



TRANSITION

NEW BEGINNINGS



8th Annual General Meeting

25 April 2017



Agenda

- FY2016 Report Card
- Real Estate Update
- Financial and Capital Management Update
- Corporate Developments
- Looking Ahead to 2017



FY2016: A Year of Transition and New Beginnings

1 Management team continues to focus on CIT's core business

- Proactive Asset Management to maintain occupancy and tenant retention in a challenging operating environment
- Conservative approach maintained in relation to capital structure and acquisitions; divestment of non-core assets continues to be a strategic focus

2 Changes in Manager's shareholders and management team

- E-Shang Redwood ("ESR") is the new majority shareholder
 - ESR is one of the largest pan-Asia logistics real estate developers, owners and operators
 - ESR holds 12.01% stake of CIT – alignment of interests with Unitholders
- Adrian Chui appointed as CEO

3 Board of Directors rejuvenation as part of succession planning

- New Chairman
- Board of Directors' experience has gone from strength to strength



FY2016 Report Card: Asset Management

A Proactive asset management in a challenging operating environment

- Portfolio occupancy increased to 94.7 %¹
- Close to 1.7 million sq ft of space was renewed
- Tenant retention rate of 88.0 % achieved
- Weighted Average Lease Expiry² remained steady at 3.7 years
- Less than 21.5% of leases are due for renewal in FY2017, as compared to 32.2% in FY2016

B Active capital recycling: Divestment of Non-Strategic Assets

- Completed divestments of 2 Ubi View and 23 Tuas Ave 3 at 6.0% and 5.0% above book value respectively
- Announced divestment of 55 Ubi Ave 3

¹Excludes 120 Pioneer Road that is undergoing asset enhancement initiative

²By Rental income



FY2016 Report Card: Capital Management

C DPU – achieved 4.173 cents for FY2016

- FY2016 down 5.7% as compared to adjusted DPU for FY2015
 - Although Net Property Income is lower due mainly to ongoing conversions from master lease to multi-tenanted, we have improved the quality of earnings and remained disciplined

D No major refinancing until 2H2018

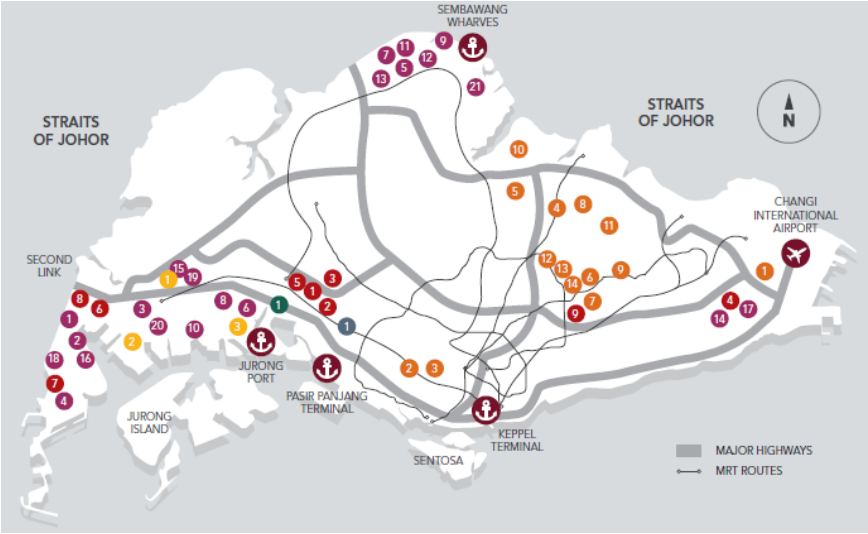
E Over 90% of interest rate exposure fixed for the next 3.0 years

F Valuation of properties fell by 3.2 %, bringing the investment property value to \$1.35 billion as at 31 December 2016. This is very much in line with the broader market trends – based on research by Colliers International, capital values of prime industrial space in Singapore declined 2.4% to 5.3% in 2016

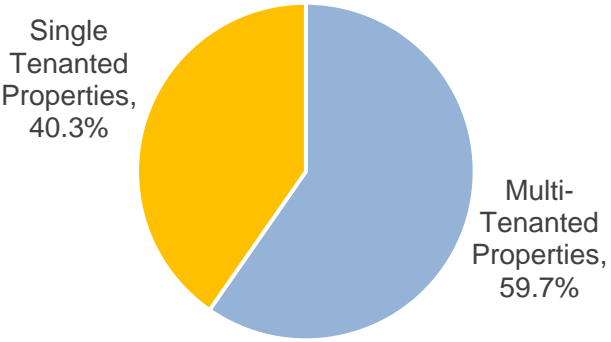


Overview of CIT Portfolio

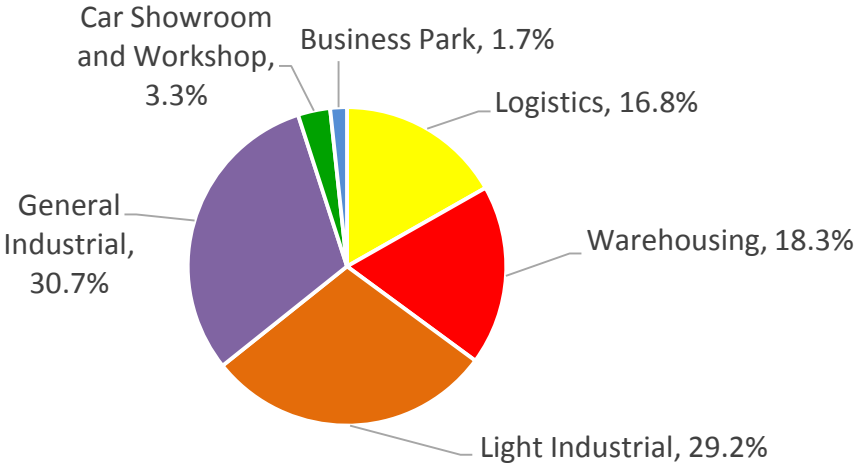
No. of Properties : 49 Properties
Gross Floor Area : 8.4 million sq ft of GFA
Net Lettable Area : 7.7 million sq ft of NLA
Portfolio Value : S\$1.35 billion
No. of Tenants : 215 Tenants



Single Tenanted vs Multi-Tenanted Properties (By Rental Income)



Asset Class (By Rental Income)

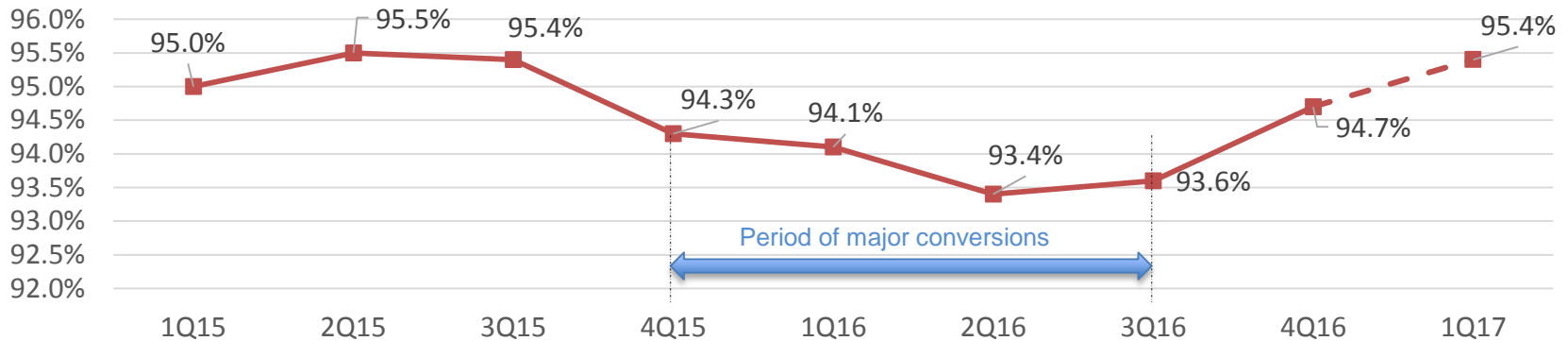


Data as at 31 December 2016

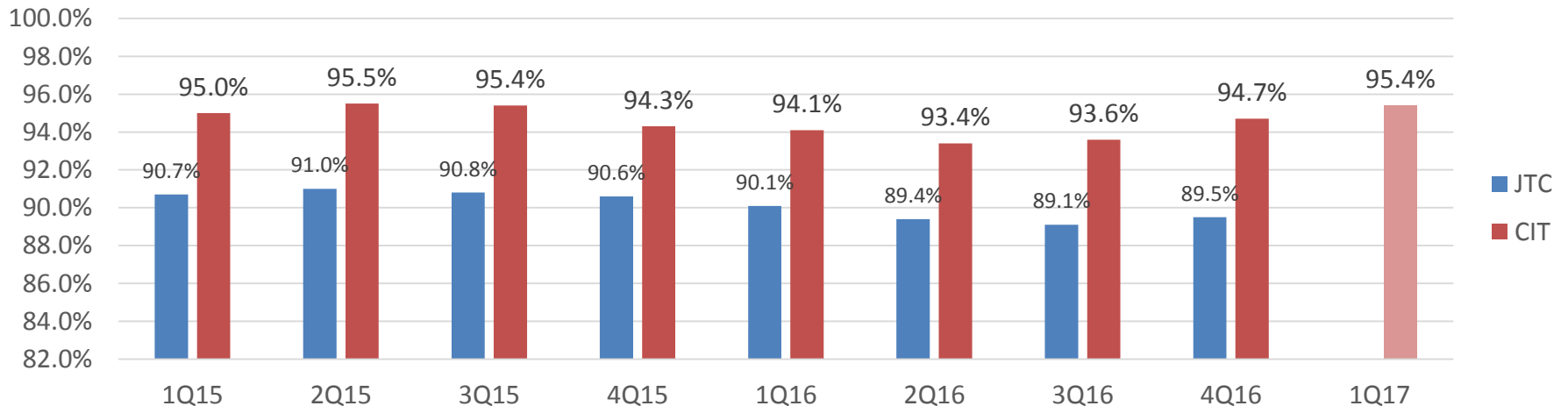


CIT's Portfolio Occupancy

➤ CIT's portfolio occupancy has seen two quarters of consecutive growth



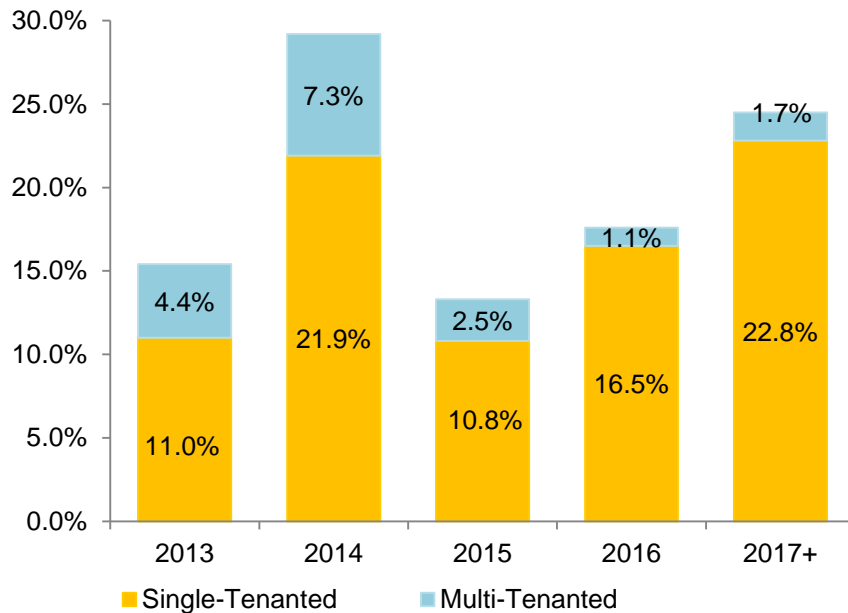
➤ CIT's portfolio occupancy is consistently above JTC's industry average



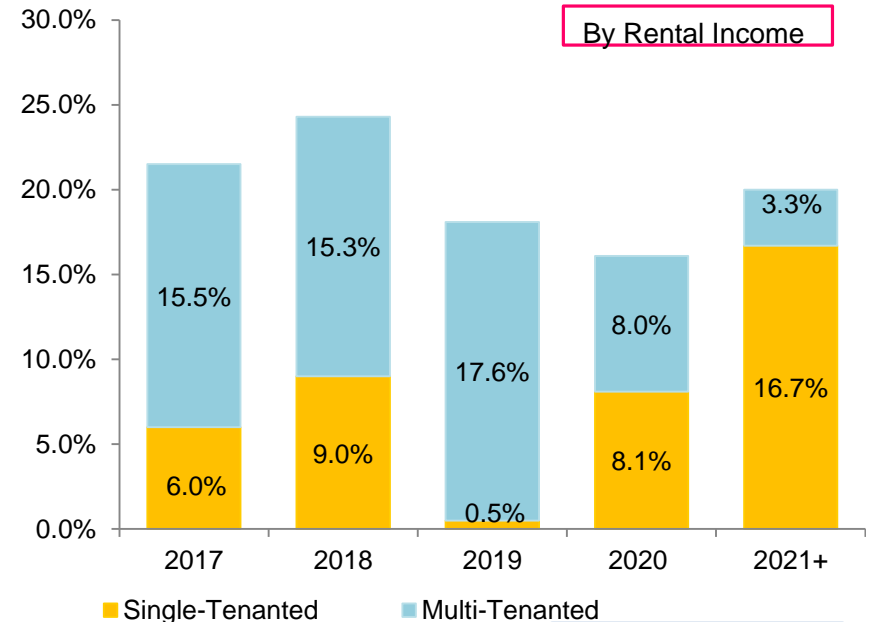


Weighted Average Lease Expiry Profile

- Lease expiry profile concentration has moved from single tenanted to multi-tenanted over the last few years. CIT's portfolio is now well-balanced.
 - In 2012, 44% of the portfolio represented single tenants expiring in the next 3 years
 - Today, only 15 % of the portfolio represent single tenant leases expiring in the next 3 years



2012



By Rental Income

2016



Improving Occupancy and Tenant Retention

- Amidst challenging economic environment and regulatory conditions and rules, our Asset Management team has been focusing on tenant retention and improving occupancy

60 Tuas South Street 1



New master lease secured in 1Q17



Property Address

FY2015 | FY2016 % Change

511/513 Yishun Industrial Park A



25% | 56%

+31%

54 Serangoon North Avenue 4



64% | 92%

+28%

12 Ang Mo Kio Street 65



85% | 100%

+15%

9 Bukit Batok Street 22



78% | 92%

+14%



Completed Divestments



23 Tuas Avenue 10

Sale Proceeds:

S\$16.5 million
S\$0.8 million above valuation
93% above purchase price

Description:

A 4-storey purpose-built industrial building

Gross Floor Area:

102,310 sq ft



2 Ubi View

Sale Proceeds:

S\$10.5 million
S\$0.6 million above valuation
40% above purchase price

Description:

A 5-storey light industrial building

Gross Floor Area:

43,654 sq ft

Proposed Divestment



55 Ubi Avenue 3

Sale Consideration

S\$22.1 million
S\$0.14 million above valuation
18% above purchase price

Description

A 5-storey light industrial building

Gross Floor Area

141,135 sq ft

Completion Date

Target May 2017



FY2016 Financial Summary

\$ million unless stated	FY2016	FY2015	Variance
Gross Revenue	112.1	112.2	-0.1%
Net Property Income	82.3	86.2	-4.5%
Net Income	52.2	54.8	-4.7%
Amount available for distribution	54.5	61.8	-11.8%
Capital Distribution/Mgmt fees in units	-	(4.8)	
Adjusted Amount available for distribution	54.5	57.0	-4.4%
Adjusted DPU (cents)	4.173	4.425	-5.7%
% of Earnings paid out	104.4%	112.8%	+7.4%



Balance Sheet and Capital Management

	As at 31 Dec 2016 (S\$ million)
Investment Properties	1,354.0
Total Assets	1,367.0
Total Borrowings (net of loan transaction costs)	509.6
Net assets attributable to Unitholders	827.0
No. of Units Issued (million)	1,304.4
NAV Per Unit (cents)	63.4
Gearing Ratio (%)	37.5

- All of our investment properties are now fully mortgage-free
- More than 90% of our interest rate exposure is fixed for the next three years
- All-in cost of debt 3.71% with a weighted average debt expiry of 3.0 years
- Available RCF of S\$102.5m provides CIT with financial flexibility

Corporate Developments and Looking Ahead



24 Jurong Port Road



New CEO

Adrian Chui, CEO and Executive Director

- Joined the Manager on 24 March 2017
- Reports to the Board and is responsible for achieving CIT's fiduciary duties to Unitholders as well as managing major stakeholder relationships

Credentials

- Most recently ran both the South East Asia real estate advisory division and the Singapore corporate banking division of Standard Chartered Bank ("SCB")
- Before SCB, Mr. Chui was the Director of Real Estate, Lodging and Leisure Group at UBS Investment Bank's Singapore office
- Past work experience also includes a stint at the Singapore office of Morgan Stanley Asia Securities Pte Ltd, where he was the lead property research analyst
- Prior to banking, he was with CapitaCommercial Trust Management Limited and was one of the pioneer management team members of the Manager of Ascendas Real Estate Investment Trust

Education

- Bachelor of Business from Nanyang Technological University in Singapore.



Looking Ahead

- 1 New Sponsor: e-Shang Redwood (“ESR”)**
 - Developer, operator and fund manager in the Logistics & Industrial space
 - Alignment of interest with all unitholders - c.12% stake
 - Rebranding of CIT to ESR REIT
- 2 New Board comprising industry veterans**
 - Right balance of strong corporate governance & industry network/expertise to guide Manager towards a sustainable growth oriented strategy
- 3 Financial flexibility**
 - Approval of General Mandate will provide CIT with financial flexibility to execute our growth plans
 - Largest shareholder has shown support for new Sponsor and Board by voting For all resolutions
- 4 Market is challenging but there are opportunities**
 - Asset acquisitions
 - Development projects
 - Potential M&A transactions

With a strong developer-sponsor & Board, Manager will proactively look for new opportunities to grow revenue and assets under management to meaningfully improve DPU and create capital growth opportunities for Unitholders

Thank You



3C Toh Guan Road East

 **CAMBRIDGE**
INDUSTRIAL TRUST

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