Viva Industrial Trust

Investor Presentation

11 January 2017



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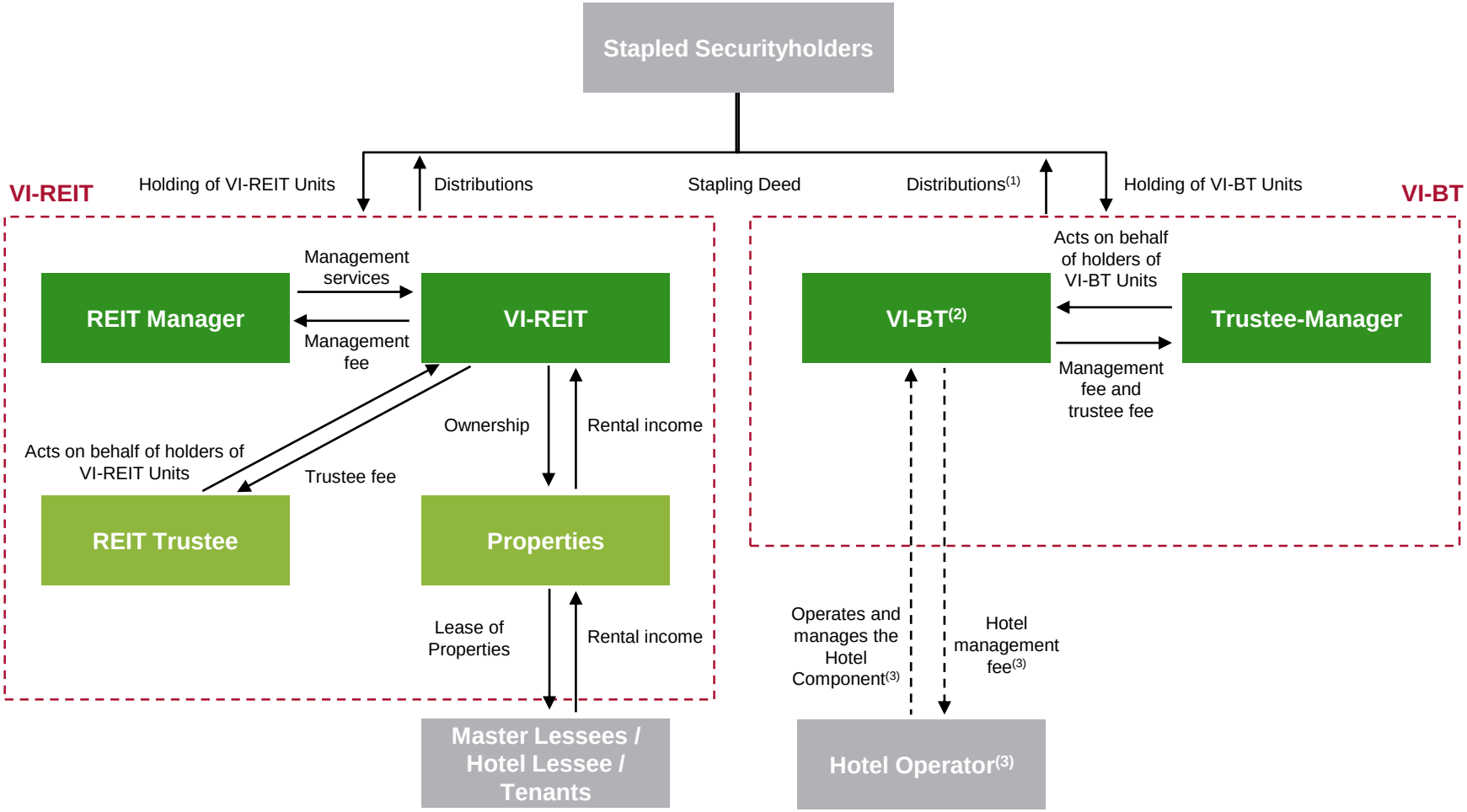
Contents

- VIT Structure & Key Highlights
- Best in Class Portfolio
- Financial Performance
- Operational Performance
- Update on Growth Drivers
- Outlook & Strategic Focus



VIT Structure & Key Highlights

VIT Structure



1. *Distributions (if any) to be made by VI-BT, when activated, will be determined by the board of directors of the Trustee-Manager (the "Trustee-Manager Board") in its sole discretion.*
2. *Has been dormant since the Listing Date. In the event that VI-BT is appointed as lessee of the Hotel Component of UE BizHub EAST, the Trustee-Manager will appoint a third party hotel operator to manage and operate the Hotel Component of UE BizHub EAST.*
3. *Only activated when VI-BT is appointed as lessee of the Hotel Component.*

Robust FY16 YTD Performance

Distribution Yield[2]

9.1%

31.9%

Gross Revenue

S$24.3m

39.2%

Net Property Income

S$17.4m

35.2%

Distributable Income

S$15.7m

9.9%

Distribution per Unit[1]

1.810c

Total Assets[3]

S$1.23b

NAV per Unit[3]

80.3c

[1] Annualised distribution of 7.201 cents
[2] Based on annualised 3Q2016 DPS and closing price of S$0.790 as at 30 September 2016
[3] As at 30 September 2016

Volatility in Both Local and Global Markets

Brewing global economic storm; Spate of surprises and volatility increases economic uncertainties in near-term

Macro Environment

1. Uncertainties over the impact of Brexit
2. Election risk in Europe
3. Trump's victory can potentially affect Singapore's trade
4. More Fed rate hikes in 2017
5. Slowing growth in China
6. Intensifying backlash against globalization

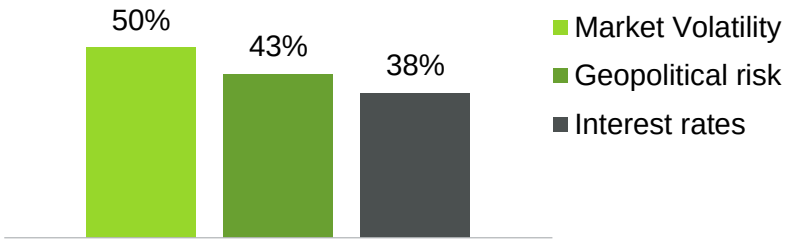
Singapore

1. Worries over a weaker economy and sluggish growth
2. News of job cuts and fears of a coming recession
3. GDP growth for 2016 was at the lower end of MTI forecast range at the start of the year

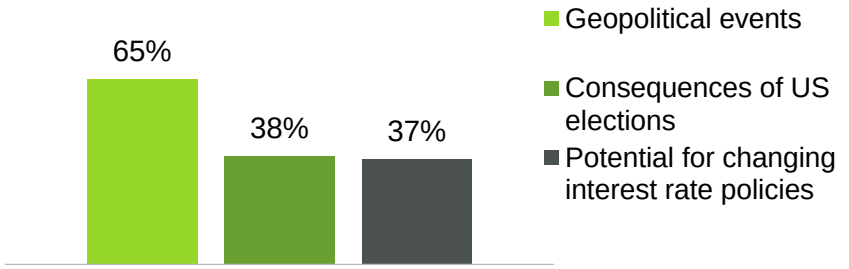
Risk and volatility concerns in 2017

Natixis Global Asset Management recently polled decision-makers at 500 institutional investment firms around the world

Top risk concerns



Top sources of volatility

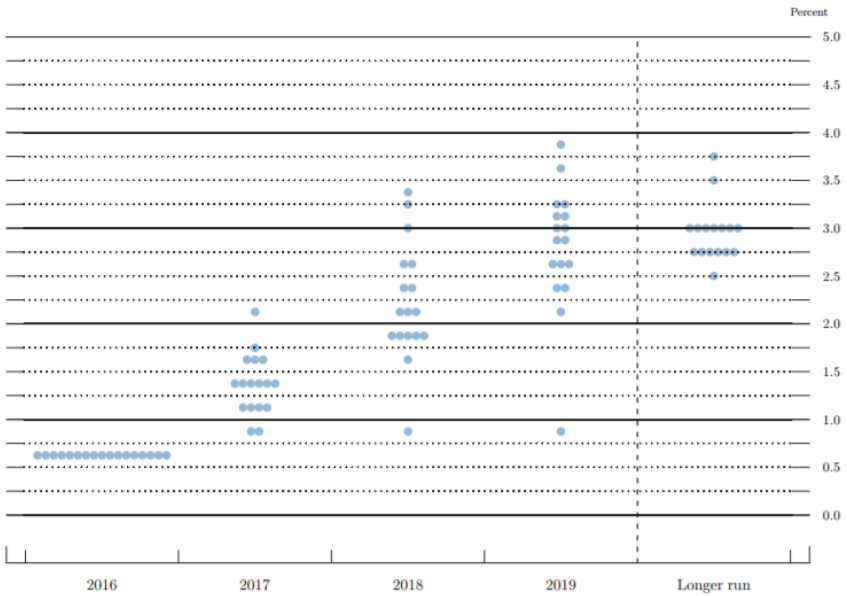


Source: Natixis *Global* Asset Management

Heightened Concerns Over Global Economic Outlook

December 2016 rate hike reflects confidence in US economy but may have mixed impact on Singapore and Asia

FOMC "Dot Chart" as of Dec 2016



Source: www.federalreserve.gov

The Fed raised its 2017 tightening profile

The Fed dot plot median, %

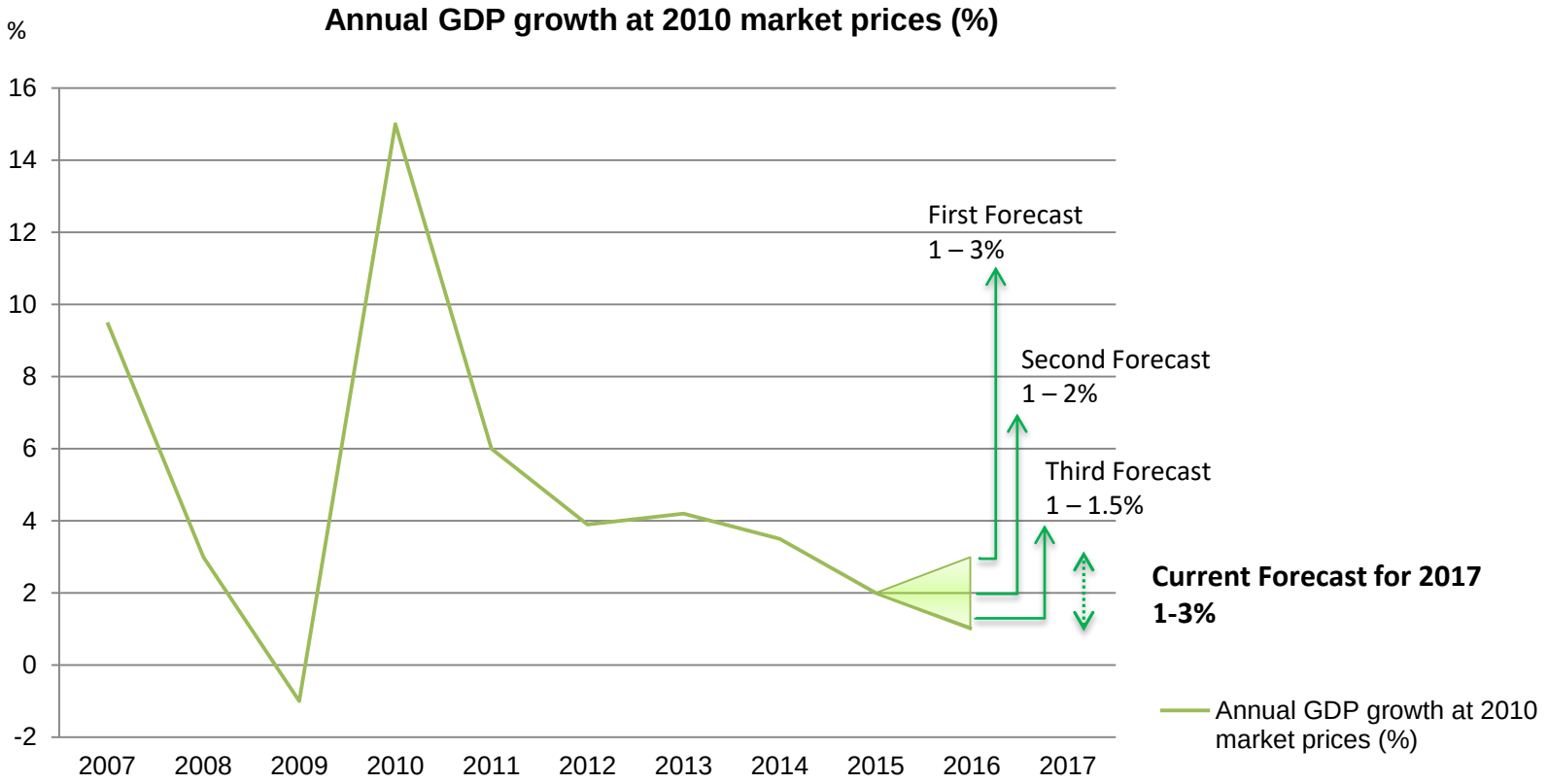
	December 2016 dots	*Prior (Sept 2016)*
2017 median	1.375	*1.125*
2018 median	2.125	*1.875*
2019 median	2.875	*2.625*
Longer run	3.0	2.9

Source: Fed dot chart (December 2016), Standard Chartered Research

- December 2016 rate hike was the second rate hike in a decade with the first in December 2015
- Fed anticipates 3 rate hikes in 2017
- According to Yellen, US inflation remains low and rate hikes to be "gradual"

Singapore's Sluggish Economy

Despite stronger than expected advanced estimates of 2016 growth of 1.8%[1], outlook for 2017 remains tentative amid key uncertainties



Source: Department of Statistics

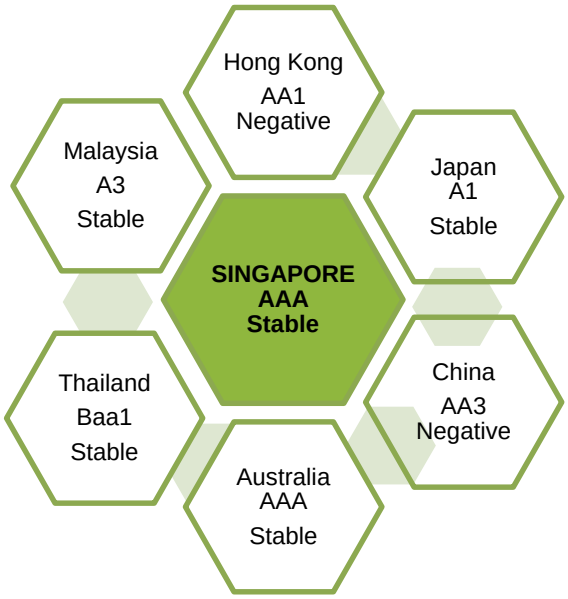
[1] *Ministry of Trade and Industry Singapore, 3 January 2017, 'Ministry of Trade and Industry expects GDP to grow by 1-1.5% in 2016 while 2017 full-year growth is projected to come in at 1-3%'*

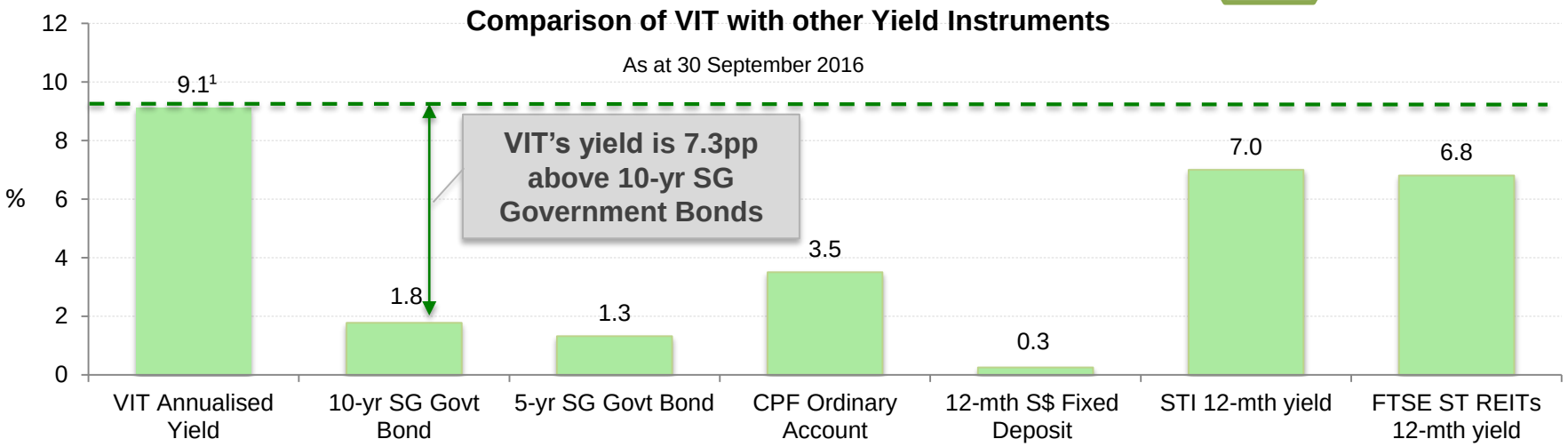
VIT a Safe Haven in Tumultuous Times

Singapore is one of the few economies in Asia with Stable Triple-A rating from Moody's

Despite concerns over deteriorating market conditions, recent NUS-Redas Real Estate Sentiment Index (RESI) shows continued improvement in both developers' sentiment and overall sentiment for the real estate market in Singapore

Offers sufficient yield spread even in rising interest rate environment

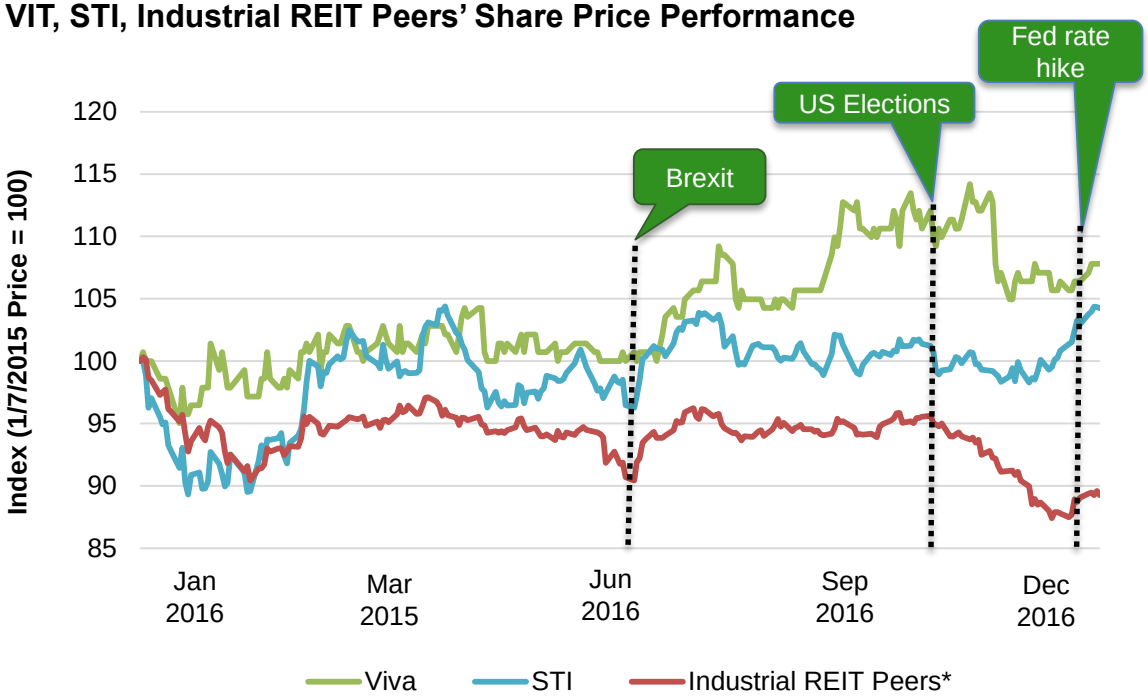




[1] Based on closing price of S$0.79 as at 30 September 2016

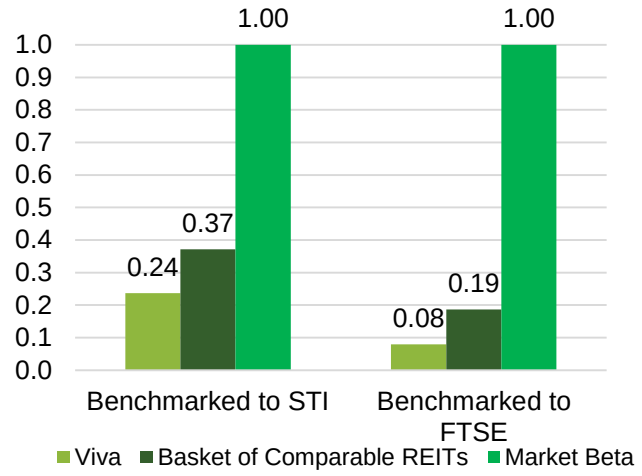
VIT Continues to Deliver for Investors Amid Turbulent Markets

VIT, STI, Industrial REIT Peers' Share Price Performance



Volatility to the Market

- Beta value of 1 represents the market
- Values closer to 1 indicate higher correlation with the market

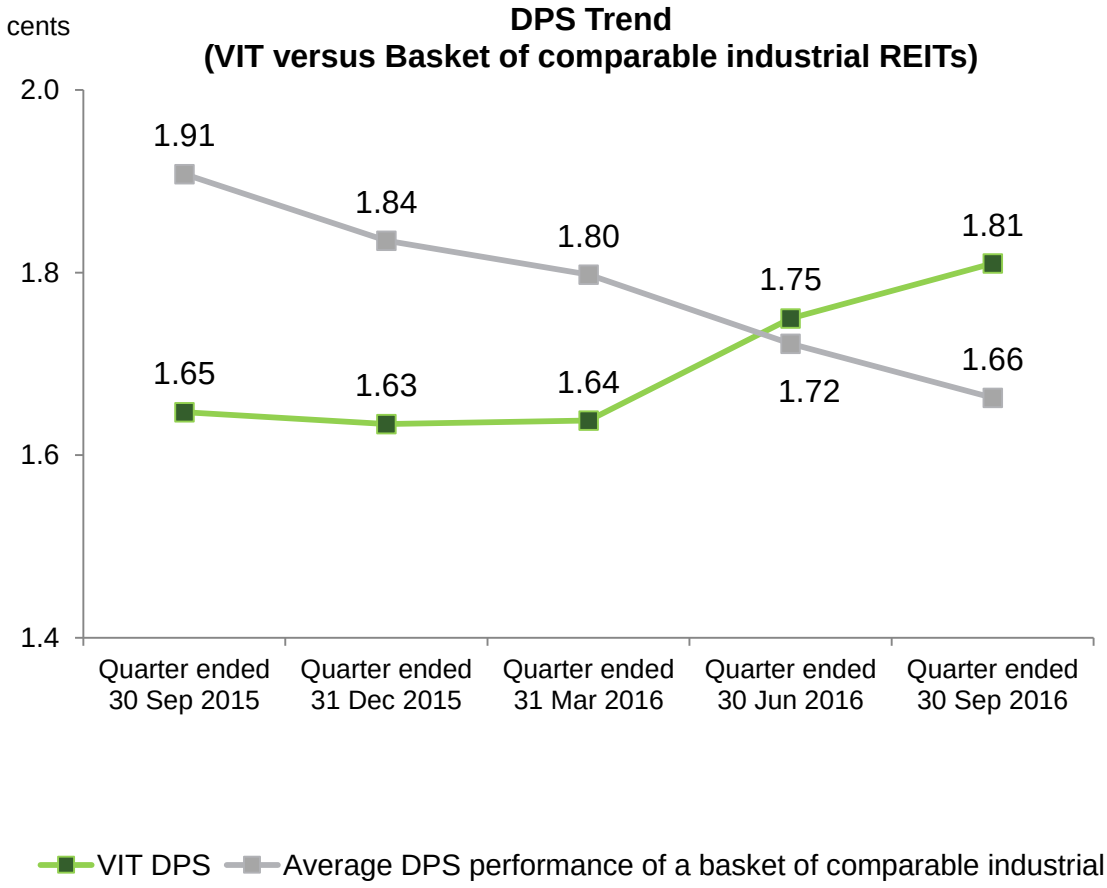


- VIT's share price performance **has outperformed the STI and Industrial REIT peers*** on the back of its sound fundamentals and quality underlying portfolio
- VIT is a **yield-play** for investors looking to capitalize on expectations of a gradual US Fed rate hike and neutral MAS monetary policy stance
- Low correlation to the market (low beta) demonstrates **defensiveness of VIT's property portfolio**; VIT well-cushioned to weather economic uncertainties

** Based on the share price performance of a basket of comparable Industrial REITs.*
Source: Yahoo Finance, SGX

VIT's DPS Remains Resilient YTD 2016

DPS trends up despite facing challenging market conditions



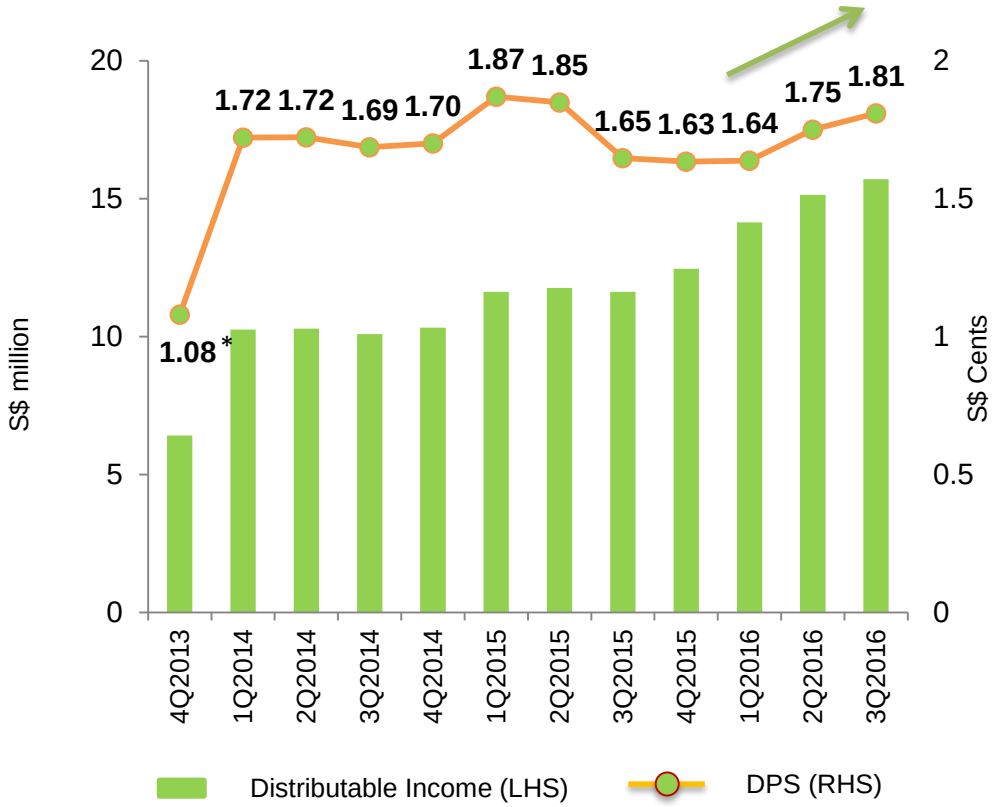
VIT resilient and able to extract value amidst soft industrial property market

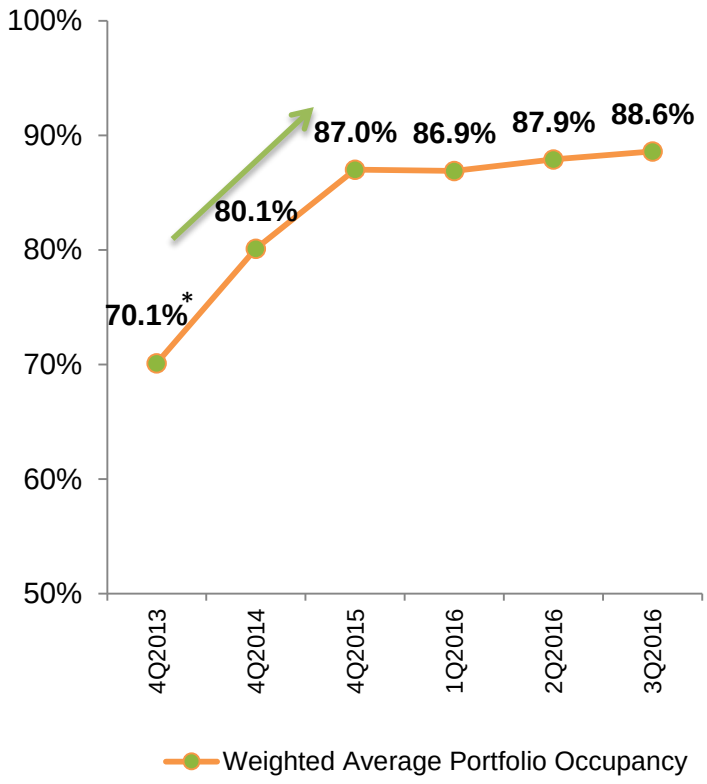
Result of strategic acquisitions and enhancing value through organic growth

Source: ShareInvestor

Rising DPS and Occupancy Trend

Robust distribution and occupancy performance despite facing a challenging economic environment, particularly for industrial REITs

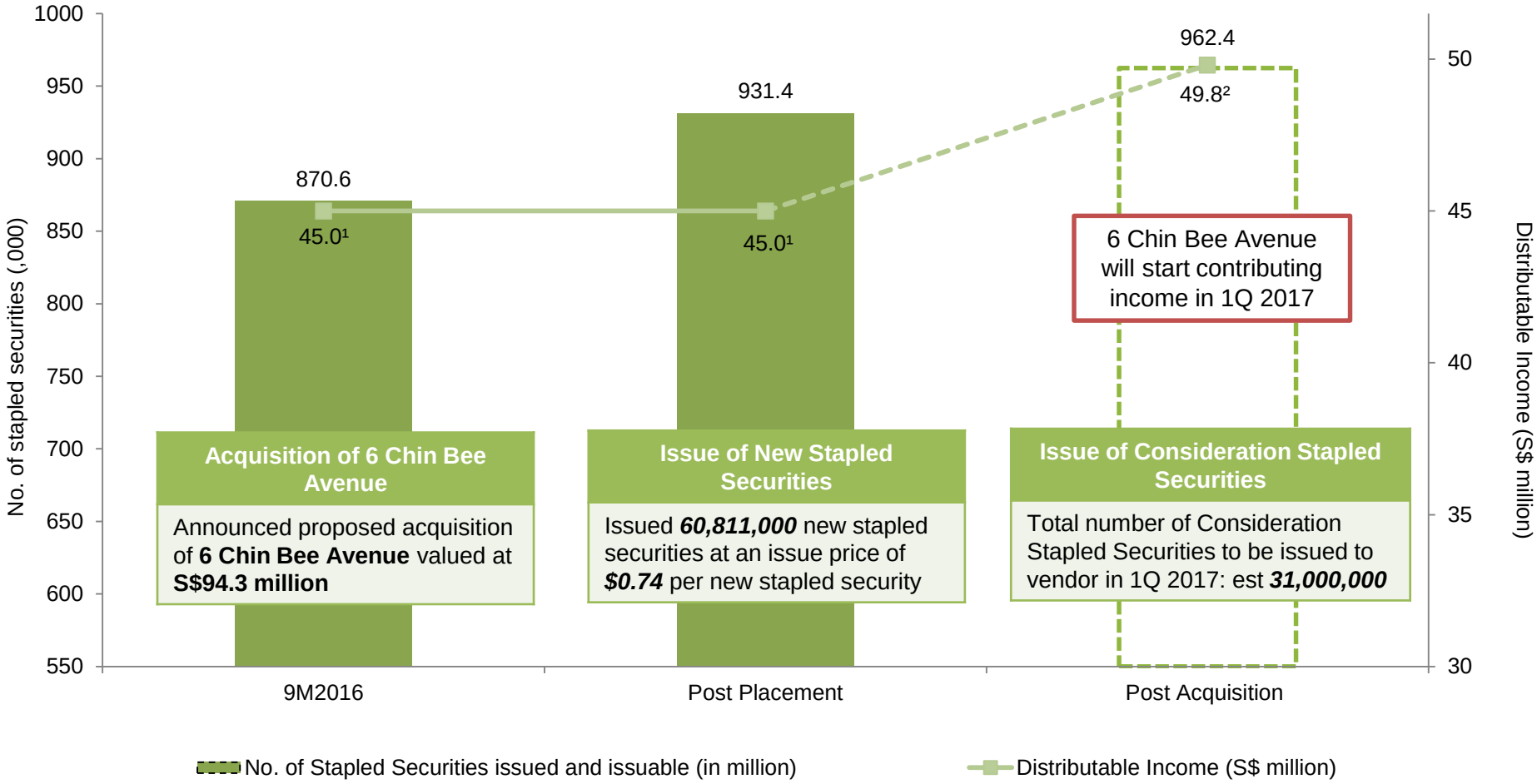




** Relates to the period from 4 November 2013 (the "Listing Date") to 31 December 2013.*

Upcoming Yield-Accretive Acquisition

Acquisition of 6 Chin Bee Avenue will be completed in 1Q 2017. However, equity fundraising was completed in November 2016 resulting in larger shareholder base before the property contributes income



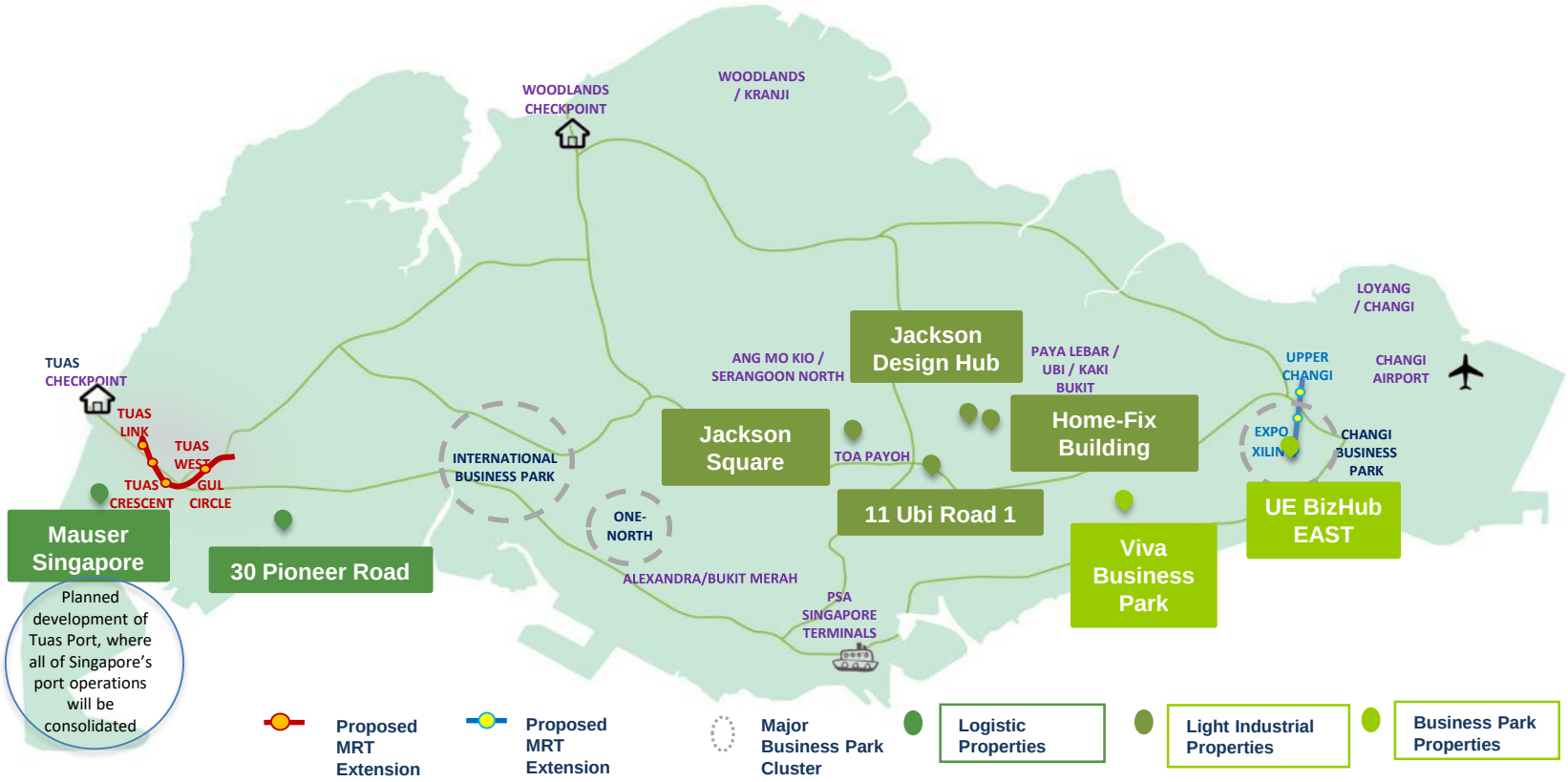
1. *Based on unaudited financial statements for the 9 months ended 30 September 2016 ("9M2016")*
2. *Based on 9M2016 unaudited financial statements and assuming that the acquisition of 6 Chin Bee Avenue had been completed on 1 January 2016.*



Best in Class Portfolio

Well-Spread, Strategically Located Assets in Singapore

8	3.6m	S$1.187b	Singapore Focused Portfolio
Property Assets	Sq ft GFA	Total Portfolio Valuation	



* As at 30 September 2016

Best in Class Portfolio – Properties Profile (Business Park)

	UE BizHub EAST ("UEBH")		Viva Business Park ("VBP")
			
Property Type	Business Park	Hotel	Business Park
Valuation	S$355.0mn[1]	S$160.0mn[1]	S$340.0mn[2]
GFA	626,018 sq. ft.	157,397 sq. ft.	1,526,211 sq. ft.
Remaining Land Lease	51.4 years	51.4 years	14.5 years
Occupancy	89.8%	99.5%	73.0%
No of Tenants	31	5 (Includes hotel)	84
No of Carpark Lots	299		742

[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 Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2016.

Best in Class Portfolio – Properties Profile (Light Industrial)

	Jackson Square	Jackson Design Hub	11 Ubi Road 1	Home-Fix Building
				
Property Type	Light Industrial	Light Industrial	Light Industrial	Light Industrial
Valuation	S$81.0mn[1]	S$33.4mn[1]	S$87.0mn[1]	S$47.8mn[1]
GFA	418,586 sq. ft.	85,070 sq. ft.	253,058 sq. ft.	120,556 sq. ft.
Remaining Land Lease	12.6 years	50.6 years	38.9 years	51.0 years
Occupancy	91.0%	100%	100%	100%
No of Tenants	17	1	5	1
No of Carpark Lots	223	45	69	109

[1] *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2016.*

Best in Class Portfolio – Properties Profile (Logistics)

	30 Pioneer Road	Mauser Singapore
		
Property Type	Logistics	Logistics
Valuation	S$55.0mn[1]	S$28.0mn[2]
GFA	281,090 sq. ft.	107,566 sq. ft.
Remaining Land Lease	20.4 years	49.8 years
Occupancy	100%	100%
No of Tenants	1	1
No of Carpark Lots	57 carpark lots 51 heavy vehicle parking lots	14

[1] *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 14 April 2016.*

[2] *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2015.*



Financial Performance

3Q Financial Performance

		Year-On-Year Comparison		Quarter-On-Quarter Comparison	
	3Q2016	3Q2015	Variance	2Q2016	Variance
Gross Revenue (S$'000)	**24,252**	18,388	▲ 31.9%	**23,387**	▲ 3.7%
NPI (S$'000)	**17,405**	12,504	▲ 39.2%	**17,197**	▲ 1.2%
Distributable Income[1] (S$'000)	**15,713**	11,622	▲ 35.2%	**15,147**	▲ 3.7%
Number of stapled securities for calculation of DPS ('000)	**868,112**	705,632	▲ 23.0%	**865,497**	▲ 0.3%
DPS (SG cents)	**1.810**	1.647	▲ 9.9%	**1.750**	▲ 3.4%
Annualised DPS (SG cents)	**7.201**	7.000[2]	▲ 2.9%	**7.038**	▲ 2.3%
Annualised Distribution Yield	**9.1%[3]**	9.9%[4]	--	**9.9%[5]**	--

1. *As VI-BT is dormant, only the distributable income of VI-REIT has been included for the purpose of calculating the DPS.*
2. *Actual FY2015 DPS*
3. *Based on closing price of S$0.790 as at 30 September 2016.*
4. *Based on closing price of S$0.710 as at 31 December 2015.*
5. *Based on closing price of S$0.710 as at 30 June 2016*

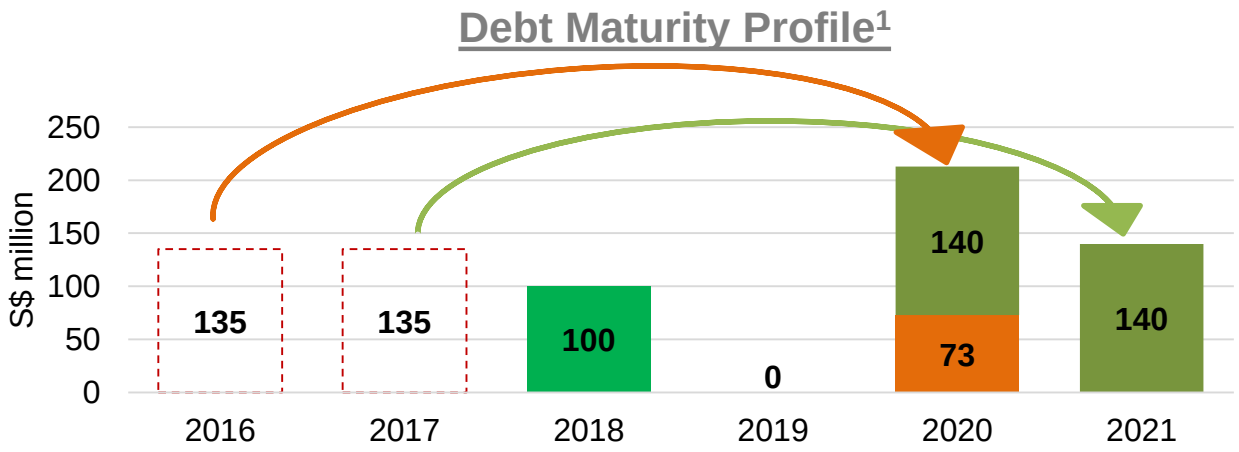
Financial Position

	30 Sep 2016 S$ mil	31 Dec 2015 S$ mil
Investment Properties	1,193.3*	1,123.2
Other Assets	32.0	75.1
Total Assets	**1,225.3**	**1,198.3**
Borrowings (net of transaction costs)	482.1	459.2
Other Liabilities	43.8	37.5
Total Liabilities	525.9	496.7
Net Assets	**699.4**	**701.6**
No. of Stapled Securities issued and issuable (in mil)	870.6	863.1
Net Asset Value per Stapled Security (SG cents)	**80.3**	**81.3**

* *Includes capital expenditures incurred during 3Q2016.*

Proactive Capital Management

As at 30 September 2016	
Total Borrowings	S$488 million
Gearing Ratio (Total Borrowings over Total Assets)	39.8%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	3.5 years
Interest Rate Exposure Fixed[2]	86.1%
Interest Cover	4.18 times



1. *Excludes the revolving credit facility of S$50 million.*
2. *Based on outstanding borrowings as at 30 September 2016.*



Operational Performance

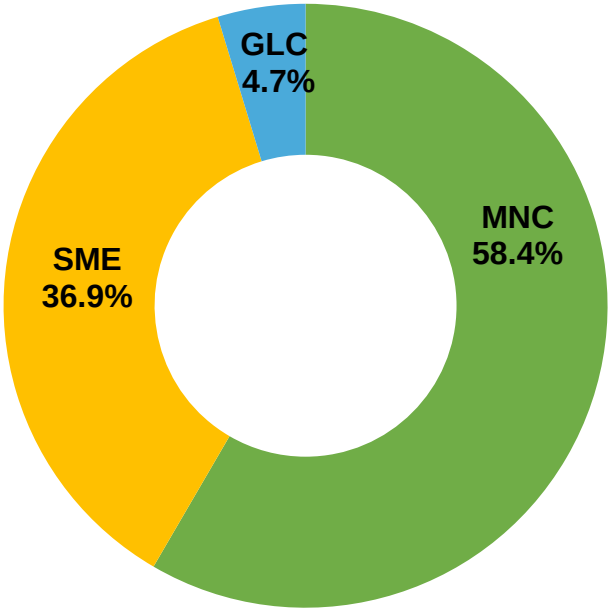
Improved Portfolio Fundamentals

Portfolio Summary		
	30 September 2016	30 September 2015
Total Number of Properties	8	5
Total Portfolio GFA	3,577,360 sq ft	2,919,323 sq ft
Net Lettable Area (NLA)	3,001,747 sq ft	2,344,517 sq ft
WALE (by rental income)*	3.3 years	3.1 years
Weighted Average Land Lease (by valuation)	35.8 years	37.4 years
Weighted Average Age of Buildings (by valuation)	9.6 years	9.7 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	88.6% 70.1%	80.8% 70.1%
Total Portfolio Valuation	S$1.187 billion	S$957.4 million

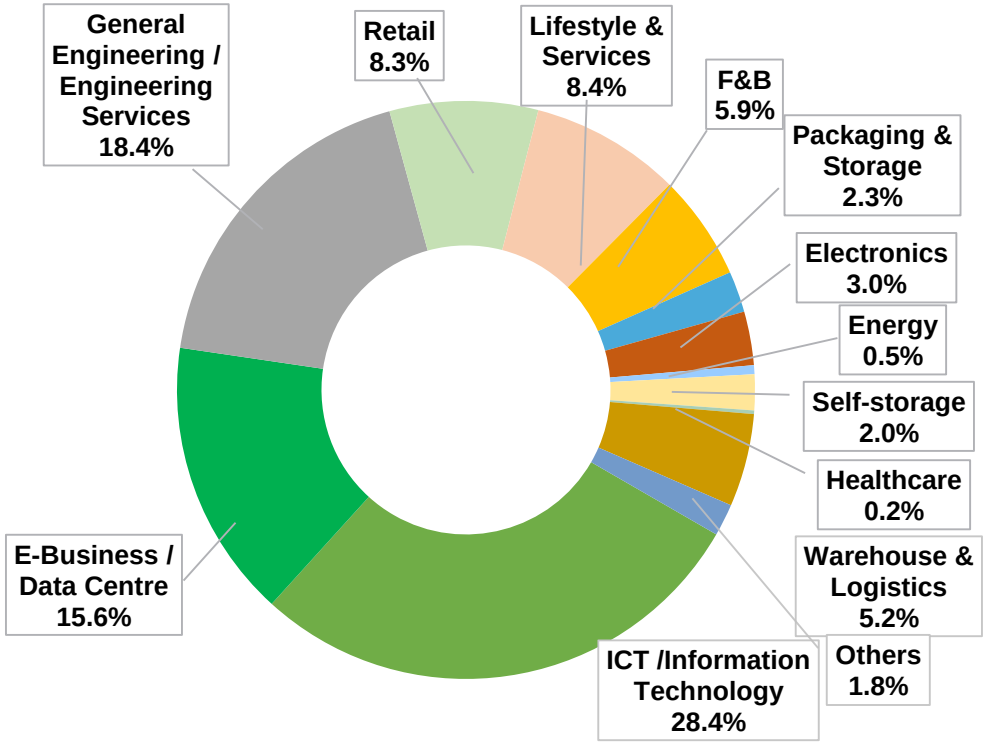
** By Rental Income - based on net property income and rental support, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*



Breakdown of Trade Sector by Underlying Gross Rental Income*

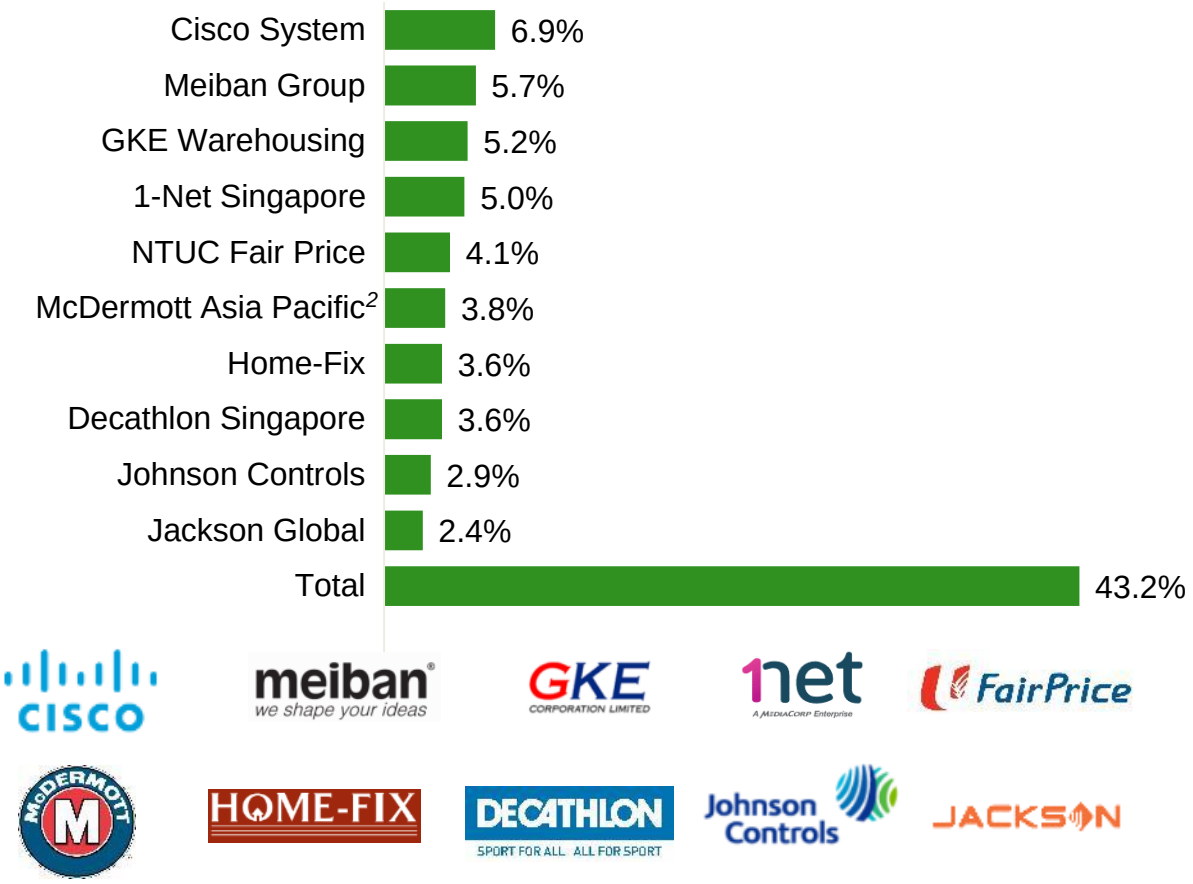


- Total of 145 tenants, of which 44.0% of tenants are in information technology, e-business or data centre operations.
- 63.1% of tenants are multinational corporations or government-linked corporations.

** Based on monthly gross rental income for the month of September 2016, excluding the rental income from the UEBH Hotel Leased Premises.*

Diversified Quality Tenant Mix[1]

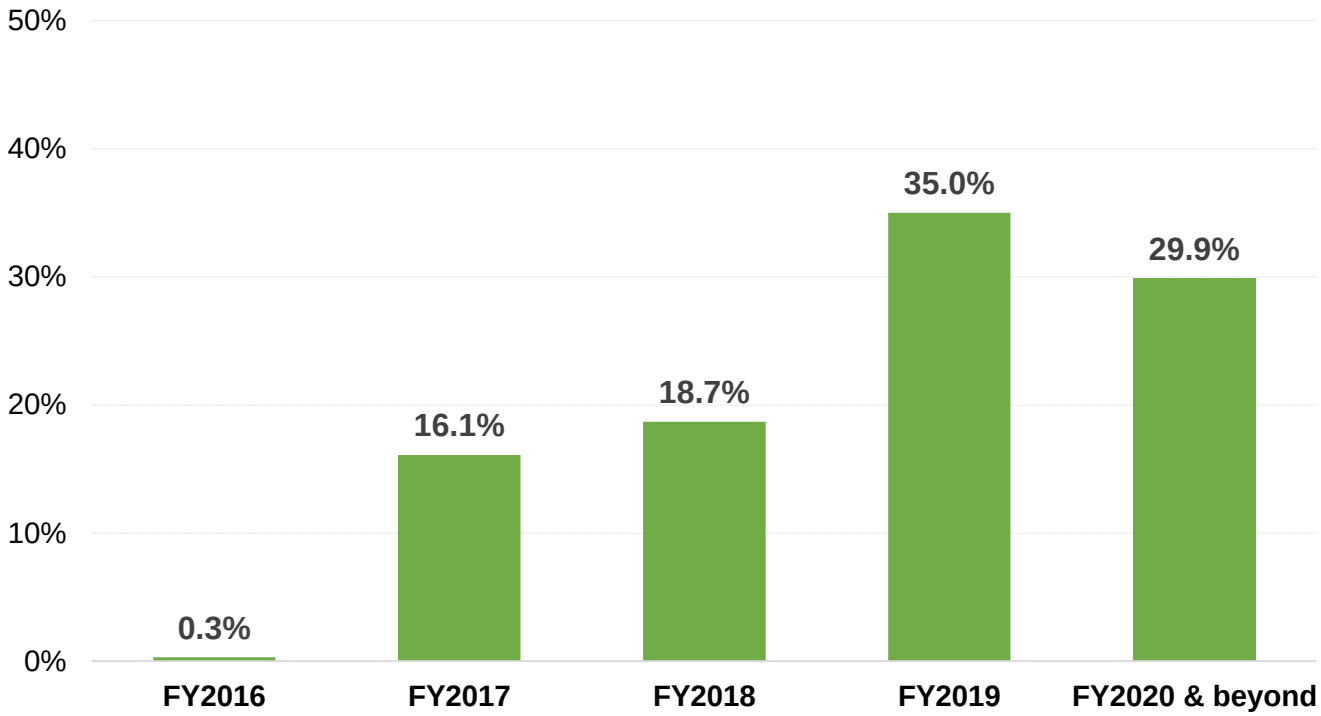
Top 10 tenants/sub-tenants account for 43.2% of monthly committed rental income



[1] *As at 30 September 2016, excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*
[2] *McDermott will be vacating Jackson Square and Foxconn has taken up part of the space vacated.*

Staggered Lease Expiry Provides Income Stability

Expiry by % of Underlying Gross Rental Income[1]

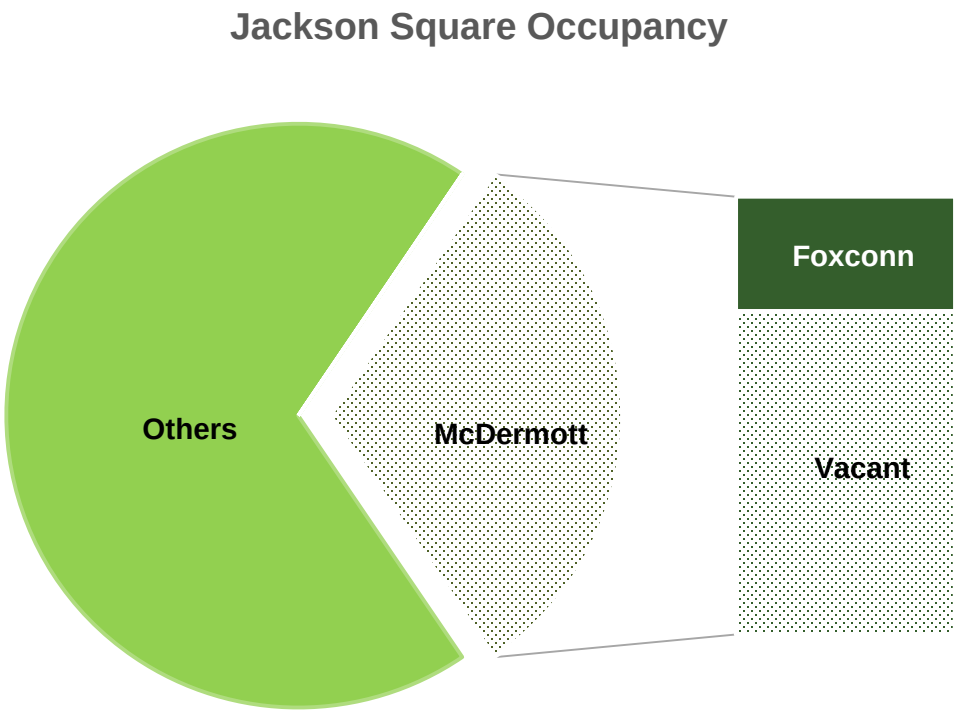


Secured approximately 502,000 sq ft of new leases and lease renewals as at 30 September 2016[2].

1. *Based on committed leases as at 30 September 2016, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*
2. *Does not include pre-committed leases for VBP "white" space.*

Occupancy Updates at Jackson Square

McDermott will not be renewing its leases in 2017. However, as there is a rental guarantee arrangement in place till 2019, there will not be any loss of income.



- McDermott will not be renewing its leases expiring in April 2017
- Jackson Square property income will be protected by rental guarantee arrangement till November 2019
- Foxconn has taken up part of the space vacated by McDermott
- Strong interest for the remaining space due to central location of the property

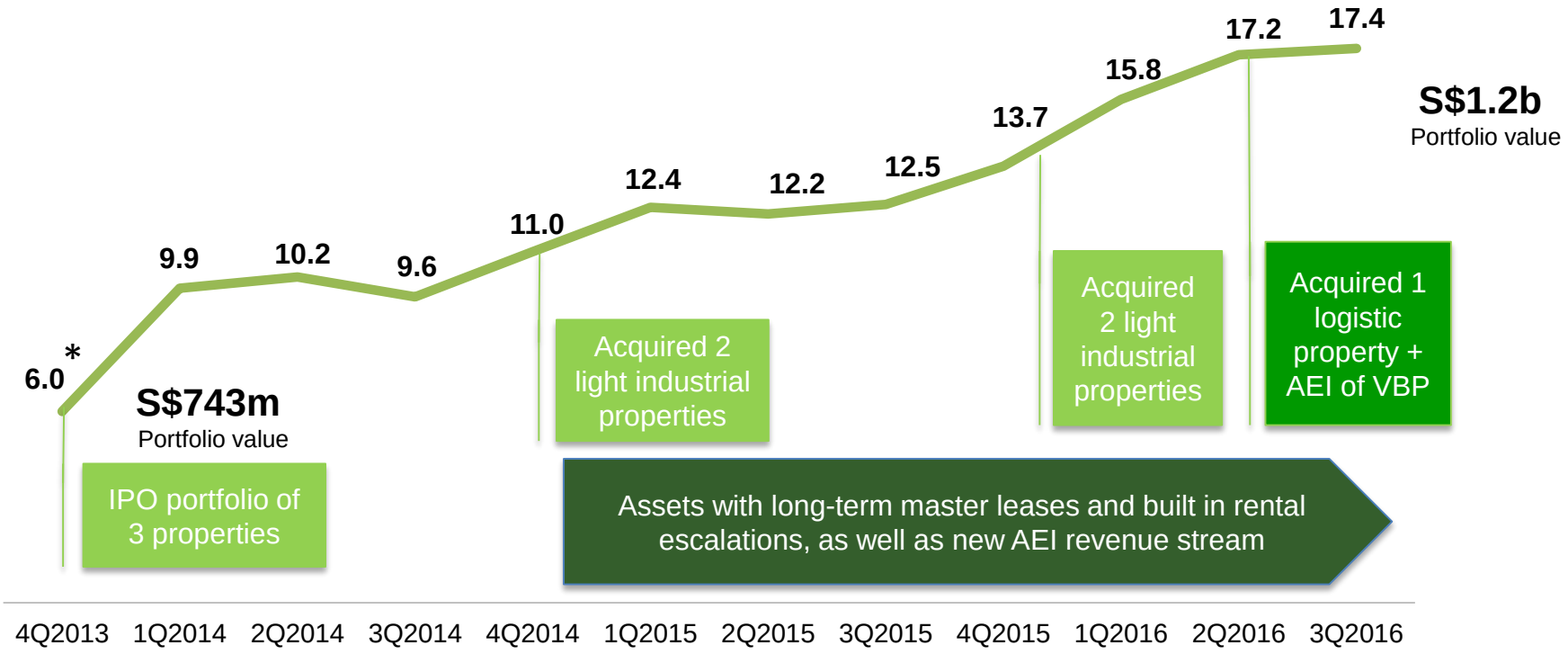


Update on Growth Drivers

1 Growing Revenue Streams and Delivering Income Growth

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

NPI Performance Since IPO (S$' m)

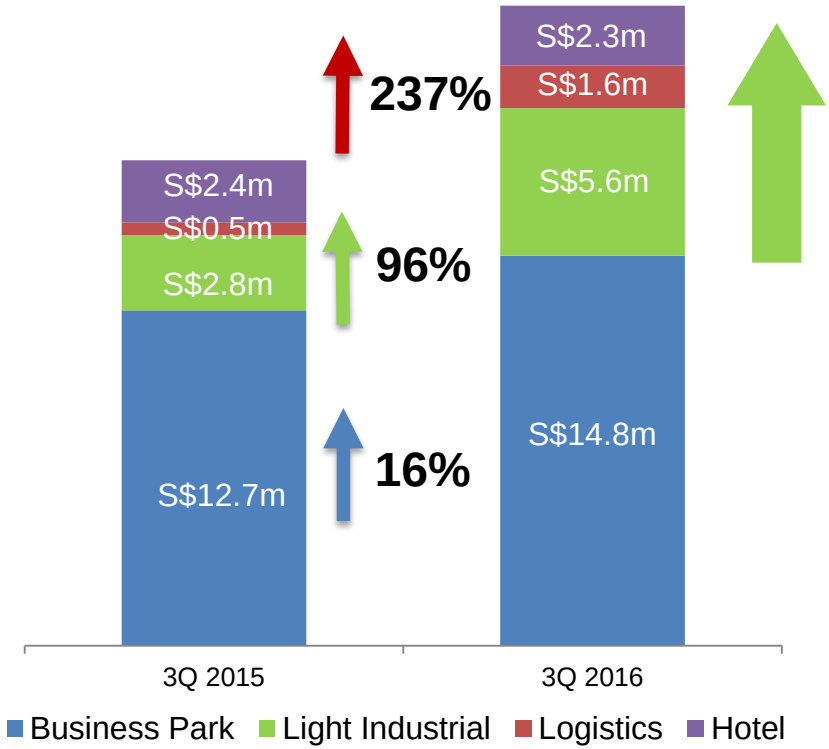


** Relates to the period from 4 November 2013 (the "Listing Date") to 31 December 2013.*

2 Sharpening Portfolio to Diversify and Strengthen Income

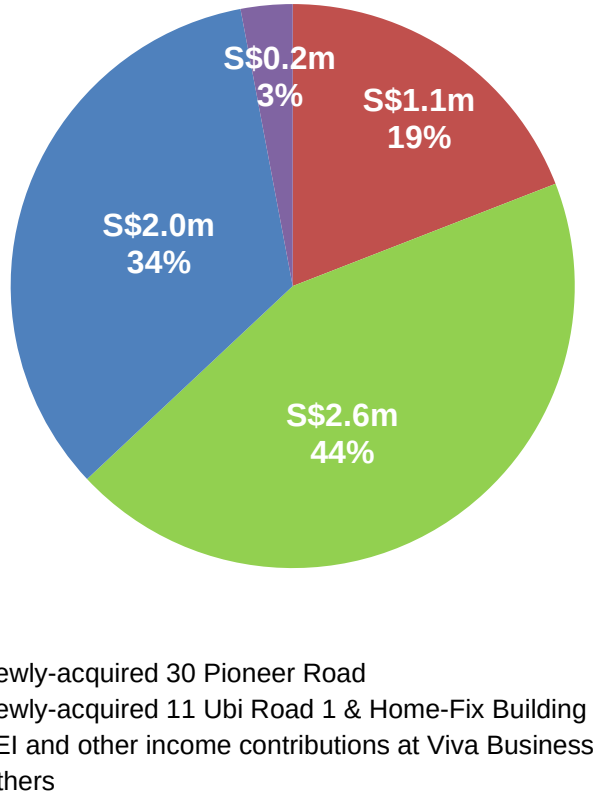
Increasingly diversified portfolio underpinned by resilient business park assets

Gross Revenue (by Asset Type)



Total Gross Revenue grew by S$5.9m Y-o-Y

Contribution to Y-o-Y Revenue Growth (by Growth Driver)



3 The Transformation of VBP Into a Vibrant Business Park

VBP's Roadmap to transformation

1979



Mails and Parcels Centre

1983



Rollei Camera Factory

1990s



Technopark@Chai Chee

2015



AEI Announcement in May 2015



Phase 2 (750)

Obtained TOP on 4 May 2016

2016



Phase 1 (750A)

Obtained TOP on 11 January 2016



Phase 3 (750B)

Partial TOP was obtained in Q4 2016

Present







Source: National Archives, Singapore

3 VBP Shaping Up as 'Work-Play-Eat-Shop' Destination

VBP's transformation reinvents the concept of business park, offering a vibrant mix of tenants with three core themes of Sports & Fitness, Food & Beverage and Family-Oriented amenities

ASTONS specialities



Chic-a-boo



DECATHLON
SPORT FOR ALL ALL FOR SPORT



Gelare
Treat yourself





mmmm!



GLOBAL HALAL HUB
WORLD SOURCED HALAL FOOD & BEVERAGE
MY OUTLETS



PASTAMANIA
CASUAL DINING



Simply Wrapps





and more:

Alpha Gymnastics

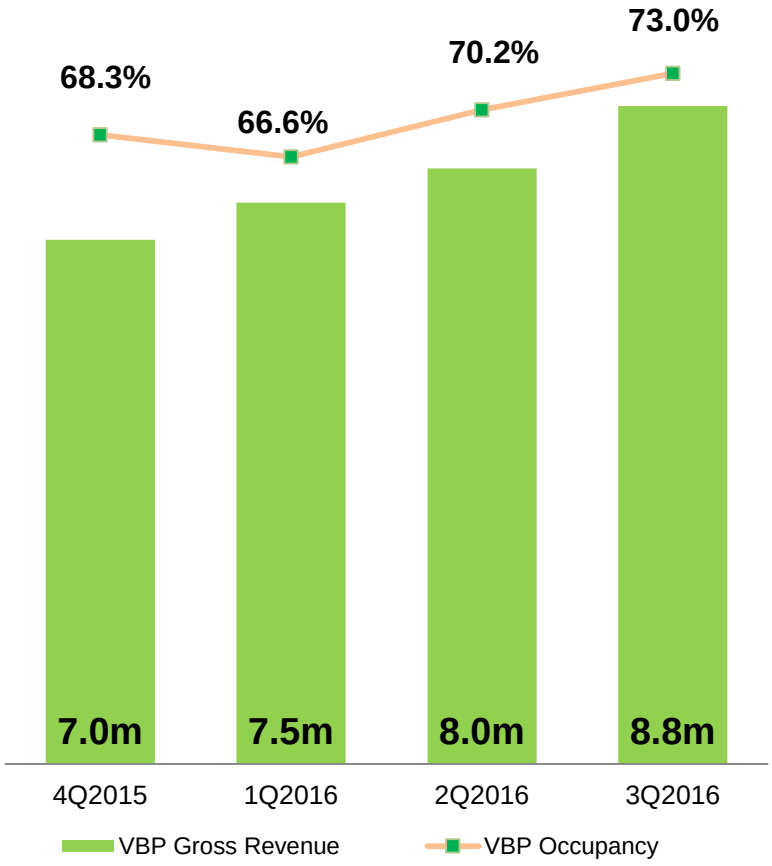
SONG FISH

Royz et Vous
SPECIALTY COFFEE

TRUE FITNESS

3 Increasing Contributions From VBP as AEI Nears Completion

VBP on track to bring greater vibrancy to the wider Bedok region; progressively contribute higher revenue and distributions to VIT



93.4% of "white space" is committed

42.7% of total "white space" contributed to 3Q2016 income

Valuation*
$340m
as at 30 Sep 2016

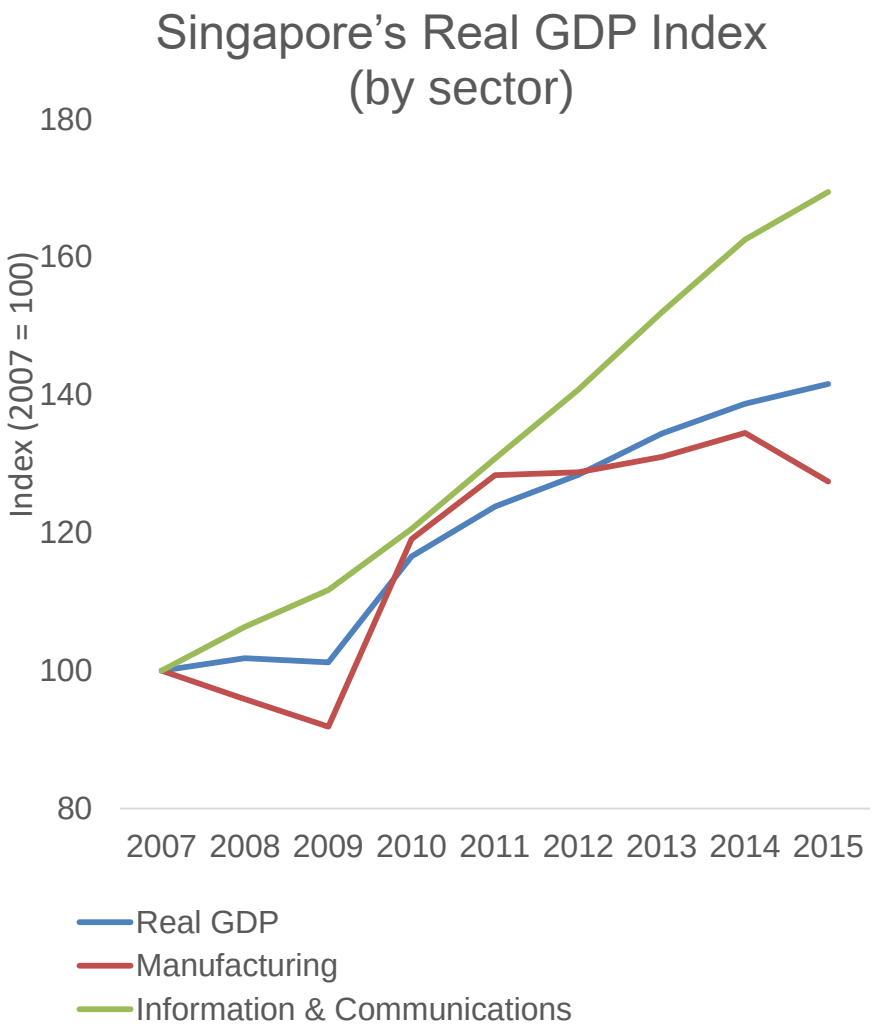
89.0%
occupancy of completed "white" space

**Based on valuation conducted on 30 June 2016*



Outlook & Strategic Focus

Industry 4.0 – Behind the Headline GDP Numbers



- Singapore's economy posted a muted 2.0% growth in 2015 whilst manufacturing contracted 5.2% weighed by the electronics and transport engineering clusters.
- In recent years, the manufacturing sector had underperformed overall GDP, averaging 1.5% growth over 2011-15. This reflected a tightening foreign labour policy and the decampment of less cost-efficient manufacturing activities.
- Manufacturers that remained continue to adjust their business models to low-volume, high-mix activities whilst decreasing their reliance on labour.
- Conversely, the ICT sector averaged growth of **7.1%** over the past five years, pointing the way forward for Singapore toward a data-intensive, infocomm-driven economy.

Strong Government Support for Industry 4.0 and the ICT Sector

- **Industry 4.0** refers to the next phase in the digitisation of the manufacturing sector driven by disruptions such as big data, increased connectivity and new robotics interfaces.
- Singapore's **$4.5bn Industry Transformation Programme** will provide a big push for Singapore's manufacturing cluster by developing bespoke plans and incentives tailored to develop each industry in the cluster.
- Furthermore, the Singapore Government will be calling for a projected **S$2.8bn** of ICT tenders in FY2016 comprising mainly of IT infrastructure, security for Internet of Things, and Government agency systems.
- **VIT's business park focused portfolio meets the needs of Industry 4.0 manufacturers and ICT firms**, counting many of them among our tenants.



UEBH EAST

Smart Nation SINGAPORE



Viva Business Park

Continued Opportunities For Organic and Inorganic Growth

Viva Business Park and UE BizHub EAST are resilient assets, well-positioned to tap on future opportunities in Changi Business Park as a new centre for growth

Cyclical Dynamics

BUSINESS PARKS
(Limited supply of business parks; remains resilient)

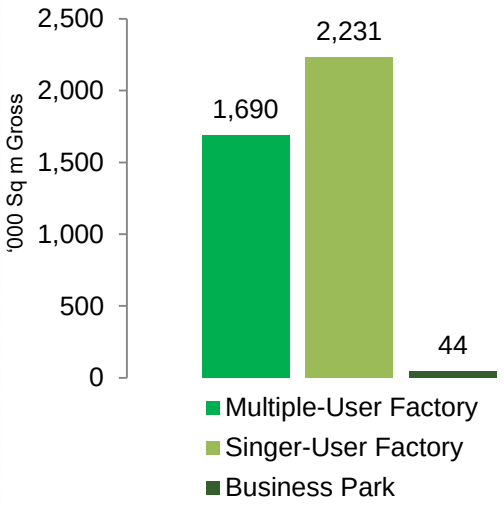
LOGISTICS
(Rising vacancy islandwide leading to some short-term oversupply)

LIGHT INDUSTRIAL
(Tapping on the Govt's push for more digital factories by 2020)

- Economic uncertainty and volatility led to weaker market conditions and business sentiments
- VIT's diversified property portfolio to remain resilient and ride through cyclical downturns in the industrial property sector

Sources: JTC, CBRE, Savills

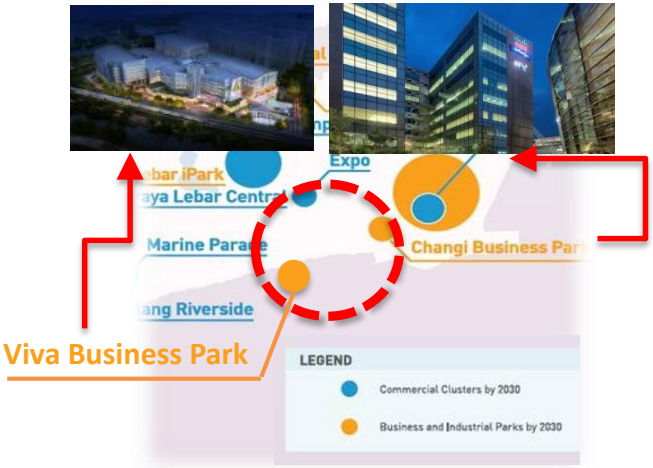
Limited Supply of New Business Parks



Supply of Factory Space by Type of Industrial Space for Completion by 2020

- 44,000 sq m GFA of business park space expected to be completed by 2020 (as at end of 3rd Quarter 2016)

Opportunities for VBP and UE BizHub EAST in Near-Term



Changi is a new centre for growth

Decentralisation trend

New strategies to attract tenants

Clear Strategy to Enhance VIT's Value

Near-term focus on creating a vibrant VBP while seeking out defensive acquisitions against the backdrop of a subdued economy

Focus on retaining tenants while increasing portfolio occupancy

Drive long-term growth and enhancement of VIT's value

1 Value Creating Investment Management



- Timely delivery of AEI works within budget
- Build pipeline of yield accretive acquisitions in Singapore and overseas

2 Proactive Asset & Lease Management



- Maximise tenant retentions with positive rental reversions
- Unlock value through asset enhancements
- Effective asset operating cost management

3 Prudent Capital & Risk Management



- Maintain stable DPS
- Maintain prudent financial policy with gearing ratio below 40%
- Diversify sources of funding

Summary

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-key hotel, convention centre and retail component, while **Viva Business Park** has significant “white” component.

2



Clear Growth Strategy for 2017

- VBP ‘s AEI has been successful in revitalising the Business Park, and is contributing to rising revenues and distributions amidst subdued macroeconomic conditions.
- Upcoming completion of yield accretive acquisition of 6 Chin Bee Avenue which services the recession resilient food services industry.

3



VIT is a Safe Haven Defensive Investment Amid Macro Uncertainties

- VIT continues to provide investors with stable distributions and long-term growth potential in asset value.
- Low correlation to the market (low beta) demonstrates defensiveness of VIT’s property portfolio and VIT is well-cushioned to weather economic uncertainties.

Thank you

VIVA iTRUST

