Presentation for HSBC ASEAN Forum

27 February 2018



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the fourth quarter from 1 October 2017 to 31 December 2017 (hereinafter referred to 4Q FY2017) and full year ended 31 December 2017 (hereinafter referred to FY2017).

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 value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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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.

Agenda

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SoilBuild
BUSINESS SPACE REIT

Key Highlights



Key Highlights FY2017

FY2017 Results

- Y-o-y gross revenue grew to S$84.8 million and NPI rose by 4.0% to S$73.5 million.
- Distributable income fell by 0.5% y-o-y to S$59.9 million from S$60.3 million in FY2016.
- DPU was 5.712 cents in FY2017 compared to 6.091 cents in FY2016.

Corporate and Capital Management

- Weighted average all-in cost of debt is 3.20% p.a. for 4Q FY2017.
- Weighted average debt maturity stands at 2.7 years.
- Interest rate exposure is 70.1% fixed for a weighted average term of 1.4 years.
- Unencumbered investment properties in excess of S$803 million (69% of investment properties).

Portfolio Update

- Portfolio occupancy rate of 92.7% as at 31 December 2017.
- Weighted average lease expiry (by gross rental income) stands at 3.0 years.
- Successfully completed more than 920,000 sq ft of renewals, forward renewals and new leases signed in FY2017.

Financial Performance FY2017



SoilBuild
BUSINESS SPACE REIT

FY2017 Financial Results

For the period from 1 January to 31 December (S$'000)	FY2017	FY2016	Variance (%)
Gross Revenue	**84,817**	**81,130**	**4.5**
Less Property Expenses	(11,336)	(10,456)	(8.4)
Net Property Income	**73,481**	**70,674**	**4.0**
Interest Income	1,733	1,505	15.1
Finance Expenses	(15,735)	(14,637)	(7.5)
Manager's Fees	(5,993)	(6,025)	0.5
Trustee's Fees	(206)	(206)	-
Other Trust Expenses	(1,059)	(1,033)	(2.5)
Net Income	**52,221**	**50,278**	**3.9**
Net Change in Fair Value of Investment Properties[(1)]	(80,515)	(50,855)	(58.3)
Total Return before Distribution	(28,294)	(577)	nm
Add back Non-Tax Deductible Items[(2)]	88,221	60,829	45.0
Distributable Income	**59,927**	**60,252**	**(0.5)**

Note:

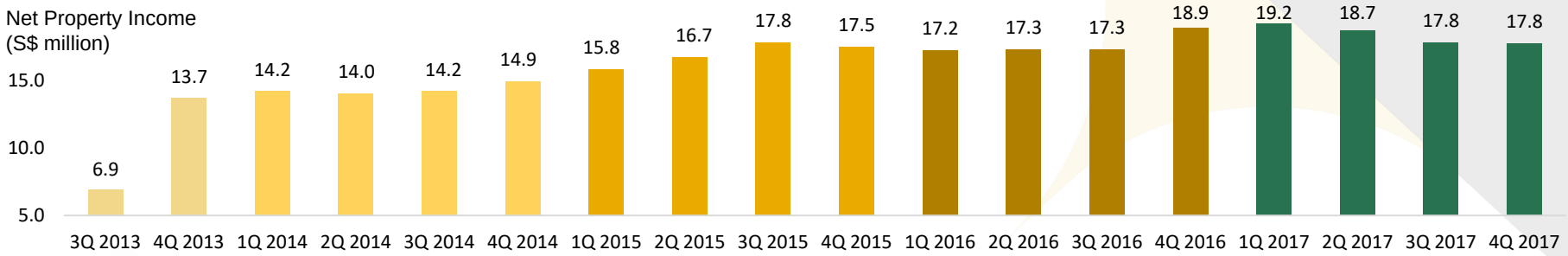
(1) Mainly due to revaluation losses on its investment properties and property held for sale including Loyang Way, West Park, Eightrium, NK Ingredients, Tuas Connection and KTL Offshore.

(2) Non-tax deductible items comprise mainly the Manager's management fees payable in Units, rent-free amortisation, the Trustee's fees, amortisation of debt arrangement, structuring and prepayment fees and tax roll-over adjustments. (FY2016: Included property management and lease management fees paid in Units. Property management and lease management fees were not included in non-tax deductible items in FY2017.)

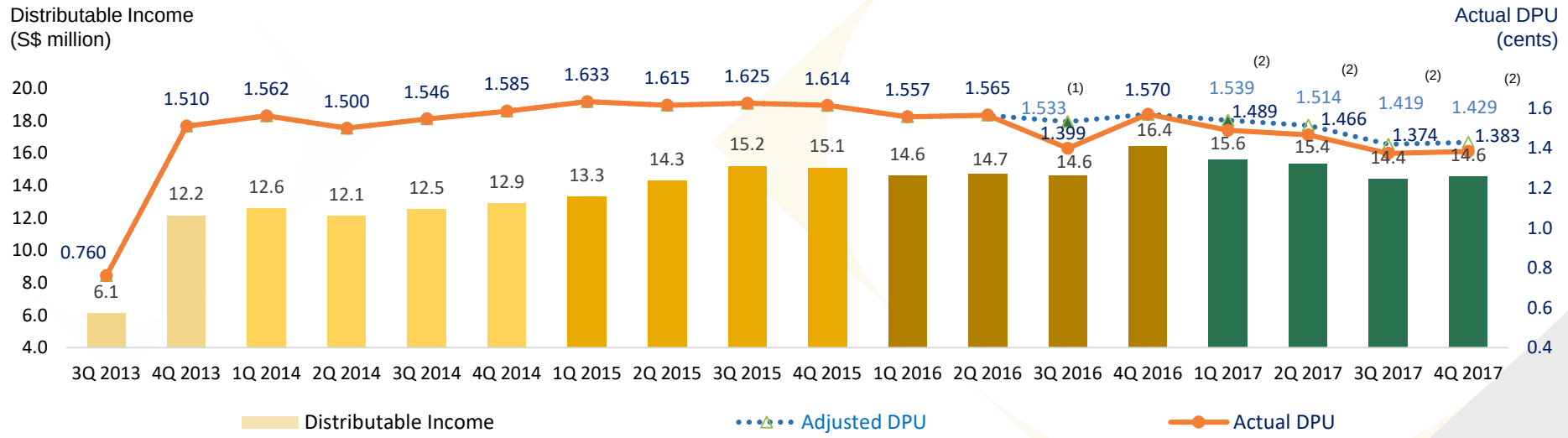
Assuming the FY2017 property management fees and lease management fees were payable in Units, non-tax deductible items would have been S$90,207k and income available for distribution to Unitholders would have been S$61,913k.

Stable Distributable Income Since IPO

Stable NPI



Stable DPU



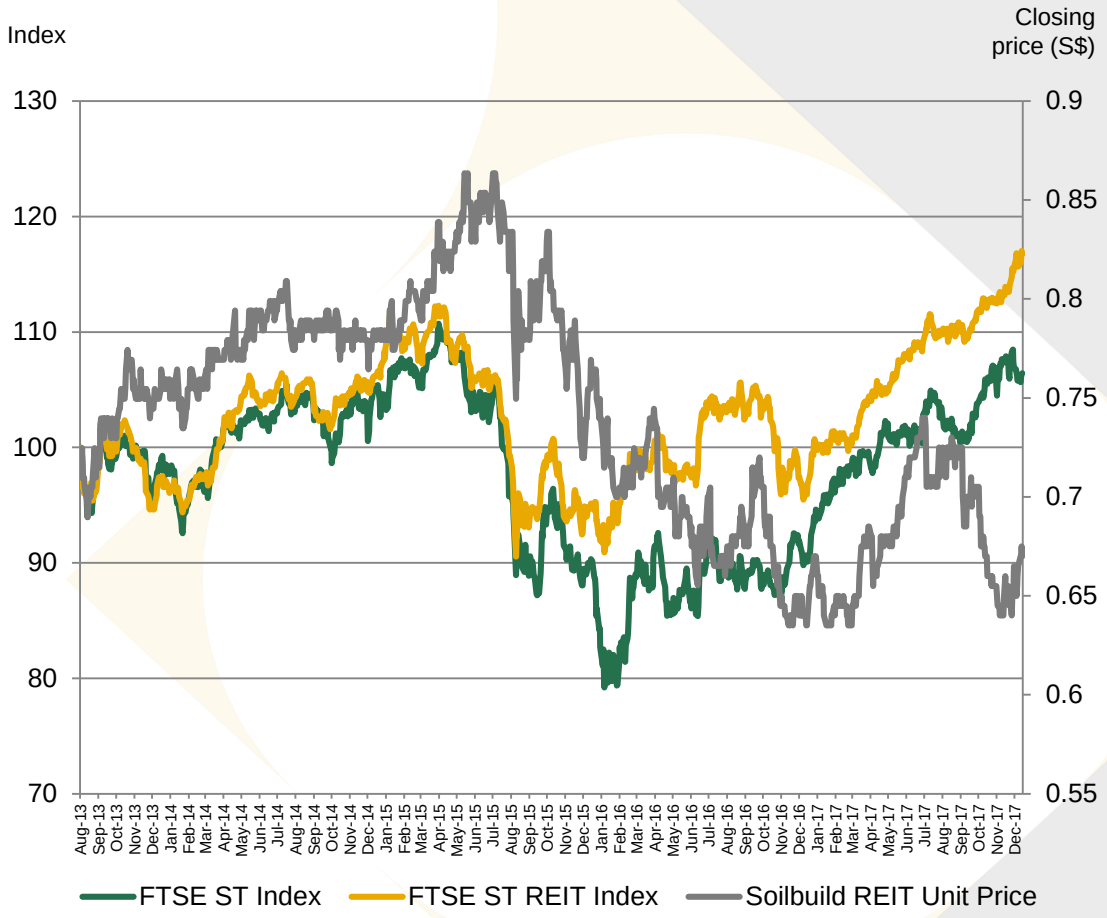
Note:
(1) The adjustment excludes the issuance of 94,353,672 new Units pursuant to the Preferential Offering and 1,528,571 new Units for the payment of acquisition fee at an issuance price of S$0.63 per unit, as well as the revenue and associated borrowing costs relating to the acquisition of Bukit Batok Connection which was completed on 27 September 2016;
(2) The adjusted DPU assuming property and lease management fees were paid in Units for 1Q, 2Q, 3Q and 4Q FY2017 respectively.

Stable Distributions since IPO

Cumulative DPU of 26.8 cents

	Price[1] (S$)	Cumulative DPU (cents)	Cumulative Distribution Returns[2] (%)
3Q 2013	0.745	0.760	0.97
4Q 2013	0.770	2.270	2.91
1Q 2014	0.780	3.832	4.91
2Q 2014	0.800	5.332	6.84
3Q 2014	0.795	6.878	8.82
4Q 2014	0.790	8.463	10.85
1Q 2015	0.810	10.096	12.94
2Q 2015	0.850	11.711	15.01
3Q 2015	0.805	13.336	17.10
4Q 2015	0.770	14.950	19.17
1Q 2016	0.730	16.507	21.16
2Q 2016	0.685	18.072	23.17
3Q 2016	0.700	19.471	24.96
4Q 2016	0.640	21.041	26.98
1Q 2017	0.675	22.530	28.88
2Q 2017	0.720	23.996	30.76
3Q 2017	0.700	25.370	32.53
4Q 2017	**0.670**	**26.753**	**34.30**

Distribution Yield = 8.5%[3]



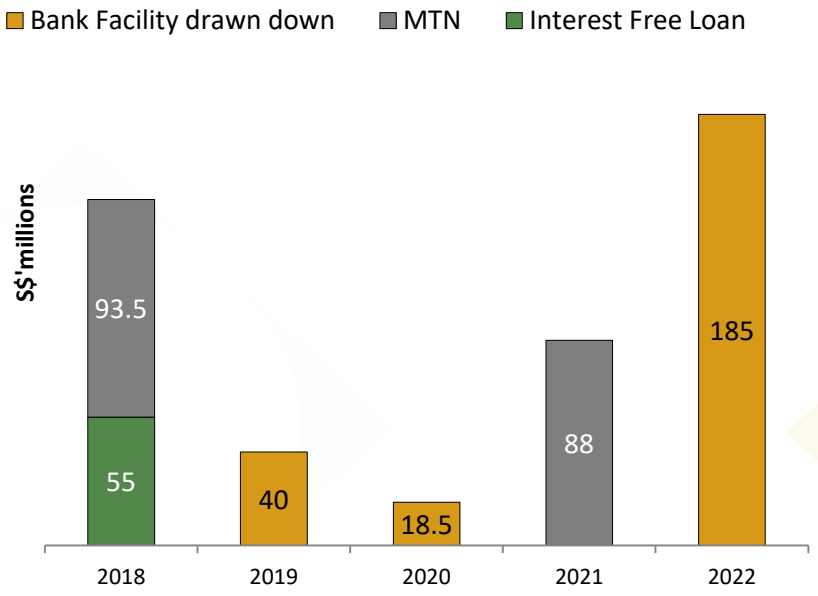
Note:
(1) Based on closing price on last day of each quarter;
(2) Based on cumulative distribution per unit against IPO price of S$0.78;
(3) Based on FY2017 DPU of 5.712 cents and Unit price of $0.670 as at 31 December 2017.
Source: Bloomberg

31 December FY2017 Financial Results – Statement of Financial Position

(S$'000)	31 December 2017	31 December 2016
Investment Properties and Property held for sale	1,163,600	1,243,700
Other Assets	18,003	31,791
Total Assets	**1,181,603**	**1,275,491**
Borrowings	474,359	472,349
Other Liabilities	38,606	51,439
Net Assets	**668,638**	**751,703**
Units in Issue ('000)	1,052,111	1,042,174
Net Asset Value per Unit (S$)	0.64	0.72

Prudent Capital Management

1) Fixed interest rate for 70.1% of borrowings for a weighted average term of 1.4 years[1].



% of Debt Maturing	30.9%	8.3%	3.9%	18.3%	38.6%

2) Aggregate leverage of 40.6%[1]

	31 December 2017
Total Bank Debt Drawn Down	S$243.5 million
Multicurrency Debt Issuance Programme drawn down	S$181.5 million
Committed facility available	S$15.0 million
Interest-free Loan	S$55 million
Unencumbered Investment Properties	S$803 million
Secured leverage[2]	15.7%
Average All-in Interest Cost[3]	3.20% p.a.
Interest Coverage Ratio[4]	4.7x
Weighted Average Debt Maturity	2.7 years

Notes:
(1) Includes interest free loan in relation to the Solaris upfront land premium;
(2) Secured Debt/Total Assets;
(3) Excludes interest-free loan;
(4) Computed based on 4Q FY2017 EBITDA/Net interest expense (Finance expense – Interest income).

Best-in-class Portfolio of Assets



Portfolio Overview

- Business Park Properties
- Industrial Properties



NK Ingredients

NLA: 312,375 sq ft
Valuation: S$54.0 million



COS Printers

NLA: 58,752 sq ft
Valuation: S$10.6 million



Tellus Marine

NLA: 95,250 sq ft
Valuation: S$20.0 million



Tuas Connection

NLA: 651,072 sq ft
Valuation: S$117.8 million



Loyang Way

NLA: 171,293 sq ft
Valuation: S$38.0 million



KTL Offshore(3)

NLA: 208,057 sq ft
Valuation: S$53.0 million



Eightrium

NLA: 177,285 sq ft
Valuation: S$88.0 million



BK Marine

NLA: 73,737 sq ft
Valuation: S$15.7 million



Speedy-Tech

NLA: 93,767 sq ft
Valuation: S$24.1 million



West Park BizCentral

NLA: 1,240,583 sq ft
Valuation: S$286.0 million



Bukit Batok Connection

NLA: 377,776 sq ft
Valuation: S$96.4 million



Solaris

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



Portfolio Summary(1)

Valuation(2)	S$1,163.6 million
Total NLA	3.90 million sq ft
WALE (by GRI)	3.0 years
Occupancy	92.7%

Notes:
(1) Information as at 31 December 2017;
(2) Based on Knight Frank's & Savills' valuations dated 31 December 2017
(3) Unitholders' approval for the proposed divestment of KTL Offshore obtained on 21st February 2018.

Portfolio of Quality Assets

High proportion of portfolio not subject to JTC Anchor Tenant regulations

JTC Concept Fixed Price Tender



Solaris



Eightrium



Tuas Connection



West Park BizCentral

76.7%

of Portfolio Valuation(1)

URA Government Land Sales



Bukit Batok Connection



BK Marine

10.1%

of Portfolio Valuation(1)

86.8%

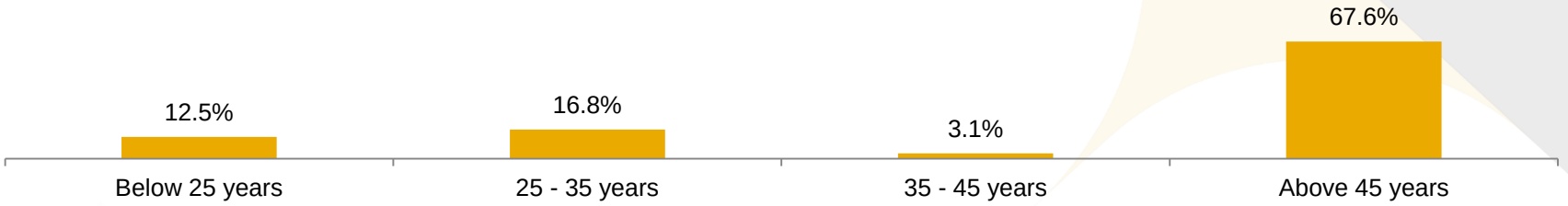
of Portfolio Properties(1) on tendered land and not restricted by JTC Anchor Tenant Regulations.

Notes:
(1) Portfolio valuation excluding KTL Offshore.

Long Land Lease Expiry

Percentage of Unexpired Land Lease Term

By Valuation

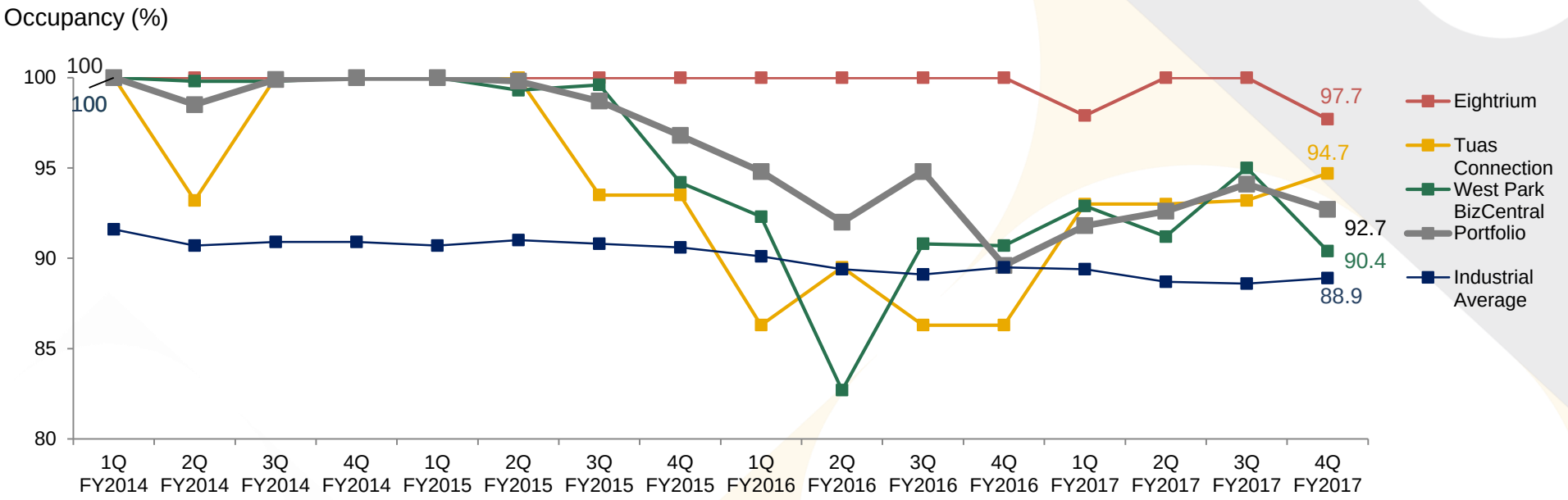


Long Average Land Lease Tenure of 43 Years (by valuation)

Property	Acquisition Date	Land Lease Expiry Date	Valuation (S$'m)[1]
Solaris	16-Aug-13	31-May-68	360.0
Eightrium	16-Aug-13	15-Feb-66	88.0
West Park BizCentral	16-Aug-13	31-Jul-68	286.0
Tuas Connection	16-Aug-13	30-Sep-50	117.8
NK Ingredients	15-Feb-13	30-Sep-46	54.0
COS Printers	19-Mar-13	31-Jul-42	10.6
Beng Kuang Marine	10-May-13	29-Oct-56	15.7
Tellus Marine (Phase 1) Tellus Marine (Phase 2)	26-May-14 25-Nov-16	15-Feb-54	20.0
KTL Offshore	31-Oct-14	18-Jul-66	53.0
Speedy-Tech	23-Dec-14	30-Apr-50	24.1
72 Loyang Way	27-May-15	20-Mar-38	38.0
Bukit Batok Connection	27-Sep-16	25-Nov-42	96.4

Notes:
(1) Based on Knight Frank's & Savills' valuations dated 31 December 2017.

Portfolio Occupancy



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017
Eightrium	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	97.9%	100%	100%	97.7%
Tuas Connection	100%	93.2%	100%	100%	100%	100%	93.5%	93.5%	86.3%	89.5%	86.3%	86.3%	93.0%	93.0%	93.2%	94.7%
West Park BizCentral	100%	99.8%	99.8%	100%	100%	99.3%	99.6%	94.2%	92.3%	82.7%	90.8%	90.7%	92.9%	91.2%	95.0%	90.4%
Portfolio	**100%**	**98.5%**	**99.9%**	**100%**	**100%**	**99.8%**	**98.7%**	**96.8%**	**94.8%**	**92.0%**	**94.8%**	**89.6%**	**91.8%**	**92.6%**	**94.1%**	**92.7%(1)**
Industrial Average(2)	**91.6%**	**90.7%**	**90.9%**	**90.9%**	**90.7%**	**91.0%**	**90.8%**	**90.6%**	**90.1%**	**89.4%**	**89.1%**	**89.5%**	**89.4%**	**88.7%**	**88.6%**	**88.9%**

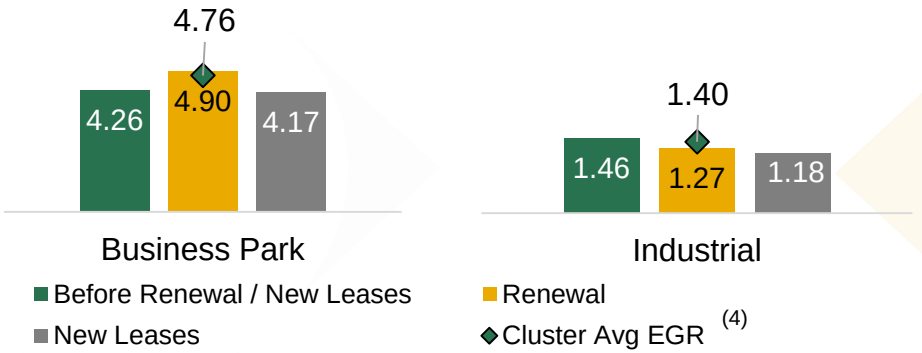
Notes:
(1) Inclusive of 27.0% occupancy at 72 Loyang Way;
(2) Source: JTC statistics as at 4Q 2017.

Leasing Activity

	No. of Leases	Area (sq ft)	Avg. EGR before Renewal / New Leases ($ psf)	Avg. EGR after Renewal / New Leases ($ psf)	Rental Reversion
FY2017					
Renewal	**27**	**514,816**	1.74	1.63	(6.3%)
New Leases	**26**	**410,150**	1.48[1]	1.25[1]	(15.5%)[1]
Total	**53**	**924,966**	**1.63[2]**	**1.48[2]**	**(9.2%)[2]**

Effective Gross Rent (psf/mth)

for leases signed in FY2017 by Cluster [3]



Business Park		Industrial
Renewal/ Forward Renewal Leases		
Eightrium & Solaris	Eightrium only	436,207 sqft (20 leases)
254,785 sqft (21 leases)	78,609 sqft (6 leases)	
New Leases		
Eightrium & Solaris	Eightrium only	387,384 sqft (24 leases)
41,487 sqft (6 leases)	22,766 sqft (3 leases)	

Note:

(1) The average EGR excludes new leases of 59k sqft at 72 Loyang Way. Including 72 Loyang Way, the Avg EGR before and after will be $1.73 psf and $1.29 psf respectively and rental reversion is negative 25.4% for new leases signed in FY2017

(2) The average EGR excludes new leases of 59k sqft at 72 Loyang Way. Including 72 Loyang Way, the Avg EGR before and after will be $1.73 psf and $1.48 psf respectively and rental reversion is negative 14.5% for all leases signed in FY2017

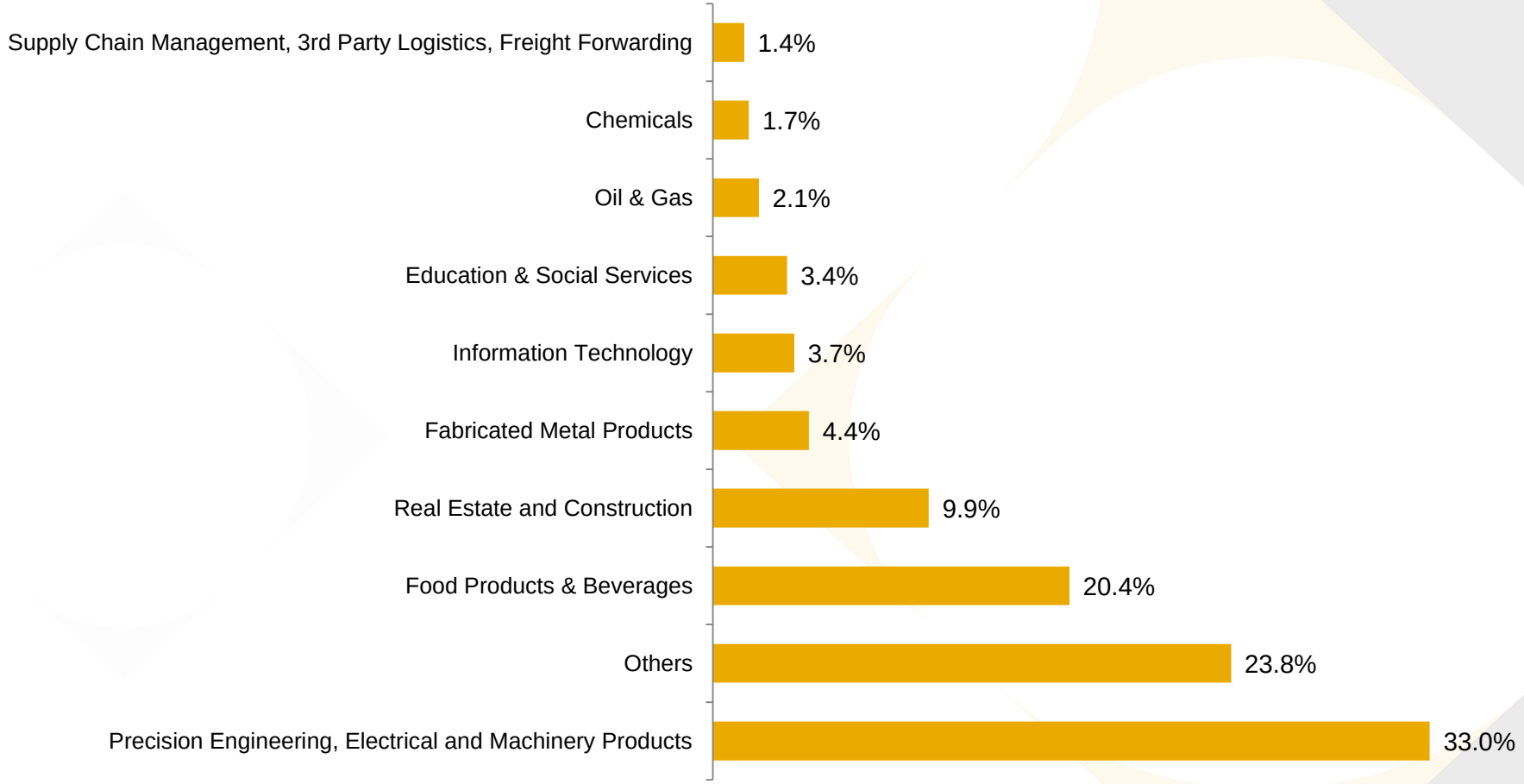
(3) Business Park cluster comprises Solaris and Eightrium and Industrial Cluster comprises Tuas Connection, West Park BizCentral and Loyang Way.

(4) Cluster Average EGR indicates the average EGR of leased area for the respective Cluster as at 31 December 2017.

Trade Sector of Leases Signed

For leases signed in FY2017

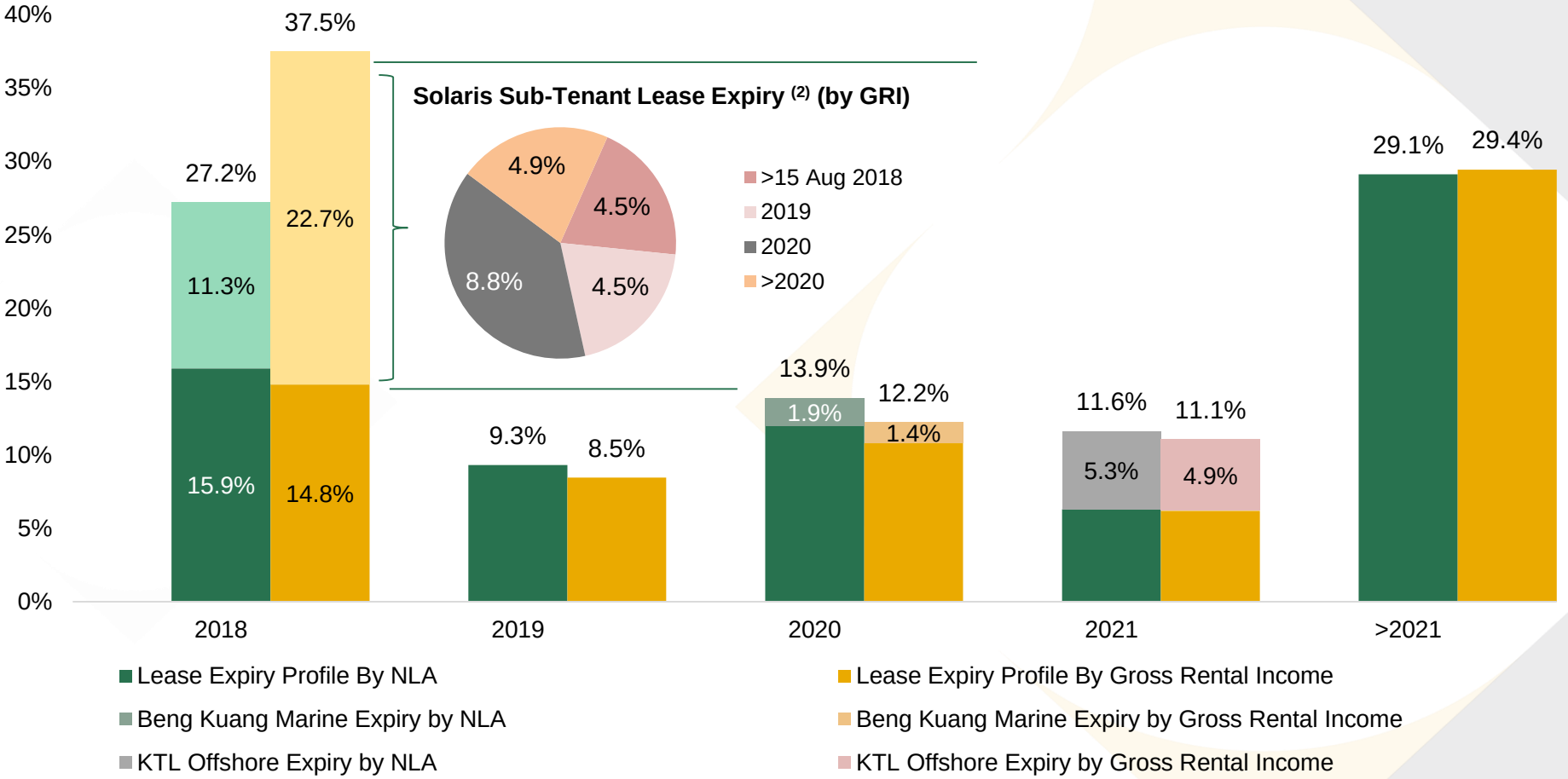
By Gross Rental Income



Well Staggered Lease Expiry

WALE (by NLA)	3.1 years	**WALE** (by Gross Rental Income)	3.0 years

- WALE of new leases signed in 4Q FY2017 was 2.0 years (by GRI)



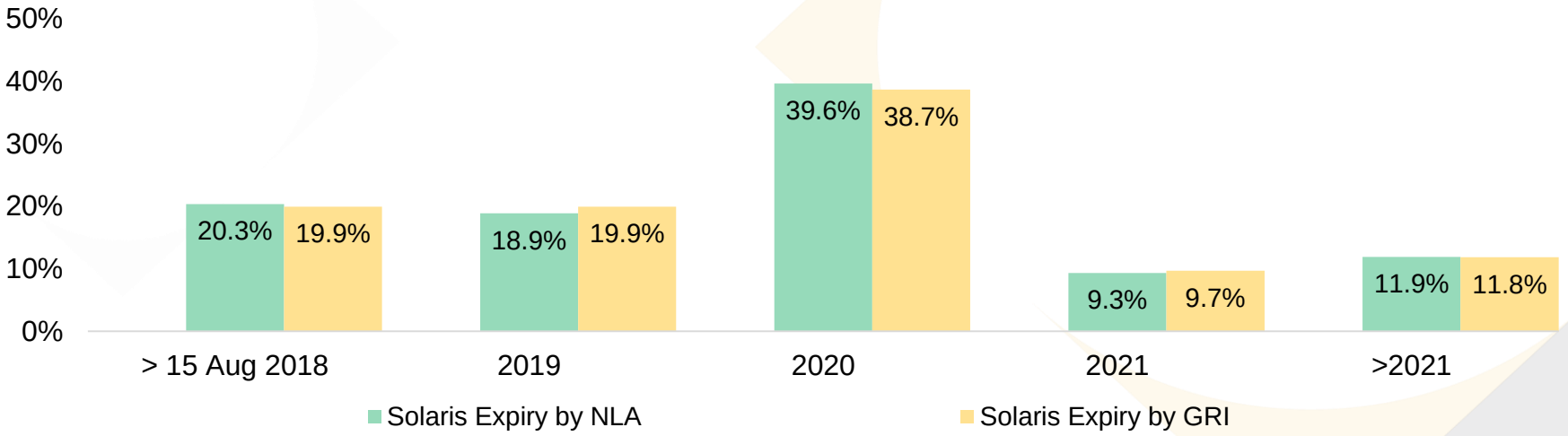
Note:
(1) Information as at 31 December 2017
(2) No underlying lease expires within the master lease period

Solaris Lease Expiry Profile

Solaris underlying leasing update for FY2017

FY2017	No. of Leases	Area (sqft)	Avg. EGR before Renewal ($ psf)	Avg. EGR after Renewal ($ psf)	Rental Reversion
Renewal leases	14	174,628	4.90	5.45	11.2%
New leases	3	18,721	-	5.31	-
Forward renewal leases	1	1,548	5.45	5.60	2.8%
Total	**18**	**194,897**			

No underlying lease expires within the Master Lease Period

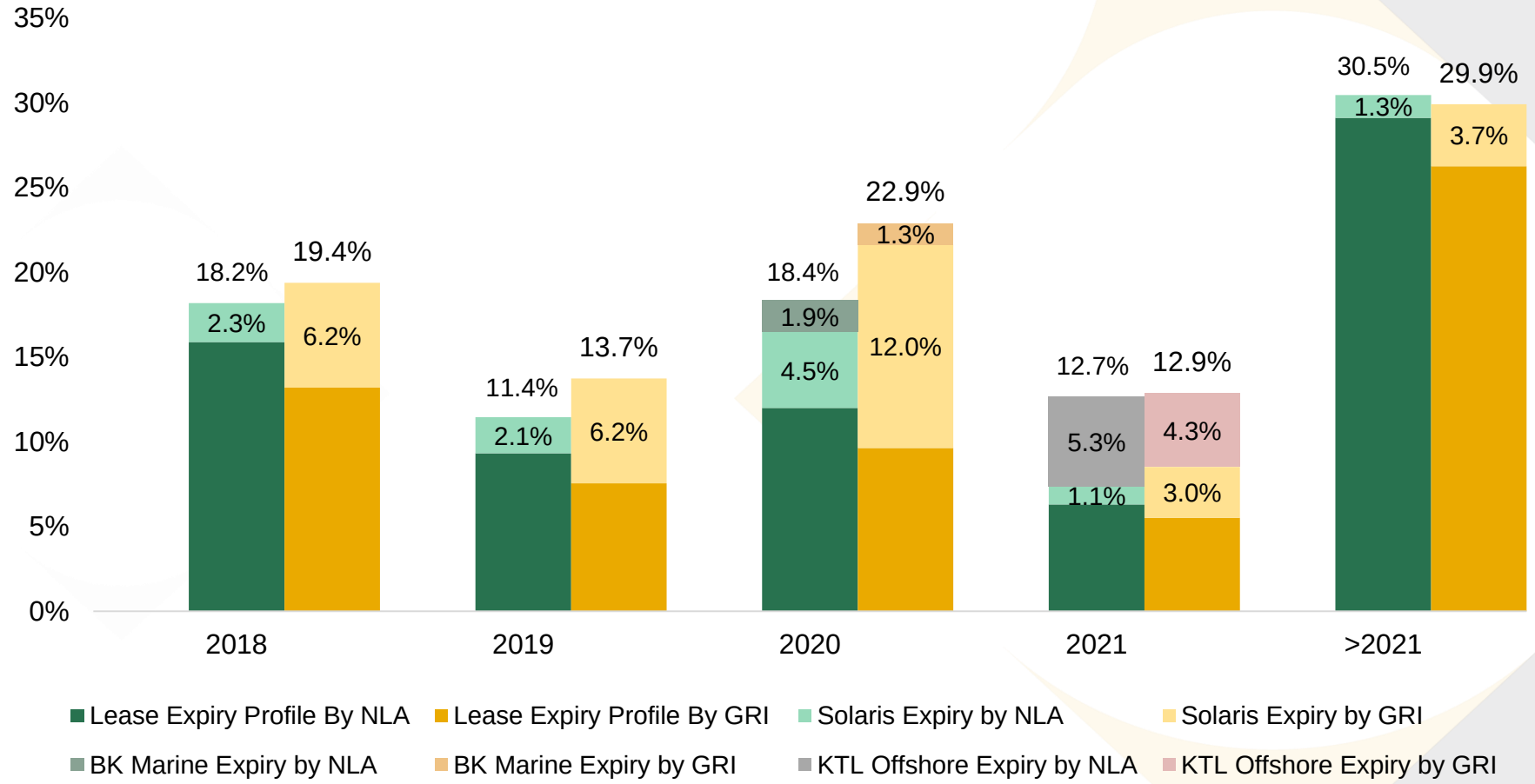


Note:
(1) Solaris is leased to SB (Solaris) Investment Pte. Ltd. on a Master Lease Agreement. The underlying tenants in Solaris will be novated to Soilbuild REIT upon the master lease expiry on 15 August 2018.

Lease Expiry Profile

Based on Solaris Underlying Tenant(2)

WALE (by NLA)	3.3 years	**WALE** (by Gross Rental Income)	3.4 years



Note:
(1) Information as at 31 December 2017
(2) No underlying leases expires within the master lease period

Divestment of KTL Offshore



Unlocking Capital

Divestment of KTL Offshore

Address	61 & 71 Tuas Bay Drive
Description	Two adjacent detached purpose-built factories located along Tuas Bay Drive, off Tuas South Avenue 2
Remaining Land Tenure (as at 31 Dec 2017)	48.6 years
Gross Floor Area	208,057 sq ft
Acquisition Year/Price	2014 / $55.0 million
Book Value	$53.0 million
Sale Price	$55.0 million
FY2017 NPI	$3.9 million
Purchaser	SB (Pioneer) Investment Pte. Ltd.
Capital Gain	$1.7 million
Unitholders' Approval	Resolution for the proposed divestment were duly passed in the EGM held on 21st February 2018.



Key Highlights of Proposed Divestment

Total Divestment Proceeds	
Sale Consideration	S$55.0 million
Less: Divestment Fee	Waived
Less: Professional fees and other expenses	S$0.3 million
Total Divestment Proceeds	**S$54.7 million**

Market Valuation by Independent Valuer		
Valuer	**Valuation (S$ m)**	**Capital value GFA (S$ psf)**
CBRE Pte Ltd	50.4	242
Savills Valuation and Professional Services (S) Pte Ltd	53.0	255
Average	**51.7**	**248**

Effects of the Proposed Divestment

Based on the financial statements of Soilbuild REIT for the financial year ended 31 December 2017

Effects of the Proposed Divestment	Before Divestment	After Divestment[1]
Net Income (S$'000)	52,221	52,076[2]
Distributable Income (S$'000)	59,927	57,832
NAV (S$'000)	668,638	669,759
Issued Units ('000)	1,052,111	1,051,908
DPU based on Lease Agreement (cents)	**5.712**	**5.513**
NAV per Unit attributable to Unitholders (S$)	**0.64**	**0.64**

Note:
(1) Assuming that the net proceeds from the Proposed Divestment of S$54.7 million will be utilised for the repayment of borrowings as at 1 January 2017 with finance expense savings of 3.31% per annum.
(2) Includes gain from the Proposed Divestment of S$1.7 million

Unlock Capital

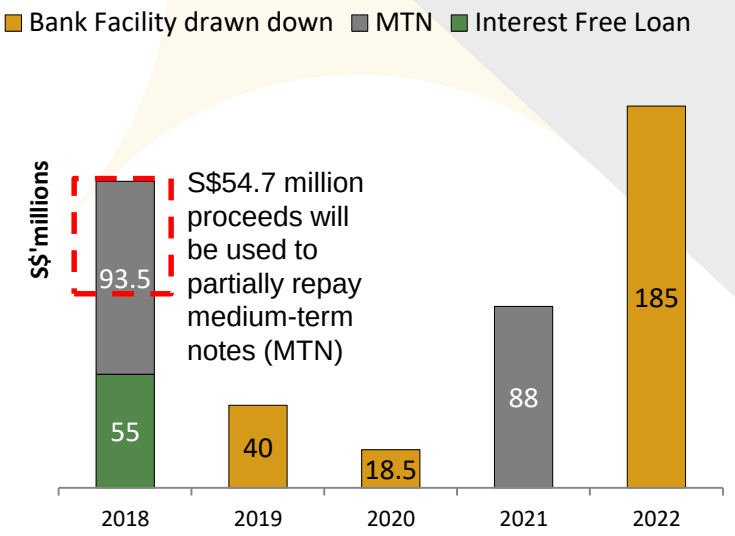
Aggregate Leverage Post-Divestment in the event that the net proceeds are used for repayment of borrowings

Based on the financial statements of Soilbuild REIT for the financial year ended 31 December 2017

Effects of the Proposed Divestment	Before Divestment	After Divestment(1)
Total loans and borrowings (S$'000)	474,359	419,619
Total Capitalisation	1,142,997	1,089,378
Aggregate Leverage(1)	**40.6%**	**37.7%**

Note:

(1) Assuming that the net proceeds from the Proposed Divestment of S$54.7 million will be utilised for the repayment of borrowings as at 1 January 2017.



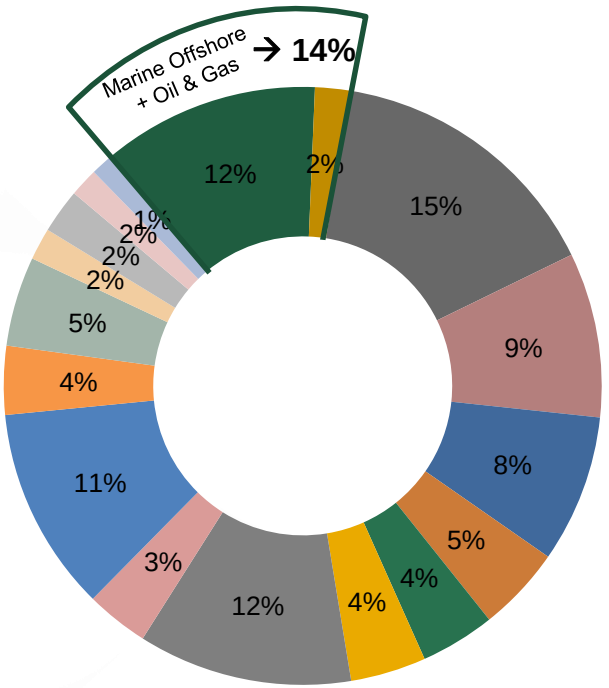
	2018	2019	2020	2021	2022
% of Debt Maturing (Pre-Divestment)	30.9%	8.3%	3.9%	18.3%	38.6%
% of Debt Maturing (Post-Divestment)	22.0%	9.4%	4.4%	20.7%	43.5%

Portfolio Diversification

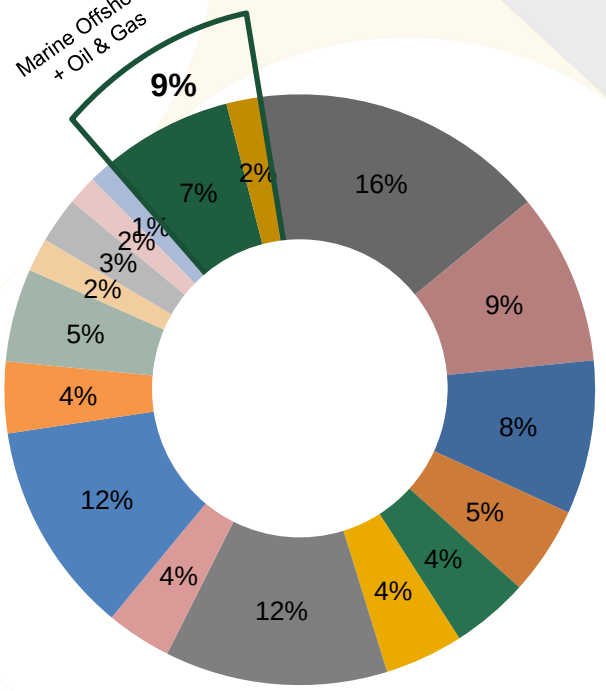
Trade Sector Diversification

By % of Monthly Gross Revenue as at 31 December 2017

Pre-Divestment



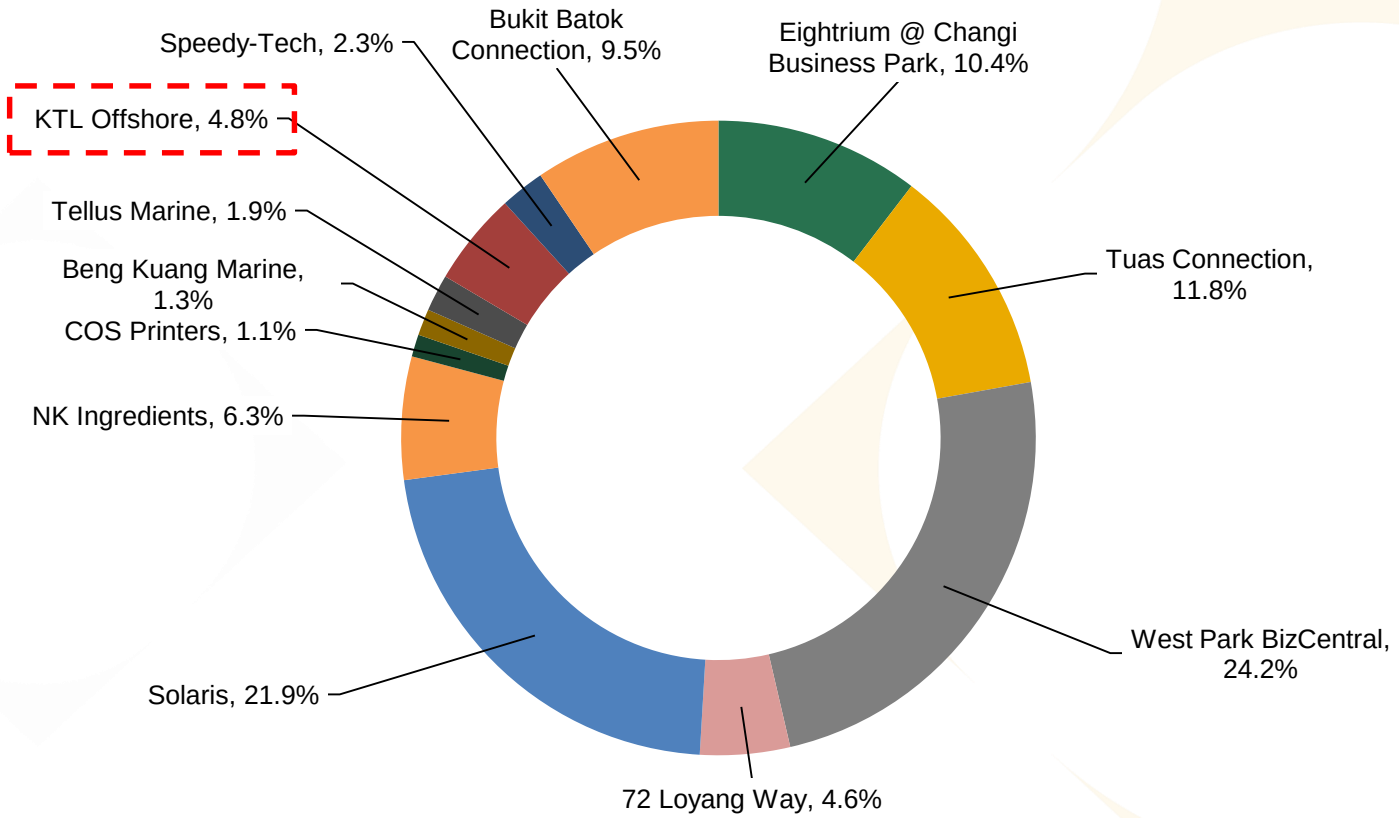
Post-Divestment



- Marine Offshore
- Precision Engineering, Electrical and Machinery Products
- Electronics
- Fabricated Metal Products
- Information Technology
- Real Estate and Construction
- Government Agency
- Education & Social Services
- Pharmaceutical & Biological
- Oil & Gas
- Chemicals
- Others
- Publishing, Printing & Reproduction of Recorded Media
- Supply Chain Management, 3rd Party Logistics, Freight Forwarding
- Food Products & Beverages
- Telecommunication & Datacentre
- Financial

KTL Offshore Gross Revenue Contribution

FY2017 Portfolio Gross Revenue



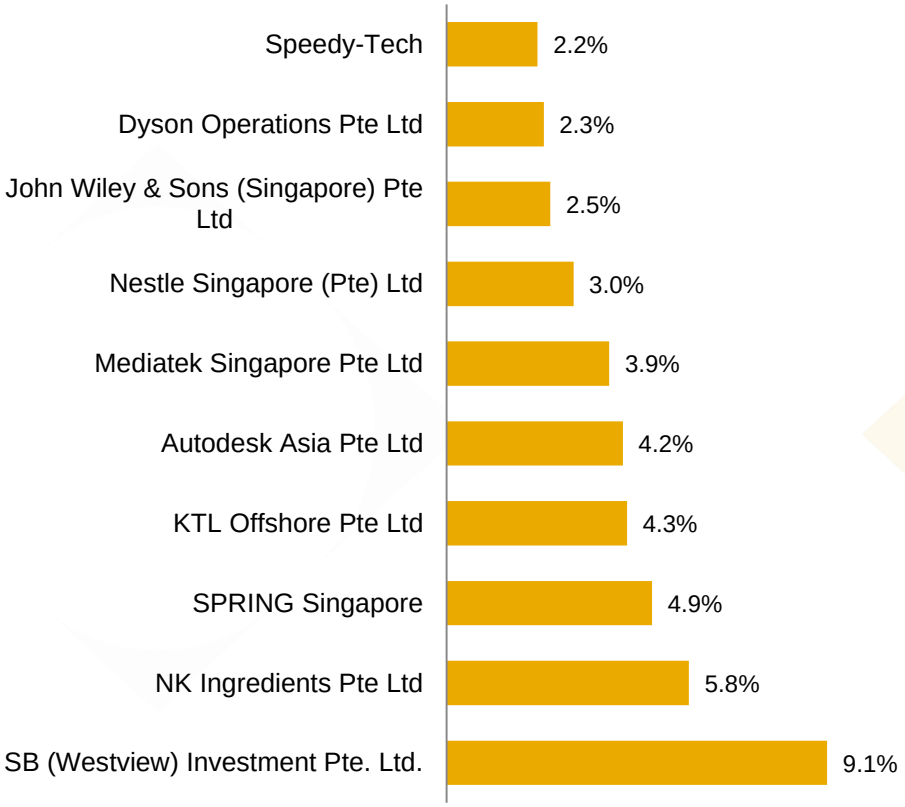
KTL Offshore contributed 4.8% to Soilbuild REIT Gross Revenue in FY2017

Top 10 Tenants

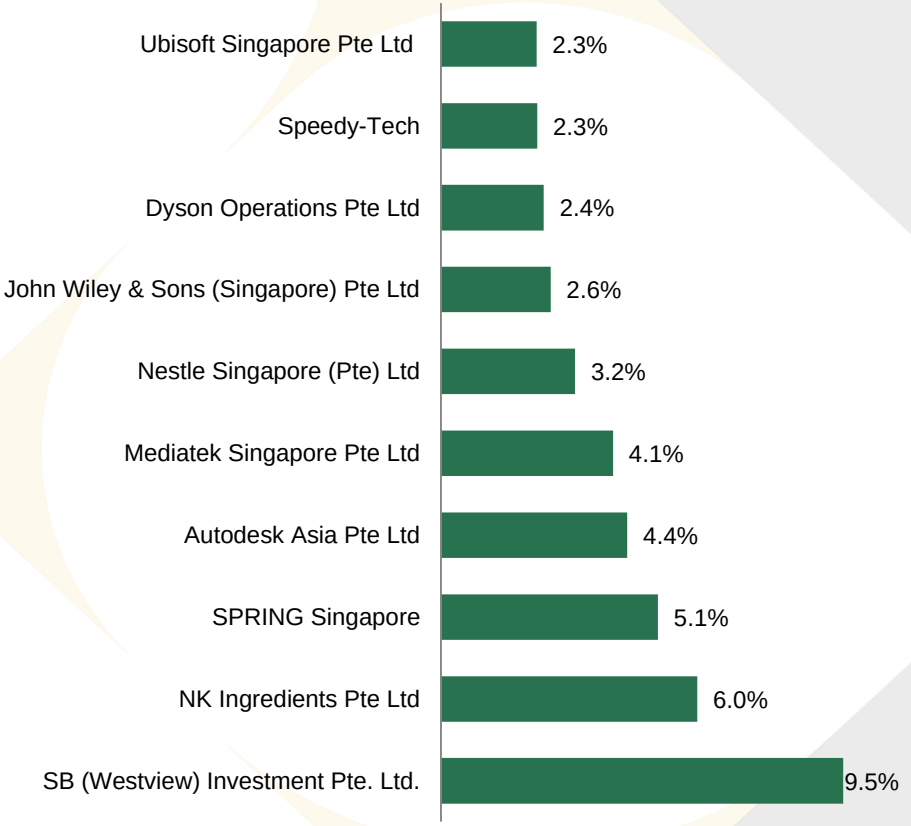
Top 10 Tenants

By Gross Rental Income as at 31 December 2017

Pre-Divestment (1)



Post-Divestment (1)



Note:
(1) Inclusive of underlying tenants at Solaris .

Right of First Refusal Assets



Right of First Refusal Assets

Acquisition of ROFR Properties

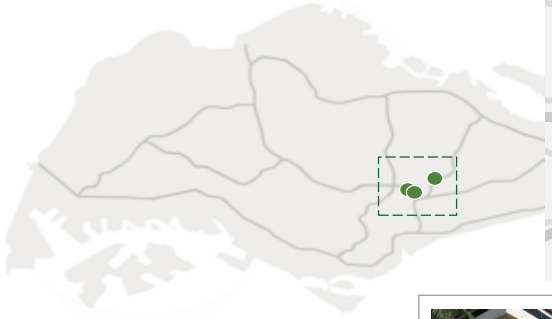
- Current ROFR pipeline of 3 industrial properties with maximum GFA[(1)] in excess of 1.9 million sq ft
- ROFR pipeline to continue growing as the Sponsor undertakes new development of business space properties

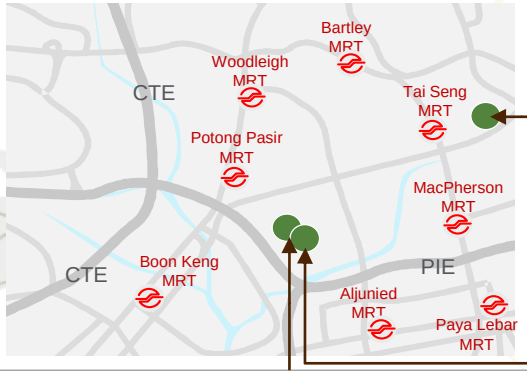
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Acquisition / Development of Business Space Properties

- 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







iPark

3 blocks of 7-storey flatted factory and a single-storey amenity centre (target redevelopment in 2019)

Max GFA: 1,031,000 sq ft



171 Kallang Way

5-storey light industrial building (undergoing redevelopment)

Max GFA: 326,000 sq ft



164 Kallang Way

7-storey light industrial building and a single-storey amenity (undergoing redevelopment)

Max GFA: 575,000 sq ft

Notes:

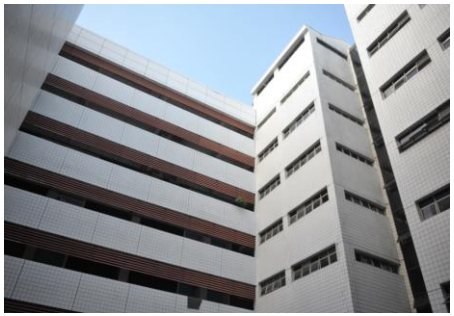
(1) GFA based on maximum allowable plot ratio

(2) Subject to the limit imposed by the Property Funds Appendix.

Sponsor's Redevelopment Plan at 164 Kallang Way

SoilBuild BUSINESS SPACE REIT

OLD







NEW







Sponsor's Redevelopment Plan at 171 Kallang Way

NEW





- Built to suit facility to house **RF360**, a joint venture between **Qualcomm** and **TDK**
- Total GFA of more than 320,000 sq ft and will be used by RF360 for production, R&D, product testing and ancillary purposes.
- The Germany-headquartered RF360 will commit $500 million for the development of the new customised facility.
- The building will have customised specifications such as vibration-controlled structural elements and enhanced floor loading for certain production floors.
- Estimated TOP in 2019

Source: The Business Times, 29th Nov 2017.

Market Update & Outlook

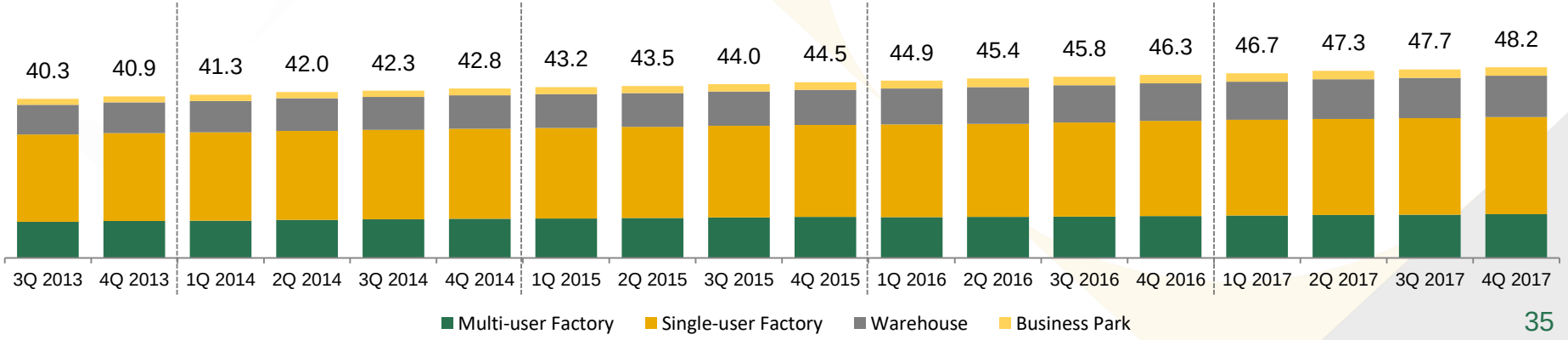


Industrial Properties Profile

Change y-o-y	4Q 2013 vs 4Q 2014		4Q 2014 vs 4Q 2015		4Q 2015 vs 4Q 2016		4Q 2016 vs 4Q 2017	
	Vacancy Rate	Rental Index	Vacancy Rate	Rental Index	Vacancy Rate	Rental Index	Vacancy Rate	Rental Index
Multi-user	↑ 1.4%	↓ 0.7	↓ 0.0%	↓ 3.4	↓ 0.1%	↓ 7.7	↑ 0.8%	↓ 2.6
Single-user	↑ 1.2%	↑ 5.1	↑ 0.6%	↓ 0.9	↑ 1.4%	↓ 7.1	↑ 0.7%	↓ 2.6
Warehouse	↓ 1.0%	↓ 6.6	↑ 0.4%	↓ 1.6	↑ 1.7%	↓ 6.2	↑ 0.6%	↓ 5.2
Business Park	↑ 4.3%	↑ 0.4	↓ 4.3%	↓ 1.3	↑ 1.1%	↑ 0.5	↓ 3.6%	↑ 3.5

Total Industrial Stock ('million sq m)

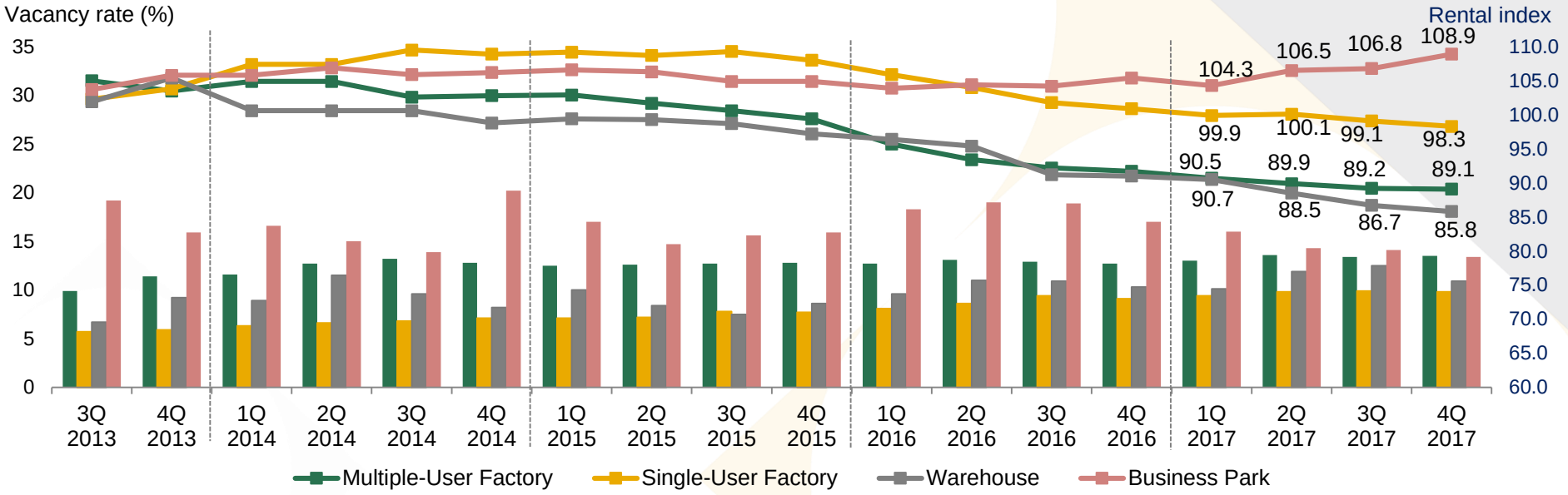
Increase y-o-y	4Q 2013 vs 4Q 2014	4Q 2014 vs 4Q 2015	4Q 2015 vs 4Q 2016	4Q 2016 vs 4Q 2017
Multi-user	5.7%	4.6%	2.2%	4.8%
Single-user	2.5%	2.3%	3.3%	1.9%
Warehouse	8.7%	5.6%	6.6%	10.2%
Business Park	12.2%	10.1%	11.6%	0.1%



Source: JTC Statistics as at 4Q 2017

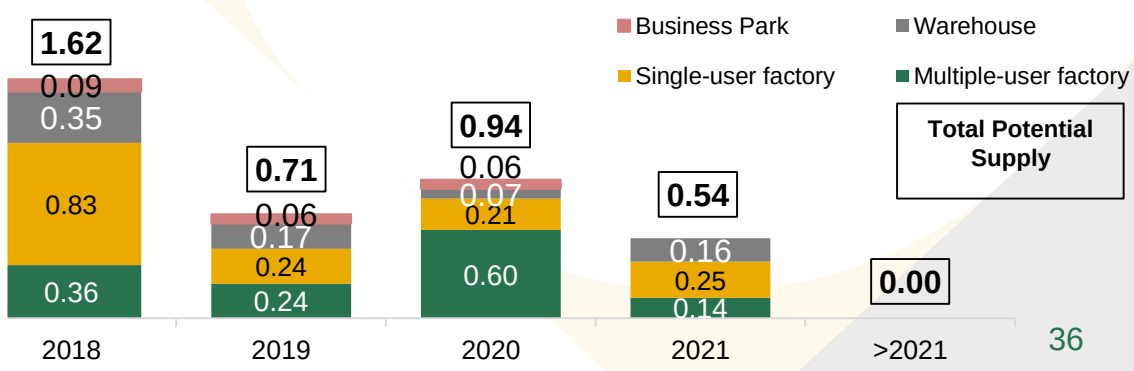
Industrial Properties Profile

Vacancy Rate and Rental Index (Base 4Q 2012 = 100)



Upcoming Supply in the Pipeline ('million sq m)

Change y-o-y	Stock as at 4Q 2017 ('mil sq m)	Potential Supply in FY2018
Multi-user	11.1	▲ 3.3%
Single-user	24.6	▲ 3.4%
Warehouse	10.4	▲ 3.3%
Business Park	2.1	▲ 4.1%



Source: JTC Statistics as at 4Q 2017

THANK YOU



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