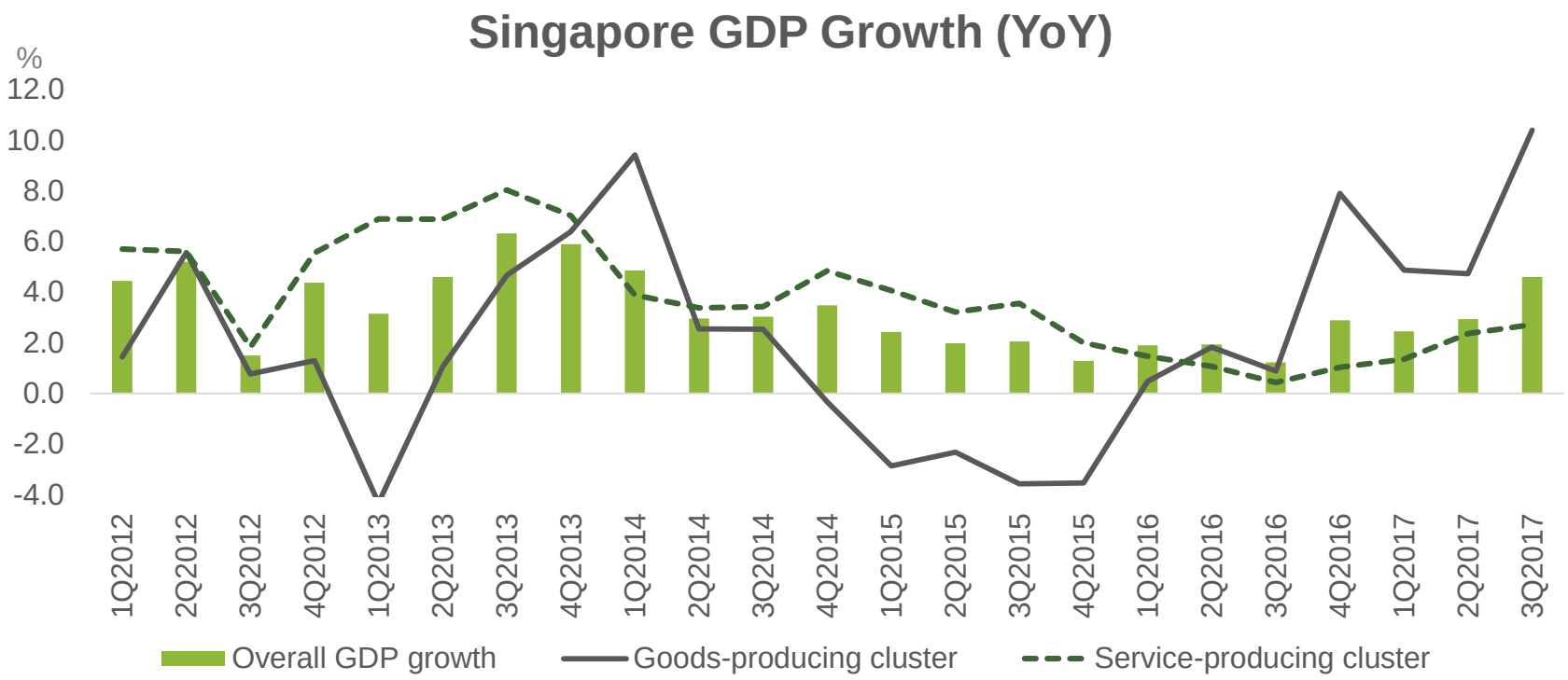
- Secured over 390,000 square feet of lease renewals and new leases in 9M2017.
- Achieved positive rental reversion of 2.4% in 3Q2017.
- Renewed majority of leases expiring in FY2017.

1. *Based on committed leases as at 30 September 2017, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*



Outlook & Strategic Focus

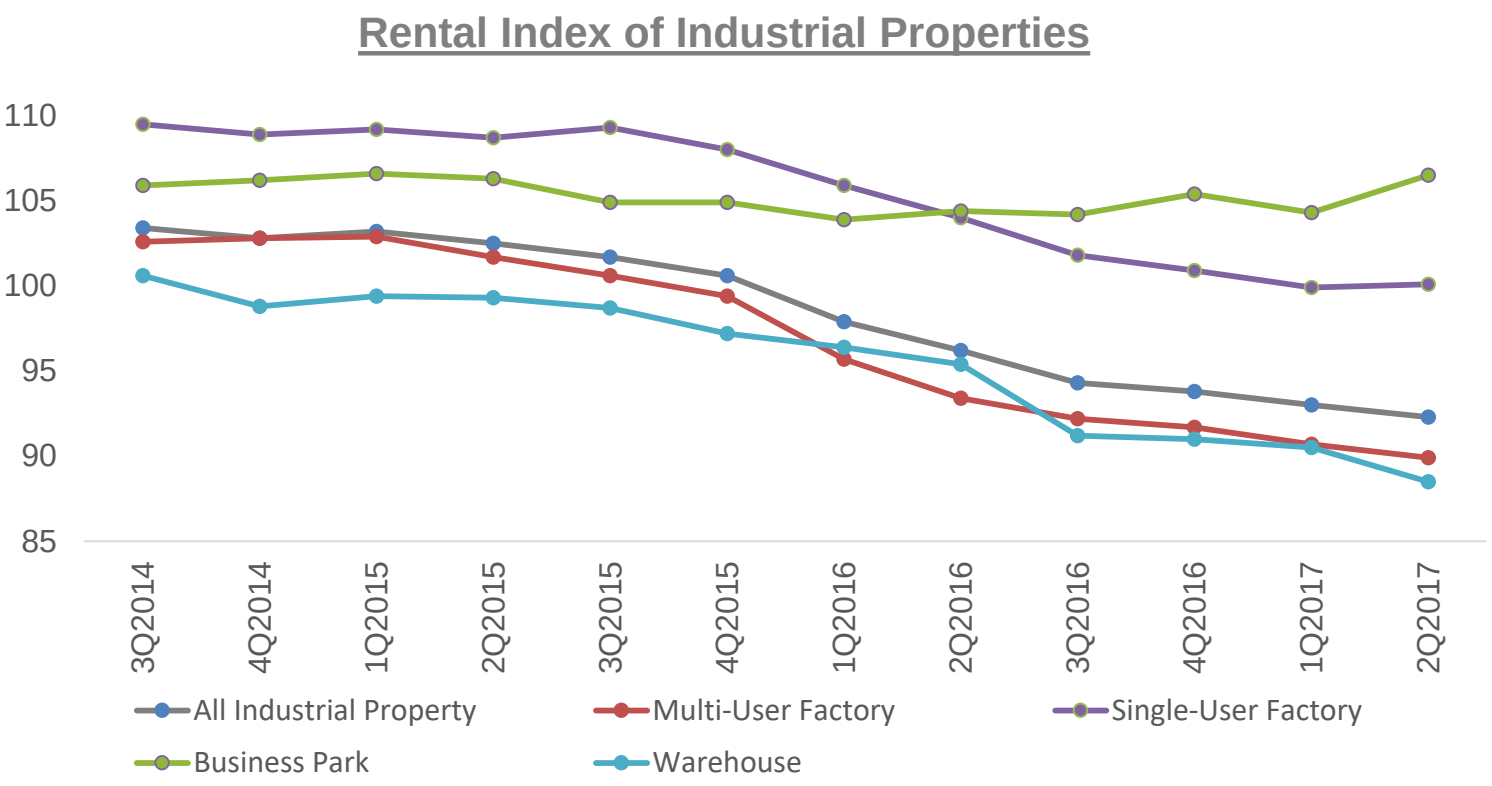
Singapore Economy Surges by 4.6% in 3Q2017, Beating Expectations



Source: CIMB Research Pte Ltd

- Singapore's GDP grew by 4.6% y-o-y in 3Q2017, higher than the 2.9% growth in the previous quarter.
- Led by sharp 15.5% acceleration in manufacturing growth, supported mainly by robust expansions in the electronics, biomedical manufacturing and precision engineering clusters.

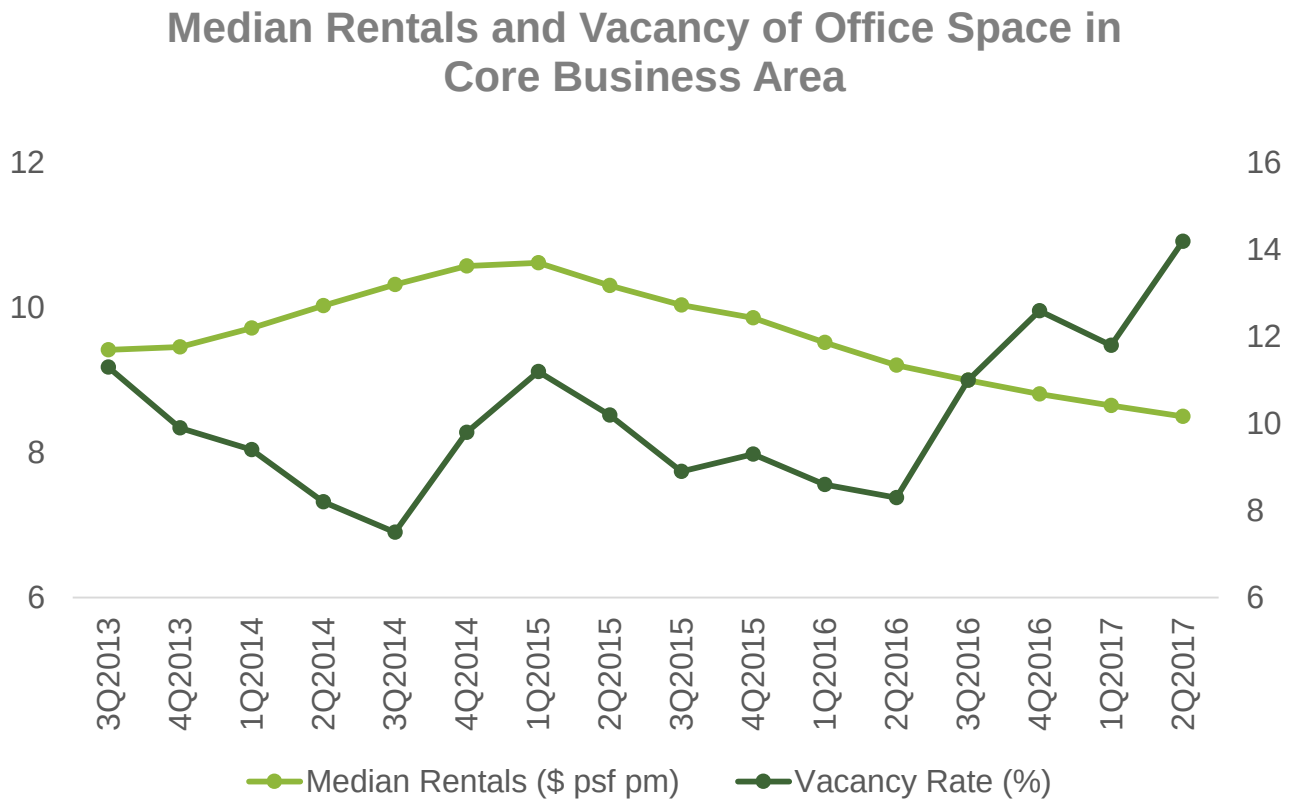
Business Parks are the Most Resilient Industrial Asset Type



Source: JTC

- Rental indices of the business park space increased by 2.0% y-o-y.
- Rental indices of the overall industrial space, multiple-user factory space, single-user factory space and warehouse space fell by between 3.7% to 7.2%.

Less competition between Business Parks and Commercial Office Space as Office Rents bottom out.



Source: URA

- Capitalize on decentralization trend as tenants opt for budget friendly rents at comparable decentralised properties.

VIT's Value Proposition

1



Best in Class Portfolio Anchored by Sizeable Integrated Business Park Developments

- Integrated Business Park developments attract quality tenants by providing complementary amenities that enliven the workplace.
- **UE BizHub East** is an unique business park development integrated with a 251-room hotel, convention centre and retail component, while **Viva Business Park** has significant "white" component.

2



Resilient DPS Performance

- VBP's AEI has been successful in revitalising the Business Park, and is contributing to rising revenues and distributions amidst subdued macroeconomic conditions.
- DPS performance has reached recent new highs.

3



In-line with Government's Pro-Growth Programs

- High-specs Industrial and Business Park properties meet the needs of firms transformed by Singapore's economic remodelling efforts and the Committee on the Future Economy (CFE) strategies.
- VIT has a large number of tenants from key sectors identified in the CFE strategies that will digitize the economy and enhance productivity.

Thank you

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