SOILBUILD
BUSINESS SPACE REIT

4Q & Full Year FY2015 Results Presentation

21 January 2016



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the fourth quarter from 1 October 2015 to 31 December 2015 (hereinafter referred to 4Q FY2015) and full year ended 31 December 2015 (hereinafter referred to FY2015).

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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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.

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Key Highlights

Key Highlights of 4Q FY2015 and FY2015

4Q FY2015 Results

- Gross revenue increased 15.6% year on year ("y-o-y") to S$20.4 million and net property income ("NPI") grew 17.1% to S$17.5 million.
- Distribution per Unit increased by 1.8% y-o-y to 1.614 cents in 4Q FY2015 from 1.585 cents in 4Q FY2014.

FY2015 Results

- Gross revenue increased 16.4% y-o-y to S$79.3 million and NPI grew 18.2% to S$67.8 million.
- Distribution per Unit increased by 4.7% y-o-y to 6.487 cents in FY2015 from 6.193 cents in FY2014.

Capital Management

- Completed re-financing of S$185 million club loan.
- No refinancing requirements until FY2018.
- Weighted average all-in cost of debt reduced to 3.21% p.a.
- Weighted average debt maturity stands at 3.2 years.
- Unencumbered investment properties in excess of S$0.5 billion (43% of total investment properties).
- 97.9% of interest bearing borrowings fixed as at 31 December 2015.

Portfolio Update

- Year end revaluation gains on investment properties amounting to $4.5 million.
- Portfolio occupancy rate of 96.8% as at 31 December 2015.
- Weighted average lease expiry (by gross rental income) stands at 4.8 years.
- Over 190,000 sq ft of renewals and new leases signed in 4Q FY2015.

Financial Performance

4Q FY2015 & FY2015

Distribution per Unit

4Q FY2015 vs 4Q FY2014

	4Q FY2015	4Q FY2014	Variance
Distributable Income (S$'000)	15,091	12,892	17.1%
Distribution per Unit ("DPU") (cents)	1.614	1.585	1.8%

FY2015 vs FY2014

	FY2015	FY2014	Variance
Distributable Income (S$'000)	**57,867**	**50,169**	15.3%
Distribution per Unit ("DPU") (cents)	6.487	6.193	4.7%
Distribution Yield	8.4%(1)	7.8%(2)	7.7%

Note:
(1) Based on the closing price of S$0.77 as at 31 December 2015.
(2) Based on the closing price of S$0.79 as at 31 December 2014.

4Q FY2015 Financial Results

For the period from 1 October 2015 to 31 December 2015 (S$'000)	4Q FY2015	4Q FY2014	Variance
Gross Revenue	20,434	17,682	15.6%
Less Property Expenses	(2,944)	(2,750)	(7.1%)
Net Property Income	**17,490**	**14,932**	**17.1%**
Interest Income	196	8	2,350.0%
Finance Expenses(1)	(3,325)	(2,748)	(21.0%)
Manager's Fees(2)	(2,164)	(1,748)	(23.8%)
Trustee's Fees	(50)	(45)	(11.1%)
Other Trust Expenses	(164)	(145)	(13.1%)
Net Income	**11,983**	**10,254**	**16.9%**
Net Change in Fair Value of Investment Properties	4,535	901	403.3%
Total Return before Distribution	**16,518**	**11,155**	**48.1%**
Add back Non-Tax (Chargeable)/Deductible Items(3)	(1,427)	1,737	(182.2%)
Distributable Income	**15,091**	**12,892**	**17.1%**

Note:
(1) Finance Expenses comprise interest expense, amortisation of debt arrangement fees, agency and security trustee fee and bank commitment fees.
(2) Manager's Fees comprise base fees and performance fees.
(3) Non-tax (chargeable)/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, amortisation of debt arrangement fees, fixed asset expenses, bank commitment fees, Multicurrency Debt Issuance Programme related expenses and net change in fair value of investment properties.

FY2015 Financial Results

For the period from 1 January 2015 to 31 December 2015 (S$'000)	FY2015	FY2014	Variance
Gross Revenue	79,340	68,145	16.4%
Less Property Expenses	(11,563)	(10,783)	(7.2%)
Net Property Income	**67,777**	**57,362**	**18.2%**
Interest Income	643	18	3,472.2%
Finance Expenses(1)	(13,490)	(9,676)	(39.4%)
Manager's Fees(2)	(6,442)	(5,477)	(17.6%)
Trustee's Fees	(196)	(185)	(5.9%)
Other Trust Expenses	(1,168)	(883)	(32.3%)
Net Income	**47,124**	**41,159**	**14.5%**
Net Change in Fair Value of Investment Properties	4,535	901	403.3%
Total Return before distribution	**51,659**	**42,060**	**22.8%**
Add back Non-Tax Deductible Items(3)	6,208	8,109	(23.4%)
Distributable Income	**57,867**	**50,169**	**15.3%**

Note:

(1) Finance Expenses comprise interest expense, amortisation of debt arrangement fees, agency and security trustee fee and bank commitment fees.

(2) Manager's Fees comprise base fees and performance 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, amortisation of debt arrangement fees, fixed asset expenses, bank commitment fees, Multicurrency Debt Issuance Programme related expenses and net change in fair value of investment properties.

4Q FY2015 Distribution

Distribution Details
4Q FY2015

Distribution Period	**1 October 2015 – 31 December 2015**
Distribution Amount	**SGD 1.614 cents per unit**

Distribution Timetable
4Q FY2015

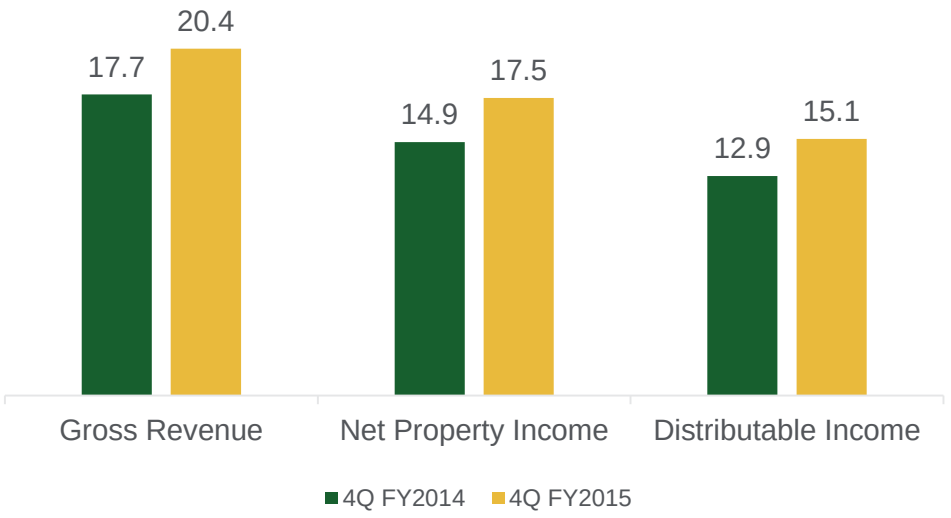
Last Day of Trading on “cum” Basis	Tuesday, 26 January 2016
Ex-Date	Wednesday, 27 January 2016
Books Closure Date	Friday, 29 January 2016
Distribution Payment Date	**Tuesday, 23 February 2016**

Growth in distributable income

4Q FY2015 distributable income rose by 17.1% y-o-y

1 October 2015 to 31 December 2015

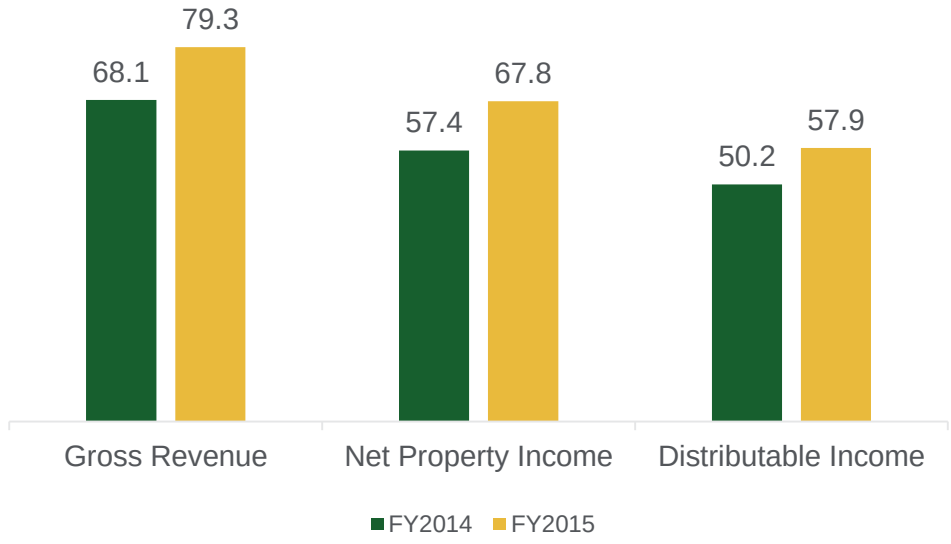
Gross Revenue	Net Property Income	Distributable Income
S$ 20.4 million	S$ 17.5 million	S$ 15.1 million
↑ 15.6% y-o-y	↑ 17.1% y-o-y	↑ 17.1% y-o-y



FY2015 distributable income rose by 15.3% y-o-y

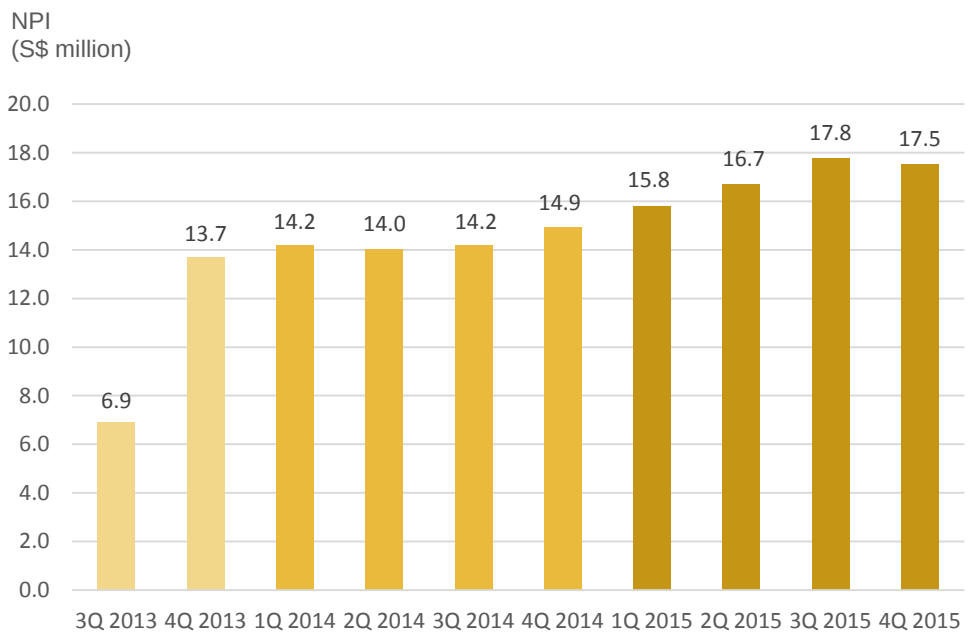
1 January 2015 to 31 December 2015

Gross Revenue	Net Property Income	Distributable Income
S$ 79.3 million	S$ 67.8 million	S$ 57.9 million
↑ 16.4% y-o-y	↑ 18.2% y-o-y	↑ 15.3% y-o-y

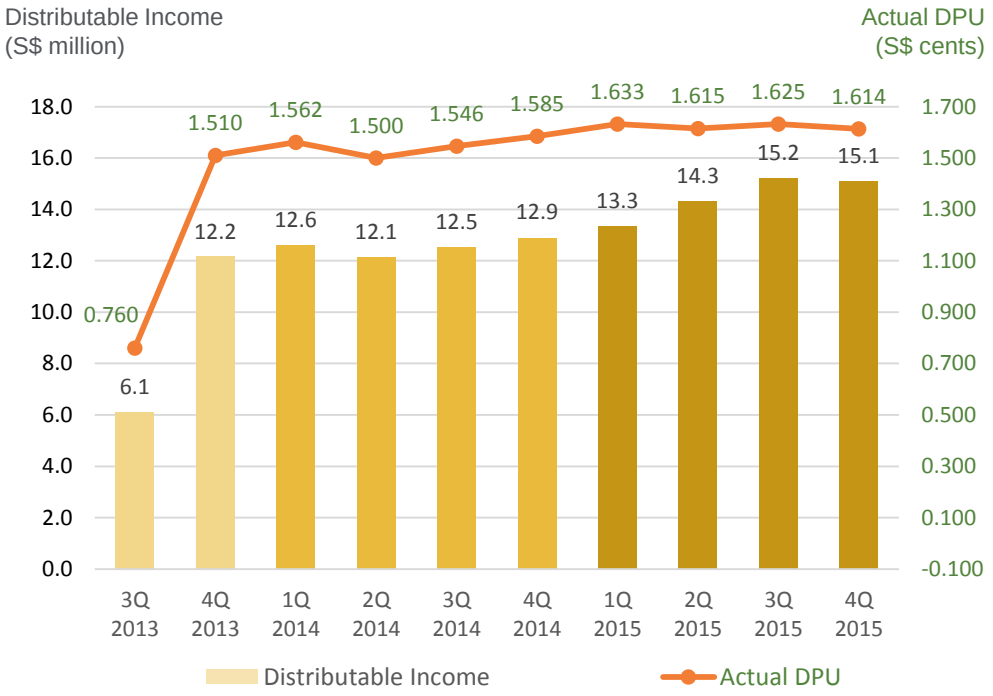


Steady Growth since IPO

Net Property Income (NPI)



Continued DPU Growth



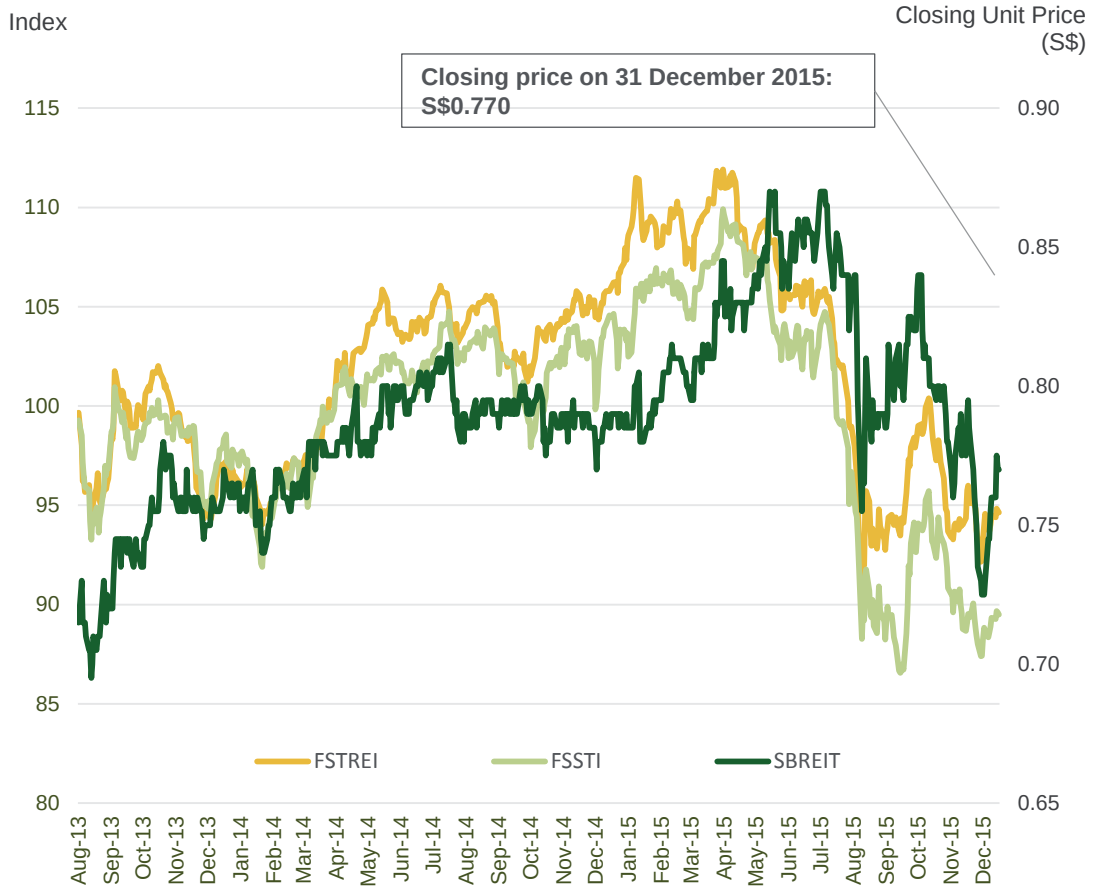
	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Price(1) (S$)	0.745	0.770	0.780	0.800	0.795	0.790	0.810	0.850	0.805	0.770
Cumulative DPS (S$ cents)	0.760	2.270	3.832	5.332	6.878	8.463	10.096	11.711	13.336	14.950
Cumulative Distribution Returns(2) (%)	0.97	2.91	4.91	6.84	8.82	10.85	12.94	15.01	17.10	19.17

Note:
(1) Based on closing price on last day of each quarter;
(2) Based on cumulative distribution per unit against IPO price of S$0.78.
Source: Bloomberg

Attractive Return on Investment since IPO

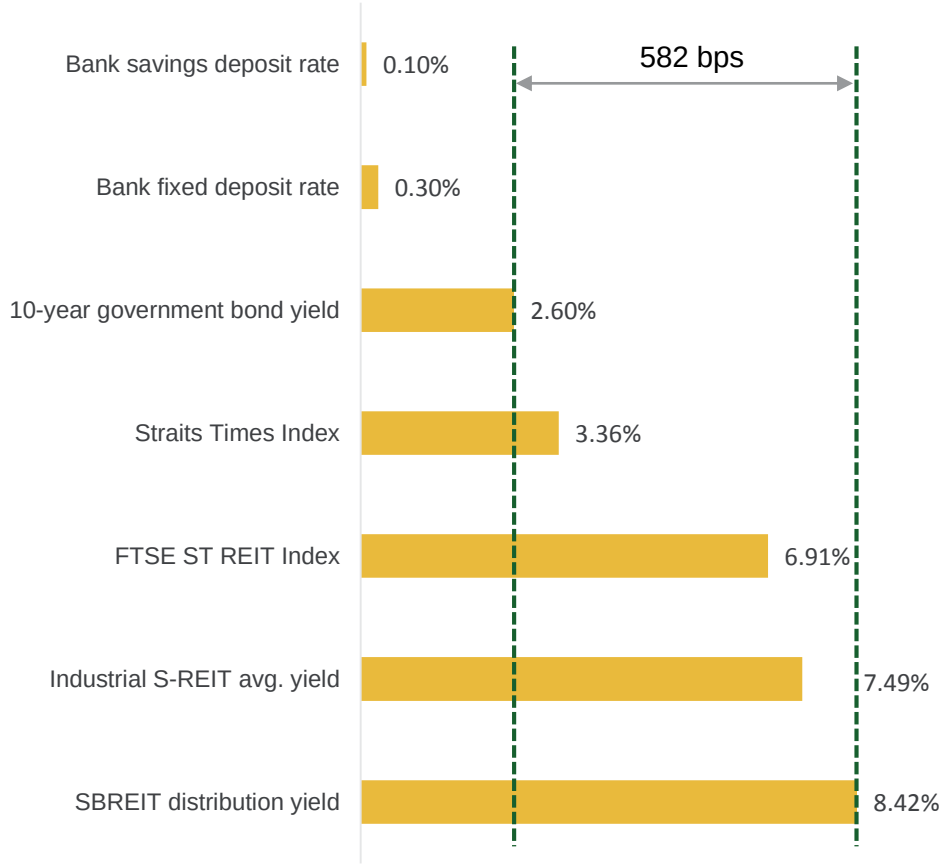
Total Annualised Return of 7.17% (1) since listing

Distribution Yield = 8.42% (2)



Unit trading at 582 bps risk premium (3)

above 10-year government bond yield



Notes:
(1) Sum of cumulative distribution return and capital appreciation based on closing price of $0.770 as at 31 December 2015;
(2) Based on FY2015 DPU of 6.487 cents and Unit price of $0.770 as at 31 December 2015;
(3) Information based on 31 December 2015.
Source: Bloomberg

Financial Position / Capital Management

4Q FY2015 Financial Results – Balance Sheet

All figures S$'000 unless otherwise stated	31 December 2015	31 December 2014
Investment Properties	1,190,700	1,030,700
Other Assets	23,830	23,272
Total Assets	**1,214,530**	**1,053,972**
Borrowings	398,502	368,924
Other Liabilities	70,055	34,268
Net Assets	**745,973**	**650,780**
Units in Issue ('000)	934,442	812,993
Net Asset Value per Unit (S$)	0.80	0.80

Prudent Capital Management

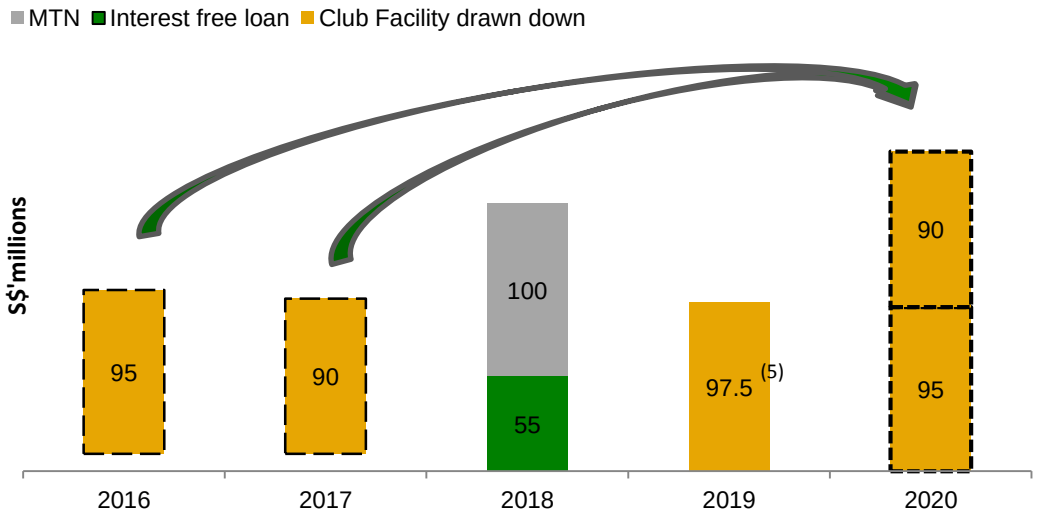
1) Aggregate leverage allows headroom of S$80 million(1)

Total Bank Financing Facilities	S$285 million
Total Bank Debt Drawn Down	S$282.5 million
Multicurrency Debt Issuance Programme drawn down	S$100 million
Interest-free loan & deferred payment (included in trade and other payables)	S$55 million
Total Assets	S$1,215 million
Debt headroom(1)	S$80 million
Aggregate Leverage(2)	36.0%
Average All-in Interest Cost(3)	3.21%
Interest Coverage Ratio(4)	4.8x
Weighted Average Debt Maturity (2)	3.2 years

2) No major refinancing requirements until FY2018

(S$ Million)

To mitigate interest rate risk, over 90% of total debt hedged with interest rate swaps/MTN



	2016	2017	2018	2019	2020
% of Debt Maturing	35.4%			22.3%	42.3%

3) Standard & Poor's has assigned Soilbuild REIT an investment grade credit rating of BBB-

Notes:
(1) Based on target aggregate leverage of 40% (2) Includes interest free loan & deferred payment in relation to the Solaris upfront land premium (3) Excluding interest-free loan (4) Computed based on EBITDA/Net interest expense (Finance expense – Interest income) for 4Q FY2015 (5) Loan expires in FY2018. Management is in discussion with bank group to extend the expiry date to FY2019.

Portfolio Update

Portfolio Overview



NK Ingredients
NLA: 312,375 sq ft
Valuation: S$62.0 million



COS Printers
NLA: 58,752 sq ft
Valuation: S$11.2 million



Tellus Marine
NLA: 77,162 sq ft (2)
Valuation: S$15.7 million (2)



Tuas Connection
NLA: 651,072 sq ft
Valuation: S$126.0 million



Technics Offshore
NLA: 203,459 sq ft
Valuation: S$97.0 million



KTL Offshore
NLA: 208,057 sq ft
Valuation: S$56.0 million



BK Marine
NLA: 73,737 sq ft
Valuation: S$16.5 million



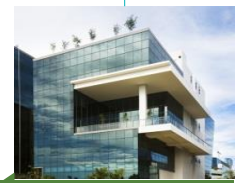
Speedy-Tech
NLA: 93,767 sq ft
Valuation: S$24.5 million



West Park BizCentral
NLA: 1,240,583 sq ft
Valuation: S$319.0 million



Solaris
NLA: 441,533 sq ft
Valuation: S$360.0 million



Eightrium
NLA: 177,286 sq ft
Valuation: S$102.8 million

Second Link
(Tuas Checkpoint)

PIONEER
BOON LAY
JOO KOON
SEMBAWANG
BUONA VISTA
ONE-NORTH
CBD
SIMEI
EXPO
CHANGI
NUS
Jurong Port
Tuas Port
(2022)
Jurong Island
PSA
Terminal
Sentosa
Keppel
Terminal

Portfolio Summary

Valuation(1)	S$1,190.7 million
Total NLA	3.53 million sq ft
WALE (by GRI)	4.8 years
Occupancy	96.8%

Industrial Properties
Business Park Properties

Notes:
(1) Based on CBRE's & Colliers' valuations dated 31 December 2015.
(2) NLA and Valuation excludes the construction of a new annex to Tellus Marine.

Portfolio Summary

Property		Type	Lease Arrangement	Date of Acquisition	NLA (sq ft)	Max PR | Current PR	Lease Tenure[1] (Years)	Land Tenure Expiry	Occupancy Rate[1]	FY2015 Gross Rental (S$ Mil)	Carrying Value[2] (S$ Mil)
Solaris		Business Park	Master Lease	16 Aug 2013	441,533	6.5 | 6.5	5.0	31 May 2068	100.0%	17.5	360.0
West Park BizCentral		Multi-User Ramp-up Factory	Multi Tenanted	16 Aug 2013	1,240,583	2.5 | 2.5	n.a	31 Jul 2068	94.2%	23.5	319.0
Eightrium @ CBP		Business Park	Multi Tenanted	16 Aug 2013	177,286	2.5 | 2.5	n.a	15 Feb 2066	100.0%	9.0	102.8
Tuas Connection		Multi-User Land Based Factory	Multi Tenanted	16 Aug 2013	651,072	1.4 | 0.8	n.a	30 Sep 2050	93.5%	10.8	126.0
NK Ingredients		Single-User Factory	Master Lease	15 Feb 2013	312,375	1.0 | 0.5	15.0	30 Sep 2046	100.0%	4.9	62.0
COS Printers		Single-User Factory	Master Lease	19 Mar 2013	58,752	2.5 | 1.0	10.0	31 Jul 2042	100.0%	0.9	11.2
Beng Kuang Marine		Single-User Factory	Master Lease	10 May 2013	73,737	1.4 | 1.4	7.0	29 Oct 2056	100.0%	1.1	16.5
Tellus Marine		Single-User Factory	Master Lease	26 May 2014	77,162[3]	1.4 | 1.4	10.0	15 Feb 2054	100.0%	1.2	15.7[3]
KTL Offshore		Single-User Factory	Master Lease	31 Oct 2014	208,057	1.0 | 0.7	6.8	18 Jul 2066	100.0%	3.7	56.0
Speedy-Tech		Single-User Factory	Master Lease	23 Dec 2014	93,767	2.5 | 2.2	10.0	30 Apr 2050	100.0%	1.8	24.5
Technics Offshore		Single-User Factory	Master Lease	27 May 2015	203,459	2.5 | 0.7	15.0	20 Mar 2038	100.0%	7.9[4]	97.0
Total Portfolio					**3,537,783**				**96.8%**	**82.3[4]**	**1,190.7**

Notes:
(1) As at date of acquisition; (2) Based on CBRE's & Colliers' valuations dated 31 December 2015; (3) NLA and Valuation excludes the construction of a new annex to Tellus Marine; (4) Annualised Gross Rental Income for FY2015.

Leasing Update

4Q FY2015

	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal ($ psf)	Avg. Gross Rent after Renewal ($ psf)	Rental Reversion
Renewal Leases	7	197,724	$1.50	$1.40	- 6.6%
New leases	4	60,240	-	$1.18	-
Total	**11**	**257,964**			

Full year as at 31 December 2015

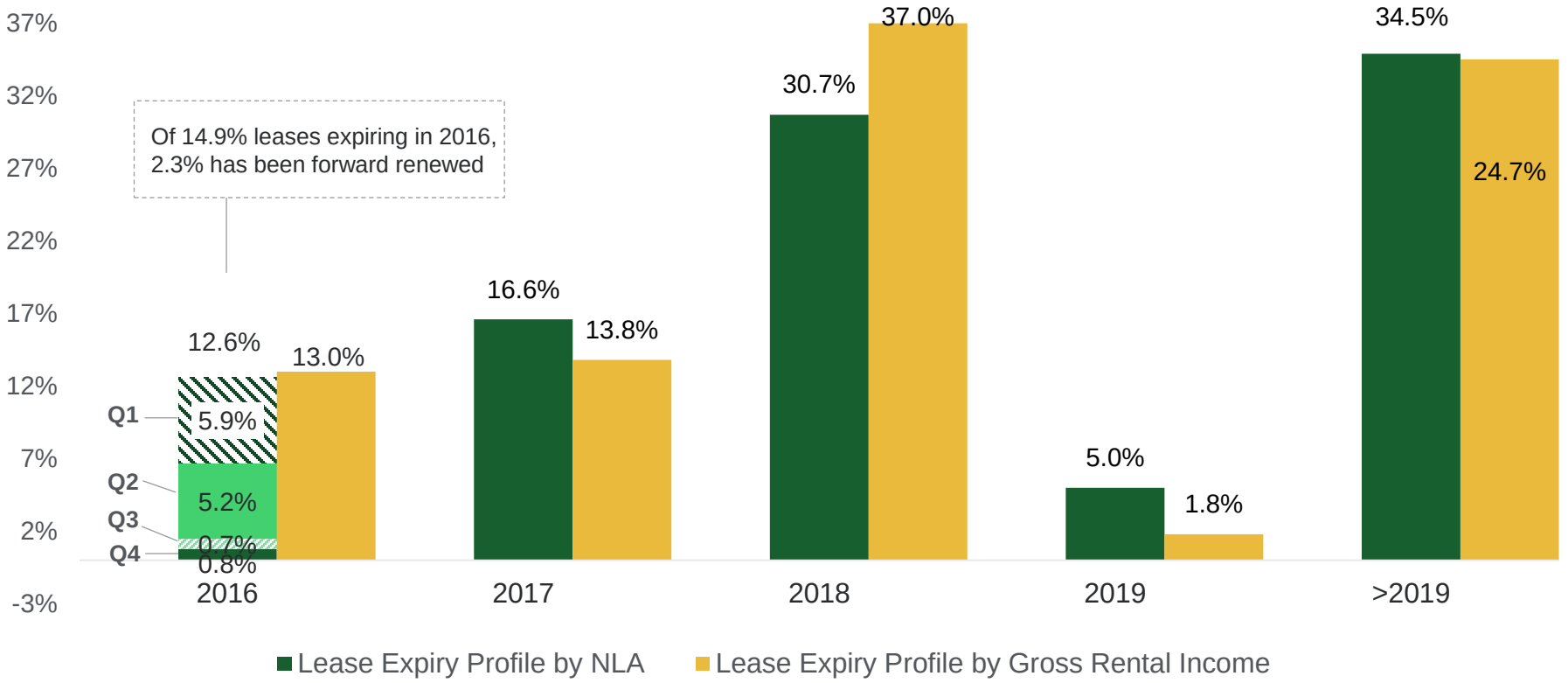
	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal ($ psf)	Avg. Gross Rent after Renewal ($ psf)	Rental Reversion
Renewal Leases	32	568,671	1.58	1.62	2.5%
New leases	15	317,748	-	1.40	-
Total	**47**	**886,419**			

Well Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile

By % of NLA & % of Rental Income

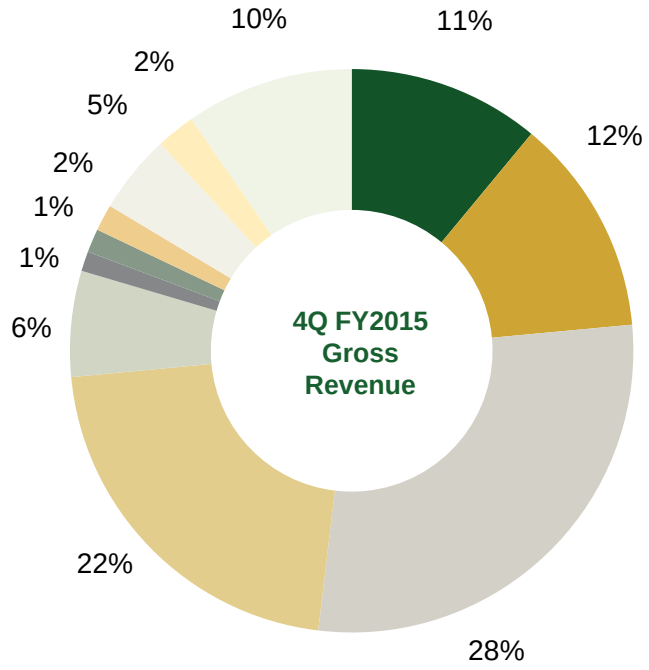
WALE (by NLA)	4.3 years
WALE (by Gross Rental Income)	4.8 years



Well-Diversified Portfolio

1. Portfolio Income Spread

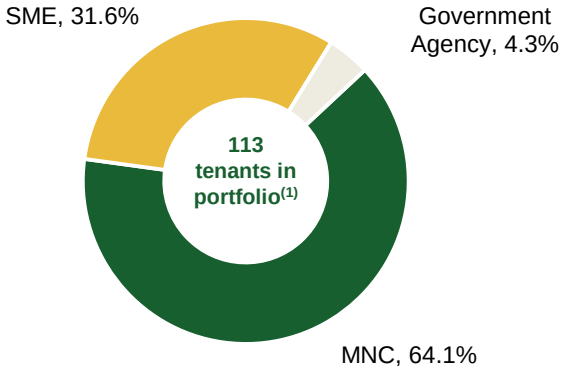
By Property



- Eightrium @ Changi Business Park
- Tuas Connection
- West Park BizCentral
- Solaris
- NK Ingredients
- COS Printers
- Beng Kuang Marine
- Tellus Marine
- KTL Offshore
- Speedy-Tech
- Technics Offshore

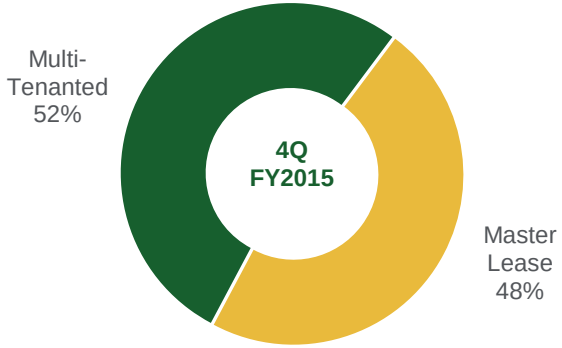
2. Diversified Tenant Base

By Gross Rental Income



3. Balanced Portfolio with Growth Upside

By Gross Rental Income

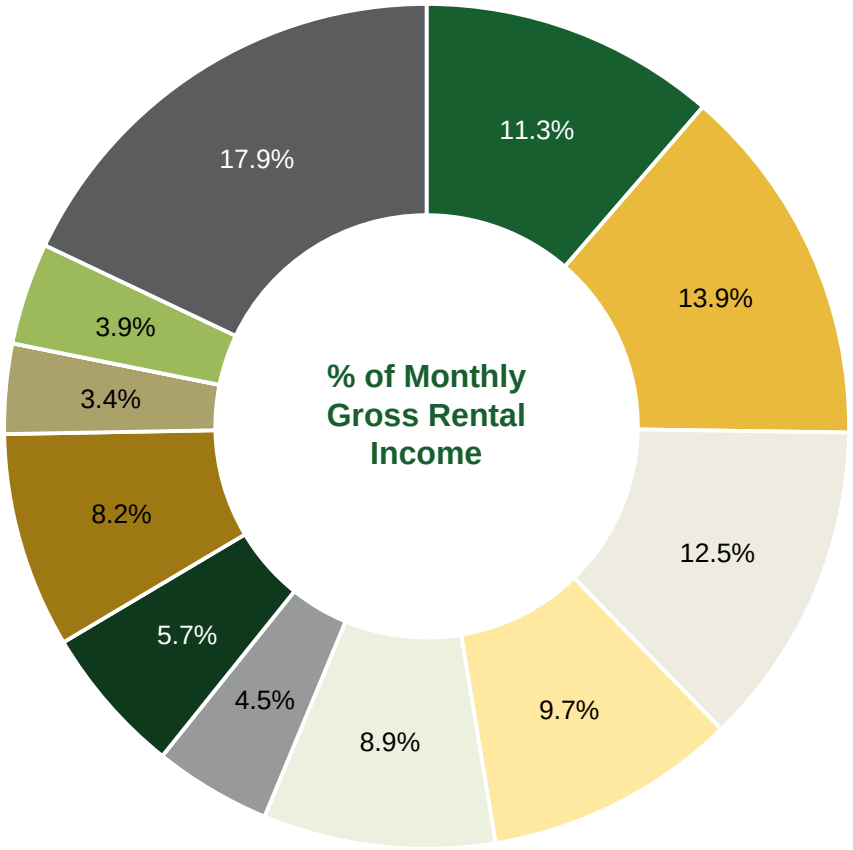


Note:
(1) Inclusive of underlying tenants at Solaris

Well-Diversified Portfolio

4. Well-spread Trade Sectors[(1)]

By Gross Rental Income

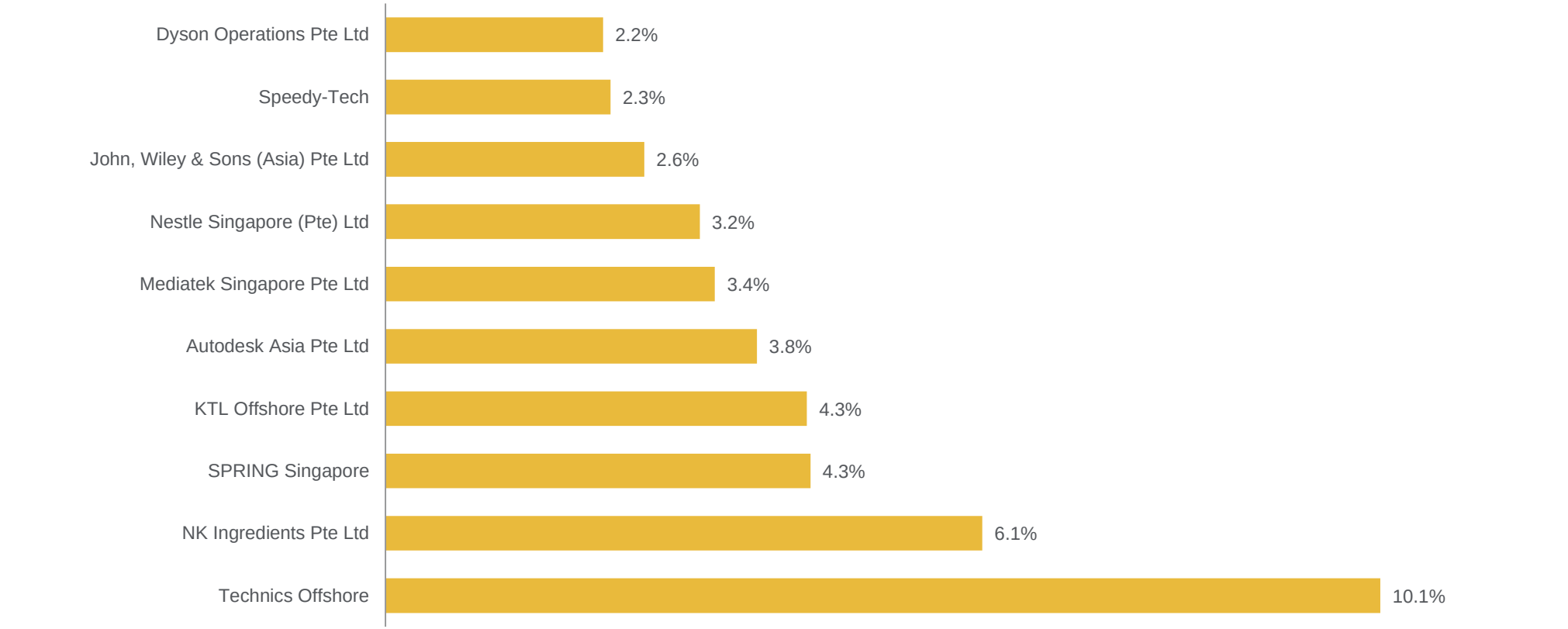


Note:
(1) Inclusive of underlying tenants at Solaris

Quality & Diverse Tenant Base

Top 10 Tenants

By Gross Rental Income (1)



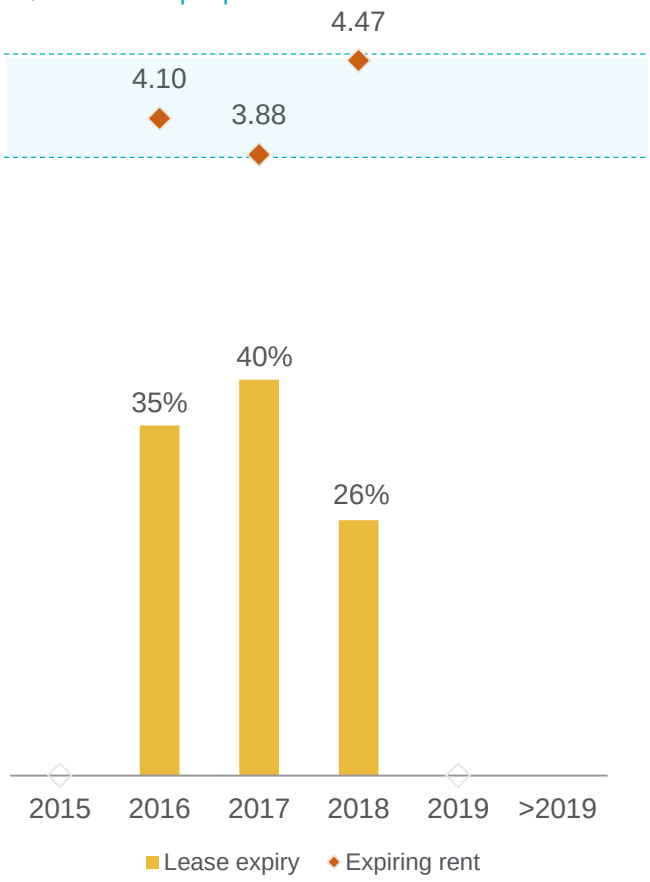
- **Top 10 tenants include well-established MNCs such as SPRING Singapore, Autodesk, Mediatek, Nestle, and John, Wiley & Sons**

Notes:
(1) Based on monthly gross rental and includes underlying tenants at Solaris.

Rental stability from Multi-Tenanted Properties(1)

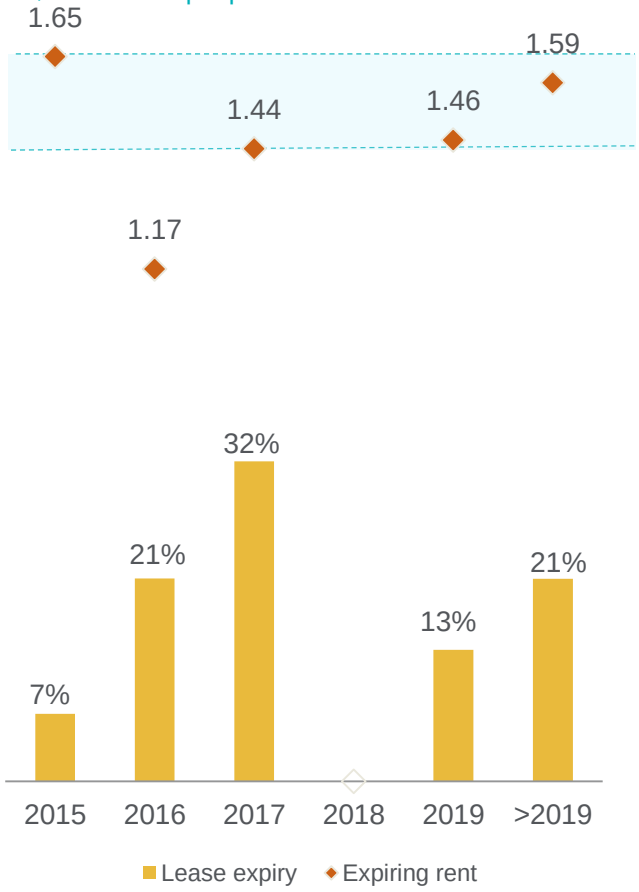
Eightrium
(Lease Expiry by NLA)

Current Market Rent:
S$3.80 – 4.50 psf per month



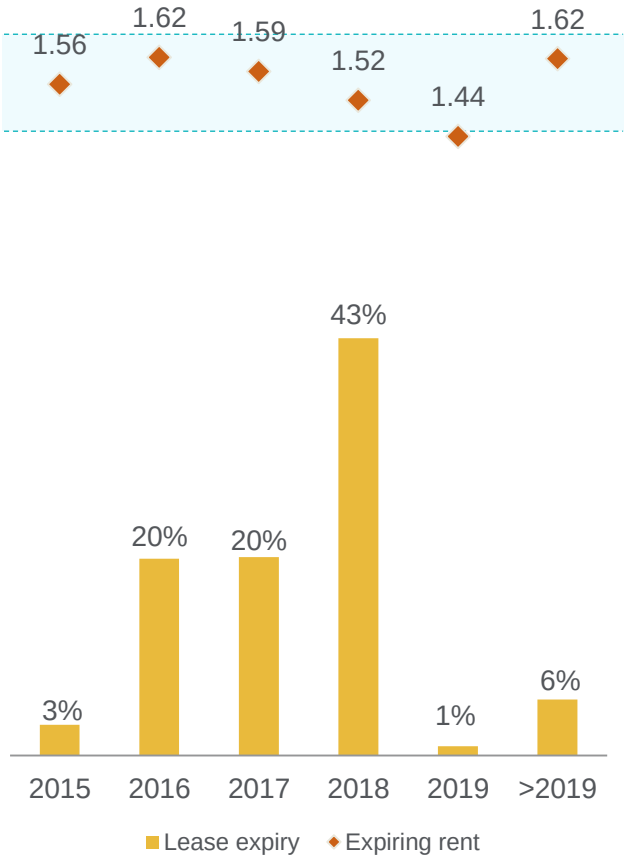
Tuas Connection
(Lease Expiry by NLA)

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



West Park BizCentral
(Lease Expiry by NLA)

Current Market Rent:
S$1.45 -S$1.65 psf per month

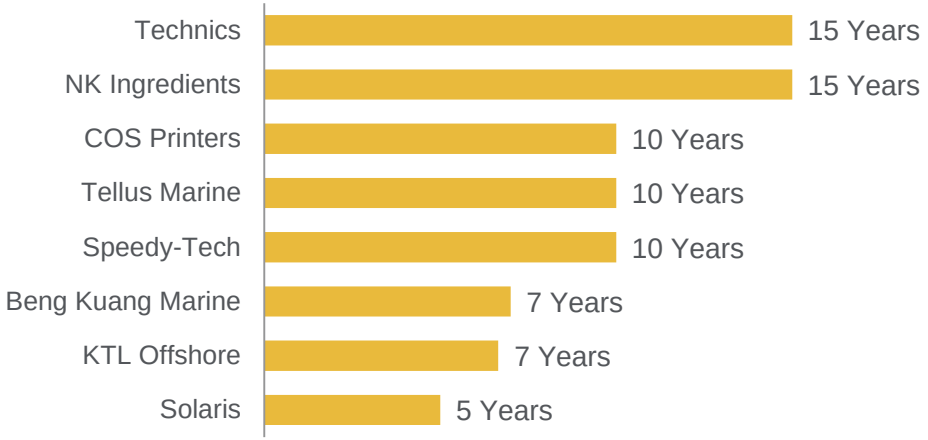


(1) Updated as of 31 December 2015.

Stability and Growing Cashflows from Master Leases

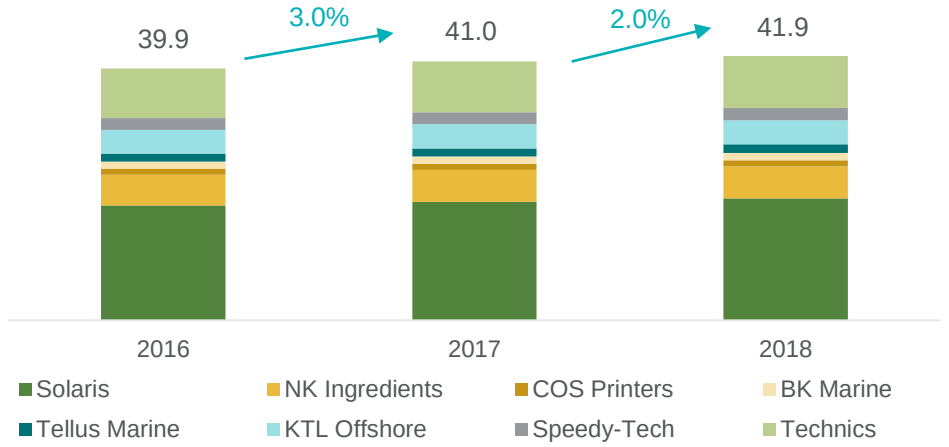
Long-term Master Leases

Lease Term from start of Master Lease Agreement



Fixed Annual Rental Escalation of Master Leases

Rental Revenue (S$ 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. Master Leases 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. **Risk mitigation** through 6-18 month rental deposits from Master Lessees and blue chip sub-tenant base

Right of First Refusal Properties

Sponsor Right of First Refusal Properties

1 Acquisition of ROFR Properties

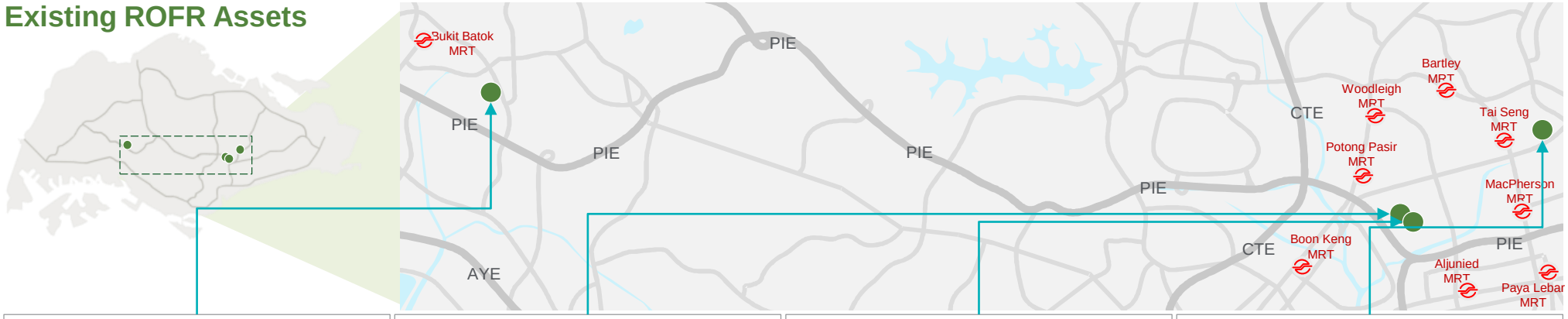
- Current ROFR pipeline of 4 industrial properties with maximum GFA[(1)] in excess of 2.3 million sq ft
- ROFR pipeline to continue growing as the Sponsor undertakes new development of business space properties

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2 Acquisition / Development of Business Space Properties

- Actively seeks to undertake developments[(2)] that will enhance the value of Soilbuild REIT
- Ability to leverage on the Sponsor's experience and expertise in designing and executing of construction projects
- Ability to capitalize on the Sponsor's extensive network to source 3rd party acquisition opportunities

Existing ROFR Assets





Bukit Batok Connection
9-storey light industrial ramp-up building
(TOP received)

Max GFA: 404,000 sq ft



Waterfront
5-storey light industrial building
(target redevelopment in 2016)

Max GFA: 326,000 sq ft



Waterview
7-storey light industrial building and a single-storey amenity
(target redevelopment in 2016)

Max GFA: 575,000 sq ft

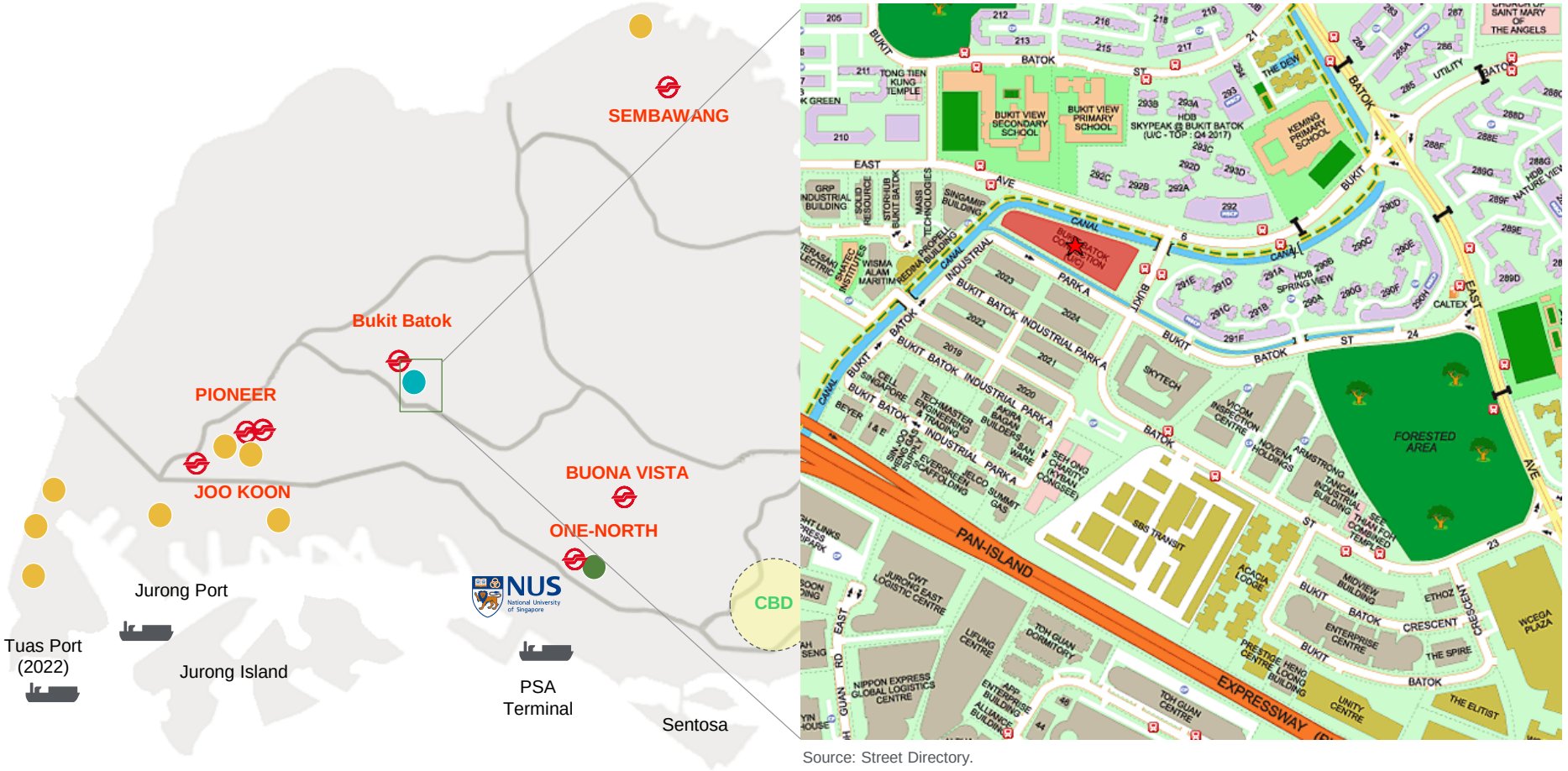


iPark
3 blocks of 7-storey flatted factory and a single-storey amenity centre
(target redevelopment in 2018)

Max GFA: 1,031,000 sq ft

Notes:
(1) GFA based on maximum allowable plot ratio; (2) Subject to the limit imposed by the Property Funds Appendix.

ROFR – Bukit Batok Connection



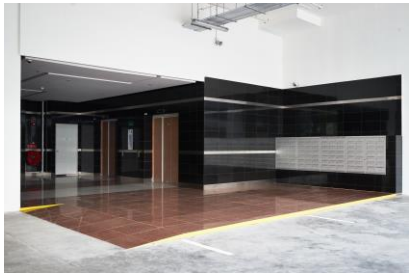
Source: Street Directory.

- Bukit Batok Connection

ROFR – Bukit Batok Connection






Location	2 Bukit Batok Street 23
Description	9 storey multi-user ramp-up light industrial development (TOP on 20th May 2015)
Land Area	161,577 sqft
Plot Ratio / Zoning	2.5 / Business 1
Gross Floor Area	403,591 sqft
Net Lettable Area	377,776 sqft

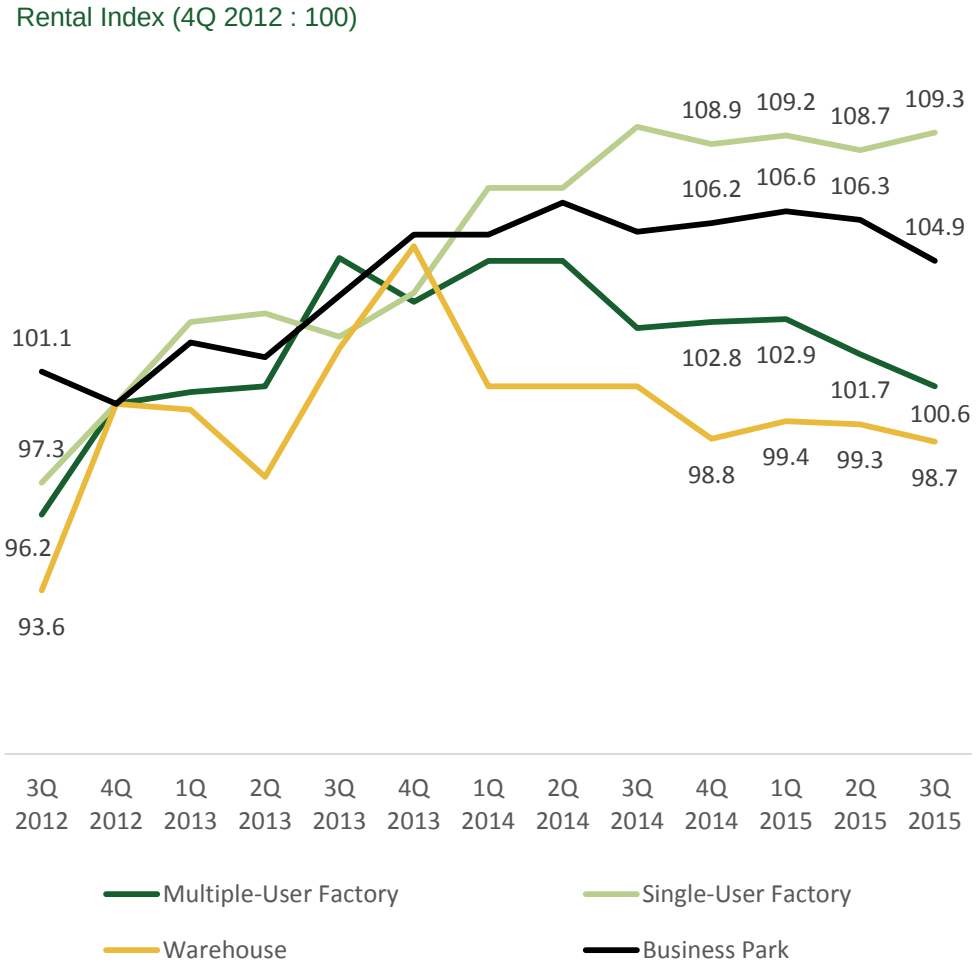
Located on tendered Land

- ✓ No anchor tenant requirements
- ✓ No minimum occupation period requirements
- ✓ No subletting restriction
- ✓ Potential strata subdivision in future for capital recycling

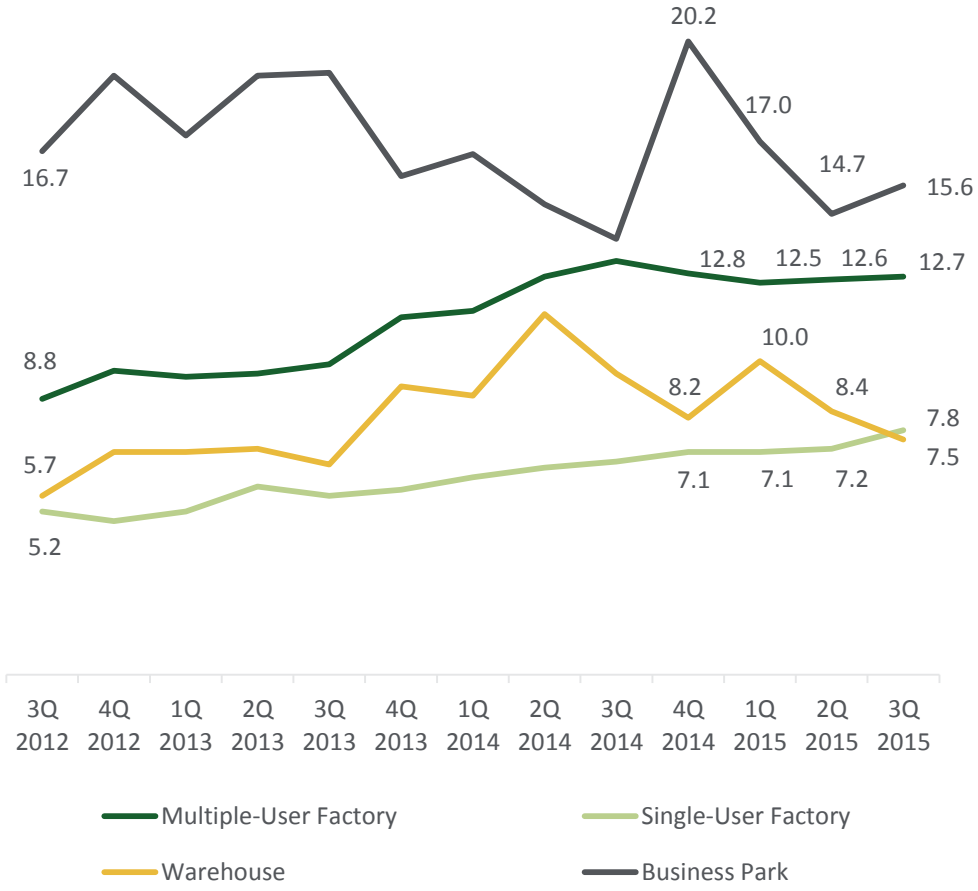
Market Update and Outlook

Industrial Properties Profile

Rental Index of Industrial Space



Vacancy Rate of Industrial Space (%)

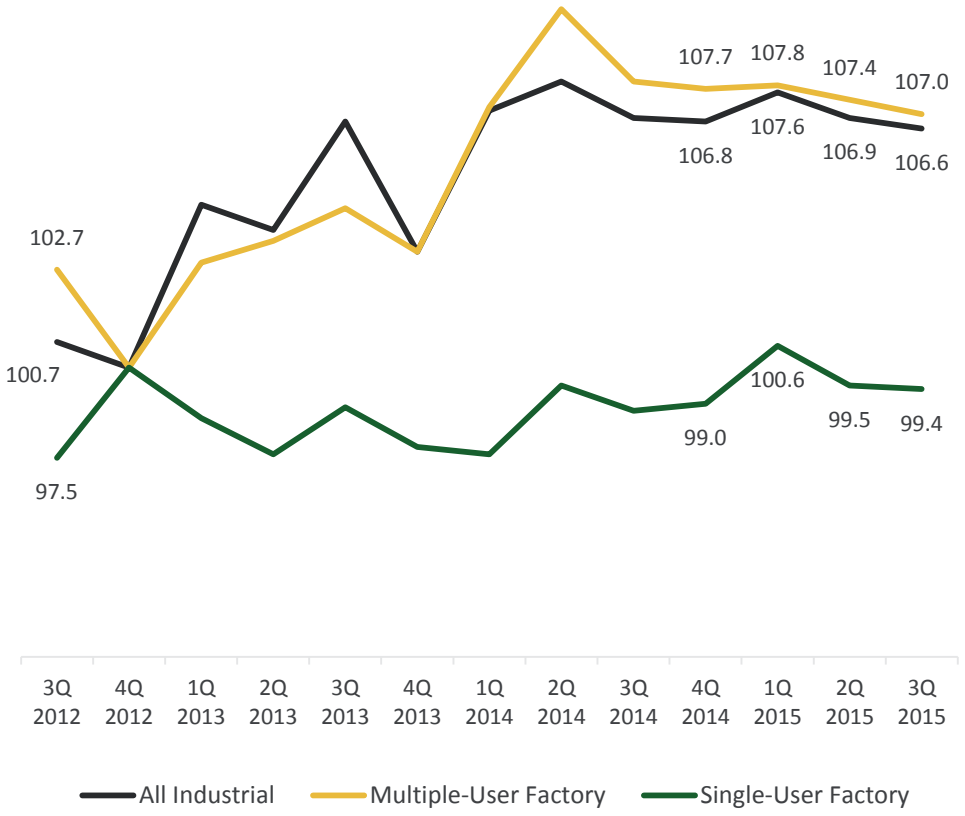


Source: JTC (3Q 2015)

Industrial Sector Market Outlook

Price Index of Industrial Space

Price Index (4Q 2012 : 100)

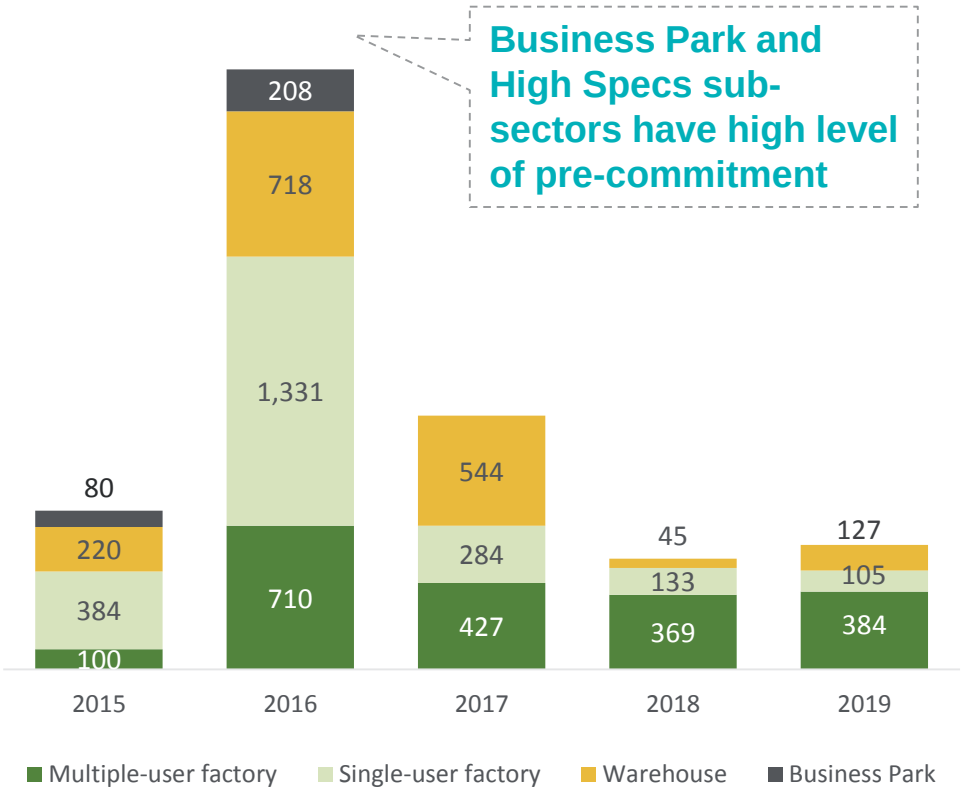


Limited Supply Pipeline for Business Park Properties

In '000 sq m

Total Industrial Supply in the Pipeline

784	2,967	1,255	547	616



Source: JTC (3Q 2015)

Market Update and Outlook

Singapore's Economy

- Singapore's economy grew by 2.0% in 4Q 2015 over the same period a year ago, an improvement from the 1.8% growth in 3Q 2015. On a quarter-on-quarter basis, the economy expanded by 5.7% compared to the 1.7% growth in the preceding quarter.
- According to Ministry of Trade and Industry, the GDP growth grew by 2.1% in its entirety of 2015, which is in line with their GDP growth forecast of "close to 2.0%".

Industrial Property Sector

- The manufacturing sector continued to reflect persistent weakness with the consistent four-quarter decline, contracting a 4.8% weigh down for the whole of 2015.
- With the macroeconomic headwinds, industrialists are more cost-conscious, taking a conservative approach in restructuring their business to ensure financial sustainability.
- Industrial property market faces a challenging operating environment with the slowdown in manufacturing sector, placing further downward pressure on industrial rents and occupancy in the next 12 months.
- Rents of prime multi-user industrial space are likely to ease further going forward, while rental for business parks and independent high-specs industrial premises could register marginal increment with a high level of pre-commitment in the forward supply.

Soilbuild Business Space REIT

- Despite the slow market conditions, the Manager has proactively negotiated and secured renewals and new leases for over 880,000 sq ft of space in FY2015.
- Barring any unforeseen events and subject to renewing and re-leasing a large portion of the space that expires this year, Management expects Soilbuild REIT's portfolio to maintain a stable performance in FY2016.

Thank You











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