Viva Industrial Trust
2Q2015 & 1H2015
Financial Results

24 July 2015



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Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Key Highlights

2Q2015	• Gross revenue increased by **17.1%** year-on-year to **S$17.8 million** • Distributable income grew by **14.3%** year-on-year to **S$11.8 million** • DPS increased by **7.3%** year-on-year to **1.849 cents**
1H2015	• Gross revenue rose by **18.9%** year-on-year to **S$35.9 million** • Distributable income grew by **13.9%** year-on-year to **S$23.4 million** • DPS increased by **8.0%** year-on-year to **3.719 cents**
Portfolio Management	• Commenced asset enhancement works at Technopark@Chai Chee ("TPCC"). • Valuation of TPCC rose by more than S$100 million to **S$300 million** • **Increased NAV to S$0.83 per stapled security** • To date, successfully renewed **70.4%** of the leases due for renewal in 2015 • **Proposed acquisition of a property at 30 Pioneer Road**
Capital Management	• Completed upsized private placement and successfully raised **S$63 million** • **Lowered gearing to 38.9%**

Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Financial Performance

	Year-on-Year		
	2Q2015 Actual	2Q2014 Actual	Variance
Gross Revenue (S$'000)	**17,815**	15,209	▲ 17.1%
NPI (S$'000)	**12,195**	10,219	▲ 19.3%
Distributable Income [1] (S$'000)	**11,763**	10,287	▲ 14.3%
DPS (SG cents)	**1.849**	1.723	▲ 7.3%
Annualised DPS (SG cents)	**7.416**	6.911	▲ 7.3%
Distribution Yield:			
Based on IPO price of S$0.780	**9.5%**	8.9%	▲ 6.7%
Based on closing price of S$0.795 as at 30 June 2015	**9.3%**	8.7%	▲ 6.9%

1. *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.*

Financial Performance

	Year-on-Year		
	1H2015 Actual	1H2014 Actual	Variance
Gross Revenue (S$'000)	**35,899**	30,183	▲ 18.9%
NPI (S$'000)	**24,609**	20,085	▲ 22.5%
Distributable Income [1] (S$'000)	**23,393**	20,537	▲ 13.9%
DPS (SG cents)	**3.719**	3.445	▲ 8.0%
Annualised DPS (SG cents)	**7.500**	6.947	▲ 8.0%
Distribution Yield:			
Based on IPO price of S$0.780	**9.6%**	8.9%	▲ 7.9%
Based on closing price of S$0.795 as at 30 June 2015	**9.4%**	8.7%	▲ 8.0%

1. *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.*

Financial Performance

	Quarter-on-Quarter		
	2Q2015 Actual	1Q2015 Actual	Variance
Gross Revenue (S$'000)	**17,815**	18,084	▼ 1.5%
NPI (S$'000)	**12,195**	12,414	▼ 1.8%
Distributable Income[1] (S$'000)	**11,763**	11,628	▲ 1.2%
DPS (SG cents)	**1.849**	1.870	▼ 1.1%
Annualised DPS (SG cents)	**7.416**	7.584	▼ 2.2%
Distribution Yield:			
Based on IPO price of S$0.780	**9.5%**	9.7%	▼ 2.1%
Based on closing price of S$0.795 as at 30 June 2015	**9.3%**	9.5%	▼ 2.1%

1. *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.*

Financial Performance

	2Q2015		
	Actual	**Forecast [1]**	**Variance**
Gross Revenue (S$'000)	**17,815**	15,268	▲ 16.7%
NPI (S$'000)	**12,195**	10,129	▲ 20.4%
Distributable Income[2] (S$'000)	**11,763**	10,523	▲ 11.8%
DPS (SG cents)	**1.849**	1.730	▲ 6.9%
Annualised DPS (SG cents)	**7.416**	NA	NA
<u>Distribution Yield:</u>			
Based on IPO price of S$0.780	**9.5%**	9.0%	▲ 5.6%
Based on closing price of S$0.795 as at 30 June 2015	**9.3%**	NA	NA

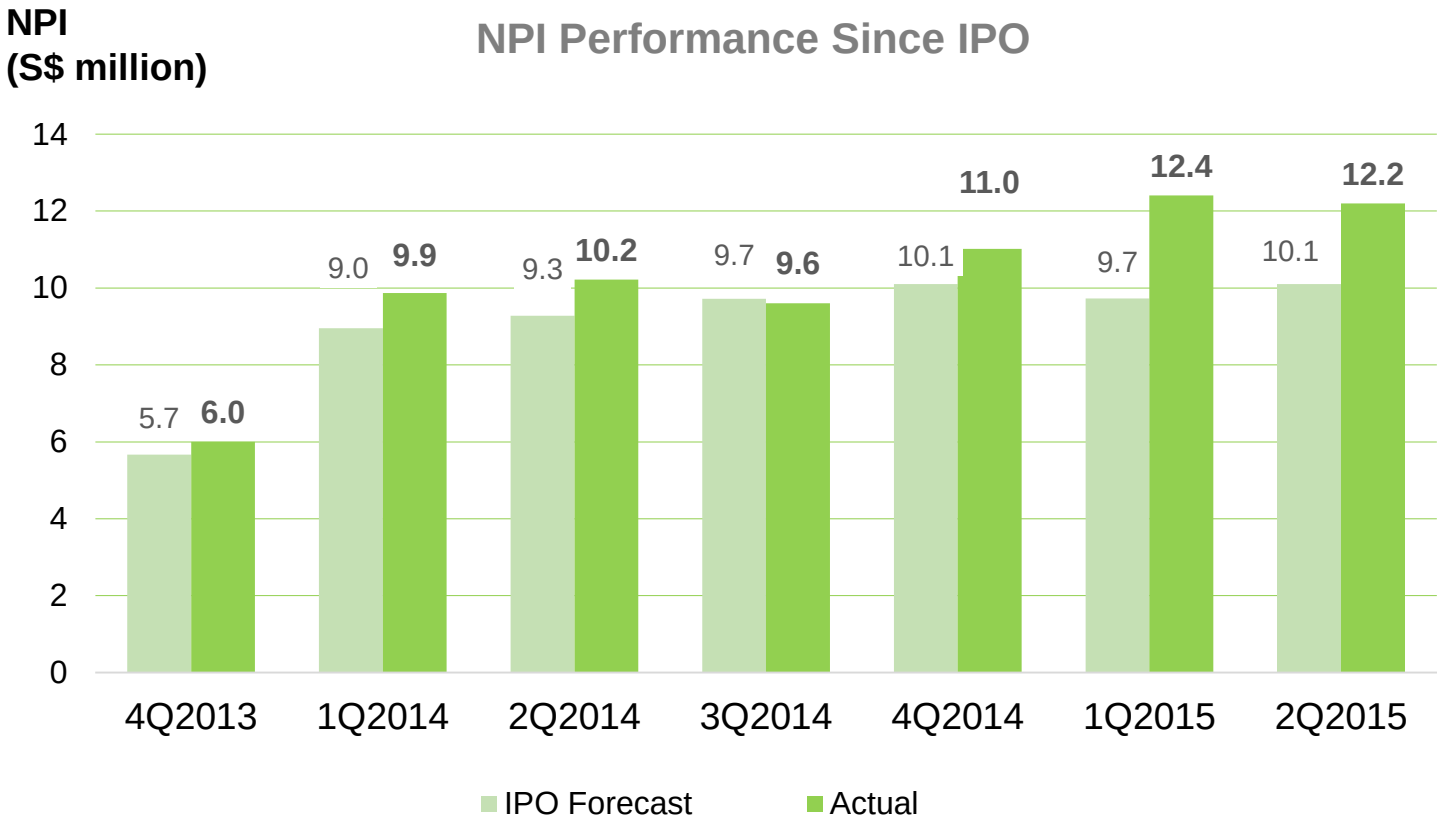
1. *The forecast figures are derived from the corresponding period of the full year projection for 2015 as disclosed in the IPO prospectus dated 28 October 2013.*
2. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled 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.*

Financial Performance

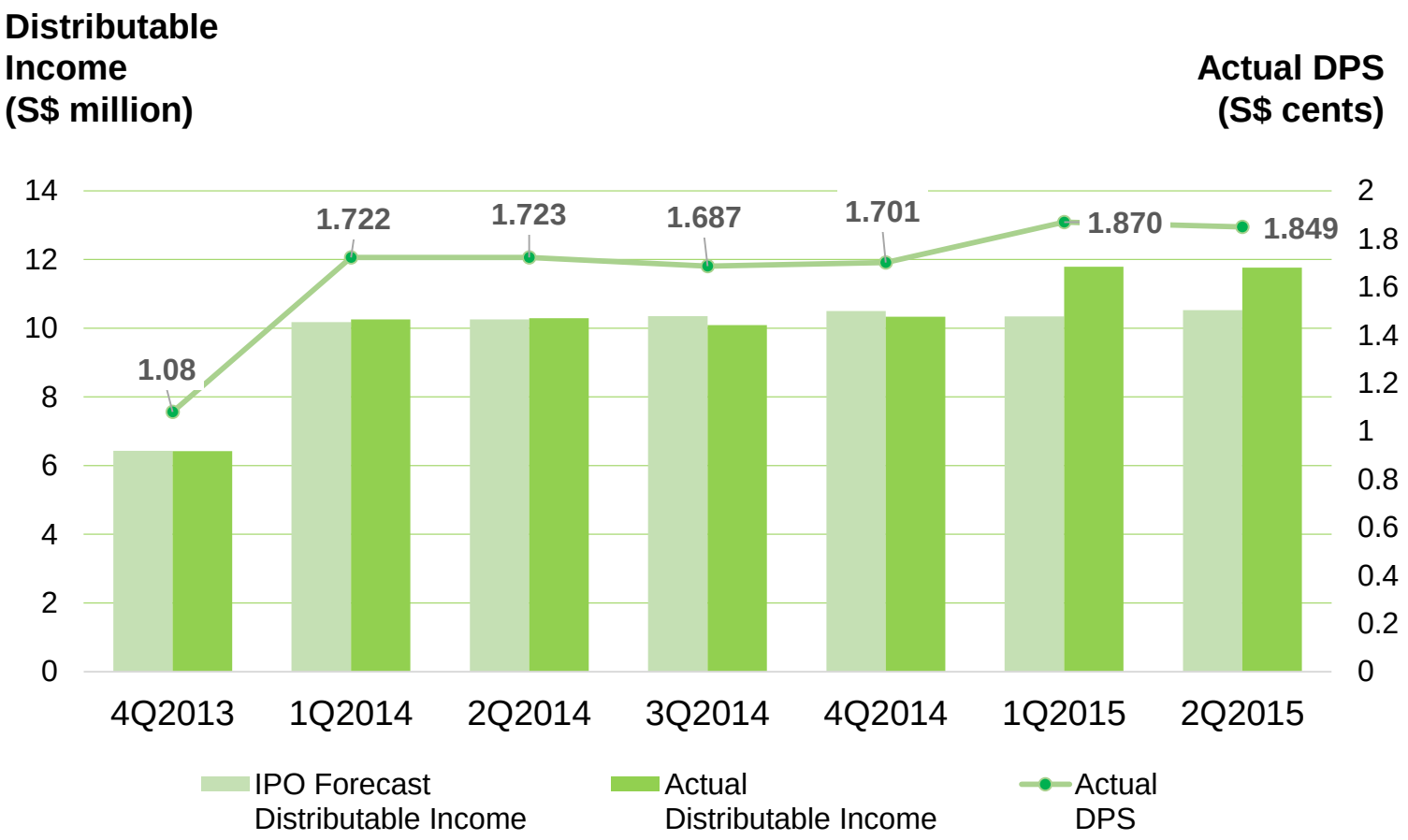
	1H2015		
	Actual	**Forecast [1]**	**Variance**
Gross Revenue (S$'000)	**35,899**	30,096	▲ 19.3%
NPI (S$'000)	**24,609**	19,860	▲ 23.9%
Distributable Income[2] (S$'000)	**23,393**	20,864	▲ 12.1%
DPS (SG cents)	**3.719**	3.440	▲ 8.1%
Annualised DPS (SG cents)	**7.500**	NA	NA
Distribution Yield:			
Based on IPO price of S$0.780	**9.6%**	9.0%	▲ 6.7%
Based on closing price of S$0.795 as at 30 June 2015	**9.4%**	NA	NA

1. *The forecast figures are derived from the corresponding period of the full year projection for 2015 as disclosed in the IPO prospectus dated 28 October 2013.*
2. *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.*

Net Property Income (NPI) Exceeds IPO Forecast



Steady Growth of Distribution Since IPO



Attractive Return on Investment since IPO

	FP2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015
Price at Quarter End (S$)	0.775	0.770	0.795	0.805	0.795	0.805	0.795
Cumulative DPS (SG cents)[2]	1.080	2.802	4.525	6.212	7.913	9.783	11.632
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**

Price Performance since IPO



Scenario: Distribution yield based on 1H2015 annualised DPS of S$0.0750												
Price	S$0.780	S$0.790	S$0.795	S$0.800	S$0.810	S$0.820	S$0.830	S$0.840	S$0.850	S$0.860	S$0.870	S$0.880
Annualised Distribution Yield	9.6%	9.5%	9.4%	9.4%	9.3%	9.1%	9.0%	8.9%	8.8%	8.7%	8.6%	8.5%

1. *For the period from 23 August 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.*

Distribution Details

For the second quarter ended 30 June 2015		
Distribution per Stapled Security (Singapore cents)	**1.849* comprising:**	
	(a) taxable income:	**1.404**
	(b) tax exempt income:	**0.445**
Ex-Date	**30 July 2015**	
Books Closure Date	**3 August 2015**	
Distribution Payment Date	**26 August 2015**	

* Advanced Distribution of 1.569 cents in respect of the period from 1 April 2015 to 15 June 2015 has been paid out on 7 July 2015. The remaining distribution of 0.280 cents will be paid out on 26 August 2015.

Contents

- Key Highlights
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- Outlook

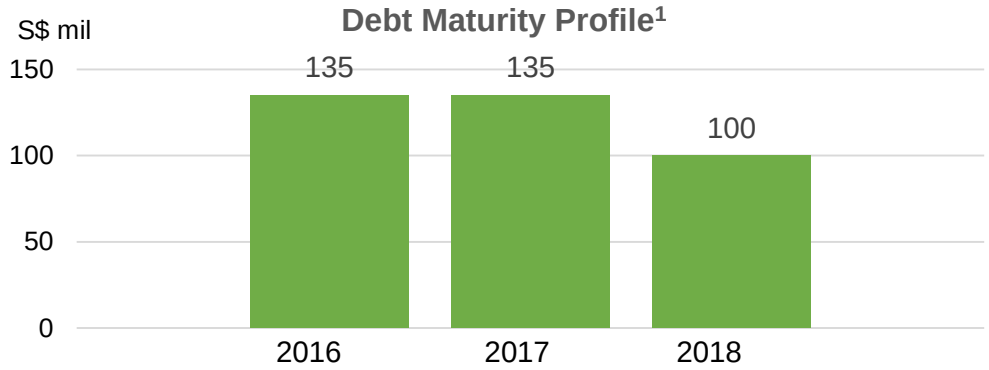
Balance Sheet

	30 Jun 2015 S$ mil	31 Dec 2014 S$ mil
Investment Properties	957.4	852.7
Intangible Assets*	11.3	13.4
Current Assets	20.8	16.4
Total Assets	**989.5**	**882.5**
Borrowings (net of transaction costs)	381.1	386.0
Other Liabilities	22.8	25.0
Total Liabilities	**403.9**	**411.0**
Net Assets	**585.6**	**471.5**
No. of Stapled Securities issued and issuable (in mil)	705.6	621.9
Net Asset Value per Stapled Security (Singapore cents)	**83.0**	**75.8**

** This represents the carrying amounts of unamortized rental differential to be provided to VI-REIT by the respective vendors of UE BizHub EAST ("UEBH") and Technopark@Chai Chee ("TPCC") pursuant to the UEBH rental arrangement and the TPCC rental support arrangement.*

Capital Management

As at 30 June 2015	
Total Borrowings	S$385 million
Gearing Ratio (Total Borrowings over Total Assets)	38.9%
All-in Borrowing Cost	3.89%
Weighted Average Maturity[1]	2.2 years
Interest Rate Exposure Fixed[2]	85.7%
Interest Cover	4.4 times
Credit Ratings assigned by Standard & Poor's:	
Corporate Credit Rating	BB +
MTN Programme	BBB -
MTN Series 001	BBB -



1. *Excludes the outstanding revolving credit facility of S$15 million.*
2. *Based on outstanding borrowings as at 30 June 2015.*

Contents

- Key Highlights
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- Portfolio Updates
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Portfolio Highlights

- ✓ **Commenced S$20 million asset enhancement works at TPCC**
  - Phase 1 expected to be completed by end of December 2015
  - Phase 2 expected to be completed by 2nd Quarter of 2016

- ✓ To date, successfully renewed **70.4%** of the leases due for renewal in 2015

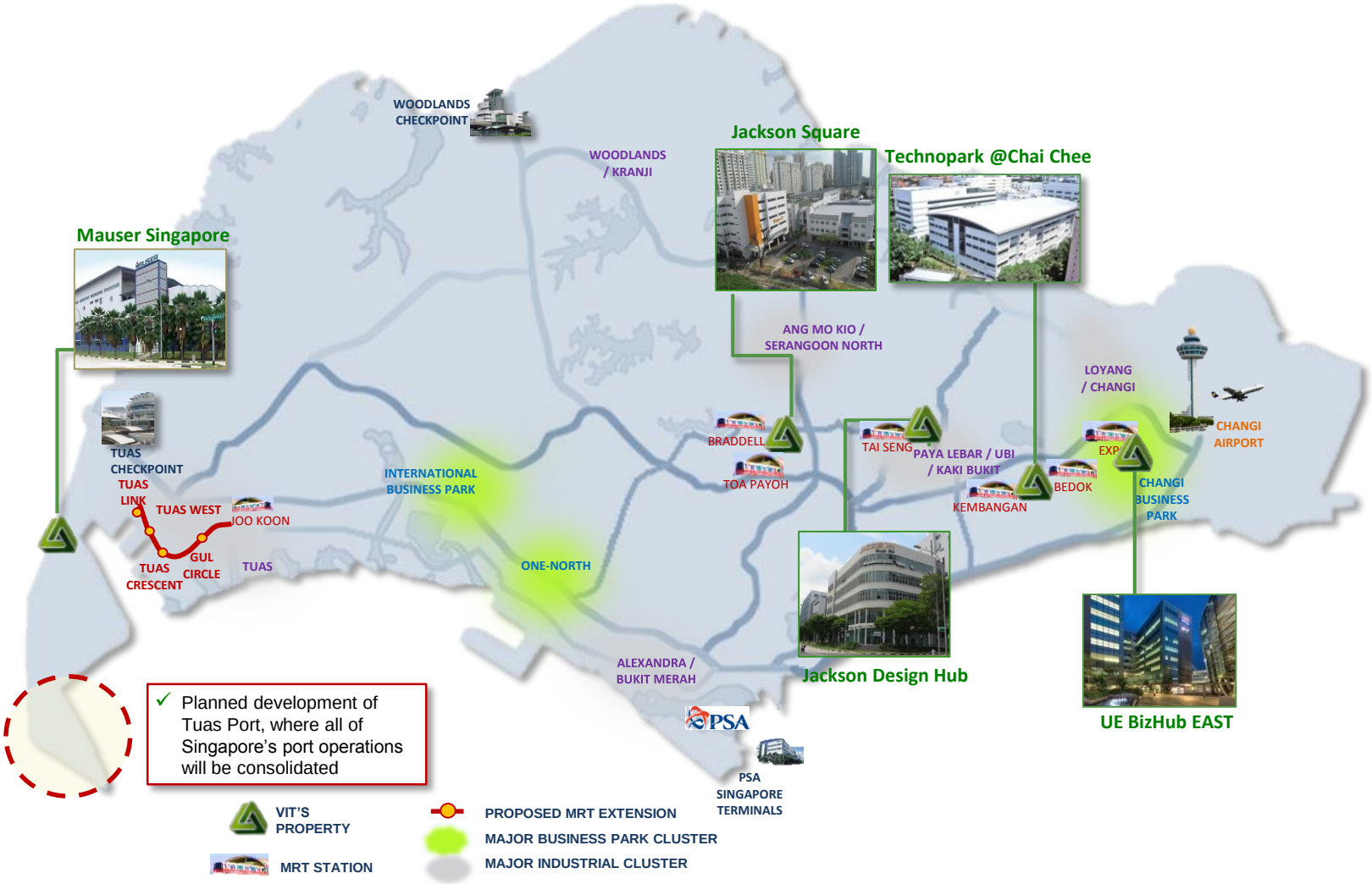
- ✓ **Increased NAV to S$0.83** per stapled security

- ✓ Valuation of TPCC rose from S$195.3 million to **S$300 million**

- ✓ Occupancy of Jackson Square **increased by 8.5% to** 88.6%

- ✓ **Proposed acquisition of a property at 30 Pioneer Road**

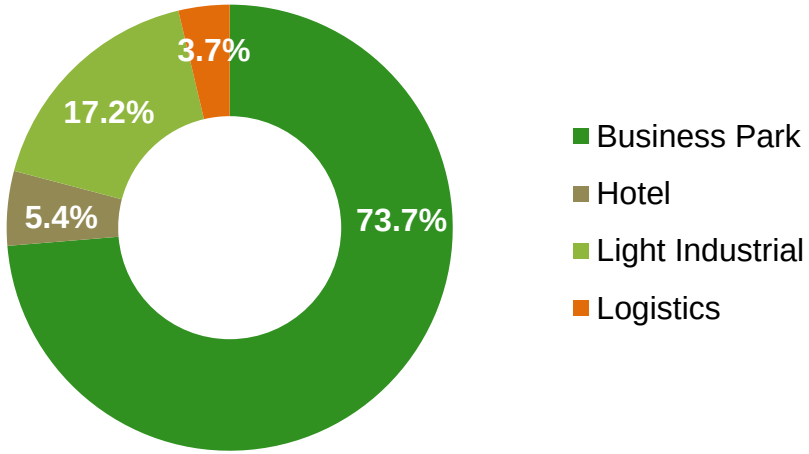
Strategically Located Quality Portfolio



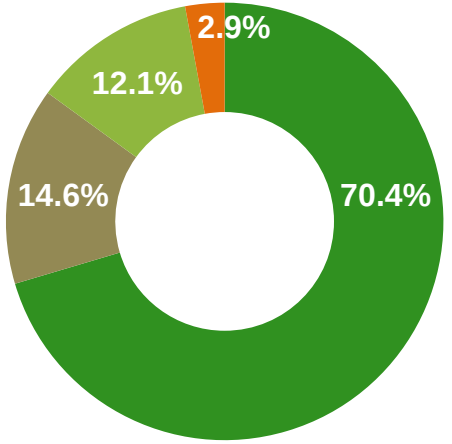
Business Park Focused Portfolio

Portfolio Summary	
Total Number of Properties	**5**
Total Portfolio GFA (sq ft)	**2,919,323 sq ft**
Net Lettable Area (NLA)	**2,346,550 sq ft**
WALE (by rental income)*	**3.3 years**
Weighted Average Land Lease (by valuation)	**37.7 years**
Weighted Average Age of Building (by valuation)	**9.4 years**
Weighted Average Portfolio Occupancy	**80.0%**
Total Portfolio Value	**S$957.4 million**

Asset Type by GFA



Asset Type by Valuation



** By Rental Income - based on net property income and rental support for the month of June 2015, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.*

Key Competitive Strengths of Portfolio Properties

UE BizHub EAST
(Business Park Component)

Value:	S$374.0mn*
GFA:	626,018 sq. ft.
Age:	3.2 years
Remaining Land Lease:	53 years
Occupancy:	85%
No of tenants:	32



- Relatively new property (TOP in April 2012)
- Strategically located at the heart of Changi Business Park (CBP) Adjacent to Expo MRT station & direct link to upcoming Down Town Line Station
- Unique integrated mixed-use business park development
  - Zoned Business Park White(1)
    > Allows for up to 40% of total GFA to be allocated for "white uses"
  - Awarded Green Mark Gold^{Plus} > Highly valued by MNC tenants

UE BizHub EAST
(Hotel Component)

Value:	S$140.0mn*
GFA:	157,397 sq. ft.
Age:	3.2 years
Remaining Land Lease:	53 years
Occupancy:	100%
No of tenants:	5



- Relatively new hotel (TOP in May 2012)
- One of the only two hotels at the heart of CBP
- Managed under the award-winning "Park Avenue" brand
- Awarded Green Mark Gold

** As at 31 December 2014*

Key Competitive Strengths of Portfolio Properties

Technopark@Chai Chee

Value:	S$300.0mn[1]
GFA:	1,524,685 sq. ft.
Age:	22.1 years
Remaining Land Lease:	16 years
Occupancy:	62.8%
No of tenants:	68



- Only business park development in the vicinity
- Diverse mix of tenants from multiple trade sectors
- Close proximity to Bedok Town Centre with easy access to MRT stations and bus interchange
- Undergoing significant enhancement works to convert up to 15% of the GFA to “white” uses

Mauser Singapore

Value:	S$28.0mn[2]
GFA:	107,566 sq. ft.
Age:	3.0 years
Remaining Land Lease:	51 years
Occupancy:	100%
No of tenant:	1



- Relatively new two-storey ramp-up logistics facility (TOP in June 2012)
- Increase operational efficiency and reduce long term maintenance cost
- Benefit from the expected consolidation of container port activities at Tuas
- Leased to Mauser Group, a worldwide leading provider of industrial packaging solutions

1. *As at 30 June 2015*
2. *As at 31 December 2014*

Key Competitive Strengths of Portfolio Properties

Jackson Square

Value:	S$82.0mn*
GFA:	418,586.3 sq. ft
Age:	5.6 years
Remaining Land Lease:	13.9 years
Occupancy:	88.6%
No of tenants:	14



- Four blocks of 2 to 6-storey light industrial complex located in Toa Payoh
- Major refurbishment completed in 2008
- Located within densely populated area with easy access to amenities and labor supply
- Well-served by arterial roads and expressways PIE and CTE
- Walking distance to Braddell and Toa Payoh MRT stations

Jackson Design Hub

Value:	S$33.4mn*
GFA:	85,070.3 sq. ft.
Age:	6.4 years
Remaining Land Lease:	51.9 years
Occupancy:	100%
No of tenant:	1

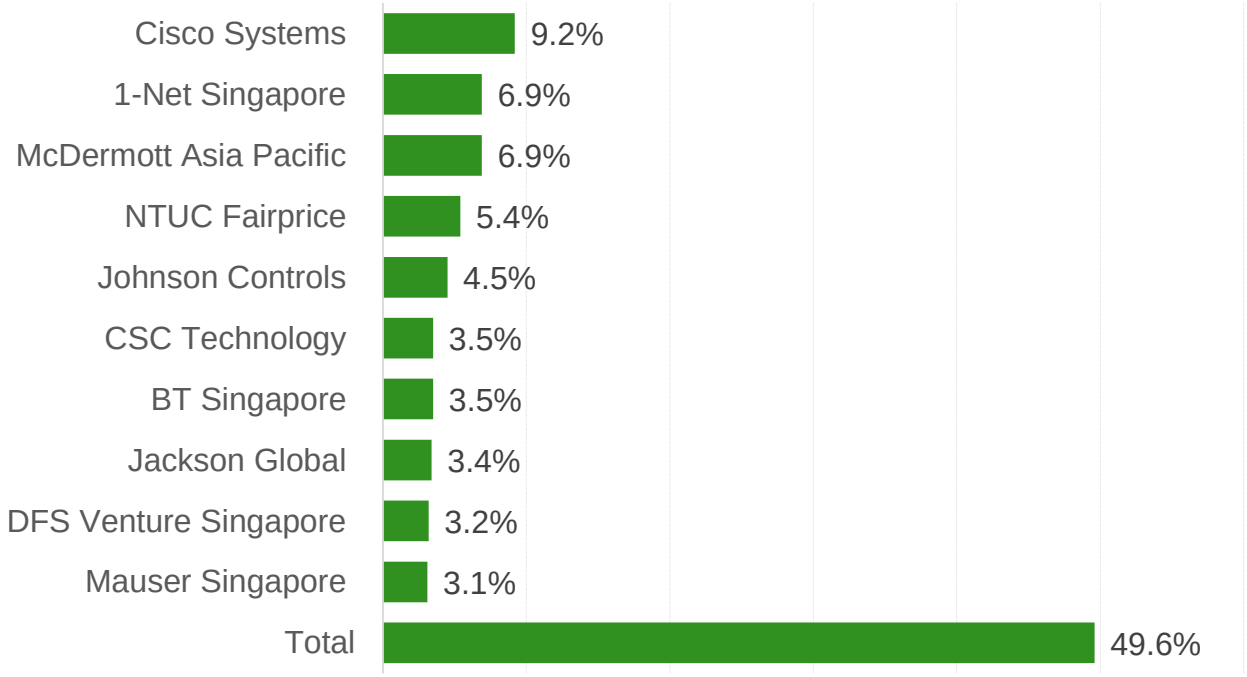


- 5-storey modern light industrial building with basement car park located in Tai Seng
- Located within Paya Lebar iPark, a location master-planned as an industrial park for the 21st century
- Short walking distance to Tai Seng MRT station
- Easy access to KPE and PIE

** As at 30 June 2015*

Diversified Quality Tenant Mix*

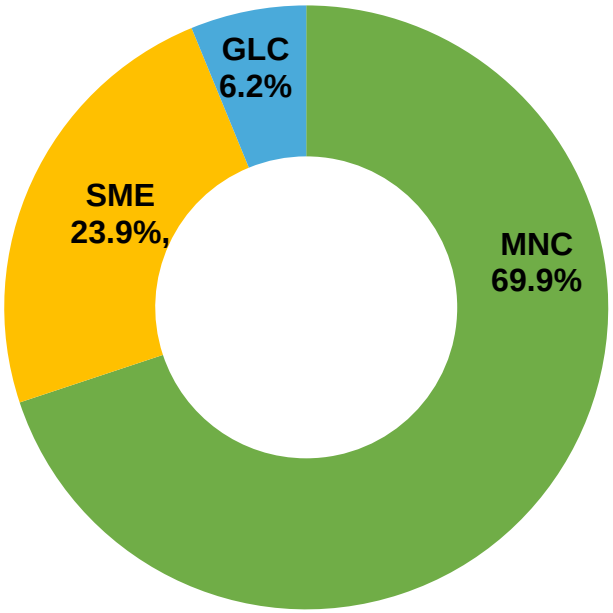
Top 10 tenants/sub-tenants account for 49.6% of monthly committed rental income



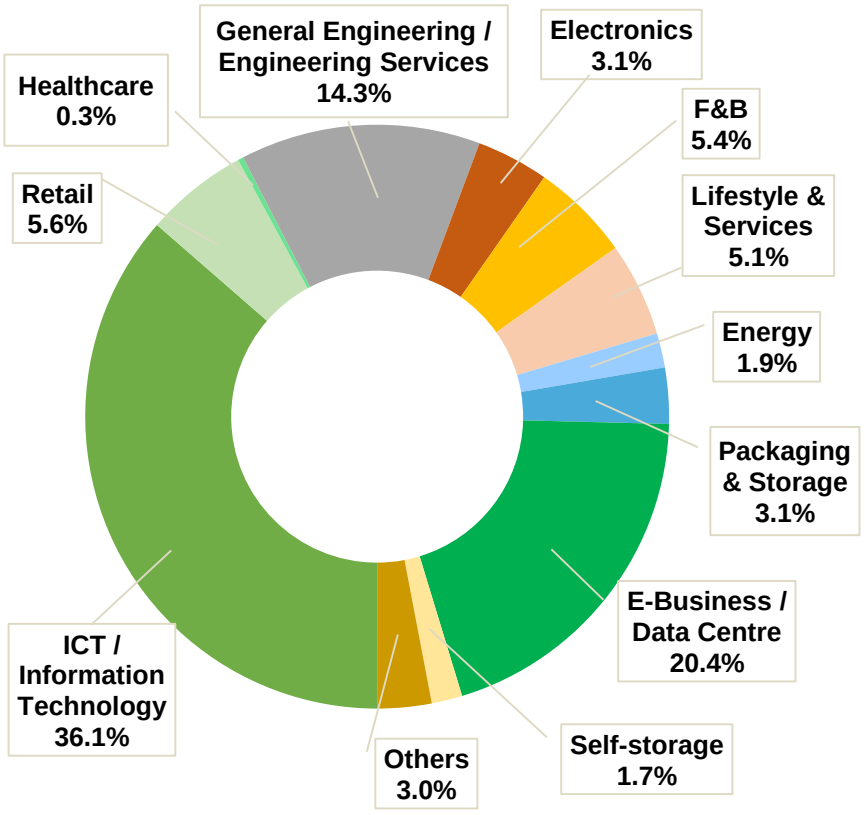
* *As at 30 June 2015. Excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*

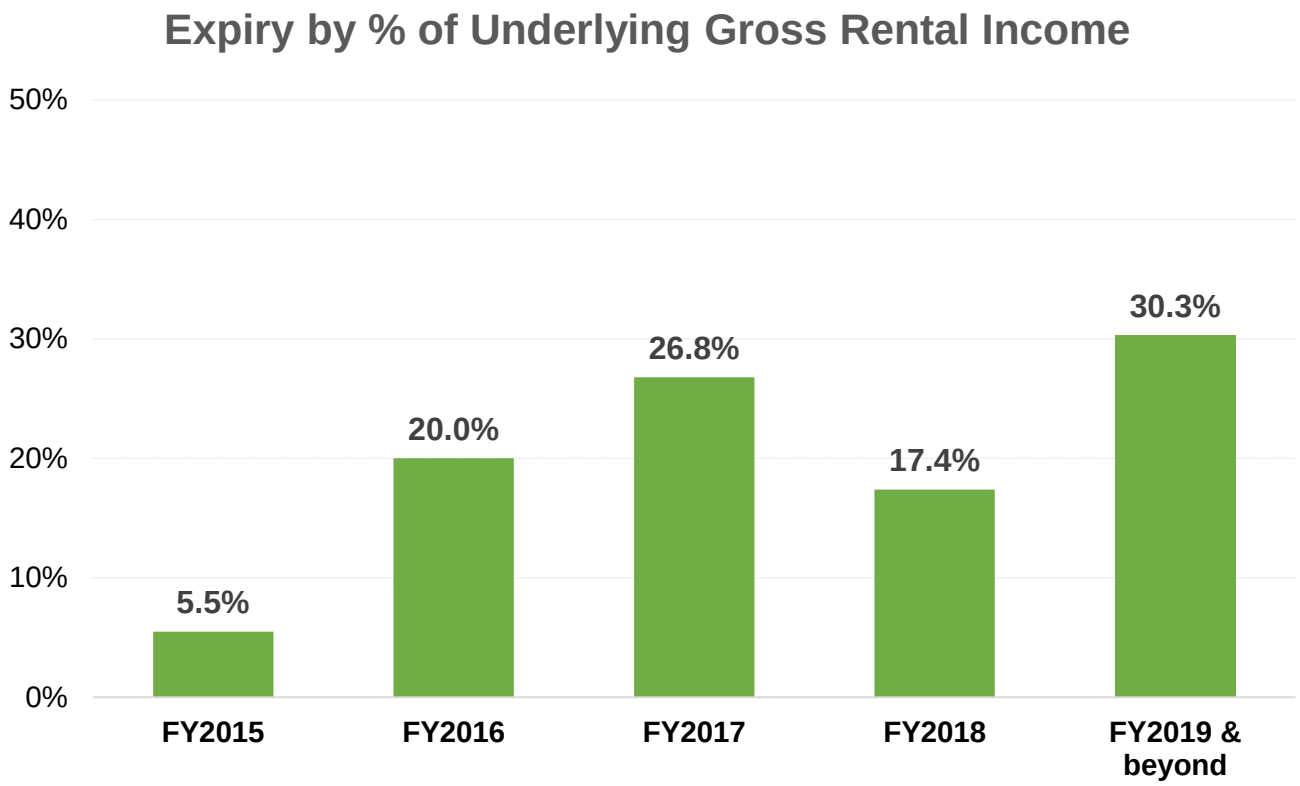


Breakdown of Trade Sector by Underlying Gross Income*



** Based on monthly gross rental income for the month of June 2015, excluding the rental income from the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability



As at 30 June 2015, 70.4% of the leases due for renewal in 2015 have been renewed.

** Based on committed leases as at 30 June 2015, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Media Coverage of AEI at Technopark@Chai Chee – Project Viva City



CNA, 6 May 2015



CNA, 6 May 2015

'Shanghai Tong'-backed Viva Industrial REIT starts AEI on largest asset by GFA

| BY GOOLA WARDEN |

Viva Industrial REIT (VIT) is relatively small, is not backed by a government-linked property group and lacks analyst coverage. Yet, it could be one of the more interesting REITs to watch amid growing awareness of corporate governance issues and as the prospect of higher interest rates focuses attention on trusts with good organic growth potential as well as decent yields.

Listed in 2013, VIT's major shareholder is Tong Jinquan, the Chinese property tycoon behind the privately held Shanghai Summit group, which owns some RMB65 billion ($13.81 billion) worth of real estate. Tong, sometimes known as "Shanghai Tong" in the market, owns 62% of VIT and 31% of its manager. He first came to notice when his corporate group sold two large malls — Hongkou Plaza and Minhang Plaza — to CapitaMalls Asia. He also sponsored Perennial China Retail Trust before selling out shortly after its IPO, and subsequently took up substantial stakes in a range of local REITs, including a 7% stake in **Soilbuild Business Space REIT**, a 16% stake in **OUE Commercial REIT** and a 16% stake in **Cambridge Industrial Trust** (CIT).

In April, CIT said its unitholders did not pass Resolution 3 at its annual general meeting. That is the resolution that provides the manager with a general mandate to raise equity by issuing new units. This came following a controversy over CIT's performance fee structure, which was linked to the relative performance of its units. CIT's manager unilaterally slashed the fees. This month, it will hold an extraordinary general meeting to change its performance fee structure, linking it to growth in distribution per unit (DPU).

Shanghai Tong is likely to be one of the CIT unitholders who voted down its Resolution 3. However, he evidently backed VIT's own Resolution 3 at its recent AGM. "We got 100% for that," says Wilson Ang, CEO of VIT's manager, referring to the support from unitholders. "I believe it's because of shareholder engagement and the trust that shareholders have in the management team. For major resolutions, we engage our major shareholders. We call and tell them we have this resolution to get their support before the AGM."

Ang was, in fact, one of the co-founders of CIT, along with Chan Wang Kin and Finian Tan. And, he is well aware that Resolution 3 is generally unpopular with investors. The key, he says, is for REIT managers to ensure that they always create value for unitholders when they issue new units. "The important thing is, as you grow, to have accretive investments, which won't dilute unitholders too much when you issue new units," Ang says.

Besides having the trust of its savvy controlling unitholders, VIT is also about to embark on an asset enhancement initiative (AEI) at its largest property by gross floor area. On May 6, the trust said it would spend $20 million on Project Viva City at Technopark@Chai Chee (TPCC), which currently has total GFA of 1.52 million sq ft. Under the AEI, the ground-floor carpark and unutilised areas will be converted into 230,000 sq ft of retail and commercial space. The development's façade will also be enhanced, and new amenities will be added to the complex.

VIT has received in-principle consent from the HDB and provisional permission from the Urban Redevelopment Authority for the proposed additions and alterations, and change of use. "The land is under HDB, so we need the plan to be endorsed by HDB. Then, we submitted to URA to get the planning permission. We've got that. The next stage is written permission, which we expect to get in a week or two. From there, we can start the construction work," Ang says.

The AEI will involve a change of use for up to 15% of the property's GFA to "white" uses and yield up to 230,000 sq ft of retail and commercial space, subject to regulatory approvals.

"The AEI is possible because of the zoning," he says. TPCC was rezoned as a business park from a hi-tech property in 2008. The business park guidelines allow 15% of GFA to be "white". This gives developers more flexibility in the use of the sites, allowing them to change the use of the land without having to pay a hefty differential premium.

"Business park zoning gives us the opportunity to look at enhancing and maximising the use of white space," Ang says, adding that retail provides the most efficient use of the space because of its higher valuation and rentals. And, even though VIT's units are trading at yields of over 9%, he is confident the AEI will be yield-accretive when completed. "For all projects, we have a hurdle yield. For this project, we are confident of an [internal rate of return] of at least 15%," he says.

Changing tenant mix

Already, VIT has signed up iconic sports retailer Decathlon as anchor tenant, taking up 35,000 sq ft of space. "This will be their flagship store in Southeast Asia. Decathlon signed a long-term lease but they're committed to renewals. They wanted to sign up for longer than our land lease (16 years) because they want to be here for the long term," says Ang.

"[Decathlon] will bring good footfall into this development, and we want to bring in complementary F&B to serve the tenants here as well as the surrounding residents. We are also bringing in enrichment centres and some sports-related activities for the tenants."

For instance, VIT is looking at a swimming pool for infants. "We are in discussion and there are a few potential tenants looking at the space. It depends on who can pay the better rent and whether they complement the other tenants in the development," he says. "We also have a supermarket plan for which we are in discussion."

Although the GFA for TPCC is maxed out, VIT is likely to see higher rental after the AEI, as retail space commands higher rental than industrial space. The average rental rate at TPCC is believed to be about $3 psf a month. Moreover, the overall occupancy rate is likely to be higher. "We're trying to make use of valuable ground floor for Decathlon and decant the less visible space to enhance visibility and increase occupancy," Ang says, adding that the occupancy rate could rise to 80% from less than 65% currently.

Expanding portfolio

Besides TPCC, the other major property asset held by VIT since it was listed is UE Bizhub East in Changi Business Park, comprising a 611,471 sq ft business park and a 172,532 sq ft hotel. "It's newer and it's near an MRT station. Eventually, it will be served by two MRT stations," Ang says. The rental rates of the property are about $5 to $6 psf a month, which are significantly higher than at TPCC. At the point of listing, VIT also owned Mauser Singapore, a two-storey ramp-up logistics development located near Tuas Checkpoint and Jurong Port, Singapore's only international multipurpose port operator.

In September last year, VIT acquired Jackson Square and Jackson Design Hub. The price tag was $112.8 million, and the purchase was funded entirely with debt. Jackson Square in Toa Payoh comprises four blocks of light industrial buildings with GFA of 418,586 sq ft. There is only 14 years left on the leasehold title of the Toa Payoh site. Jackson Design Hub, an 85,070 sq ft property in Paya Lebar iPark, has a longer leasehold title of 52.1 years. The net property income (NPI) yield on both properties is more than 10%. Since they were acquired with debt, the acquisition boosted DPU.

"The properties are very prime," says Ang. But, because the Jackson properties were acquired with debt, VIT's debt-to-asset ratio has risen to 43.9% from 38.8%. Now, the REIT is looking at ways to bring down the gearing. "We are exploring various options," he says. However, VIT's units are trading at relatively high yields, and they are quite tightly held. "Our free float is 17%."

Besides Shanghai Tong's controlling interest, some 5.15% of VIT is held by local offshore and marine tycoon Tan Kim Seng. Local developer Ho Lee Group owns a further 10.5%. The group also owns a portion of VIT's manager. The REIT has right of first refusal to an industrial property with more than one million sq ft of GFA in Ang Mo Kio that was developed and currently owned by Ho Lee Group.

'Sticky' tenants

VIT has a portfolio valued at $852 million and an asset size of $886 million. While the average leasehold tenure of its properties is only 41 years, the REIT says its tenants are quite diversified and have relatively long tenancies. The REIT's portfolio has a weighted average lease to expiry (WALE) of some 3.6 years.

"All the underlying leases are 3 + 3 + 3. The WALE doesn't take into account the renewal option granted to the tenants," Ang says. "Industrial tenants tend to be sticky because when they come in, they tend to spend a lot of capital expenditure. So, in one term, they would not be able to write off their costs, unless they've grown out of the existing space or they've grown much smaller. They will not move for a slight increment in rent."

Ang also points out that VIT's two key properties are already multi-tenanted. One risk with other industrial REITs is that some of their properties are on master tenancies that expire not too far in the future. When that happens, the REITs face the risk of their rents becoming less stable as they try to secure multiple new tenants.

For 1QFY2015 ended March, VIT reported a 25.8% rise in NPI to $12.4 million, boosted by the Jackson acquisitions. Its DPU rose 8.6% to 1.87 cents. The annualised DPU of 7.6 cents translates into a distribution yield of 9.2%.



Ang: Business park zoning gives us the opportunity to look at enhancing and maximising the use of white space



Valuation score*	–
Fundamental score**	–
TTM PER (x)	12.04
P/NAV (x)	1.06
TTM dividend yield (%)	10.28
Market capitalisation ($ mil)	510
Shares outstanding (ex-treasury) (mil)	621.88
Beta	0.18
12-month price range ($)	0.76-0.84

*Valuation score — Composite measure of historical return and valuation
**Fundamental score — Composite measure of balance sheet strength and profitability
Note: A score of 3.0 is the best to have and 0 is the worst to have

The Edge, 18 May 2015

Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Outlook

Singapore Economy

- Singapore economy grew by 1.7% on a year-on-year basis in the second quarter of 2015, lower than the 2.8% growth in the previous quarter[1].
- On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.6%, a reversal from the 4.2% expansion in the preceding quarter[1].

Industrial Property Sector

- The outlook for the industrial market is likely to remain subdued in the near term in view of the strong supply pipeline along with the subletting rules[2].
- However, according to the analysts, business park occupancy and rentals are expected to remain stable in the near term and may show improvement with no planned Business Park development beyond 2016[2].

VIT Plan

- The REIT Manager will proactively engage tenants to renew the remaining leases due this year.
- To reduce aggregate leverage ratio through diversification of funding sources.
- To focus on AEI at TPCC and increase pre-commitment from tenants.
- To continue growing the portfolio organically via proactive lease and asset management and to pursue investment opportunities of yield-accretive properties in Singapore.
- On the lookout beyond Asia Pacific region for high quality assets in markets with strong fundamentals and promising economic outlook.

1. *"Singapore's GDP Growth Moderated in the Second Quarter of 2015", Press Release, Ministry of Trade and Industry Singapore, 14 July 2015*
2. *"Singapore, Q2 2015, An Occupier's Market", Singapore MarketView Q2 2015, CBRE Research, Q2 2015*

Thank you

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