



Second Annual General Meeting

21 April 2015



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT (“Soilbuild REIT”) for the period from 1 January 2014 to 31 December 2014 as detailed in the FY 2014 Annual Report.

This presentation is for information only and does not constitute an offer or solicitation of an offer to subscribe for, acquire, purchase, dispose of or sell any units in Soilbuild Business Space REIT (“Soilbuild REIT”, and units in Soilbuild REIT, “Units”) or any other securities or investment.

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Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Soilbuild REIT is not indicative of the future performance of Soilbuild REIT. Similarly, the past performance of SB REIT Management Pte. Ltd. (“Manager”) is not indicative of the future performance of the Manager.

Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited are the joint global coordinators, issue managers, bookrunners & underwriters of the initial public offering of Soilbuild REIT.

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Key Highlights

Key Highlights in FY2014

WE HAVE DELIVERED:

- ❖ **Growth in DPU** – exceeded prospectus forecast on 6 consecutive quarterly results since listing
- ❖ **Growth in assets** – acquired almost S\$100 million of new properties in FY2014 growing the portfolio size to S\$1.03 billion. Also announced the proposed acquisition of the Technics property for total cost of S\$98.1 million

WE HAVE MAINTAINED:

- ❖ **High occupancy** – the portfolio was fully occupied as at 31 December 2014 and also as at 31 March 2015
- ❖ **Prudent approach to capital management** – Low gearing enabled us to debt fund acquisitions whilst maintaining a high level of fixed interest rates
- ❖ **Longest land lease tenure** of all Singapore Industrial REITs at 49 years and a young average age of properties at around 5 years

Soilbuild REIT Roadmap

**STANDARD
& POOR'S**

**SINGAPORE
CORPORATE
AWARDS**

22 Jan 2014:
Assigned BBB-
investment
grade
credit rating

16 Jul 2014:
Received awards
in "Best Investor
Relations" and
"Best Annual
Report"



15 Aug 2014:
Awarded National Parks
Landscape Excellence
Assessment Framework Award



23 Dec 2014:
Completed Speedy-Tech
acquisition for S\$24.3 million

17 Mar 2015:
Announced
agreement with JTC
to pay Solaris Land
Premium upfront



26 May 2014:
Completed Tellus
Marine acquisition
for S\$18.2 million



4Q 2014:
Solaris won BEI Asia Awards
2014, Asia Green Building
Awards and AIA Merit Award
for Architecture Excellence



31 October 2014:
Completed KTL Offshore
acquisition for S\$55.7 million

11 Feb 2015:
Solaris Greenmark
Platinum award
renewed

12 Mar 2015:
Announced
acquisition of
Technics
for S\$98.1 million

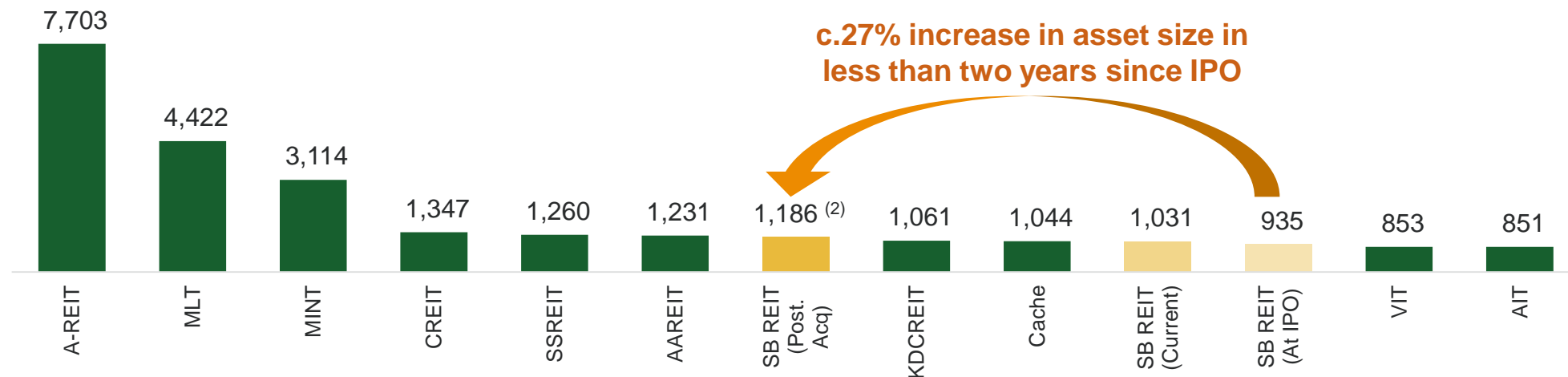


SOILBUILD
BUSINESS SPACE REIT

16 Aug 2013:
Listed on
SGX-ST

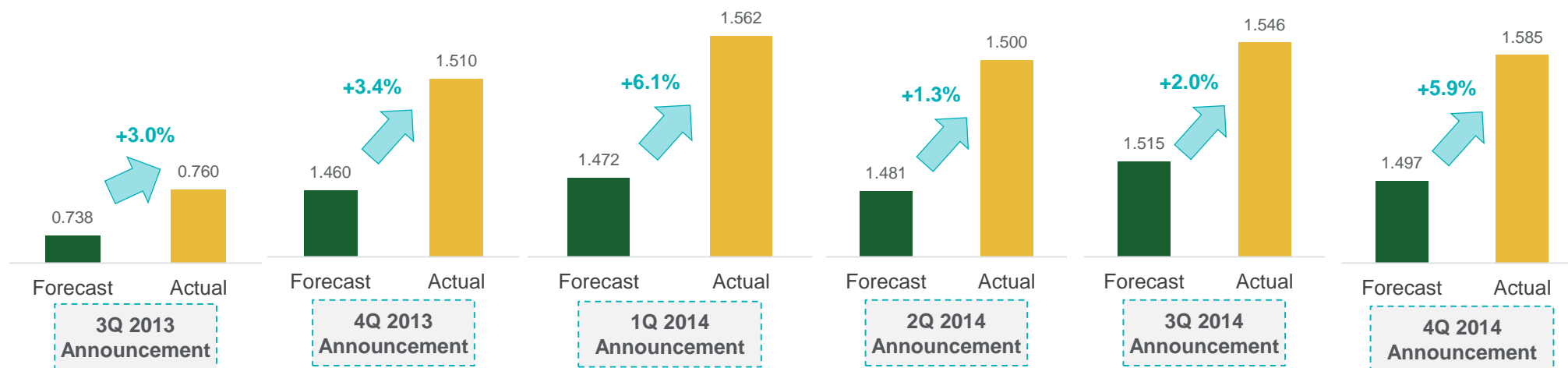
Soilbuild REIT Growth in Assets and DPU

Investment Properties (\$ million)⁽¹⁾



Note:
 (1) As at 31 Dec 2014
 (2) Assuming the Technics acquisition has been completed.

Actual DPU exceeded IPO Forecast for 6 consecutive quarters



Financial Highlights

FY2014

FY2014 Financial Results – P&L

For the year ended 31 December 2014 (S\$'000)	FY2014 Actual	FY2014 Forecast ⁽¹⁾	Variance
Gross Revenue	68,145	66,259	2.8%
Less Property Expenses	(10,783)	(11,050)	2.4%
Net Property Income	57,362	55,209	3.9%
Interest Income	18	-	n.m.
Finance Expenses ⁽²⁾	(9,676)	(9,205)	(5.1%)
Manager's Fees	(5,477)	(5,095)	(7.5%)
Trustee's Fees	(185)	(157)	(17.8%)
Other Trust Expenses	(883)	(731)	(20.8%)
Net Income	41,159	40,021	2.8%
Net change in fair value of investment properties	901	-	n.m.
Total return before distribution	42,060	40,021	5.1%
Add back Non-Tax Deductible Items ⁽³⁾	8,109	8,510	(4.7%)
Distributable Income	50,169	48,531	3.4%
Distribution Per Unit (cents)	6.193	5.965	3.8%

Note:

(1) The Forecast figures are derived from the Forecast Year 2014 figures disclosed in the Prospectus.

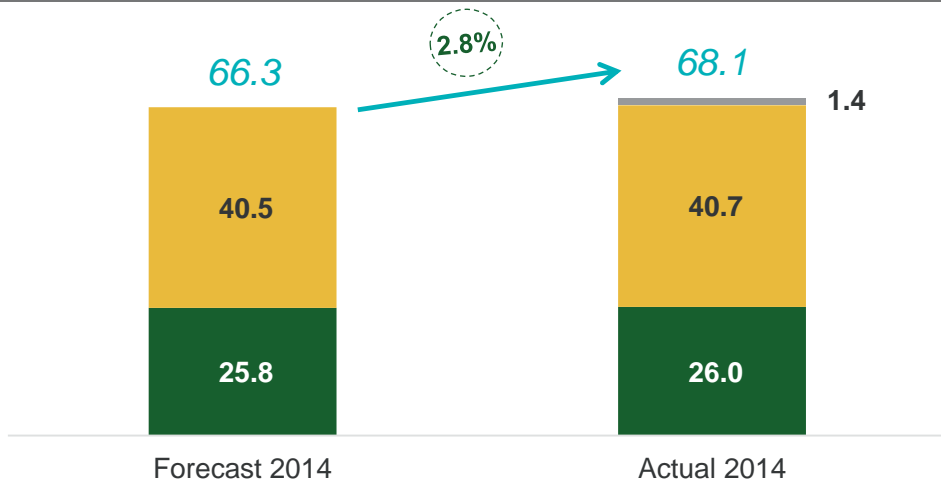
(2) Finance Expenses comprise net interest expense, security trustee and agency fees, and amortisation of debt arrangement fees.

(3) "Non-tax deductible items" comprise the Manager's management fees, property management and lease management fees paid or payable in Units, rent free amortisation, Trustee's fees, security trustee and agency fees, amortisation of debt arrangement fees, professional fees and fair value change in investment properties

Financial Highlights (FY2014)

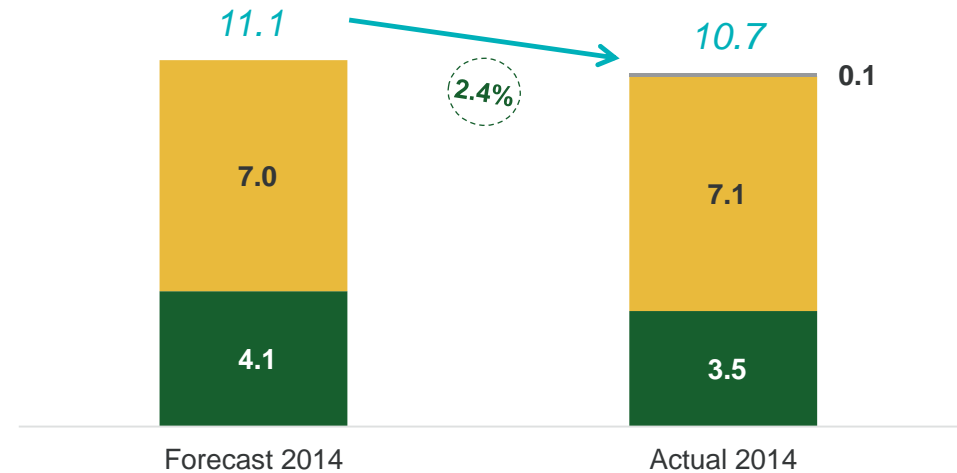
Gross Revenue

(S\$ million)



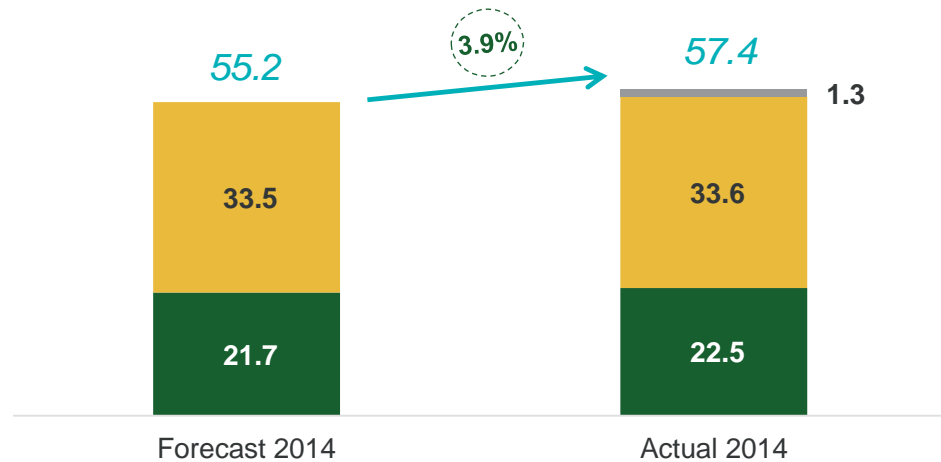
Operating Expenses

(S\$ million)



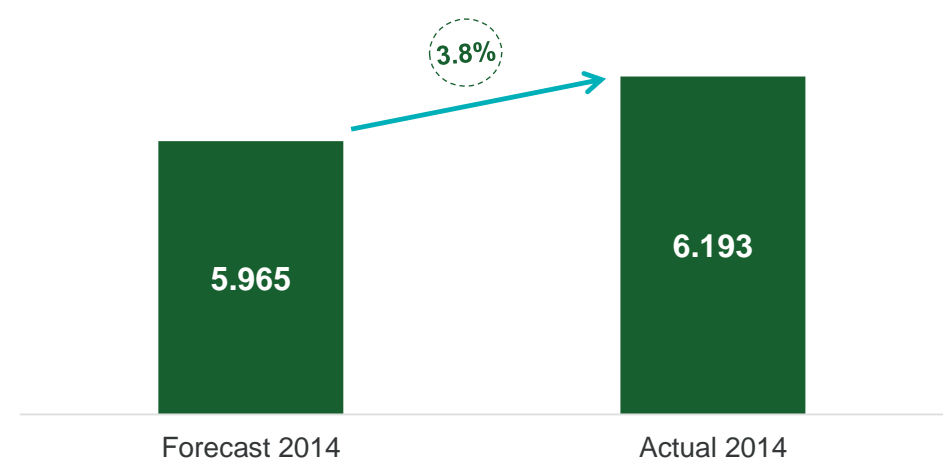
Net Property Income

(S\$ million)



Distribution per Unit

(cents)



FY2014 Financial Results – Balance Sheet

All figures S\$'000 unless otherwise stated	Audited Actual as at 31 December 2014	Audited Actual as at 31 December 2013 ⁽¹⁾
Investment Properties	1,030,700	935,000
Other Assets	23,272	20,292
Total Assets	1,053,972	955,292
Bank Borrowings	368,924	275,331
Other Liabilities	34,268	32,663
Net Assets	650,780	647,298
Units in Issue ('000)	812,993	804,541
Net Asset Value per Unit (S\$)	0.80	0.80

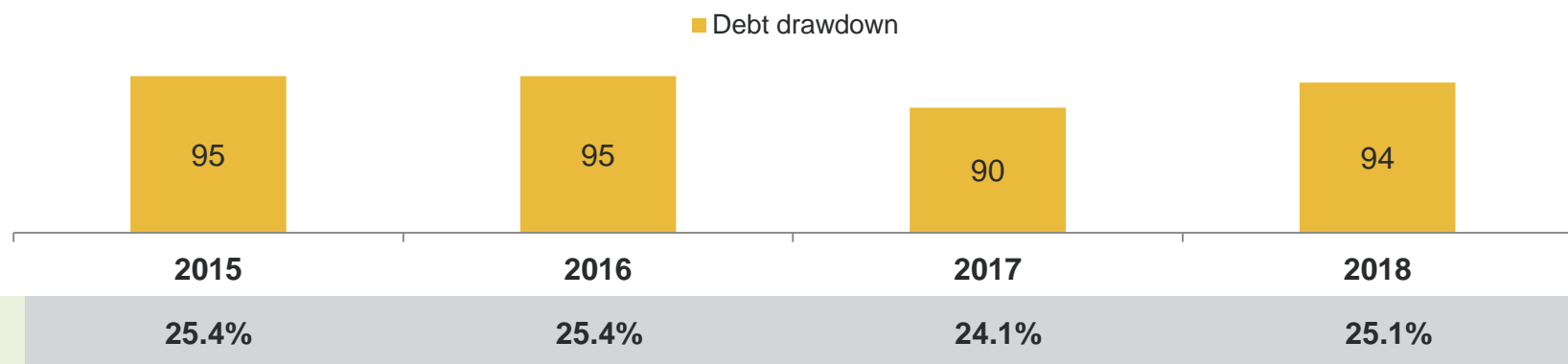
Note:

(1) The balance sheet as at 31 December 2013 excludes minor private trust balances as disclosed in Soilbuild REIT's FY2013 annual report which were attributable to the private trust unitholder prior to the Listing Date.

Prudent Capital Management

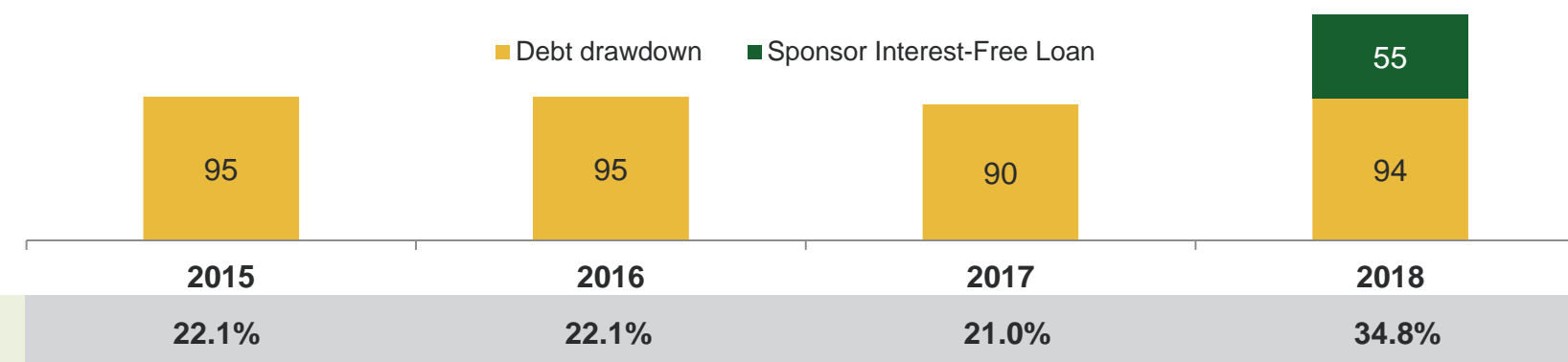
1) Maturity Profile as at 31 December 2014

(S\$ Million)



2) Maturity Profile as at 31 March 2015

(S\$ Million)

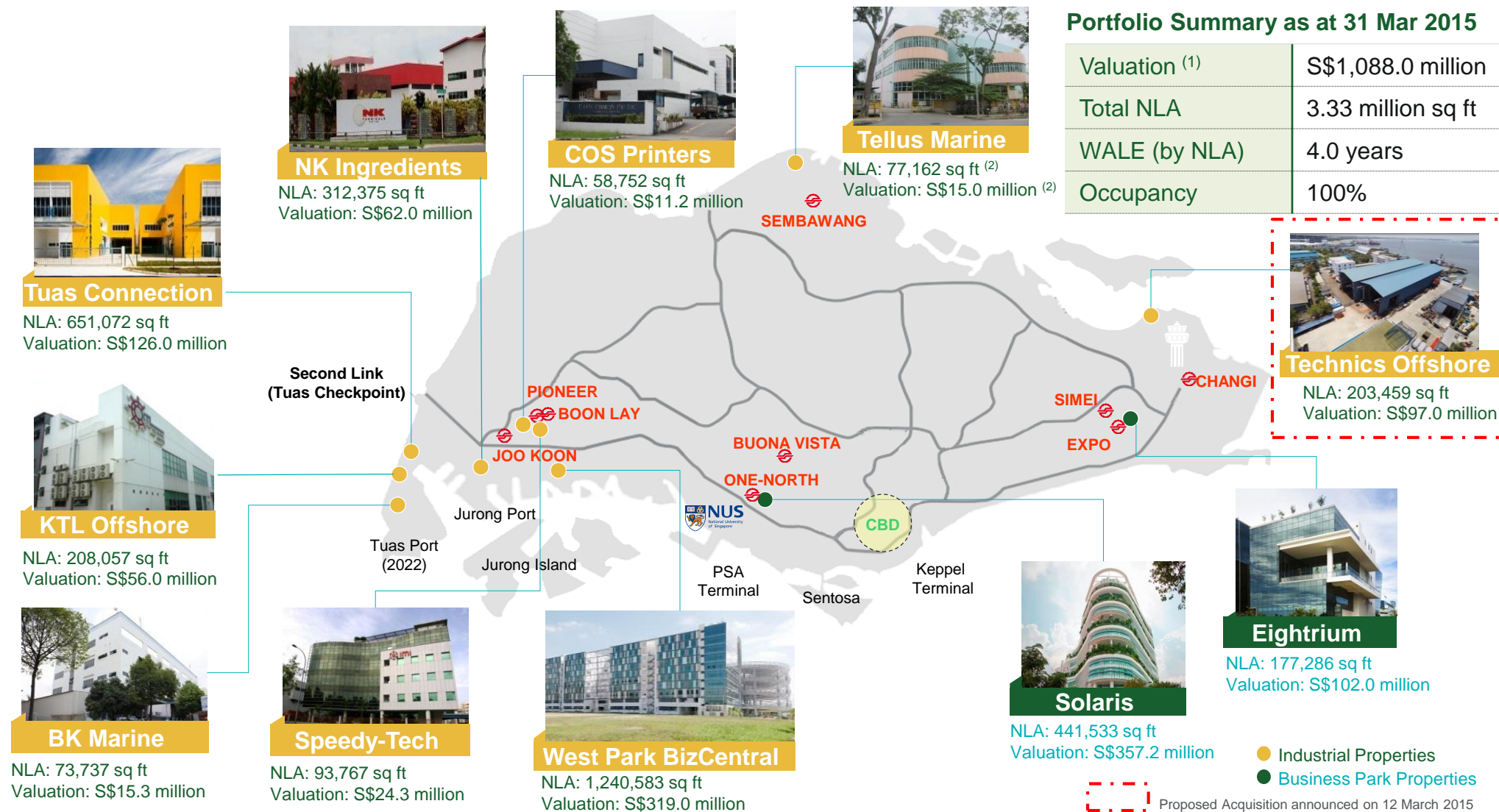


Total Bank Financing Facilities Available	S\$385 million	Average All-in Interest Cost	3.28%
Total Bank Debt Drawn Down	S\$374 million	% of interest costs fixed	81.9%
Total Assets	S\$1,114 million	Interest Coverage Ratio	4.7x
Aggregate Leverage	38.5%	Weighted Average Debt Maturity	2.0 years

Portfolio Update

Portfolio Overview

Soilbuild REIT portfolio features include optimal locations for the various asset types, superior specifications, young properties and long average land leases



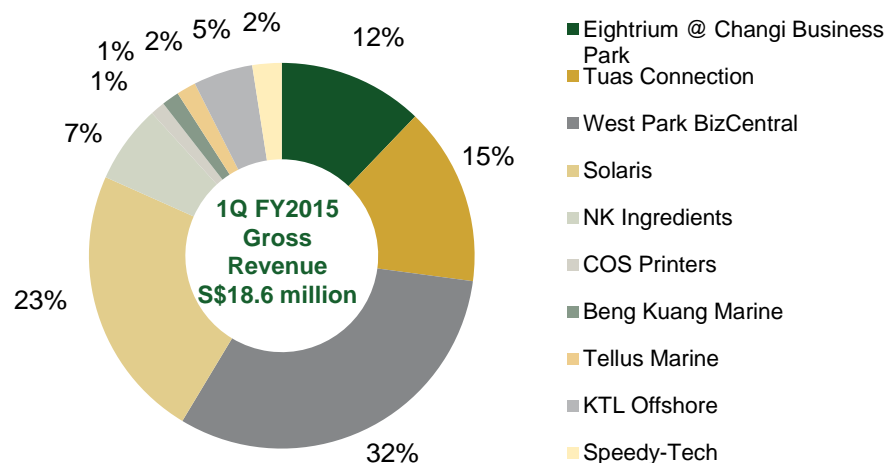
Notes:

- (1) Based on Savills' & Colliers' valuations dated 31 December 2014. KTL Offshore and Speedy-Tech based on valuations carried out at the time of acquisition. The carrying value of Solaris is based on valuation report dated 17 February 2015 by Colliers plus stamp duty on the upfront land premium incurred.
- (2) NLA and Valuation excludes the construction of a new annex to Tellus Marine

Key Portfolio Metrics (as at 31 March 2015)

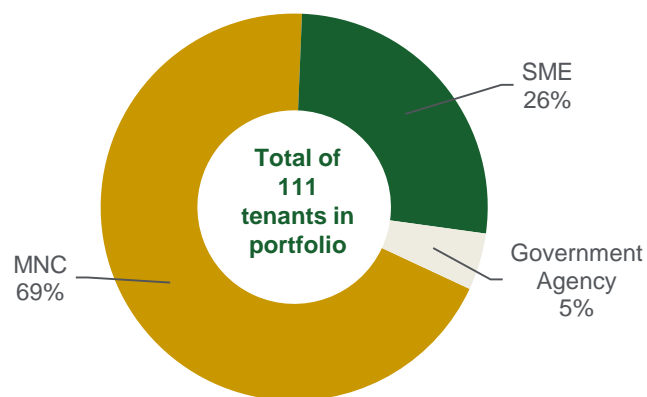
1. Portfolio Income Spread

By Property



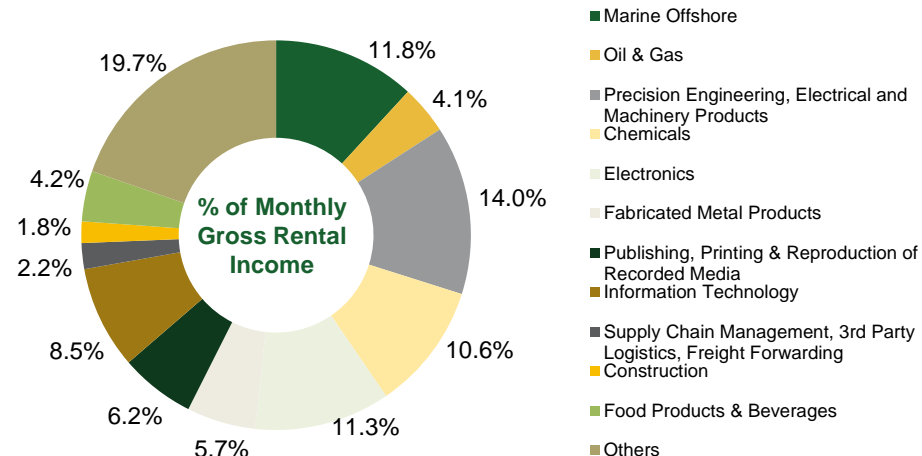
3. Diversified Tenant Base⁽¹⁾

By Gross Rental Income



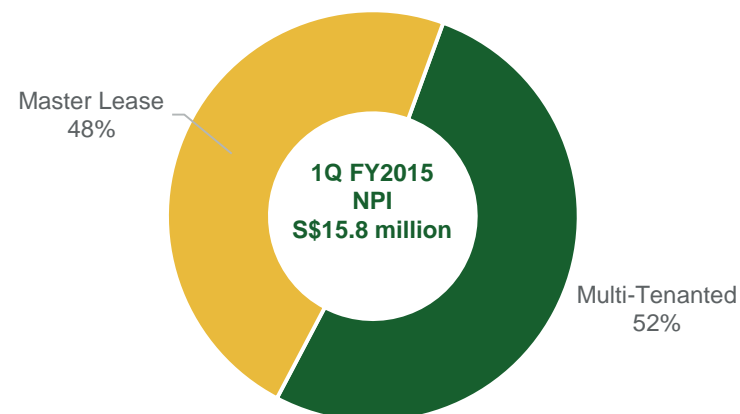
2. Well-spread trade sectors⁽¹⁾

By Gross Rental Income



4. Balanced Portfolio with Growth Upside

By Net Property Income

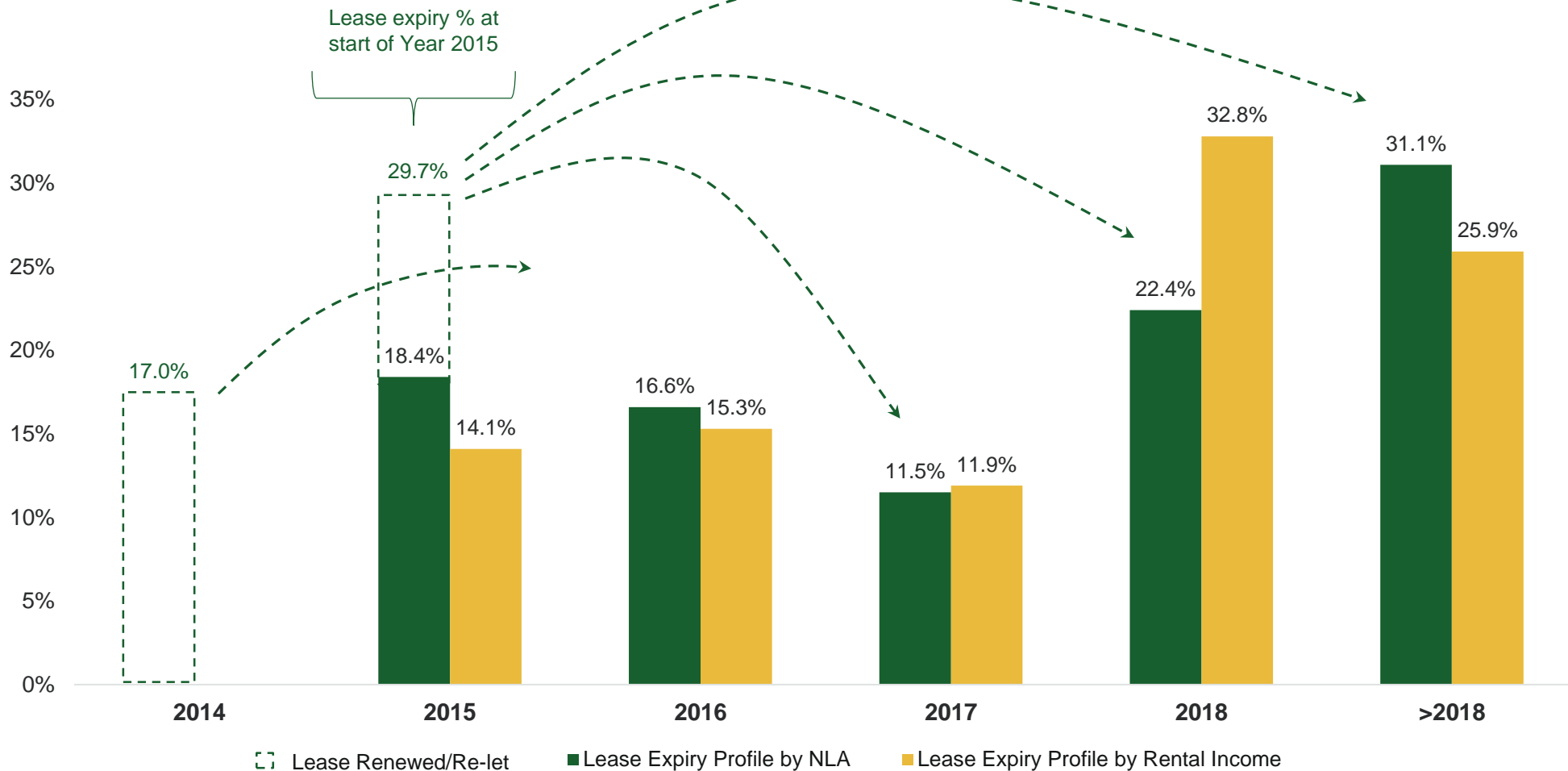


Notes:
(1) Inclusive of underlying tenants at Solaris

Well Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile as at 31 March 2015
(% of NLA & Rental Income)

WALE (by NLA)	4.0 years
WALE (by Gross Rental Income)	3.8 years



Growth Strategy



Three Pronged Growth Strategy

Soilbuild REIT is well positioned for robust growth through organic rental growth and the acquisition and development of properties.



1

Stability and Growing Cashflows from Master Leases

2

Upside Potential from Multi-Tenanted Properties

3

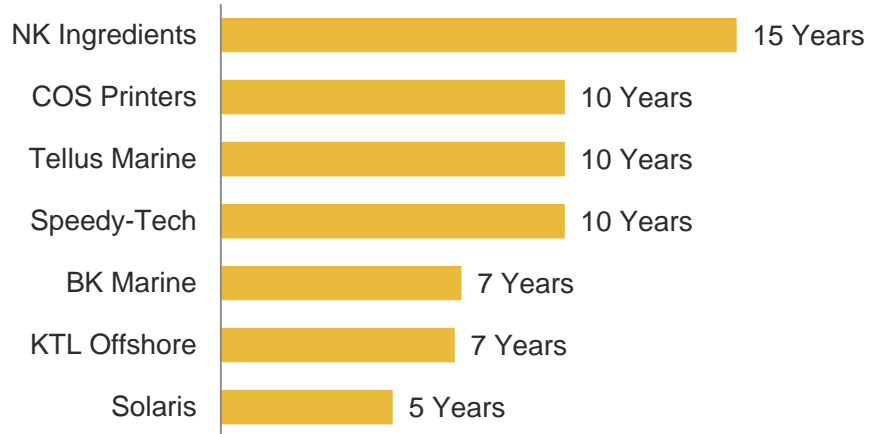
Differentiated Acquisition Strategy



Growth Strategy 1 – Built-in Escalations in Master Leases

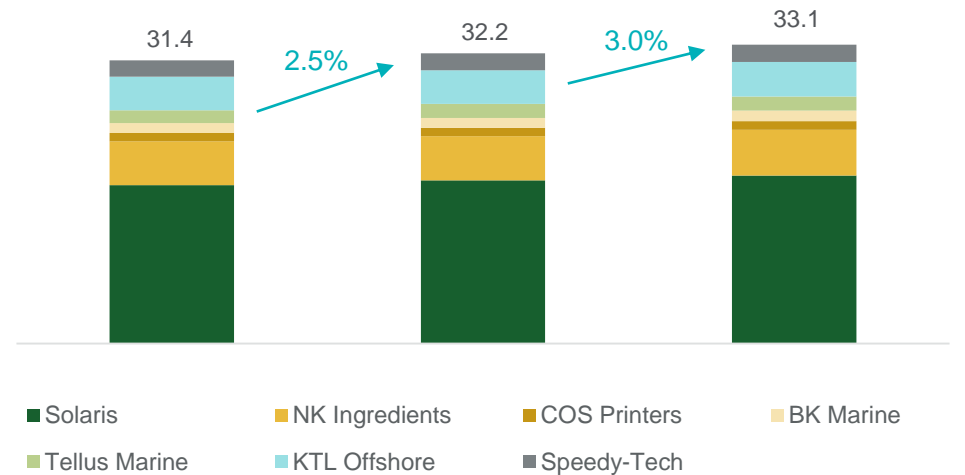
Long-term Master Leases

Lease Term from start of Master Lease Agreement



Fixed Annual Rental Escalation of Master Leases

Rental Revenue (\$ million)



Expected Stable and Growing Cash Flows from the Master Leases

- A Master leases feature long term leases ranging from 5 to 15 years provides **Stability**
- B The Master Leases also provide **Organic Growth** through annual or bi-annual rental escalations
- C Master Leases structured on a double and triple net lease basis, **Minimising Expenses** to Soilbuild REIT
- D **Minimal Risk** given 6-18 month rental deposits from the Master Lessees and blue chip sub-tenant base

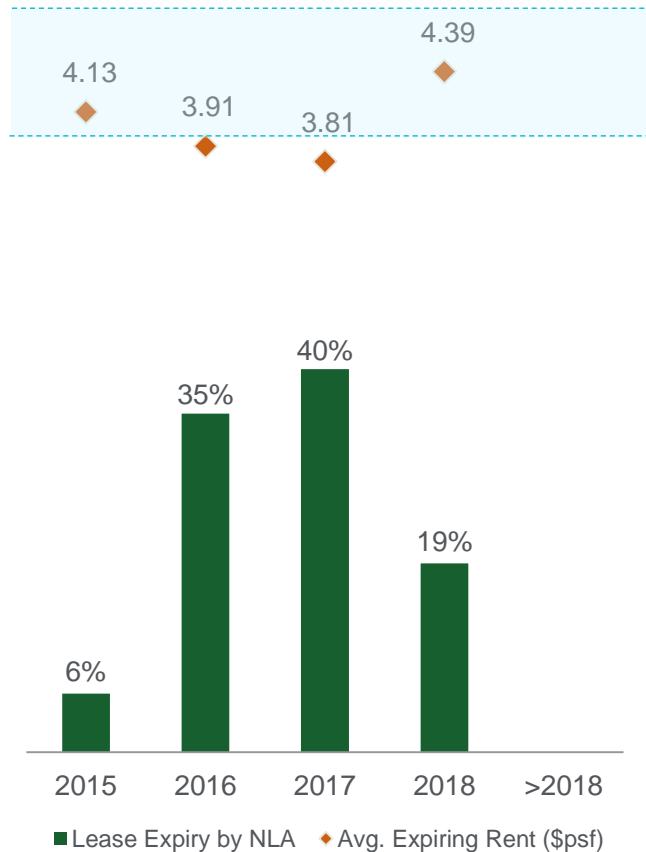
Growth Strategy 2 – Upside Potential from Multi-Tenanted Properties

Rental rates for West Park BizCentral, Eightrium and Tuas Connection are below current market rents and are expected to revert positively as existing leases are renewed

Eightrium

(Lease Expiry by NLA)

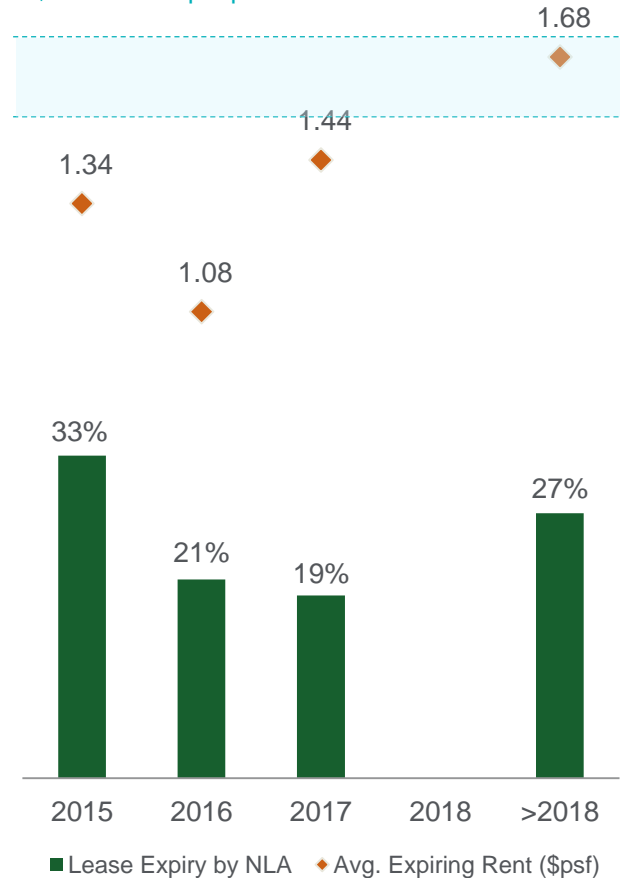
Current Market Rent:
S\$4.00 – 4.50 psf per month



Tuas Connection

(Lease Expiry by NLA)

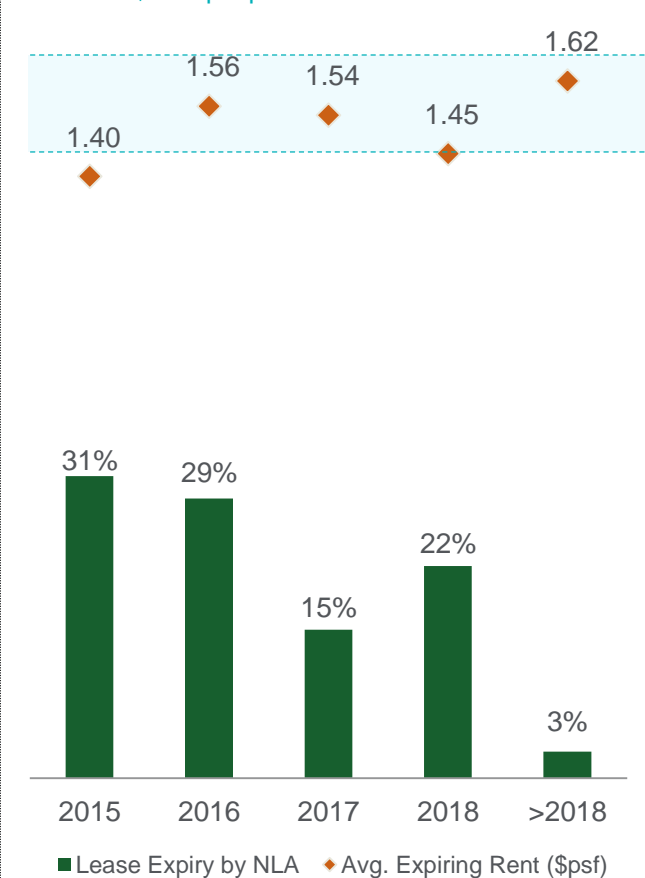
Current Market Rent:
S\$1.50 – 1.70 psf per month



West Park BizCentral

(Lease Expiry by NLA)

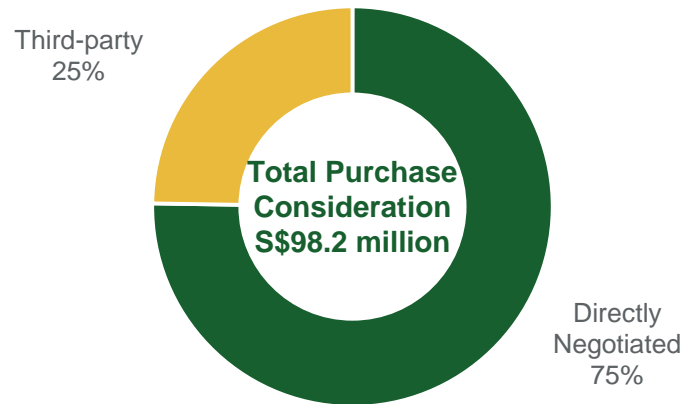
Current Market Rent:
S\$1.45 – S\$1.65 psf per month



Growth Strategy 3 - Differentiated Acquisition Strategy

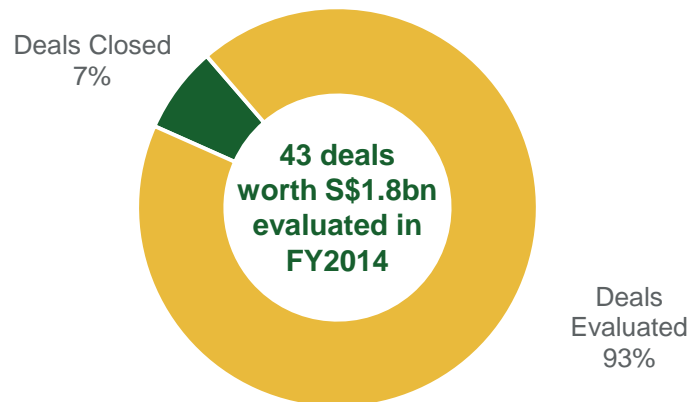
Ability to directly negotiate deals with end-users

By Total Purchase Consideration



Disciplined acquisition approach

By Number of Deals Evaluated



Identification of Properties With Unique Characteristics



- Remaining land lease of 40 yrs
- 10-yr master lease provides stability
- Attractive NPI yield of 7.8%
- Asset enhancement underway



- Situated on URA land which is not subject to JTC regulations
- Un-utilised plot ratio
- Remaining land lease 52 yrs

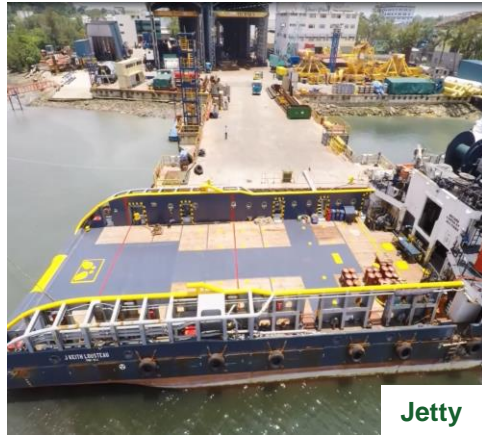


- Remaining land lease 36 yrs
- 10-yr master lease provides stability
- Attractive NPI yield of 7.5%

Proposed Acquisition of 72 Loyang Way (the “Acquisition”)



4-storey Office Block



Jetty



Aerial View of Property

Property Information

Land Area	291,598 sq ft
GFA	203,468 sq ft
Land Tenure Expiry	20 March 2038
Acquisition Cost ⁽¹⁾	S\$98.12 million
Lease Arrangement	15 year triple-net lease. Initial Rental of S\$7.87 million.
Master Tenant	Technics Offshore Engineering Pte Ltd., subsidiary of Technics Oil & Gas Limited (“TOGL”)
Property Description	<p>Fully integrated facility comprising:</p> <ul style="list-style-type: none"> ▪ Two blocks of ancillary office ▪ Two high ceiling production facilities ▪ Blasting and spray painting chamber ▪ 200 capacity worker dormitory ▪ Jetty with 142m sea frontage serving as a fully-integrated offshore supply base
Other terms	<ul style="list-style-type: none"> - Security deposit of 18 months’ rent - Corporate guarantee from TOGL



Rare and unique seafront property with large heavy loading open yard and jetty facility



Aligned with Soilbuild REIT’s growth strategy to provide Unitholders with stable and growing returns



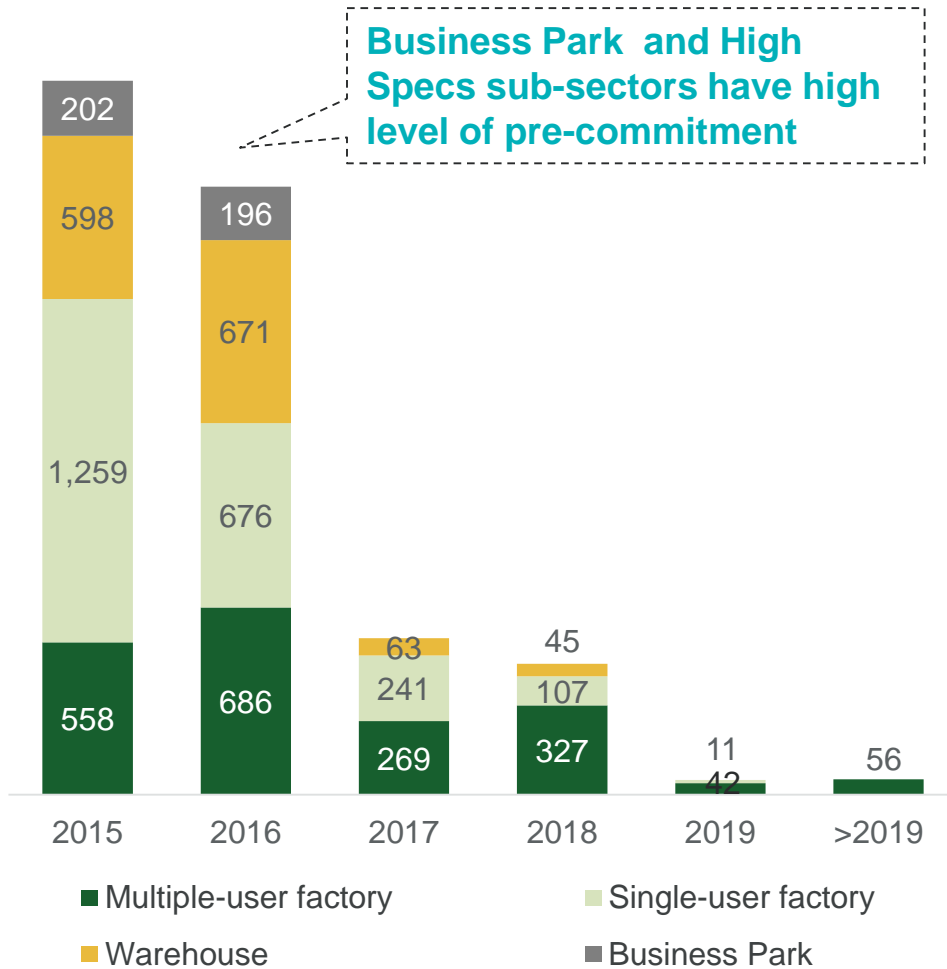
Accretive to Soilbuild REIT’s distribution per unit based on an optimal capital structure

Review of Industrial Property Market

Industrial Sector Market Outlook

Limited Supply Pipeline for Business Park Properties

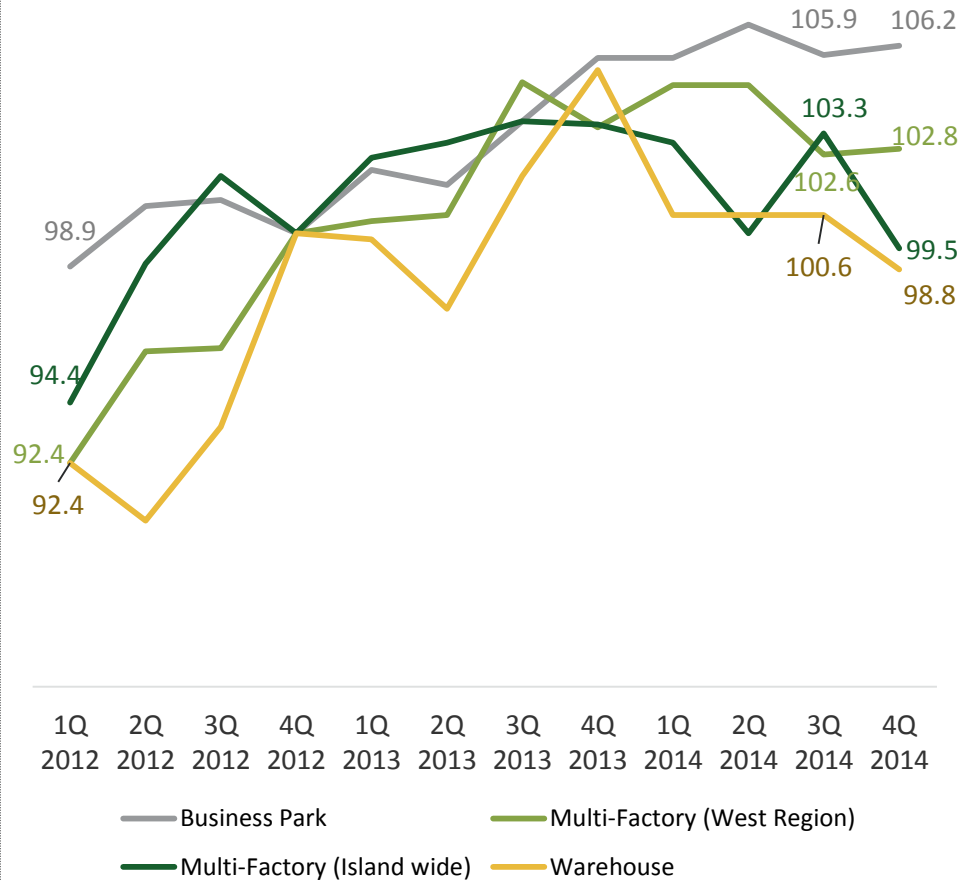
In '000 sq m



Source: JTC

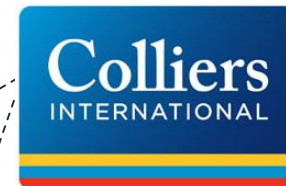
Rental Index of Industrial Space

Rental Index (4Q 2012 : 100)



Source: JTC

Industrial Sector Market Commentary



On industrial leasing activities

1. Hi-tech manufacturers are expanding and looking for more space
2. Rents for higher-specs industrial space have strengthened further.

On rental outlook on business parks

The average rents of business park premises strengthened further in 1Q 2015. This came mainly on the back of limited supply and higher rental expectations for newer developments that enjoyed healthy take-up, particularly in one-north.

Source: Colliers International, published 16 March 2015

We believe that Soilbuild REIT is well-positioned given the current state of the market as:

- We have a high exposure to best-in-class young business space assets
- Our Industrial multi-tenanted assets are designed with high specifications to ensure continued demand
- 90% of our properties by valuation are not subjected to the JTC leasing controls such as the anchor tenant policy

Conclusion

Conclusion

- Operating performance since listing has outperformed IPO Forecast
- Announced the acquisition of almost S\$200 million of properties since listing
- Have continued to adopt a prudent approach to capital management.
- Gearing likely to be reset in the near future with a possible equity raising
- Will continue to identify further 3rd party acquisitions with reset debt headroom
- Acquisition of 1st Sponsor ROFR asset will require Unitholders' approval
- We will continue to focus on successfully growing Soilbuild REIT and provide Unitholders with stable and growing distributions

Thank You

