Viva Industrial Trust
FY2015 Annual General Meeting

27 April 2016



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- Key Highlights for FY2015
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Key Highlights for FY2015

- ✓ **Gross Revenue** rose by **19.8%** year-on-year to **S$74.0 million**
- ✓ **Distributable income** grew by **15.9%** year-on-year to **S$47.5 million**
- ✓ **DPS** increased by **2.4%** year-on-year to **7.000 cents**
- ✓ Asset under management ("AUM") increased by **32%** to **S$1.12 billion** from FY2014. Growth in AUM driven by:
  - ***Acquisitions contributing S$134.8 million***
  - ***Asset enhancement initiative ("AEI") contributing S$134.7 million***
- ✓ Secured approximately **375,000 sq ft** of renewals and new leases for FY2015
- ✓ Weighted average portfolio occupancy increased from 80.8% **to 87.0%**
- ✓ Significantly lowered **gearing ratio** from 44.3% **to 38.6%**
- ✓ Stapled securityholding base increased by **39% to 863 million units**

2015 Significant Events

5 June Completed **private placement** and successfully **raised S$63 million** to partially fund the AEI at VBP. *(Technopark@Chai Chee ("TPCC") was renamed to Viva Business Park ("VBP") on 13 January 2016).*

29 July Proposed acquisitions of **11 Ubi Road 1** ("11 Ubi Road 1") and **Home-Fix Building** ("HFB") **at S$122.7 million***

28 August Proposed acquisition of **30 Pioneer Road** ("30 Pioneer Road") **at S$45 million*** *(Acquisition completed on 15 April 2016).*

18 November Launched **private placement** and **raised S$37.7 million**

24 November Completion of **11 Ubi Road 1** and **HFB acquisitions**

15 December Launched **preferential offering** and raised **S$72.3 million**



11 Ubi Road 1



Home-Fix Building



30 Pioneer Road

* *Excluding upfront land premium*

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Financial Performance

	Year-on-Year		
	FY2015 Actual	**FY2014 Actual**	**Variance**
Gross Revenue (S$'000)	**73,989**	61,740	▲ 19.8%
NPI (S$'000)	**50,838**	40,753	▲ 24.7%
Distributable Income [1] (S$'000)	**47,478**	40,963	▲ 15.9%
DPS (SG cents)	**7.000**	6.833	▲ 2.4%
Distribution Yield:			
Based on IPO price of S$0.780	**9.0%**	8.8%	▲ 2.3%
Based on closing price of S$0.710 as at 31 December 2015	**9.9%**	9.6%	▲ 3.1%

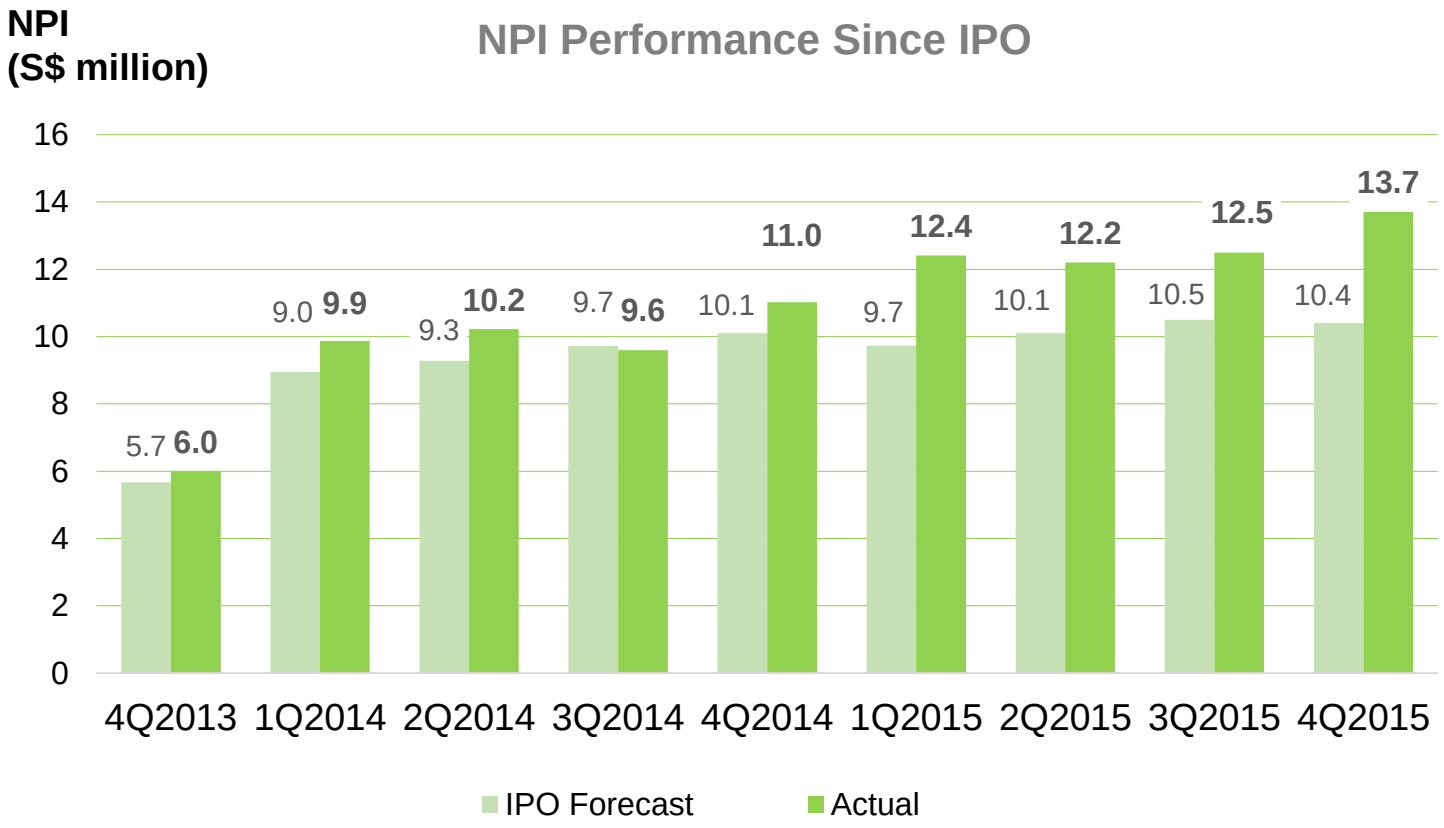
1. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included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

Financial Performance

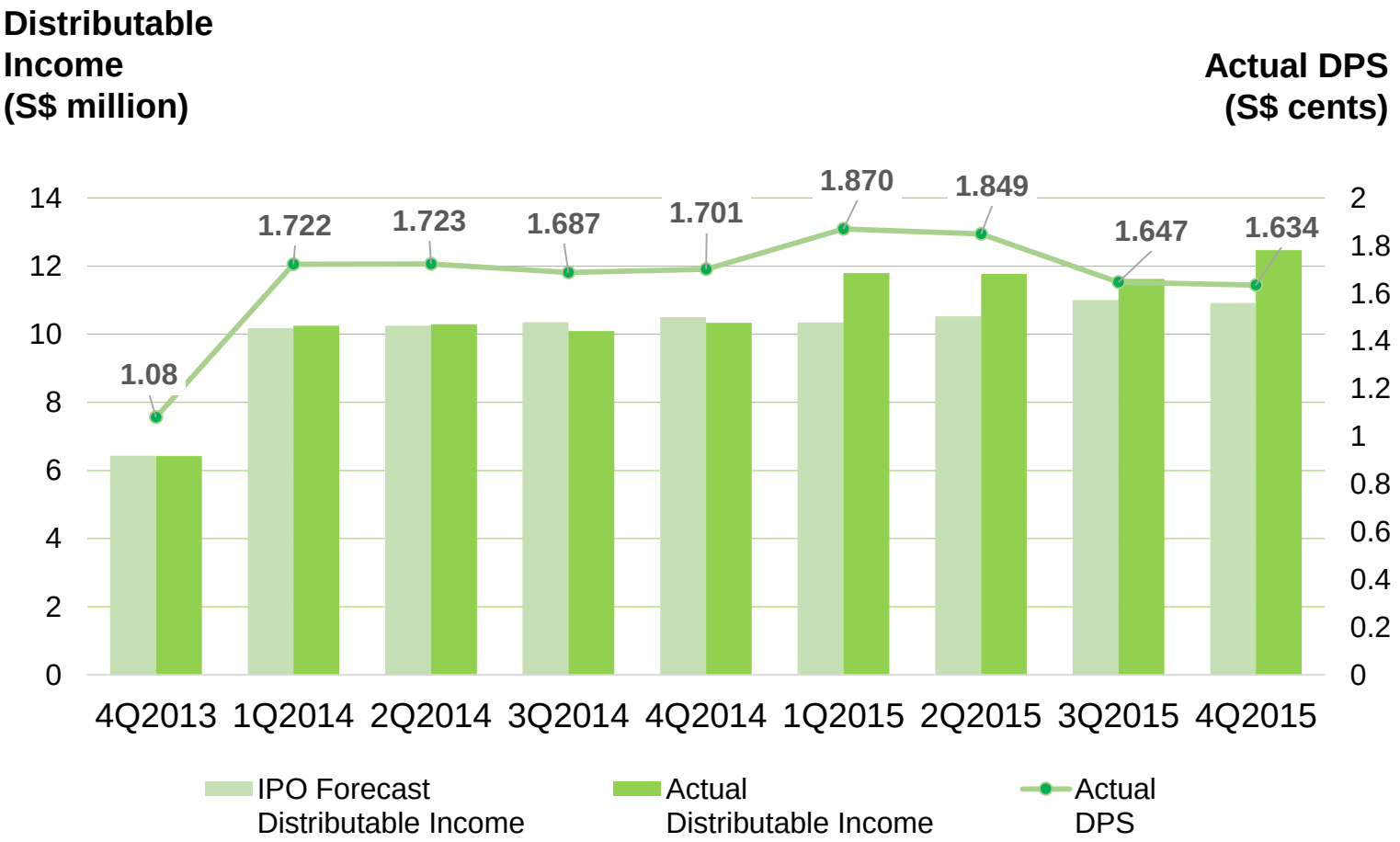
	FY2015		
	Actual	**Forecast [1]**	**Variance**
Gross Revenue (S$'000)	**73,989**	61,551	▲ 20.2%
NPI (S$'000)	**50,838**	40,751	▲ 24.8%
Distributable Income[2] (S$'000)	**47,478**	42,777	▲ 11.0%
DPS (SG cents)	**7.000**	7.030	▼ 0.4%
Distribution Yield:			
Based on IPO price of S$0.780	**9.0%**	9.0%	-
Based on closing price of S$0.710 as at 31 December 2015	**9.9%**	NA	NA

1. *The forecast figures are derived from 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

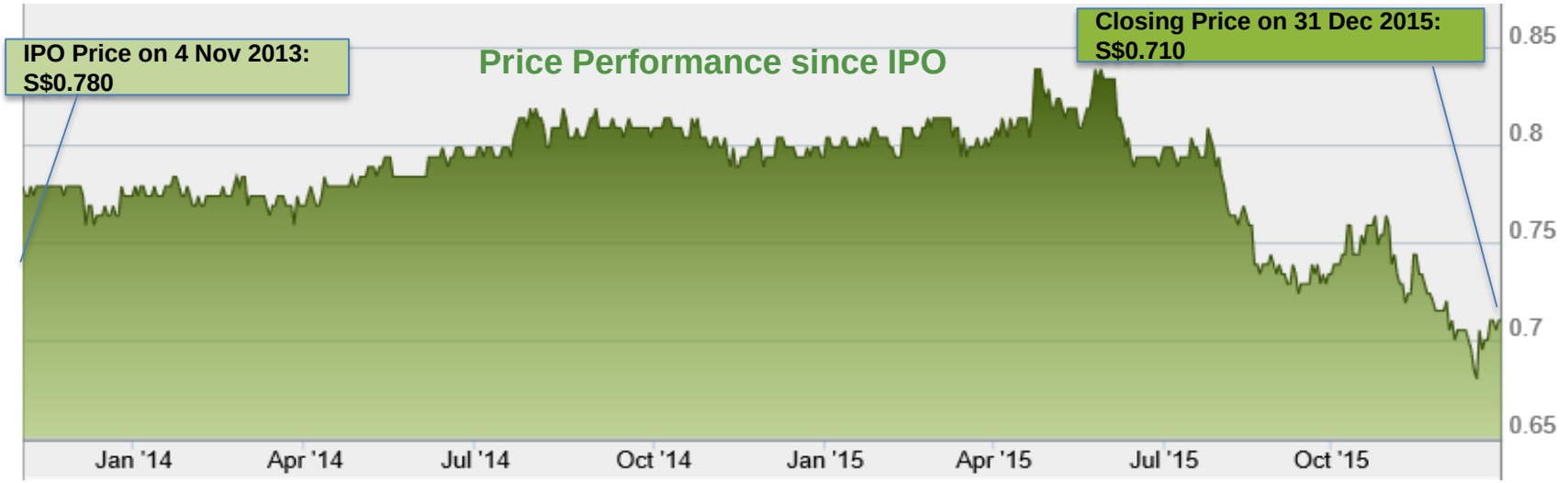


Distribution Performance since IPO



Attractive Return on Investment since IPO

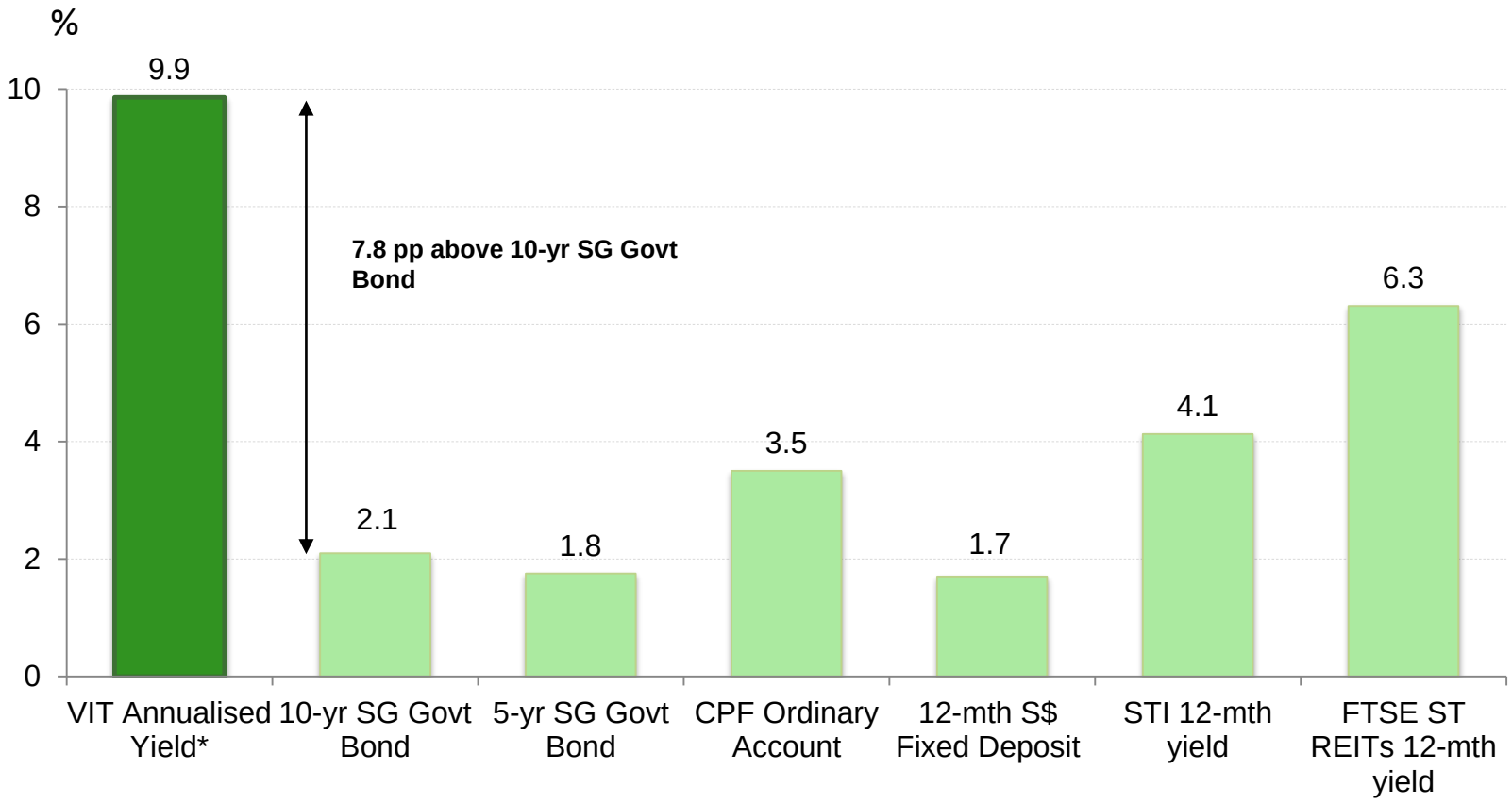
	FP2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015
Price at Quarter End (S$)	0.775	0.770	0.795	0.805	0.795	0.805	0.795	0.735	0.710
Cumulative DPS (SG cents)[2]	1.080	2.802	4.525	6.212	7.913	9.783	11.632	13.279	14.913
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9	(5.8)	(9.0)
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9	17.0	19.1
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**	**11.2**	**10.1**



Scenario: Distribution yield based on 4Q2015 annualised DPS of S$0.06483							
Price	S$0.700	S$0.710	S$0.720	S$0.730	S$0.740	S$0.750	S$0.760
Annualised Distribution Yield	9.3%	9.1%	9.0%	8.9%	8.8%	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.*

Attractive Yield versus Other Investments



** VIT Annualised Yield is computed based on the actual DPS for FY2015 and Closing Price S$0.710 as at 31 December 2015.*
Source: Bloomberg, Central Provident Fund Board, Monetary Authority of Singapore, OCBC, as at 17 Mar 2016.

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FY2015 Capital Management Summary

- ✓ **Raised S$63.0 million** via the issuance of **80.3 million new stapled securities** under a private placement in June 2015 to partially fund the AEI project at VBP

- ✓ Launched equity fund raising comprising a private placement and a preferential offering in November 2015 to raise **S$110.0 million** via the issuance of **153.1 million new stapled securities** to partially fund the acquisition of HFB, 11 Ubi Road 1 and 30 Pioneer Road, and the AEI project at VBP

- ✓ Drew down **S$73.0 million** from a secured **5-year term loan** facility to partially fund the acquisition of HFB and 11 Ubi Road 1.

- ✓ **79.9%** of outstanding borrowings as at 31 December 2015 are on fixed rates

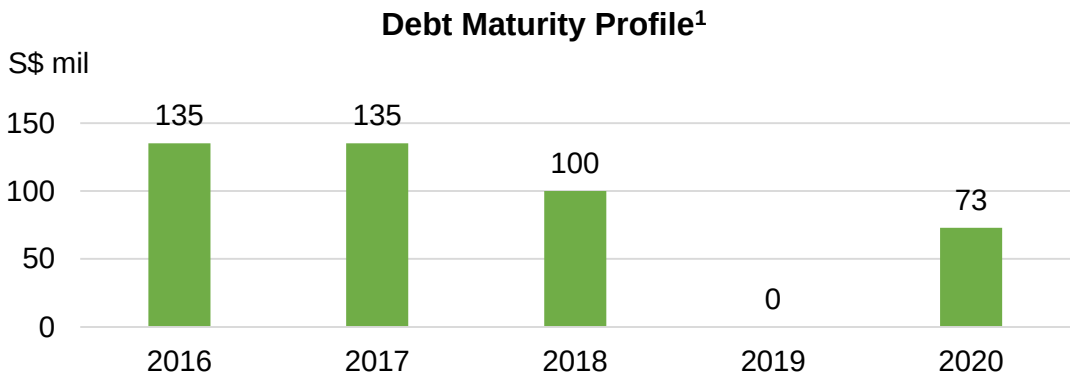
Balance Sheet

	31 Dec 2015 S$ mil	31 Dec 2014 S$ mil
Investment Properties	1,123.2	852.7
Intangible Assets*	9.4	13.4
Current Assets	65.7	16.4
Total Assets	**1,198.3**	**882.5**
Borrowings (net of transaction costs)	459.2	386.0
Other Liabilities	37.5	25.0
Total Liabilities	496.7	**411.0**
Net Assets	**701.6**	**471.5**
No. of Stapled Securities issued and issuable (in mil)	863.1	621.9
Net Asset Value per Stapled Security (Singapore cents)	**81.3**	**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 VBP pursuant to the UEBH rental arrangement and the VBP rental support arrangement.*

Capital Management

As at 31 December 2015	
Total Borrowings	S$463 million
Gearing Ratio (Total Borrowings over Total Assets)	38.6%
All-in Borrowing Cost	3.99%
Weighted Average Debt Maturity[1]	2.2 years
Interest Rate Exposure Fixed[2]	79.9%
Interest Cover	4.2 times
Credit Ratings assigned by Standard & Poor's:	
Corporate Credit Rating	BB
MTN Series 001	BB+



1. *Excludes the outstanding revolving credit facility of S$20 million.*
2. *Based on outstanding borrowings as at 31 December 2015.*

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Portfolio Highlights

- ✓ **Completed the acquisition of HFB and 11 Ubi Road 1** with a combined valuation of **S$134.8 million**
- ✓ With the two newly acquired properties, VIT's total portfolio increases to **seven properties** with a valuation of approximately **S$1.12 billion**
- ✓ Renamed TPCC to **VBP**, to reposition the development as a vibrant work place that incorporates **sporting and lifestyle amenities**
- ✓ Secured approximately **234,000 sq ft** of lease renewals and **141,000 sq ft** of new leases in FY2015
- ✓ Weighted average portfolio occupancy at **87.0%**

Strategically Located Quality Portfolio

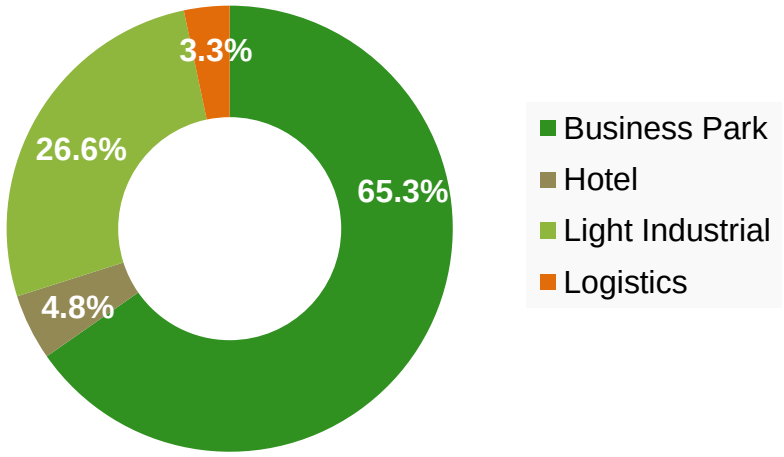


✓ Planned development of Tuas Port, where all of Singapore's port operations will be consolidated

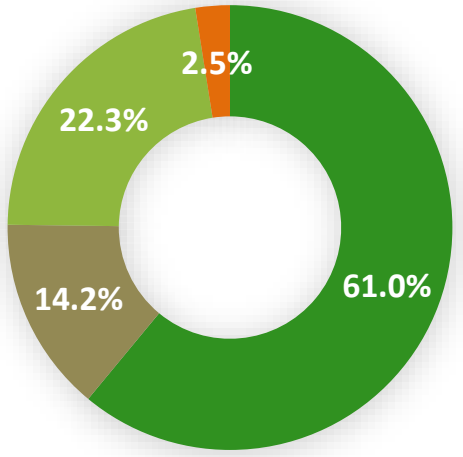
Business Park Focused Portfolio

Portfolio Summary	
Total Number of Properties	**7**
Total Portfolio GFA (sq ft)	**3,292,936 sq ft**
Net Lettable Area (NLA)	**2,703,768 sq ft**
WALE (by rental income)*	**3.8 years**
Weighted Average Land Lease (by valuation)	**37.4 years**
Weighted Average Age of Building (by valuation)	**9.7 years**
Weighted Average Portfolio Occupancy	**87.0%**
Total Portfolio Value	**S$1.12 billion**

Asset Type by GFA



Asset Type by Valuation



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

Best in Class Portfolio – Properties Profile

	Property Name	Property Type	Valuation	GFA	Remaining Land Lease	Occupancy
	UE BizHub EAST ("UEBH")	Business Park	S$355.0 mil[1]	626,018 sq. ft.	52.1 years	88.4%
		Hotel	S$160.0 mil[1]	157,397 sq. ft.	52.1 years	99.5%
	Viva Business Park ("VBP")	Business Park	S$330.0 mil[2]	1,524,685 sq. ft.	15.3 years	68.3%
	Mauser Singapore	Logistics	S$28.0 mil[1]	107,566 sq. ft.	50.6 years	100%
	Jackson Square	Light Industrial	S$82.0 mil[2]	418,586 sq. ft	13.4 years	98.9%
	Jackson Design Hub	Light Industrial	S$33.4 mil[2]	85,070 sq. ft.	51.4 years	100%

1. *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2015.*
2. *Based on independent valuation performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2015.*

Acquisition Completed in FY2015

Property Details	
Name	11 Ubi Road 1
Location	11, Ubi Road 1, Singapore 408723
Purchase Cost	S$86.1 mil
Valuation	S$87.0 mil[1]
Land Tenure	30 + 30 years wef 1 Sep 1995
Land Area	103,238 sq ft
GFA	253,058 sq ft
Leasable Area	253,058 sq ft
Occupancy	100%
Lease Term	10 years





1. *Based on independent valuation performed by Suntec Real Estate Consultants Pte. Ltd.*

Acquisition Completed in FY2015

Property Details	
Name	Home-Fix Building
Location	19 Tai Seng Avenue, Singapore 534054
Purchase Cost	S$46.4 mil
Valuation	S$47.8 mil[1]
Land Tenure	30 + 30 years wef 11 Sep 2007
Land Area	48,222 sq ft
GFA	120,556 sq ft
Leasable Area	120,556 sq ft
Occupancy	100%
Lease Term	10 years

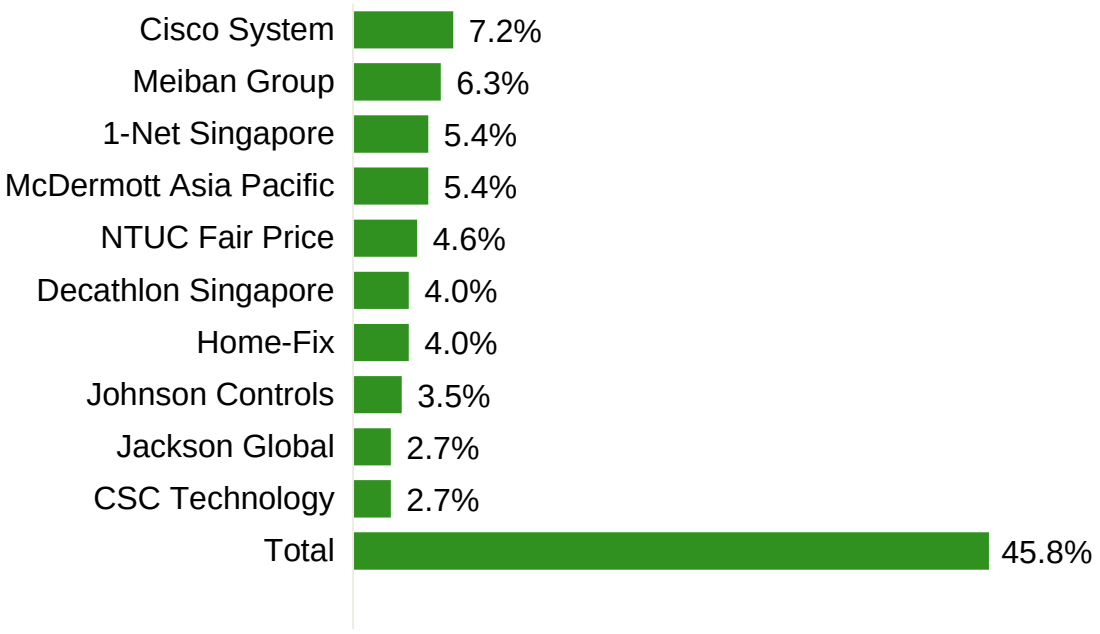




1. *Based on independent valuation by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.*

Diversified Quality Tenant Mix*

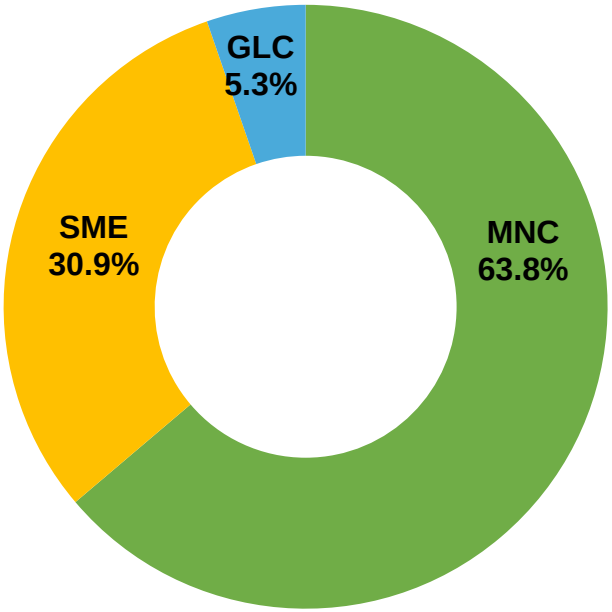
Top 10 tenants/sub-tenants account for 45.8% of monthly committed rental income



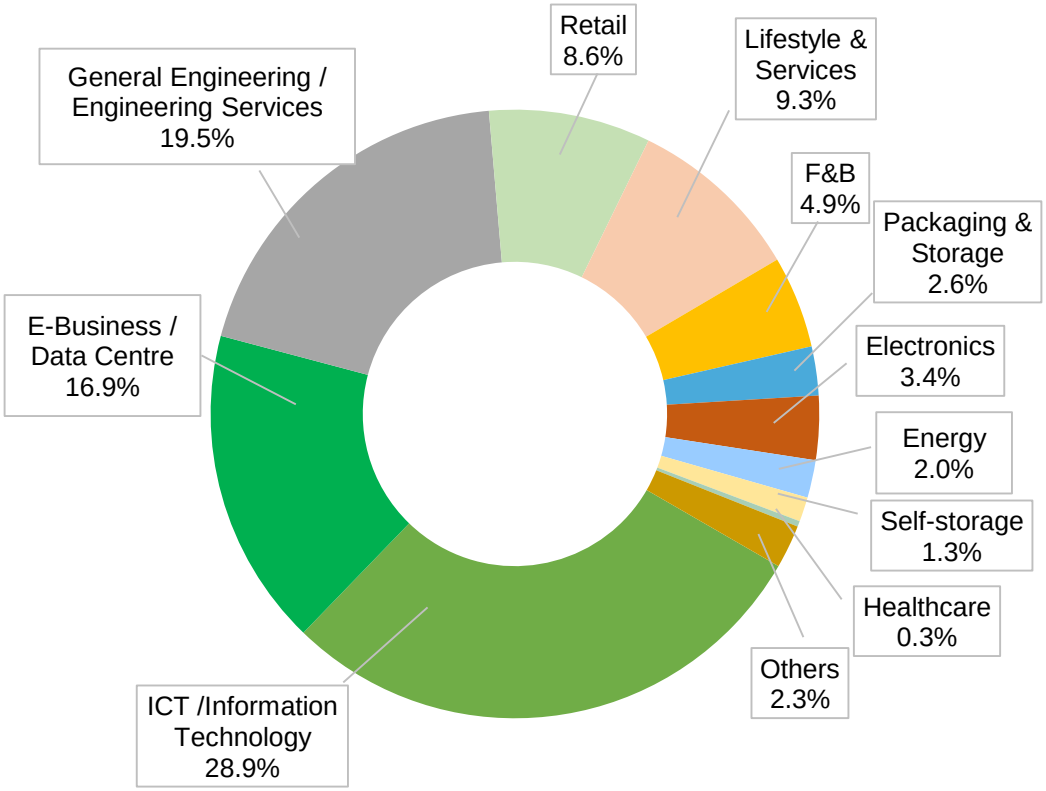
* *As at 31 December 2015. Excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*

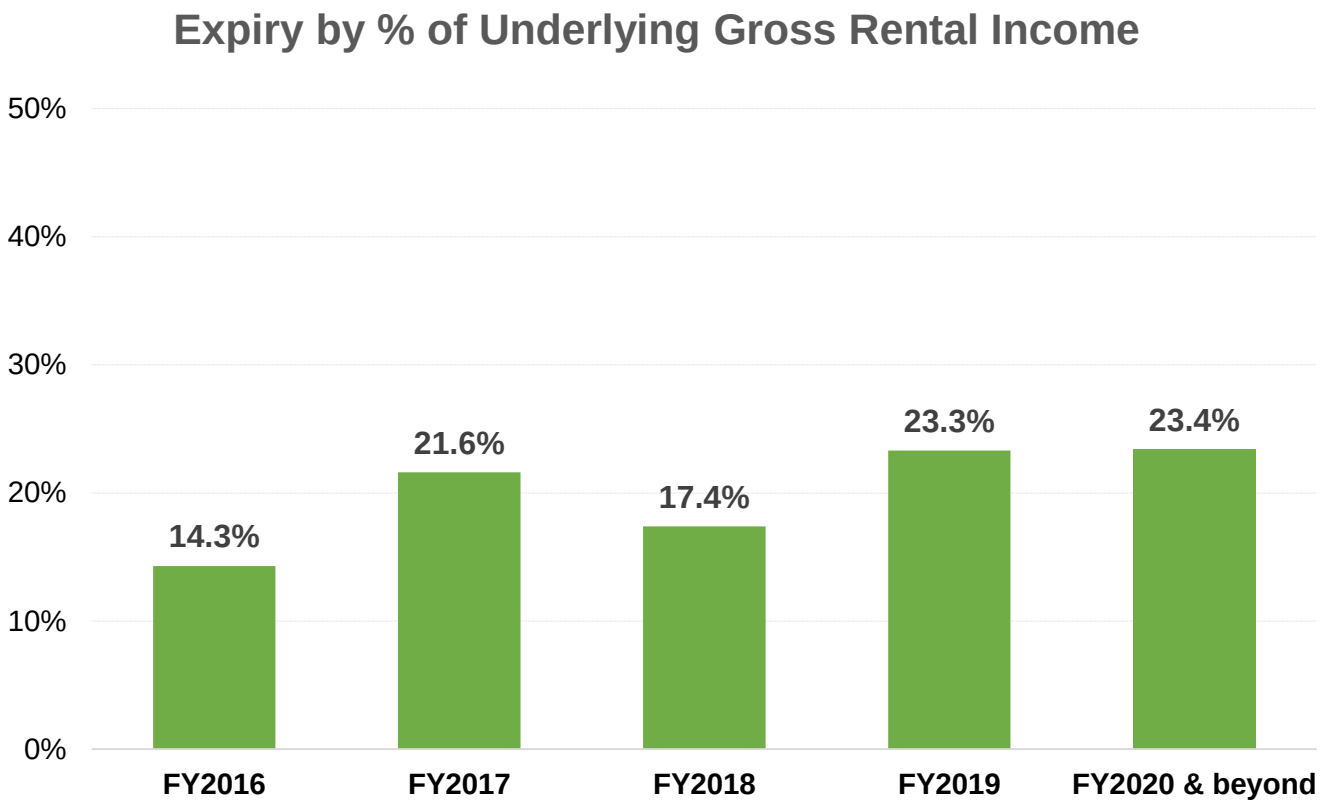


Breakdown of Trade Sector by Underlying Gross Income*



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

Staggered Lease Expiry Provides Income Stability



Secured approximately **375,000 sq ft** of lease renewals and new leases in FY2015.

** Based on committed leases as at 31 December 2015, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

AEI Updates

AEI Project	An initiative to unlock the value of VBP (formerly known as TPCC) by converting up to 15% of GFA to "white" use, allowable under BP zoning		
Total GFA converted to "white"	214,951 sq ft		
Progress status	750 – Level 1	AEI works completed, pending issuance of TOP	
	750A – Level 1	TOP obtained on 11 January 2016 and fully leased	
	750B – Level 1 & 2 & part of Level 3	AEI works in progress, expected to complete by end 3Q2016	
Committed occupancy for the "white" space as at 31 December 2015	55%	DECATHLON SPORT FOR ALL ALL FOR SPORT; OWL SINCE 1956; TRUE FITNESS; ASTONS specialities; Chee-a-boo; mmm!; SONG FISH	
Increase in valuation of VBP as a result of AEI	69% to S$330 million		

AEI Media Highlights



A4 THURSDAY JANUARY 14, 2016 MYPAPER

TopStories

BY LYDIA LAM

Get fit at new Bedok mixed business park

BUY a piece of sports equipment and then rent it out somewhere, all under one roof?

That is a fitness affair flowing up by the revamp of Chai Chee Technopark – two hot stops from Bedok MRT station – which is being relaunched as a mixed business park called Viva Business Park, with lifestyle and healthy living as one key focus.

Some 226,384 sq ft of space is being set aside for retail, food and beverage and other commercial uses.

Viva has scored a coup in getting Decathlon to open its first flagship store here on Sat-urday. The French sporting goods retailer, which has more than 1,000 stores worldwide, is touted as the "Ikea of sporting goods".

The 35,000 sq ft outlet here, which costs about $1 million to set up, will sell more than 85,000 items from over 50 sports.

"For space tenants, we chose Bedok over the Central Business District," Bastien Grandgeorge, chief executive of Decathlon Singapore, told My Paper.

He noted that Bedok is a "densely populated residential and commercial area" with facilities – Decathlon's target market.

Adding to the fitness mix, True Fitness will open an 18,000 sq ft branch in August.

Its seventh outlet here will offer Astral Yoga classes and machine Quinmax, a customisable workout system.

Offside Sports Group will also unveil its an indoor softball and baseball batting cage with a fusion restaurant, said to be the first of its kind in Asia.

The group, which will partner Japanese sports equipment maker Mizuno in this venture, will provide an air-conditioned, four-lane batting facility with adjustable pitching speeds.

The park is also expected to welcome Singapore's largest and tallest air-conditioned sports climbing facility.

Other tenants coming on board include Singapore food and beverage company Owl Cafe, with a first-of-its-kind Health Asian drive-through, and cafe and Western cuisine chain Astons, which will open its first outlet featuring a new halal steakhouse concept.

Wilson Ang, chief executive of Viva Industrial Trust Management, which owns Viva Business Park, said the opening of Decathlon's flagship store, along with other new tenants, will further help enliven Bedok. The area also stands to benefit from the Housing Board's rejuvenation plans for the East Coast region.

Hamish Cheng, assistant professor of marketing at the Singapore Management University's Lee Kong Chian School of Business, said Viva Business Park can "potentially do well" as Singaporeans have "increasingly positive attitudes towards healthy living and more frequent sports participation over the last few years".

She added that consumer confidence and willingness to spend have also increased above the long-term averages in general.

However, she noted that the business park's performance would also depend on other factors such as its market positioning as a competitive landscape, given an increasing number of sporting facilities in Singapore.

Meanwhile, owner of the new attraction has parked up reasons. Lucas Tay, a 19-year-old student, said the health-centred offerings could encourage more to take up sports.

lydiaam@sph.com.sg

My Paper, 14 Jan 2016



style life D5

Mega sports store opens here

French native Decathlon's first store has swing zones for equipment

Straits Times, 14 Jan 2016





Opening of Decathlon's SEA flagship store at VBP, 16 Jan 2016

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Outlook

Singapore Economy

- Singapore's Gross Domestic Product ("GDP") grew by 2.0 per cent annually for the whole of 2015, 1.3 percentage point ("PPT") lower compared to the 3.3 per cent annual growth in 2014[1].
- Singapore received close to S$8.30 billion in total manufacturing fixed asset investment ("FAI") in 2015, 22.7 per cent higher than S$6.76 billion in 2014[1].
- The economic outlook for Singapore remains cautious amid macroeconomic volatility, and the MTI expects Singapore's economy to grow at a modest pace of one to three per cent in 2016, barring unforeseen macroeconomic and geopolitical circumstances[1].

Industrial Property Sector

- Island-wide median rents of business park space saw an improvement of 4.9 per cent y-o- y to S$4.29 per sq ft per month ("psf pm") in Q4 2015. However, the JTC Rental Index for Business Park (which takes into account islandwide rental transactions of business park space) reflected a marginal y-o-y decline by 1.2 per cent[1].
- Where no known new supply of business park space is projected beyond 2016, occupancy rate is likely to remain healthy especially for better designed and well-located business park developments with rents expecting to grow by 2 to 3 per cent annually in 2016[1].

VIT Plan

- To obtain TOP for 750 VBP and complete the AEI works for 750B VBP by end of 3Q2016.
- Continue to be proactive in securing new leases and renewing existing tenancies.
- Continue to proactively look for good quality assets and pursue investment opportunities that will deliver stable distribution and maximize returns to Stapled Securityholders.

1. *Independent Market Report by Knight Frank Pte Ltd Consultancy & Research, 15 March 2016*

Thank you

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