(a real estate investment trust constituted

on 13 December 2012 under the laws of the Republic of Singapore)

RESPONSES TO SUBSTANTIAL QUESTIONS FROM UNITHOLDERS

SB REIT Management Pte. Ltd., as Manager of Soilbuild Business Space REIT ("**Soilbuild REIT**", and the Manager of Soilbuild REIT, the "**Manager**"), would like to thank the unitholders of Soilbuild REIT ("**Unitholders**") for submitting their questions in advance of Soilbuild REIT's Annual General Meeting ("**AGM**") which will be held by electronic means on 25 June 2020 at 2 p.m.

As there was some overlap between many of the questions received from Unitholders, we will not be providing responses to every question received. We have summarized some of the substantial and relevant questions from Unitholders and provided our responses to the questions under different topic headings.

Please refer to our responses to the questions as set out in the table below:

Impact of COVID-19

No.	Questions	Responses
1.	What is the impact of COVID-19 on Soilbuild REIT's DPU?	• As part of the "Unity" and "Resilience" Budget, a property tax rebate of 30% has been granted for industrial properties which equates to 0.36 months of rent. • In the "Fortitude" Budget, an additional cash grant of ~0.64 months of rent will be given to qualifying SME tenants. The Singapore Parliament has approved the bill which provides that landlords have to grant rental waivers ~1 month of rent to such qualifying SME tenants in industrial properties. • In 1QFY2020, SME tenants constitute 30% of Soilbuild REIT's portfolio by revenue. • Assuming all our SME tenants suffered a Year-on Year 35% or higher decline in average monthly revenue from April to May 2020 due to COVID-19 and are entitled to an additional month of rental waiver from the landlord, revenue for the quarter will fall by 10% and DPU will fall by approximately 20%. • To date, only a few tenants have submitted applications for rental waivers. A provision of S$0.6 million has been made in 1QFY2020 in anticipation of potential credit losses or rental waivers. • The Manager expects a temporary slowdown in real estate leasing and investment activities and is aware that some tenants' operations will be affected. • In view of the COVID-19 situation, the Manager has prudently excluded the following capital distributions

No.	Questions	Responses
		for 1Q FY2020 to conserve Soilbuild REIT's capital: (i) S$0.5 million relating to reimbursement received from vendors in relation to outstanding incentives that were subsisting at the point of completion of acquisition of properties; and (ii) S$0.3 million relating to rental guarantee provided by the vendor of 25 Grenfell Street. • The current focus for the Manager is to assist our tenants during these challenging times, enhance our portfolio fundamentals and ensure sustainable returns for our Unitholders.
2.	Any reasons why other industrial REITs have recovered strongly since the COVID-19 outbreak in Singapore but not Soilbuild REIT?	• We have seen increased investor uncertainty emanating mainly from the COVID-19 pandemic as well as higher volatility in the global stock markets. • The share price of Soilbuild REIT was similarly not spared amidst the broad equity market sell-off. • Whilst we have limited control over our unit price, we have prudently managed our cash flows and are in close communication with our tenants and the research and investment community.
3.	With Australia's "Code of Conduct" issued on 7 April 2020, can you give us some more information in respect to the rental rebates and waivers that you expect to face in respect to your Australian properties and its resultant impact on the REIT's financial performance in FY 2020?	• In Australia, the National Cabinet approved a Mandatory Code of Conduct for commercial tenancies ("**the Code**") on 7 April 2020. The Code applies to those tenancies where the tenant is eligible for the Commonwealth Government's JobKeeper programme – that is, where the tenant suffers financial stress or hardship as a result of the COVID-19 pandemic and that has an annual turnover of up to A$50 million. • For our Australia portfolio, our retail tenants in 25 Grenfell Street have been negatively impacted due to a decline in footfall with corporate office tenants working from home. The retail tenants in our Australia Portfolio contribute $115K per quarter or 0.5% of total revenue. • The Manager is in the midst of rolling out a rental relief programme for its retail tenants in Australia. • 14 Mort Street and Inghams Burton, which are the master-leased properties in Australia, are not expected to experience material negative impact arising from the COVID-19 pandemic.

Financials and Capital Management

No.	Questions	Responses
4.	Will the dividends of the REIT be maintained in the next 3 years? Will there be sufficient funds to ensure this?	• As the COVID-19 situation continues to evolve and uncertainties remain, the Manager will need to adopt a more conservative provisioning approach, resulting

No.	Questions	Responses
		in a decline in DPU in the near term. • Soilbuild REIT currently has committed facilities of S$54 million and is in negotiation with several lenders to increase the credit facilities. • The Manager has no intention to lower the payout ratio for Singapore sourced income to minimise tax leakage. However, the Manager may reduce capital distributions relating to contributions from Australia to preserve capital as a prudent measure.
5.	Are there any plans to redeem the perpetual securities since interest rates are low?	• The perpetual securities were issued to diversify our funding sources and achieve DPU accretion for our maiden foray into Australia. The perpetual securities are accorded the equity accounting treatment and bear a coupon lower than our current DPU yield. • Drawing down debt to redeem the perpetual securities will increase Soilbuild REIT's aggregate leverage and reduce the debt headroom available for acquisition opportunities during a market recovery. • The Manager will conduct a cost-benefit analysis and evaluate the various financing options to determine whether Soilbuild REIT should redeem the perpetual securities on the first call date in September 2021. The decision is ultimately dependent on market conditions and can only be determined closer to the date of the first call.
6.	Do you foresee any significant downward pressure on the properties' valuation in 2020, which will affect the REIT's gearing level and any other loan related covenants as at year end? If yes, what steps will the management take to address the issue.	• To date, the COVID-19 pandemic appears to have a minimal impact to our rental and occupancy rates. Presently, we do not foresee a significant decline in our portfolio valuation. • The Manager expects to be able to comply with its debt covenants at year end. • On 16 April 2020, MAS raised the gearing limit for S-REITs from 45% to 50% to provide S-REITs greater flexibility to manage their cash flows and raise funds amid the challenging operating environment due to COVID-19. • At gearing level of 38.5% (as at 31 March 2020), Soilbuild REIT's portfolio valuation would have to decline by c.23% to cause a breach of the MAS gearing limit of 50%. • The gearing level of 38.5% also implies a $310 million debt headroom to MAS gearing limit of 50%. • Management targets to maintain a long-term aggregate leverage of 35% – 40%. • Should the Manager decide to undertake any equity fund raising to reduce gearing limit, there would be a clear evaluation of various factors including the prevailing market conditions, the volatility of Soilbuild

No.	Questions	Responses
		REIT's share price and potential value-add opportunities to Unitholders.

Investment Management

No.	Questions	Responses
7.	What are the Sponsors assets in the pipeline that can be injected?	• During IPO, the Sponsor had granted Right of First Refusal ("**ROFR**") to Soilbuild REIT over 4 properties, whereby Bukit Batok Connection has been acquired. The other 3 properties in the Sponsor's pipeline include 1) 9 Kallang Sector ("**Qualcomm Building**"), 164 Kallang Way (**Solaris @Kallang 164**) and 1020, 1022, 1024 & 1026 Tai Seng Avenue (**Solaris @ Tai Seng**). • The BCA TOP inspections have been completed for Qualcomm Building in June 2019 and Solaris @Kallang 164 in April 2019. Solaris @ Tai Seng is in the midst of redevelopment and is expected to complete in 4Q 2022. • Qualcomm Building is a built-to-suit facility for RF360, a joint venture between Qualcomm and TDK. It is an industrial factory development with a GFA of 390,106 sqft. • Solaris @ Kallang 164 is a multi-tenanted high-specs industrial factory development with a GFA of 586,439 sqft. • Solaris @ Tai Seng is planned to consist of 4 blocks of 8 & 9-storey multi-user general industrial factory development with carparks, temporary industrial canteen and other ancillary facilities with a total GFA of 1,142,071 sqft. • Depending on the Sponsor's decision to sell, the Manager would consider acquiring ROFR assets only if it benefits our Unitholders. Other than yield accretion, the Manager also considers other aspects such as asset quality, income diversification, committed leases, tenant covenant strength and potential future growth to enhance return to Unitholders.
8.	Are there any long-term plans on acquisitions or mergers for the REIT?	• The Manager understands that any merger or acquisition with another REIT will increase the portfolio size, market capitalisation and liquidity. • The Manager will consider an acquisition or merger with another REIT only if there are compelling reasons and strong value propositions.
9.	Are there any plans to improve quality assets purchase and non-quality asset disposal?	• The Manager will take a more conservative approach towards investments in Australia this year as internal resources will be geared towards the redevelopment

No.	Questions	Responses
		of 2 Pioneer Sector 1. • Besides investing in quality assets, the Manager constantly evaluates its portfolio to identify any value enhancement opportunities. To date, the Manager has carried out asset enhancement works to its assets such as Solaris, Eightrium and West Park BizCentral to reposition them for further growth. • If opportunities arise, the Manager will also consider divesting non-performing assets to unlock capital for other investment opportunities.
10.	Does the REIT plan to invest more into Australia in the near future?	• Refer to point 9.
11.	Does Soilbuild REIT intend to further diversify into more resilient assets like data centres and business parks?	• As at 31 March 2020, Soilbuild REIT owns 2 business park properties and 8 industrial assets in Singapore. The Australia portfolio comprises 2 office buildings and an industrial property. • The Manager is constantly evaluating various opportunities to grow and enhance the REIT's portfolio and is receptive to investment opportunities that would be beneficial for Unitholders. • For any acquisition, the Manager will evaluate the investment based on criteria including the real estate characteristics of the asset such as the location, yield, tenant financial strength, building and facility specifications. • As for specialised assets such as data centres, the Manager is keen on investing in shell and core facilities excluding any specialized equipment.
12.	What was the Manager's plan in investing into Australia?	• The Manager's investment strategy is to operate a diversified portfolio in the business space and industrial property sector to provide sustainable returns to investors. • The Manager believes that investing into Australia will help increase Soilbuild REIT's pool of investment targets, provide access to assets with longer land tenures, allow diversification of its tenant base, and thereby help strengthen the REIT's portfolio for long term growth.
13.	What is the proportion of Australia assets the Manager is aiming for?	• The Manager targets to grow the Australia portfolio from 16.6% to 30% of Soilbuild REIT's portfolio in the longer term.

Portfolio Performance

No.	Questions	Responses
14.	What is the expected lease renewal rate and rental reversions moving forward?	• In FY2019, the portfolio registered an overall negative rental reversion of 2.5%. For renewal, there

No.	Questions	Responses
		was positive rental reversion at 1.6% and for new leases, the negative rental reversion was 9.2%. • In 1Q 2020, the portfolio registered an overall negative rental reversion of 9.2%. For renewal, there was negative rental reversion at 14.6% partly due to the renewal of the master lease with Beng Kuang Marine as the original lease was executed in 2013 when the industrial property market was at its peak. For new leases, there was positive rental reversion of 3.9%. • Rental reversions are expected to remain flattish going forward with the COVID-19 outbreak expected to dampen leasing activity. Existing and prospective tenants are also likely be more risk-adverse and cautious amidst the current economic climate. • Amidst the weak economic environment, we remain committed to improving our portfolio quality by carrying out asset enhancements and executing our marketing and leasing strategies to attract and retain tenants.
15.	The stock price of Soilbuild REIT has been declining over the years. What are some of the steps/strategy the REIT will be taking moving forward to improve the situation - raise DPU and value add to Unitholders?	• The Manager intends to improve its portfolio occupancy by implementing the following strategies: 1) Acquire quality assets for portfolio diversification and bring in tenants from stable and growing trade sectors; 2) Reposition Soilbuild REIT's portfolio through asset enhancement works to attract high-quality tenants; 3) Divest non-performing assets and recycle the capital into higher yielding investments or to lower aggregate leverage; 4) Reduce the tenant trade sector exposure to cyclical sectors such as Oil & Gas and introduce new tenants from fast-growing and value-adding industries; and 5) Implement leasing and marketing strategies to attract quality tenants from growing and resilient industries.

By Order of the Board

SB REIT Management Pte. Ltd.
(UEN/Company Registration No. 201224644N)
As Manager of Soilbuild Business Space REIT

Roy Teo
Chief Executive Officer
24 June 2020

About Soilbuild Business Space REIT

Soilbuild Business Space REIT ("Soilbuild REIT") is a Singapore and Australia-focused real estate investment trust ("REIT") with a portfolio of business parks and industrial properties used by industries engaging in manufacturing, engineering, logistic, warehousing, electronics, marine, oil & gas, research and development and value-added knowledge-based activities. Major tenants of the REIT include Dyson Operations, Ubisoft Singapore, Nestle Singapore and John Wiley & Sons. Its Singapore portfolio of properties include Solaris, a landmark development in one-north, Eightrium @ Changi Business Park, Tuas Connection, West Park BizCentral and Bukit Batok Connection. Its Australia portfolio includes an office building at 14 Mort Street in Canberra, a poultry production and processing facility known as Inghams Burton in Adelaide and a Grade A freehold office building at 25 Grenfell Street in Adelaide. Soilbuild REIT's portfolio comprises 10 properties in Singapore and 3 properties in Australia with a total net lettable area of 4.12 million square feet and an occupancy rate of 84.7% as at 31 March 2020. Soilbuild REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 16 August 2013 ("Listing Date").

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