Viva Industrial Trust
2Q2017 & 1H2017
Results Presentation

26 July 2017



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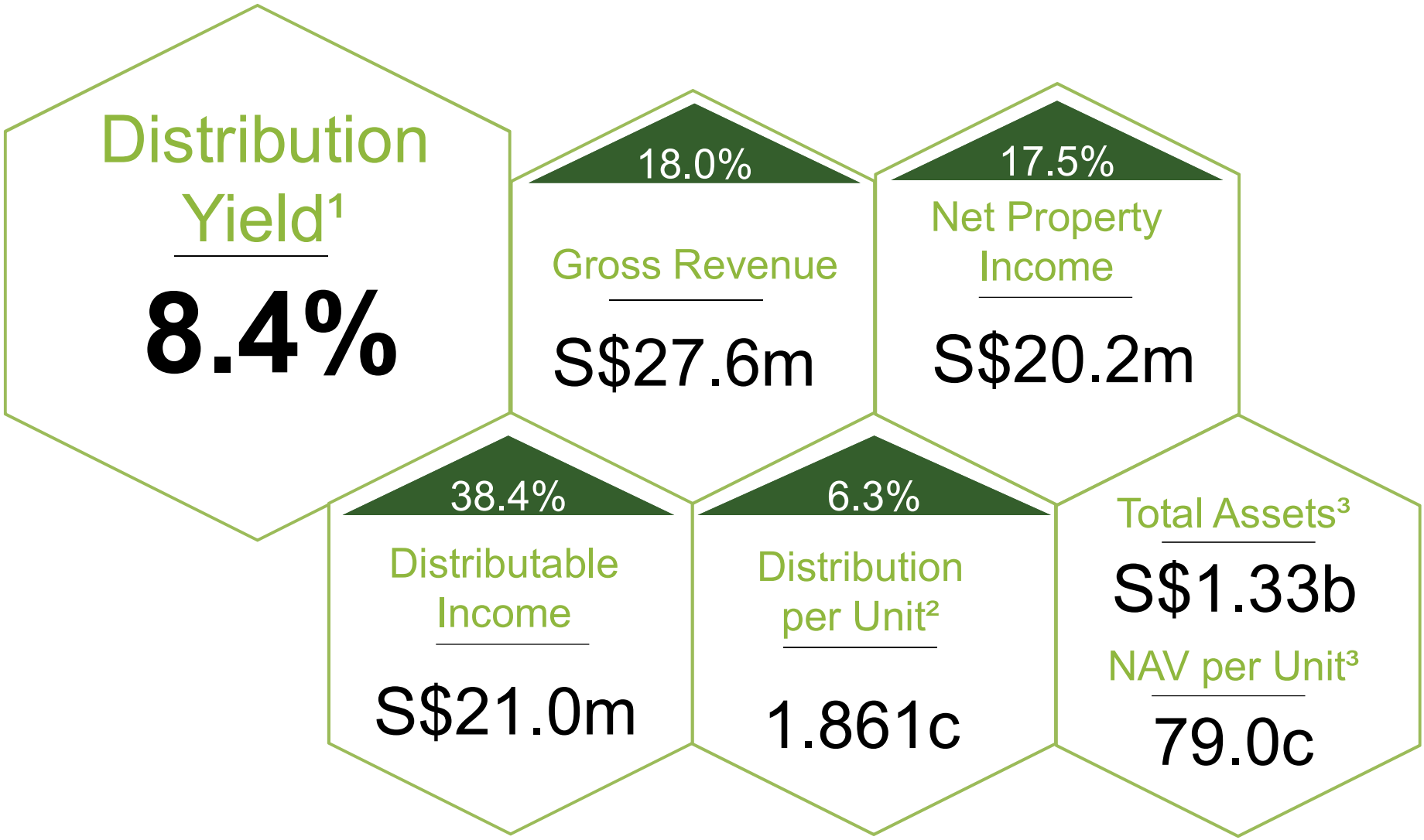
Contents

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



Key Highlights

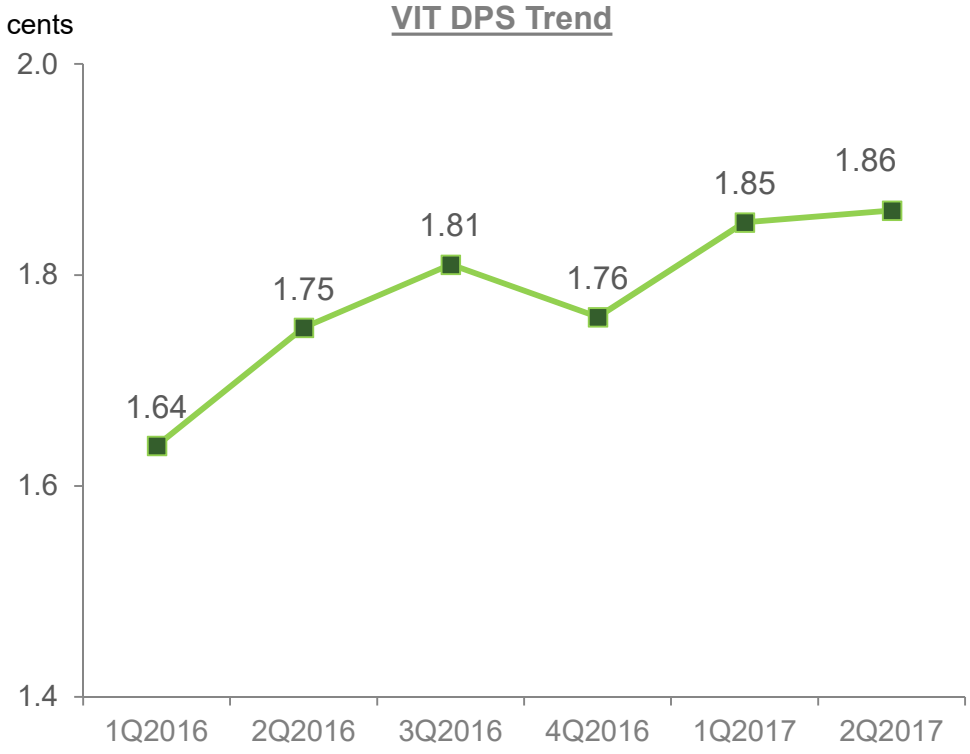
Robust Y-o-Y Performance in 2Q2017

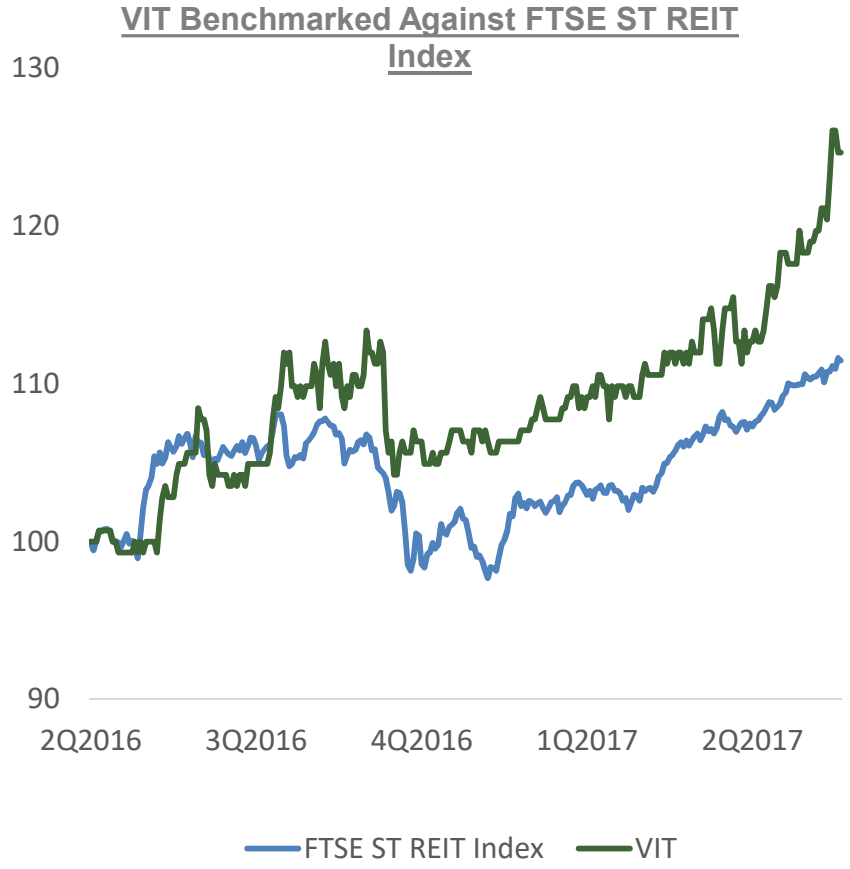


[1] *Based on annualised 2Q2017 DPS and closing price of S$0.885 as at 30 June 2017.*
[2] *Annualised distribution of 7.464 cents.*
[3] *As at 30 June 2017*

VIT's DPS and Share Price Remain Resilient and are Trending Up

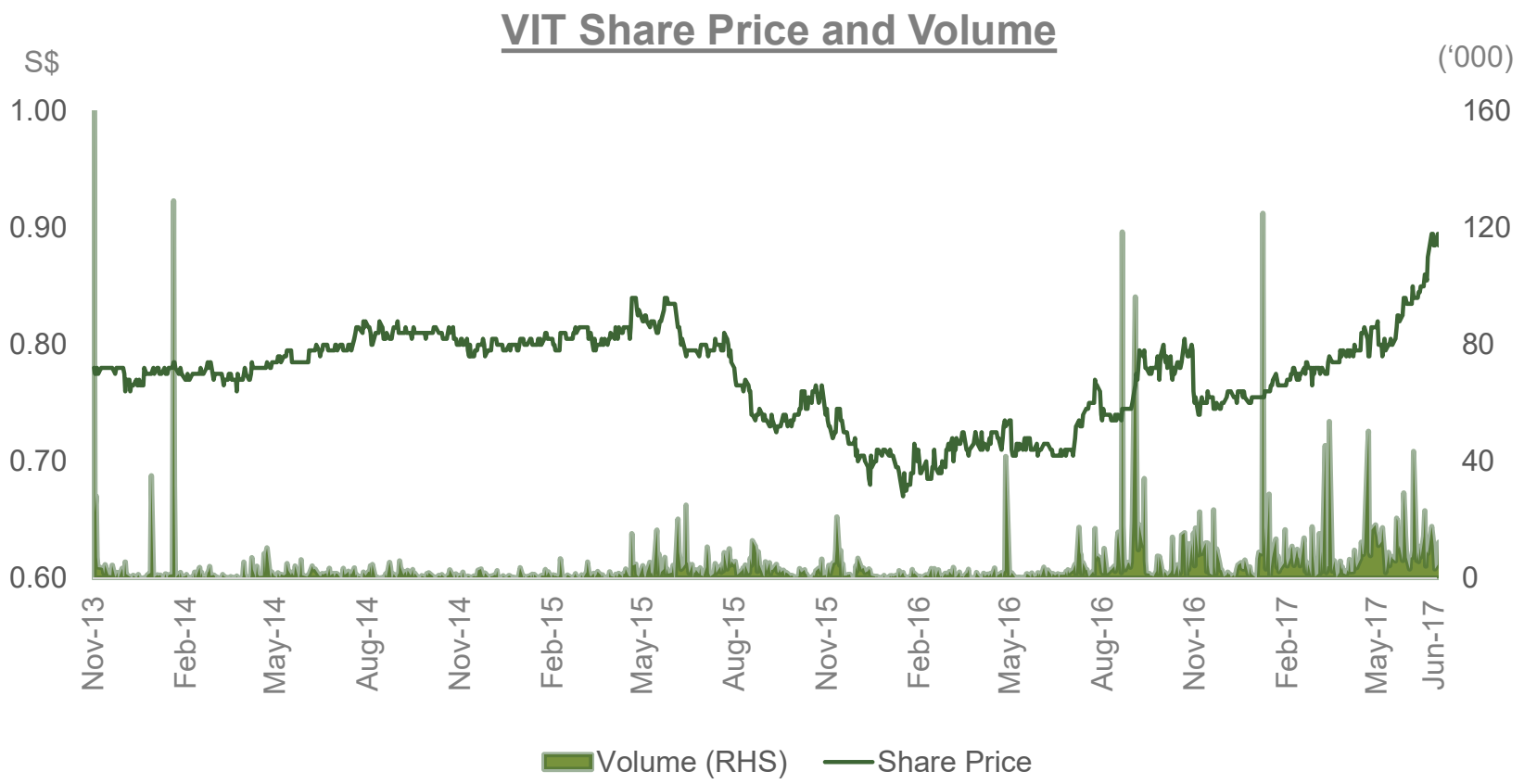
VIT DPS uptrend is intact and share price has outperformed FTSE ST REIT Index on the back of strong fundamentals.





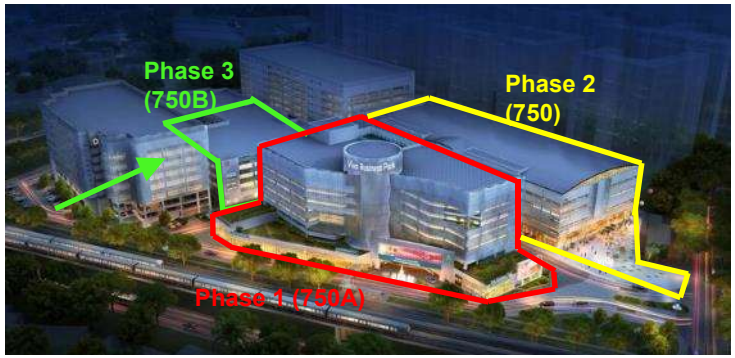
VIT's average volume traded shows improved liquidity

YTD average daily trading volume crossed 1 million shares, shareholding registrar shows increased institutional holdings.



Final Phase of AEI at VBP Completed

VIT welcomes new tenants Harvey Norman, Gorilla Climbing Gym and True Fitness.



Gorilla Indoor Climbing Gym



Harvey Norman Factory Outlet Store



Viva Business Park AEI Completed Successfully

Final Phase of AEI obtained TOP in May 2017.

Block 750B Before AEI



Block 750B After AEI



Viva Business Park AEI Completed Successfully

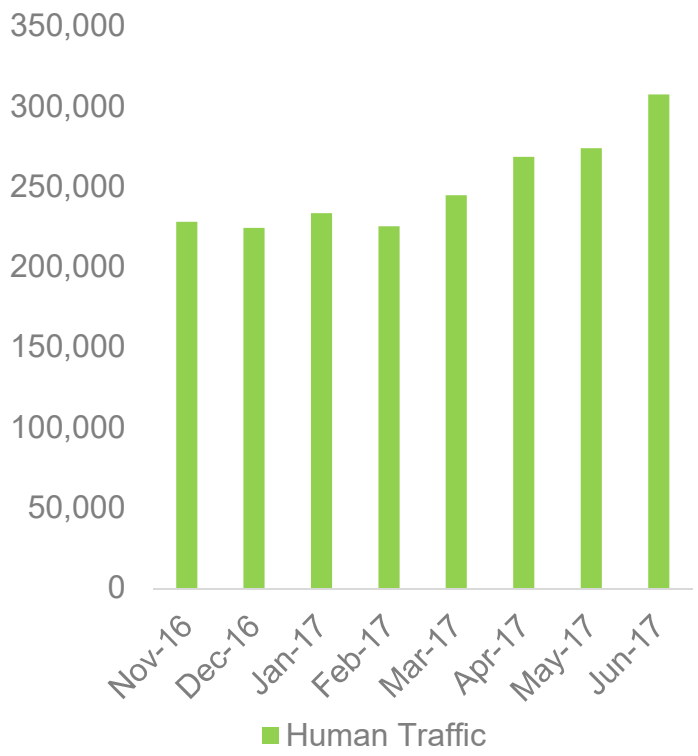
AEI creates "Vibrancy in a Park" for VBP resulting in higher footfall and visits to VBP.

14
F&B Outlets

5
Showroom/ Retail Outlets

5
Mega Gym & Kids Enrichment Centres

Human Traffic[1]



92.3% of "white" space is committed

63.6% of total "white" space contributed to 2Q2017 income

[1] Human traffic count cameras placed at key locations. Data includes estimates for some cameras where unavailable

Viva Business Park AEI Completed Successfully

Spill-over effects from VBP's Vibrancy in a Park resulted in positive rental reversions for Business Park space.



AEI Announcement in May 2015



Phase 1 (750A)
Obtained TOP on 11 January 2016



Phase 2 (750)
Obtained TOP on 4 May 2016



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

VBP's Roadmap to transformation

2015	2016	2017 Q1	2017 Q2
1%	2%	2%	7%

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*

Distribution Details

2Q2017 Distribution Details	
Distribution Period	1 April 2017 – 30 June 2017
Distribution per Stapled Security (Singapore cents)	1.861 comprising (a) taxable income – 1.561 (b) tax exempt income – 0.300
Ex-Date	1 Aug 2017
Books Closure Date	3 Aug 2017
Distribution Payment Date	28 Aug 2017



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

- Proposed MRT Extension
- Proposed MRT Extension
- Major Business Park Cluster
- Light Industrial Properties
- Business Park Properties
- Logistics Properties

Improved Portfolio Fundamentals

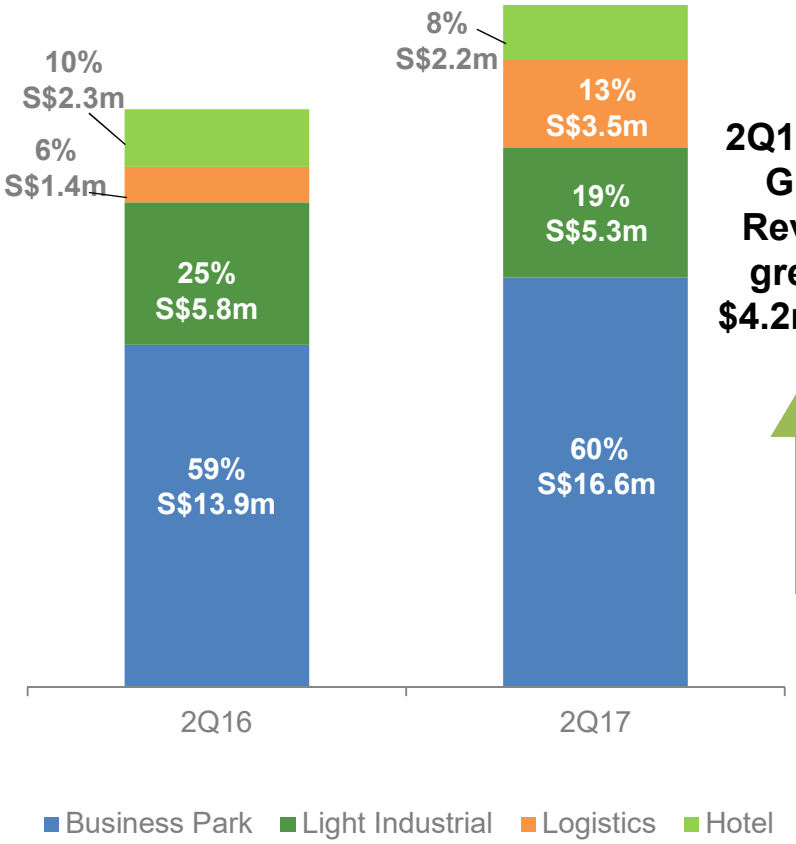
Portfolio Summary		
	30 June 2017	30 June 2016
Total Number of Properties	9	8
Total Portfolio GFA	3,900,269 sq ft	3,577,360 sq ft
Net Lettable Area (NLA)	3,321,537 sq ft	3,001,787 sq ft
WALE (by rental income)[1]	3.0 years	3.4 years
Weighted Average Land Lease (by valuation)	34.2 years	36.0 years
Weighted Average Age of Buildings (by valuation)	9.7 years	9.3 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	90.6% 70.1%	87.9% 70.1%
Total Portfolio Valuation	S$1.29 billion	S$1.19 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

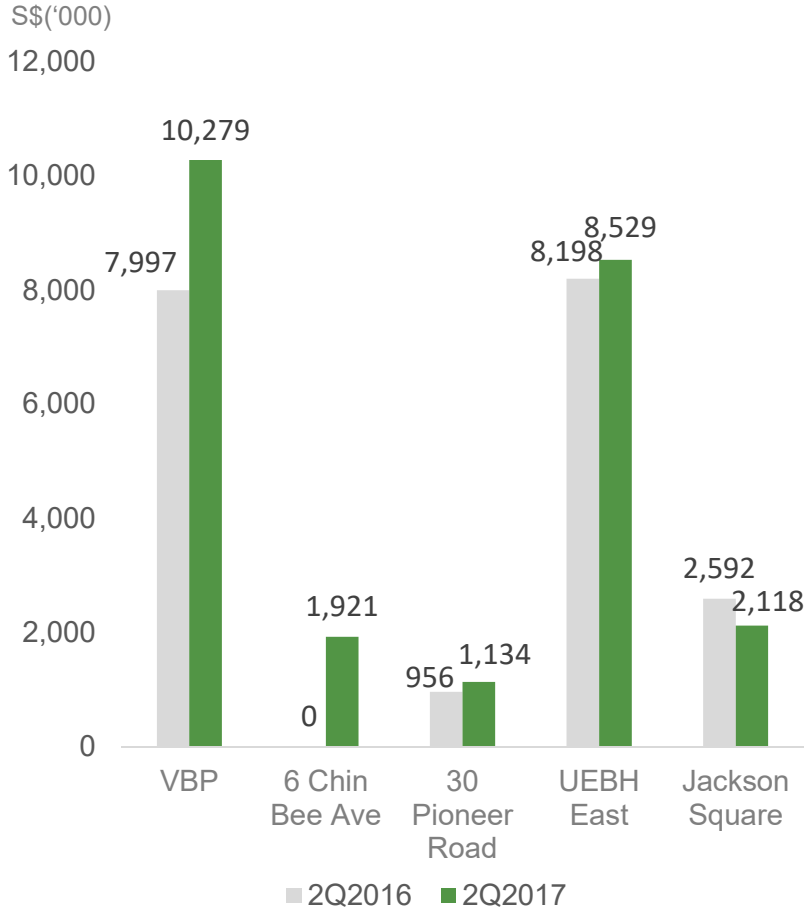
Increasingly diversified portfolio underpinned by resilient business park assets.

Gross Revenue (by Asset Type)

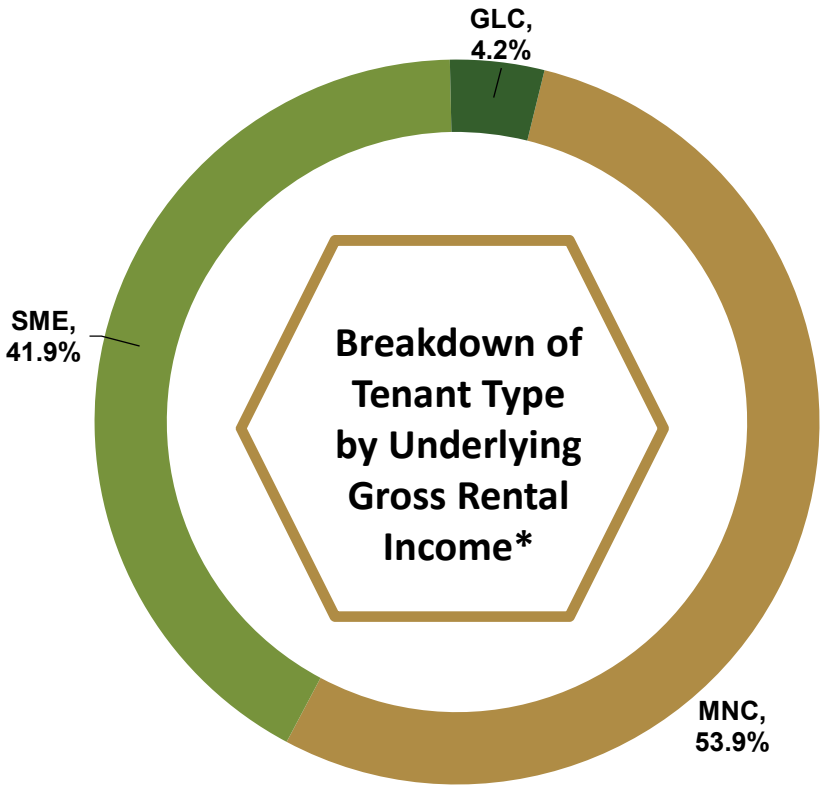


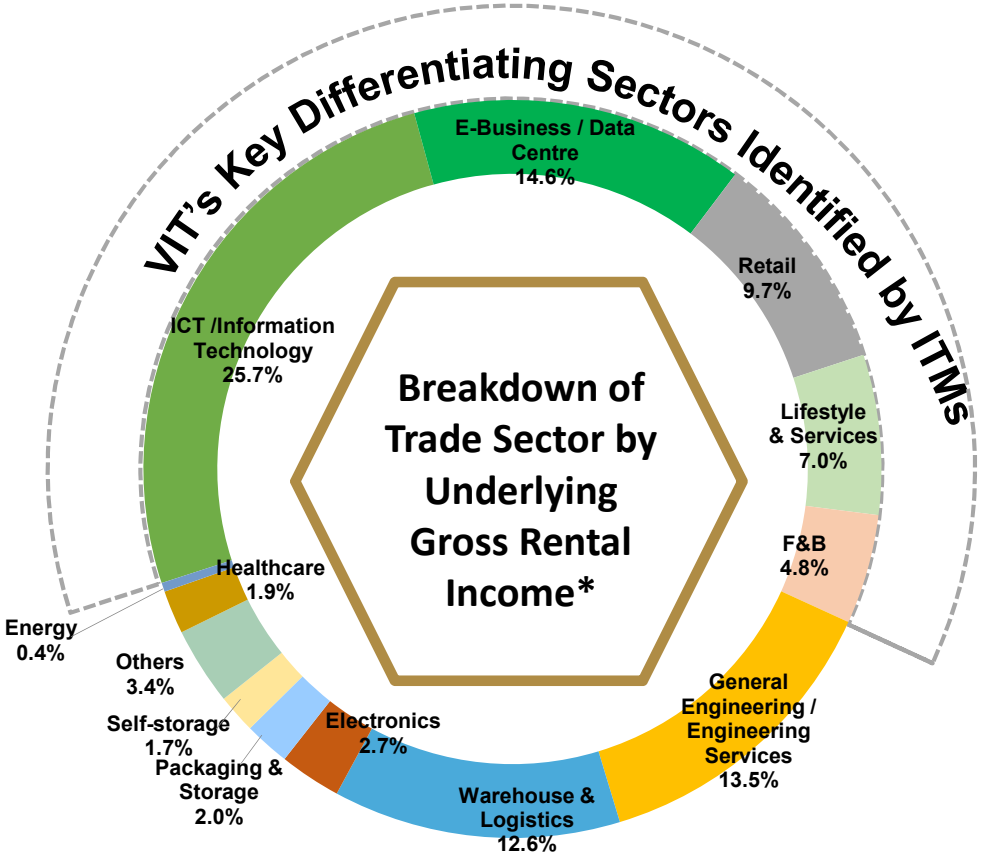
2Q17 Total Gross Revenue grew by $4.2m y-o-y

Contribution to y-o-y Revenue Growth



Diversified Quality Tenant Mix



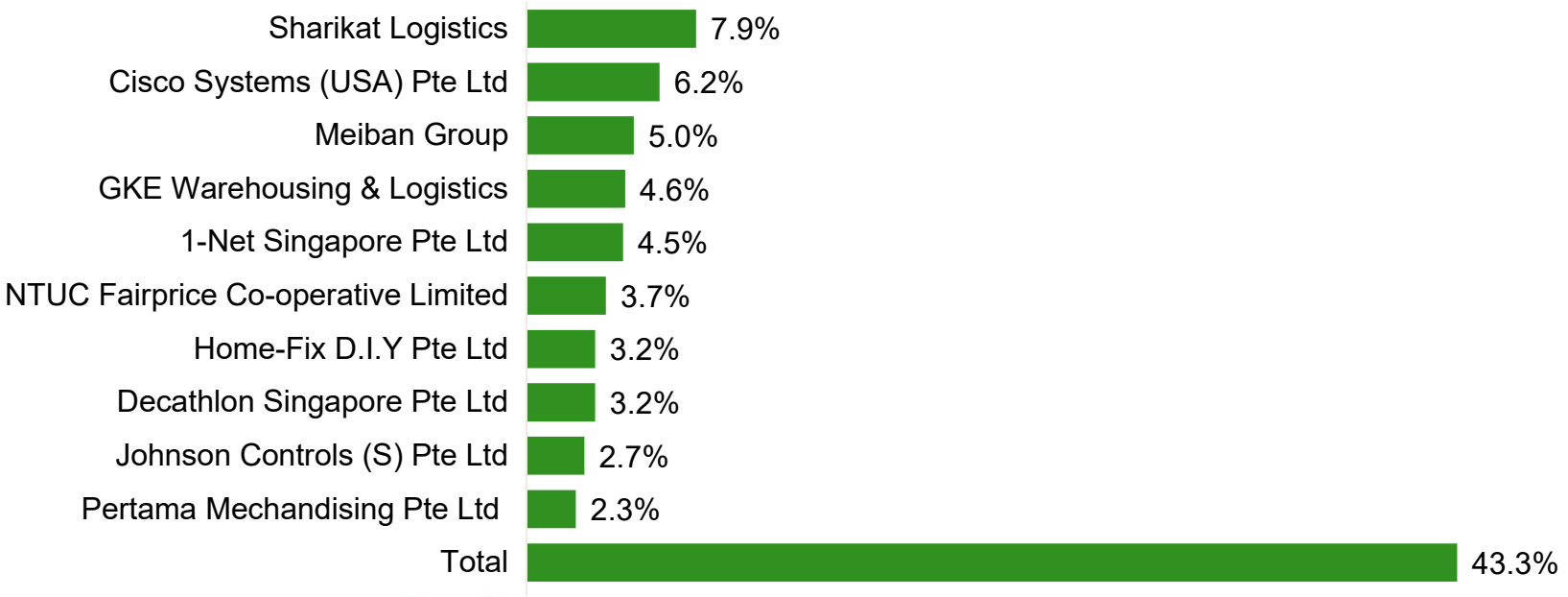


- Total of 146 tenants, of which 40.3% of tenants are in information technology, e-business or data centre operations.
- 58.1% of tenants are multinational corporations or government-linked corporations.

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

Diversified Quality Tenant Mix[1]

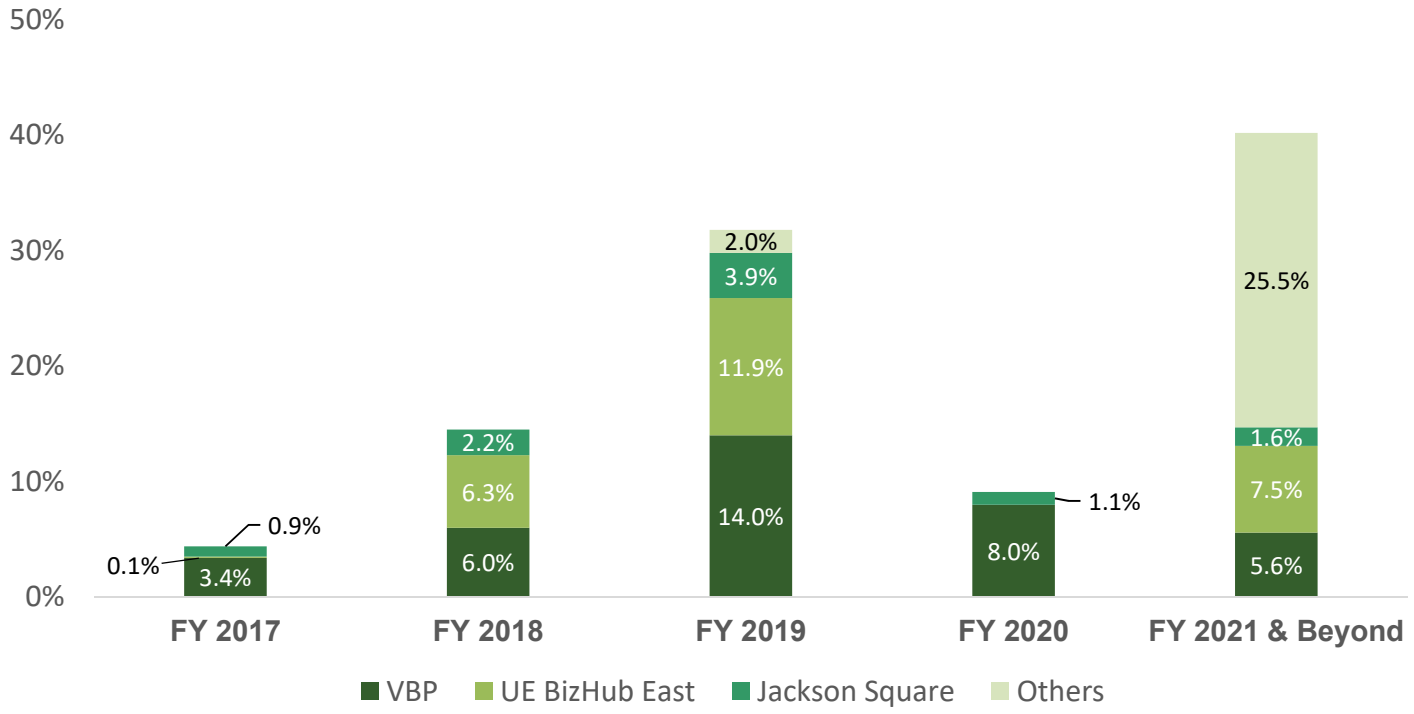
Top 10 tenants/sub-tenants account for 43.3% of monthly committed rental income.



[1] *As at 30 June 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]

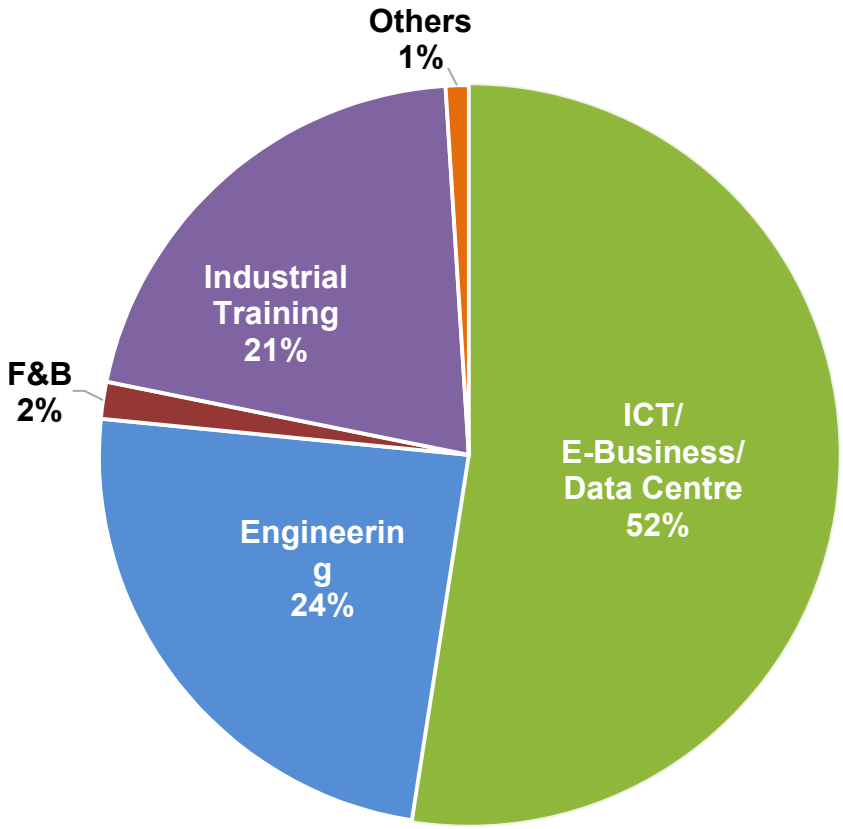


- VIT secured over 256,000 square feet of lease renewals and new leases in 1H2017
- Secured positive rental reversion of 4.3% in 1H2017
- Majority of leases expiring in 2017 are at VBP

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

New and Renewed Tenant mix in Line with Government's Pro Growth Programs

Industry Sector breakdown of Leases Signed in 1H 2017



- 52% of new leases signed and renewed in 1H2017 were from ICT/ E-Business, Data Centre Industry.
- ICT Industry set to see growth with support from government to transform Singapore into a Smart Nation.



Financial Performance

Financial Performance 2Q2017

		Year-On-Year Comparison			Quarter-On-Quarter Comparison		
	2Q2017	2Q2016	Variance		1Q2017	Variance	
Gross Revenue (S$'000)	**27,606**	23,387	▲	18.0%	**27,379**	▲	0.8%
NPI (S$'000)	**20,211**	17,197	▲	17.5%	**20,340**	▼	0.6%
Distributable Income (S$'000)	**20,971**	15,147	▲	38.4%	**17,807**	▲	17.8%
Distribution Declared [1] (S$'000)	**18,005[2]**	15,147	▲	18.9%	**17,807**	▲	1.1%
Number of stapled securities for calculation of DPS ('000)	**967,473**	865,497	▲	11.8%	**959,954**	▲	0.8%
DPS (SG cents)	**1.861**	1.750	▲	6.3%	**1.854**	▲	0.4%
Annualised Distribution Yield	**8.4%[3]**	9.2%[4]		--	**9.5%[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 2Q2017 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 and as a result, S$4.9 million of rental support had been recognized in 2Q2017.*
3. *Based on closing price of S$0.885 as at 30 June 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$0.795 as at 31 March 2017.*

Financial Performance 1H2017

Year-On-Year Comparison			
	1H2017	**1H2016**	**Variance**
Gross Revenue (S$'000)	**54,895**	45,299	▲ 21.4%
NPI (S$'000)	**40,551**	32,995	▲ 22.9%
Distributable Income (S$'000)	**38,778**	29,290	▲ 32.4%
Distribution Declared[1] (S$'000)	**35,812[2]**	29,290	▲ 22.3%
Number of stapled securities for calculation of DPS ('000)	**963,975**	864,347	▲ 11.5%
DPS (SG cents)	**3.715**	3.388	▲ 9.7%

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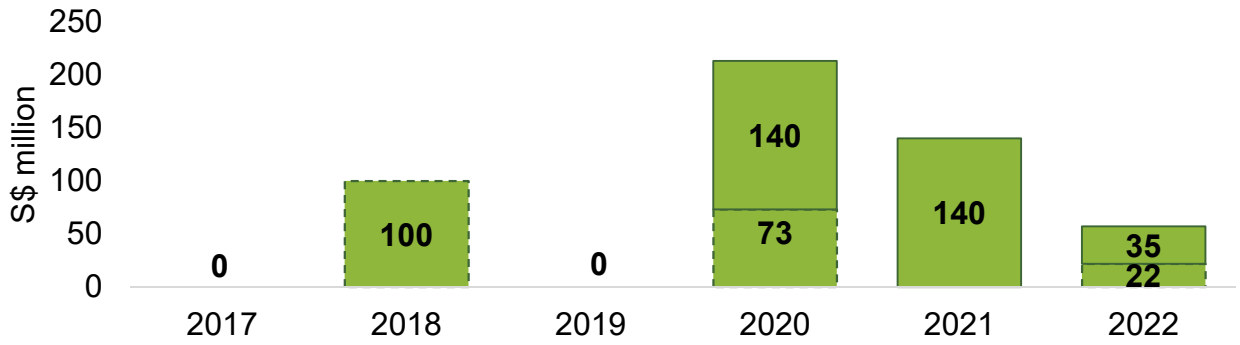
Financial Position

	30 Jun 2017 S$ mil	31 Dec 2016 S$ mil
Investment Properties	1,296.0	1,199.7
Other Assets	33.1	54.2
Total Assets	**1,329.1**	**1,253.9**
Borrowings (net of transaction costs)	514.6	461.5
Other Liabilities	48.0	53.5
Total Liabilities	**562.6**	**515.0**
Net Assets	**766.5**	**738.9**
No. of Stapled Securities issued and issuable (in mil)	970.1	934.1
Net Asset Value per Stapled Security (SG cents)	**79.0**	**79.1**

Proactive Capital Management

As at 30 June 2017	
Gross Borrowings	S$520 million
Gearing Ratio (Gross Borrowings over Total Assets)	39.1%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	3.0 years
Interest Rate Exposure Fixed[2]	85.2%
Interest Cover	4.91 times

Debt Maturity Profile[1]



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

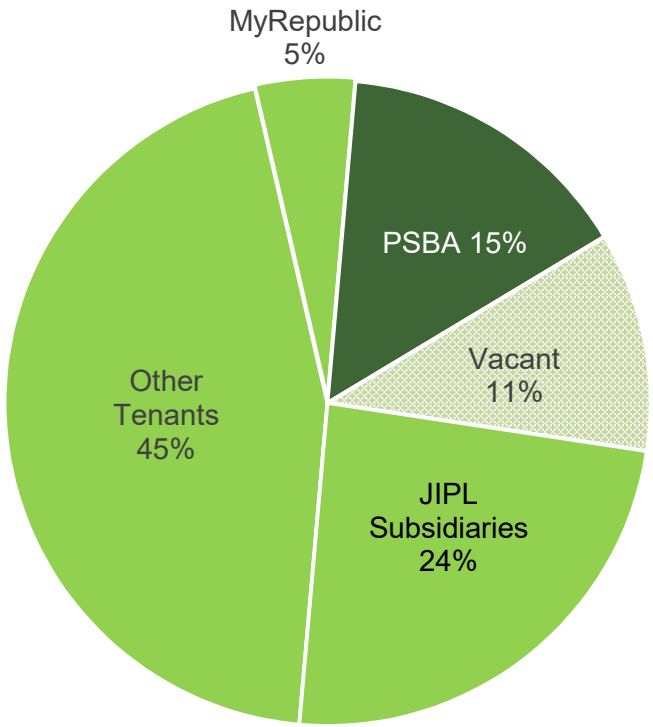


Update on Jackson Square & Tax Transparency

Update on Jackson Square ("JS")

Occupancy at Jackson Square remains resilient at 89%.

Jackson Square Occupancy as at 30 June 2017



1. Jackson International Private Limited ("JIPL") subsidiaries will continue with leases at JS and have provided additional security deposits of S$1.73 million

2. Successful backfilling of McDermott and other vacant space with over 70,000 sq ft of new leases signed in 2Q17. New tenant, PSBA occupies over 50,000 sq ft

3. Demonstrates rentability and resilience of JS due to central location of property

4. Property expenses are not expected to increase significantly after taking over the facilities management of JS from JIPL

Clarification on Tax Transparency

- Income Tax Act amended in 1Q2017 - Rental support may be accorded tax transparency treatment subject to certain conditions being met.
- VIT is awaiting the outcome of an **advance tax ruling** from IRAS on the tax transparency treatment for rental support received/receivable by VIT from 29 December 2016 onwards.
- There is **no assurance** that VIT will receive a favourable tax ruling.

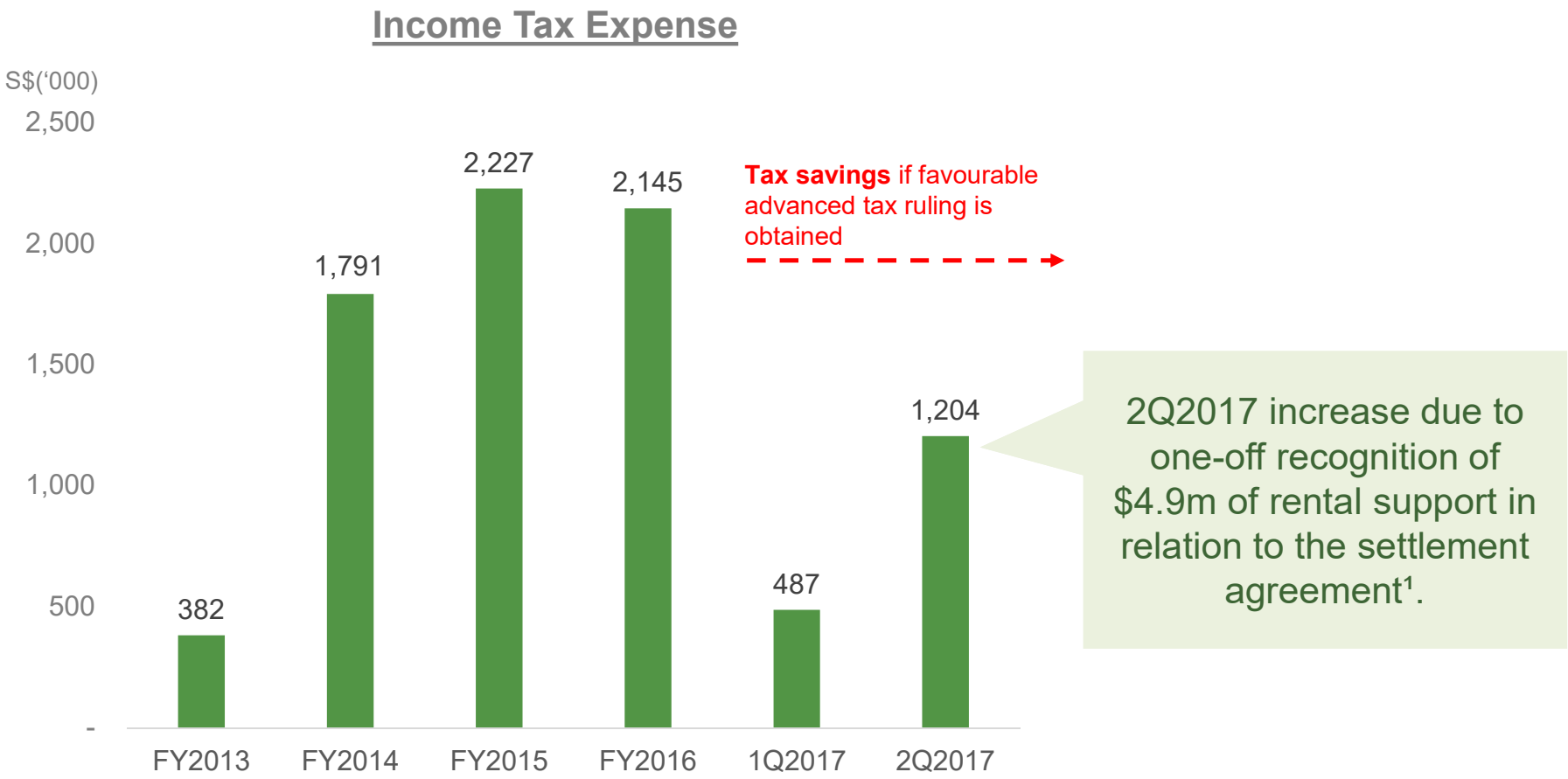
Scenario 1

Unfavourable advance tax ruling
- No tax savings.

Scenario 2

Favourable advance tax ruling
Tax savings on
- Rental support in 1H2017 from Jackson Square and UEBH East of **S$1.7 mil.**
- Rental support from UEBH East up till expiry of the rental support arrangement in Nov 2018.

Clarification on Tax Transparency

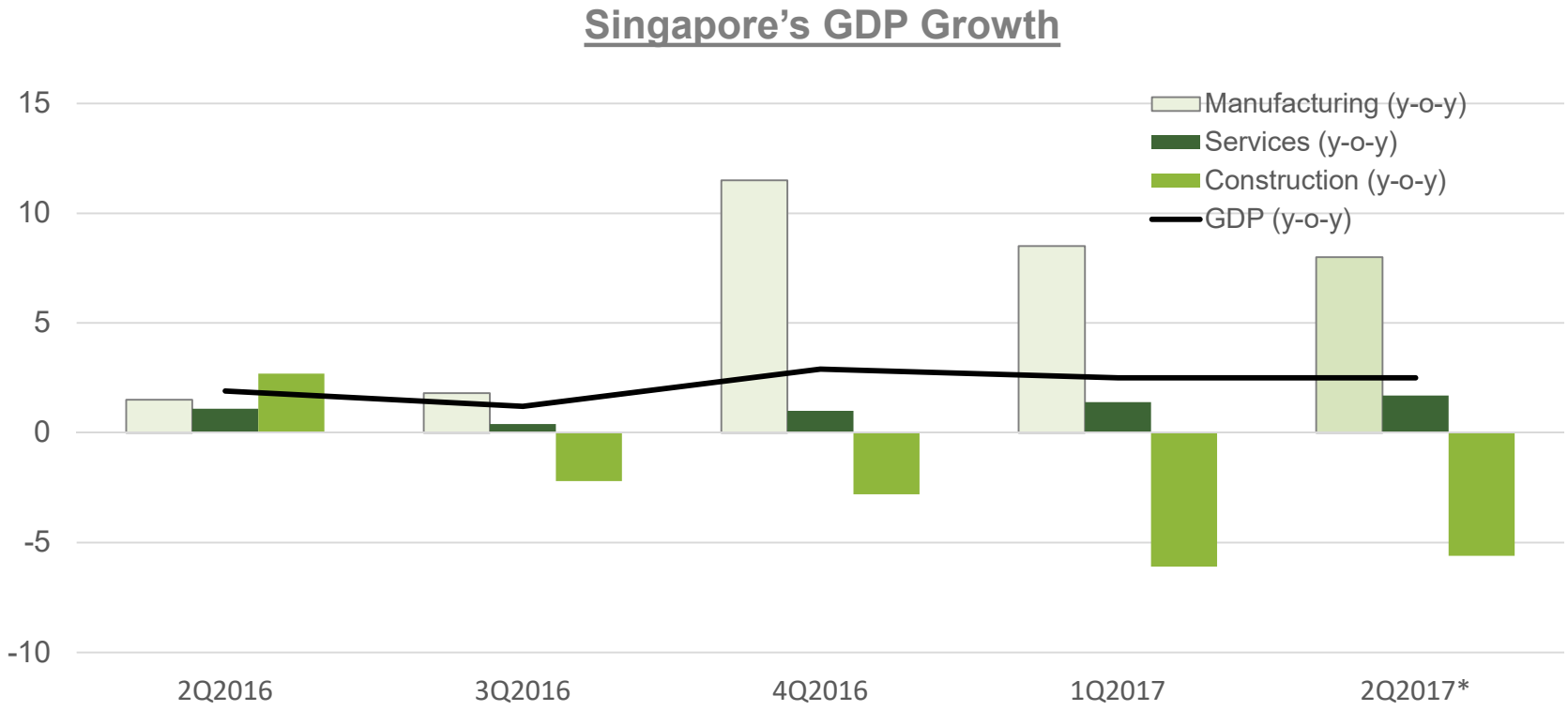


[1]*Refer to announcement dated 21 May 2017 titled "Settlement Agreement with Jackson International Private Limited and Mr Tan Phong Guan".*



Outlook & Strategic Focus

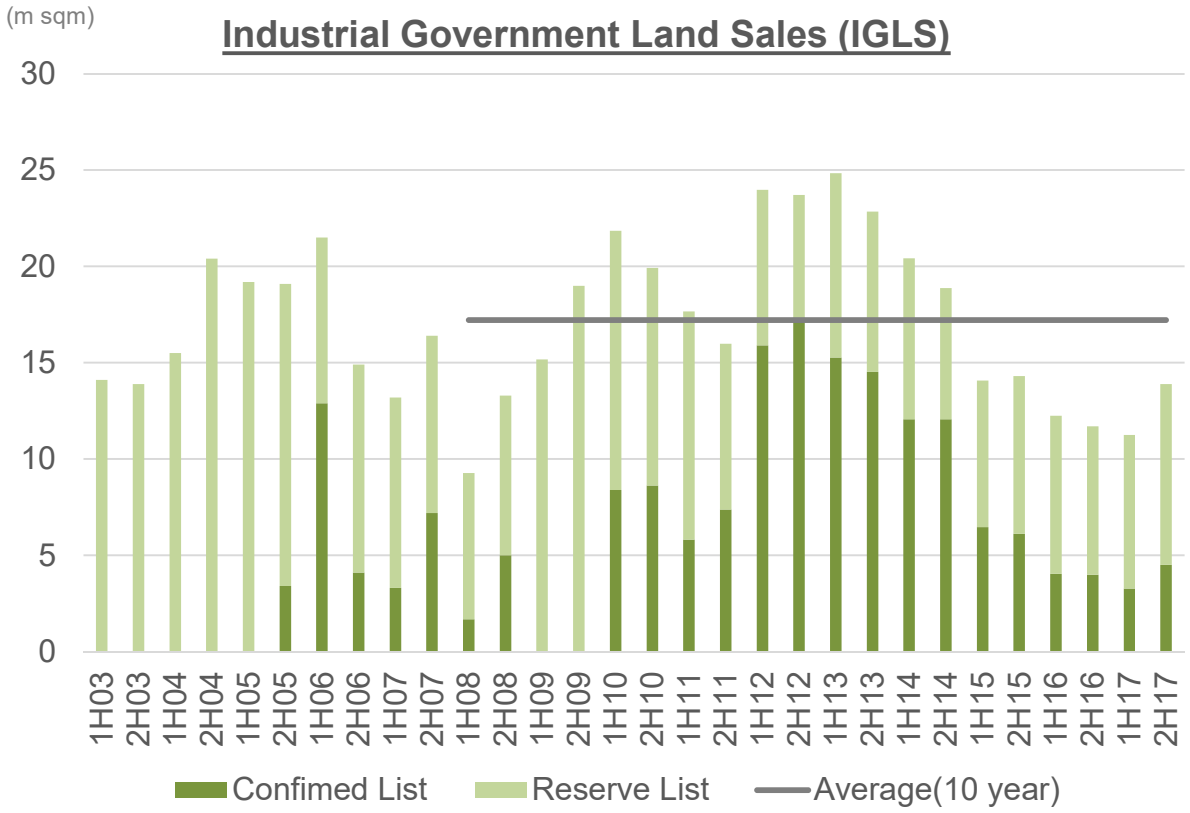
Economy Growing at Stable Pace on Track to Meet Forecasted 2-3% Growth



* Based on advance estimates from MTI

- Singapore's GDP grew by 2.5% y-o-y in 2Q2017, the same pace of growth as the previous quarter.
- GDP growth led mainly by electronics and precision engineering clusters.

Modest Industrial Government Land Sales Programme for 2H2017

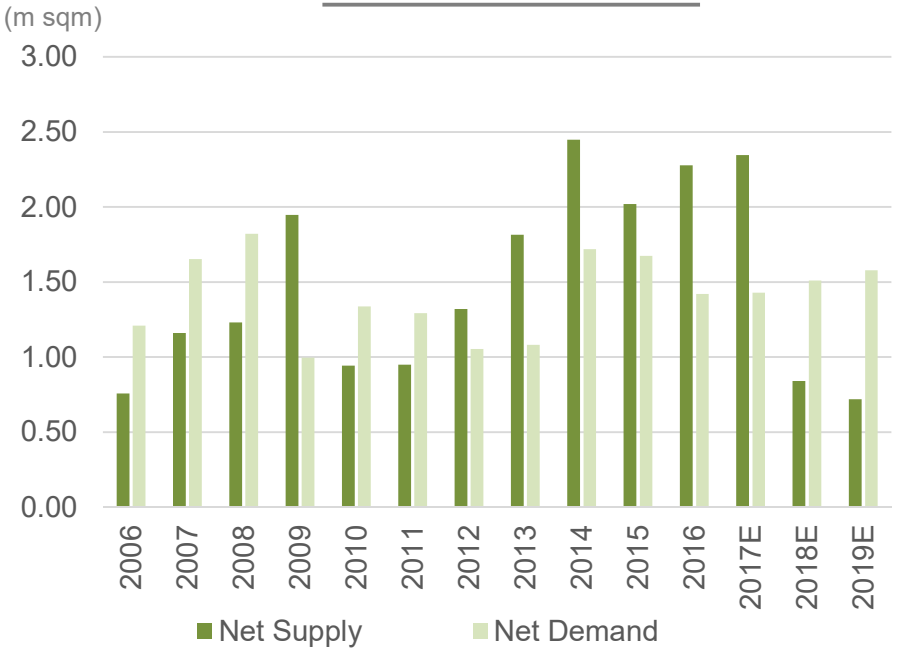


Source: MTI, Maybank Kim Eng Research

- Supply growth to keep pace alongside demand recovery and reflects government's efforts in managing industrial land availability to benefit SMEs.
- Modest growth keeps in line with manufacturing sector growth outlook and supports both prices and rents as existing supply is absorbed.

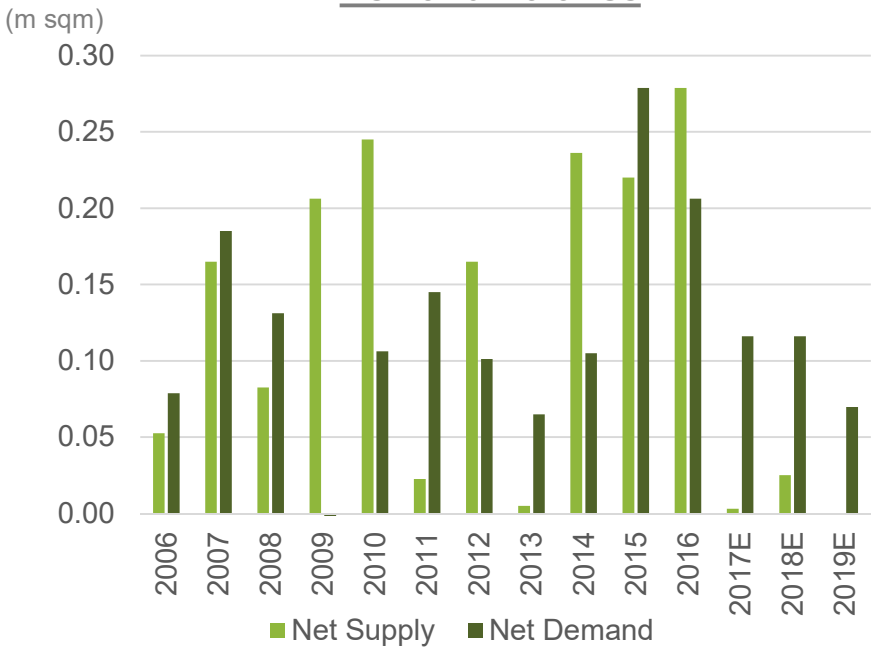
Business Parks Have the Best Demand and Supply Dynamics

Overall Industrial Property Net Supply and Demand Balance



Source: URA, JTC, Maybank Kim Eng Research

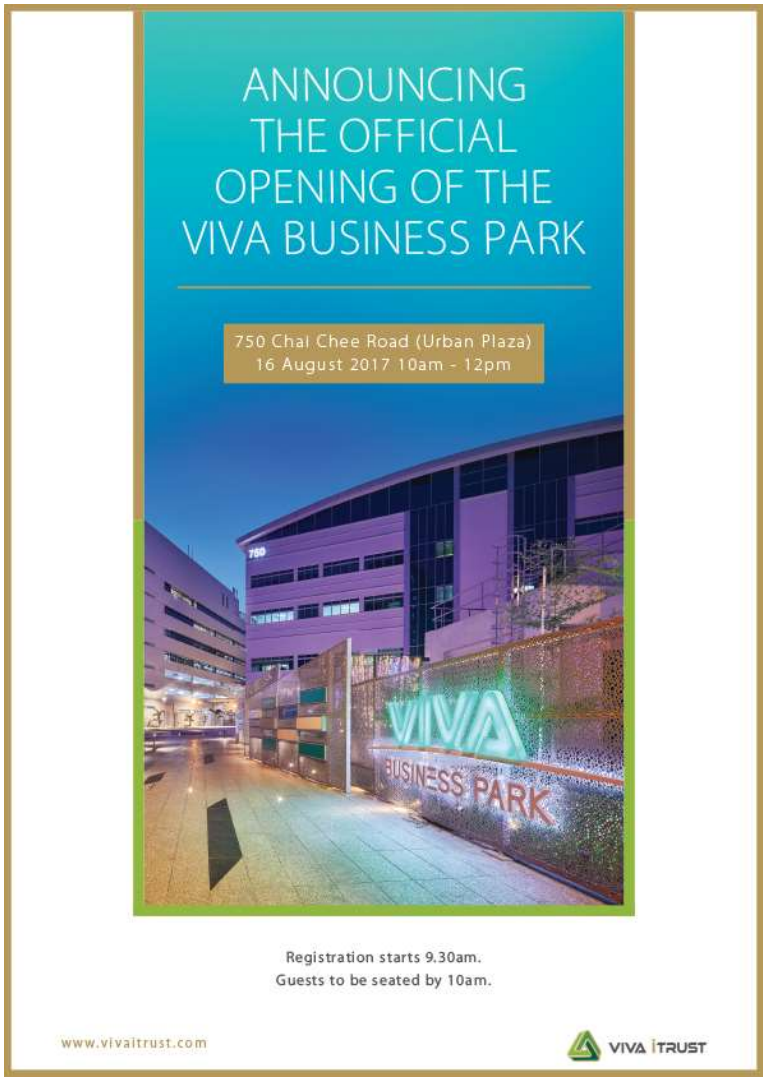
Business Park Space Net Supply and Demand Balance



Source: URA, JTC, Maybank Kim Eng Research

- Continue to see oversupply in overall industrial property space in 2017.
- Business parks remain the most resilient industrial property type with an estimated 28,000 sq m of net supply to be made available from 2017 to 2019.

Investor Day and VBP Official Opening Ceremony



- Investor Day & VBP Official Opening Ceremony on 16 August 2017.
- Investor Day is open to all stapled security holders on the register as at 26 July 2017. Limited slots available, RSVP to contactus@vivaitrust.com with Full Name and NRIC number.
- Event will be graced by Minister for Social and Family Development, Mr Tan Chuan-Jin.

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 DPU Performance

- VBP's AEI has been successful in revitalising the Business Park, and is contributing to rising revenues and distributions amidst subdued macroeconomic conditions.
- Jackson Square's vacancy risk has been largely mitigated with the successful backfilling of vacated space and resolution with JIPL.

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

VIVA iTRUST

