

1Q FY2016 Results Presentation

14 April 2016



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the first quarter from 1 January 2016 to 31 March 2016 (hereinafter referred to 1Q FY2016).

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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 1Q FY2016

1Q FY2015 Results

- Gross revenue increased 8.2% year on year (“y-o-y”) to S\$20.1 million and net property income (“NPI”) grew 8.8% to S\$17.2 million.
- Distributable income rose 9.6% y-o-y to S\$14.6 million from S\$13.3 million in 1Q FY2015.
- Distribution per Unit fell 4.7% y-o-y to 1.557 cents in 1Q FY2016 from 1.633 cents in 1Q FY2015.

Corporate and Capital Management

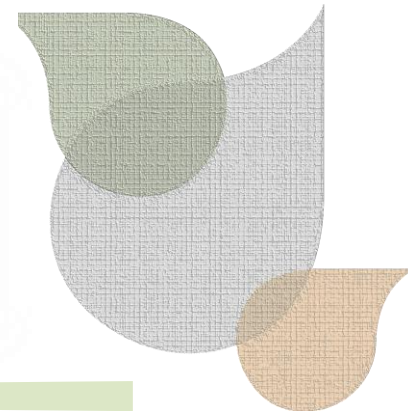
- Moody’s assigned Baa3 rating to Soilbuild REIT.
- Successfully lengthened weighted average debt maturity from 3.0 years as at 31 March 2016 to 3.6 years post refinancing in April 2016.
- Soilbuild REIT priced S\$100 million 5 year 3.60% fixed rate notes (“MTN”) due 2021 (“the Notes”).
- Moody’s assigned a (P)Baa3 rating to Soilbuild REIT’s multicurrency debt issuance programme and Baa3 to the Notes.
- Unencumbered investment properties in excess of S\$830 million (70% of total investment properties).

Portfolio Update

- Portfolio occupancy rate of 94.8% as at 31 March 2016.
- Weighted average lease expiry (by gross rental income) stands at 4.7 years.
- Over 280,000 sq ft of renewals and new leases signed as at 31 March 2016.

1Q FY2016

Financial Performance



1Q FY2016 Financial Results

For the period from 1 January 2016 to 31 March 2016 (S\$'000)	1Q FY2016	1Q FY2015	Variance
Gross Revenue	20,142	18,615	8.2%
Less Property Expenses	(2,949)	(2,817)	(4.7%)
Net Property Income	17,193	15,798	8.8%
Interest Income	236	47	402.1%
Finance Expenses ⁽¹⁾	(3,296)	(2,993)	(10.1%)
Manager's Fees ⁽²⁾	(1,461)	(1,332)	(9.7%)
Trustee's Fees	(50)	(47)	(6.4%)
Other Trust Expenses	(254)	(447)	43.2%
Total Return before Distribution	12,368	11,026	12.2%
Add back Non-Tax Deductible Items ⁽³⁾	2,241	2,299	(2.5%)
Distributable Income	14,609	13,325	9.6%

Note:

- (1) Finance Expenses comprise interest expense, amortisation of debt arrangement and prepayment fees and bank commitment fees.
- (2) Manager's Fees comprise base 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 and prepayment fees, and bank commitment fees.

Distribution per Unit

1Q FY2016 vs 1Q FY2015

	1Q FY2016	1Q FY2015	Variance
Distributable Income (S\$'000)	14,609	13,325	9.6%
Distribution per Unit ("DPU") (cents)	1.557	1.633	(4.7%)
Annualised DPU (cents)	6.228	6.487 ⁽³⁾	(4.0%)
Annualised Distribution Yield	8.5% ⁽¹⁾	8.4% ⁽⁴⁾	1.2%

Note:

- (1) Based on the closing price of S\$0.73 as at 31 March 2016.
- (2) Based on the closing price of S\$0.81 as at 31 March 2015.
- (3) Actual FY2015 DPU
- (4) Based on the closing price of S\$0.77 as at 31 December 2015

1Q FY2016 Distribution

Distribution Details

1Q FY2016

Distribution Period	1 January 2016 – 31 March 2016
Distribution Amount	SGD 1.557 cents per unit

Distribution Timetable

1Q FY2016

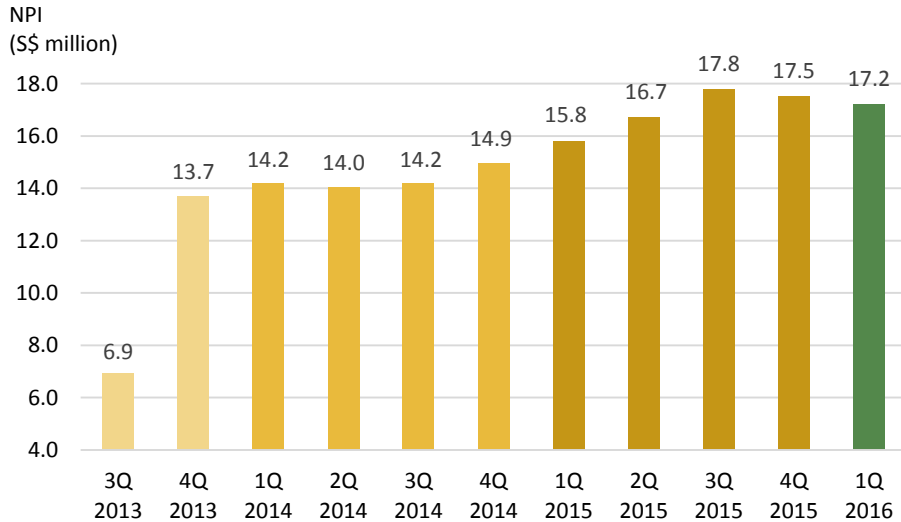
Last Day of Trading on “cum” Basis	Tuesday, 19 April 2016
Ex-Date	Wednesday, 20 April 2016
Books Closure Date	Friday, 22 April 2016
Distribution Payment Date	Monday, 16 May 2016

Steady Growth since IPO

Net Property Income (NPI)

1Q FY2016

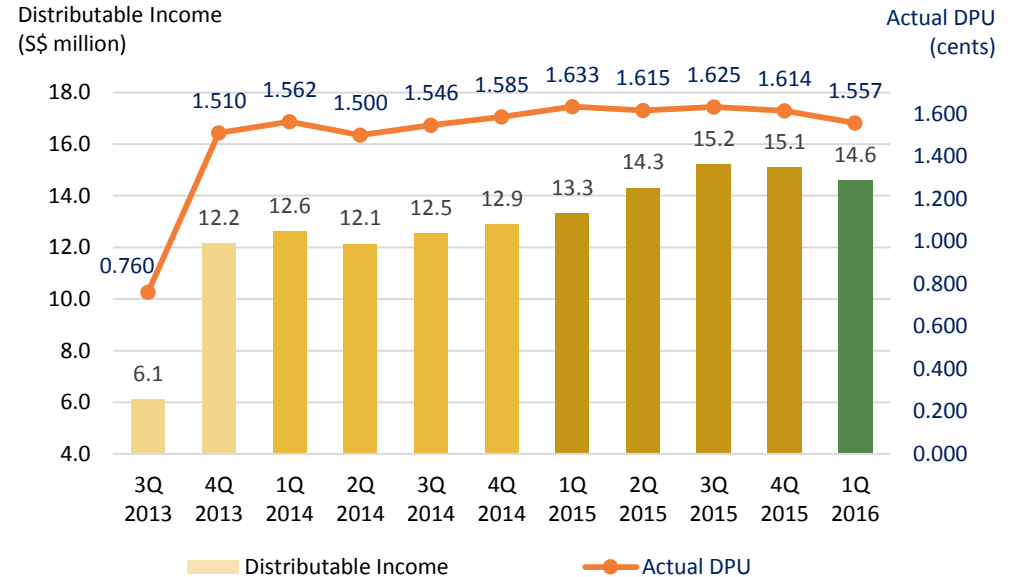
S\$ 17.2 million  8.8% y-o-y



Distributable Income and DPU

1Q FY2016

S\$ 14.6 million  9.6% y-o-y



	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016
Price ⁽¹⁾ (S\$)	0.745	0.770	0.780	0.800	0.795	0.790	0.810	0.850	0.805	0.770	0.730
Cumulative DPU (cents)	0.760	2.270	3.832	5.332	6.878	8.463	10.096	11.711	13.336	14.950	16.507
Cumulative Distribution Returns ⁽²⁾ (%)	0.97	2.91	4.91	6.84	8.82	10.85	12.94	15.01	17.10	19.17	21.16

Note:

(1) Based on closing price on last day of each quarter;

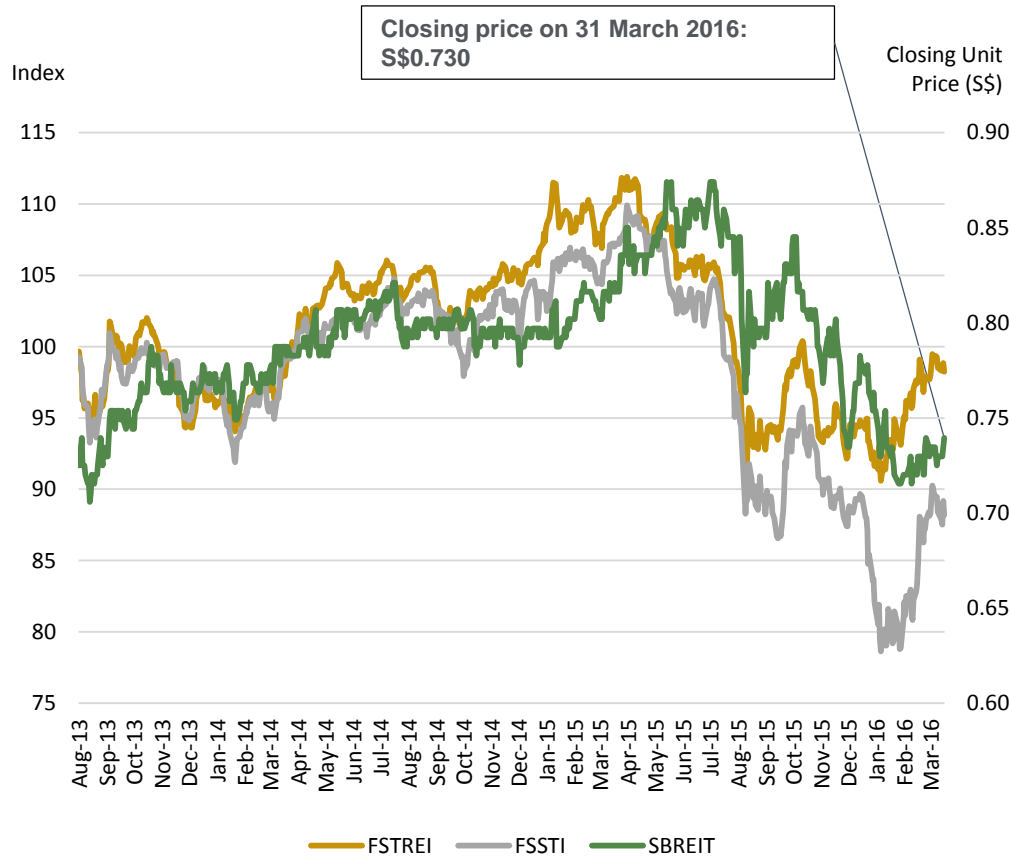
(2) Based on cumulative distribution per unit against IPO price of S\$0.78.

Source: Bloomberg

Attractive Return on Investment since IPO

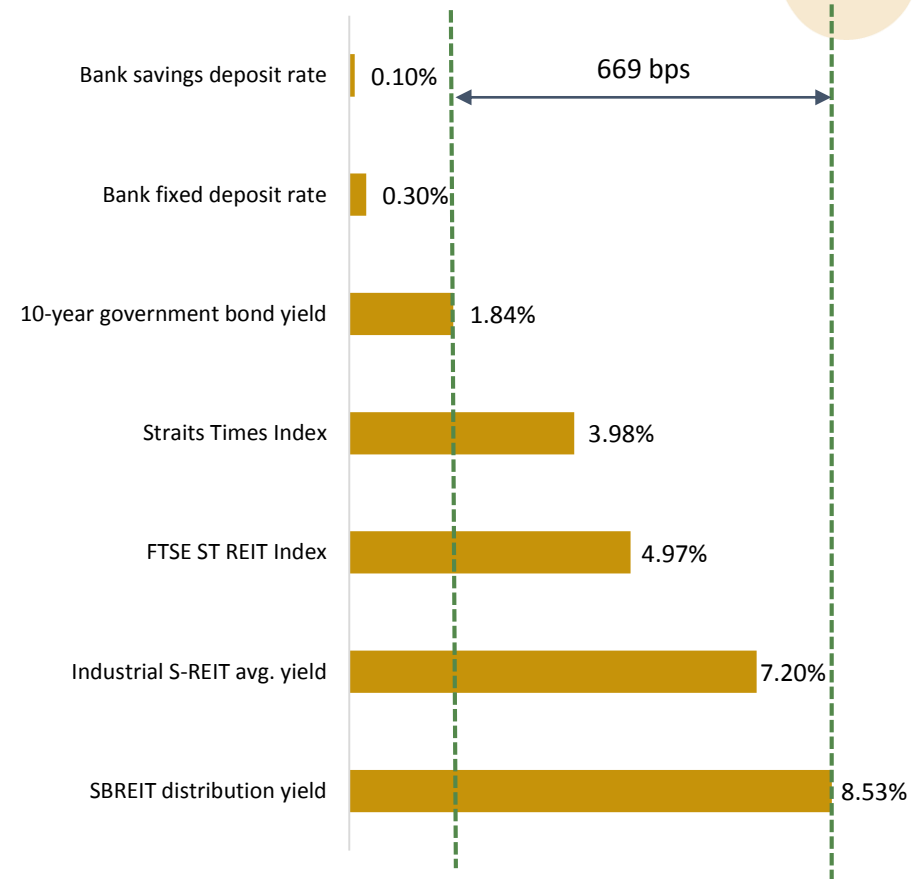
Total Annualised Return of 5.38% ⁽¹⁾ since listing

Distribution Yield = 8.53% ⁽²⁾



Unit trading at 669 bps risk premium ⁽³⁾

above 10-year government bond yield



Notes:

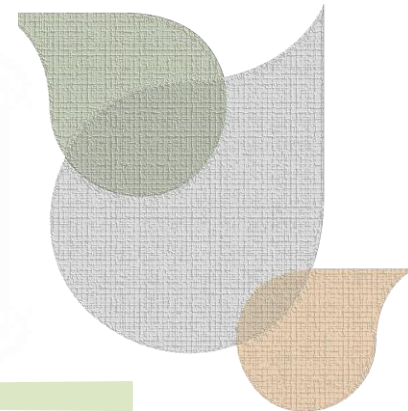
(1) Sum of cumulative distribution return and capital appreciation based on closing price of \$0.730 as at 31 March 2016;

(2) Based on 1Q FY2016 DPU of 1.557 cents (annualised of 6.228 cents) and Unit price of \$0.730 as at 31 March 2016;

(3) Information as at 31 March 2016 except for Industrial S-REIT average yield as at 24 March 2016.

Source: Bloomberg, KGI Fraser Securities

Financial Position / Capital Management



1Q FY2016 Financial Results – Statement of Financial Position

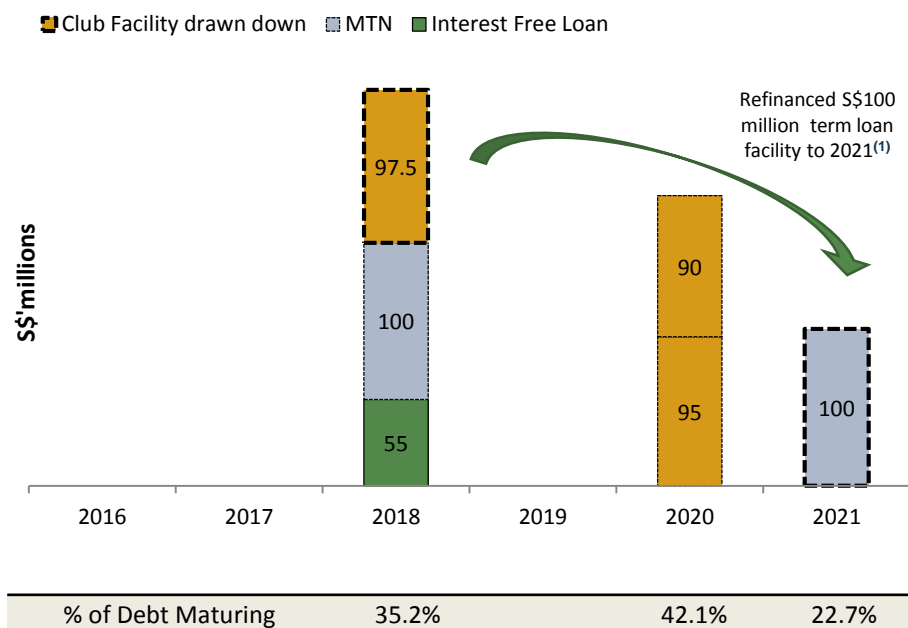
All figures S\$'000 unless otherwise stated	31 March 2016	31 December 2015
Investment Properties	1,190,732	1,190,700
Other Assets	25,614	23,830
Total Assets	1,216,346	1,214,530
Borrowings	428,683	398,502
Other Liabilities	44,227	70,055
Net Assets	743,436	745,973
Units in Issue ('000)	938,010	934,442
Net Asset Value per Unit (S\$)	0.79	0.80

Prudent Capital Management

1) Soilbuild REIT is rated Baa3 by Moody's and BBB- by Standard & Poor's.

2) Lengthened weighted average debt maturity and fixed the interest rate for 100% of borrowings with the latest MTN issuance.

To mitigate interest rate risk, 100%⁽¹⁾ of total debt hedged with interest rate swaps/MTN



3) Aggregate leverage of 36.0%⁽²⁾ allows headroom of S\$81 million⁽³⁾

	Post Refinancing	Pre Refinancing As at 31 March 2016
Total Bank Financing Facilities	S\$185 million	S\$285 million
Total Bank Debt Drawn Down	S\$185 million	S\$282.5 million
Multicurrency Debt Issuance Programme drawn down	S\$200 million	S\$100 million
Interest-free Loan	S\$55 million	S\$55 million
Unencumbered Investment Properties	S\$830 million	S\$512 million
Secured leverage ⁽⁴⁾	15%	23%
Average All-in Interest Cost ⁽⁵⁾	3.36%	3.25%
Interest Coverage Ratio ⁽⁶⁾	NM ⁽⁷⁾	5.0x
Weighted Average Debt Maturity ⁽²⁾	3.6 years	3.0 years

Notes:

- (1) Post refinancing of S\$100 million term loan facility on 8 April 2016.
- (2) Includes interest free loan in relation to the Solaris upfront land premium.
- (3) Based on target aggregate leverage of 40%.
- (4) Secured Debt/Total Assets.
- (5) Excludes interest-free loan.
- (6) Computed based on EBITDA/Net interest expense (Finance expense – Interest income).
- (7) Not meaningful.

Portfolio Update



Portfolio Overview



Tuas Connection

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



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⁾

SEMBAWANG

Portfolio Summary

Valuation ⁽¹⁾	S\$1,190.7 million
Total NLA	3.53 million sq ft
WALE (by GRI)	4.7 years
Occupancy	94.8%



KTL Offshore

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

Second Link
(Tuas Checkpoint)



Technics Offshore

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

PIONEER
BOON LAY

JOO KOON

BUONA VISTA

ONE-NORTH

SIMEI
EXPO

CHANGI

Jurong Port

Tuas Port
(2022)

Jurong Island



NUS
National University
of Singapore

PSA
Terminal

Sentosa

Keppel
Terminal



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

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.

● Industrial Properties ● Business Park Properties

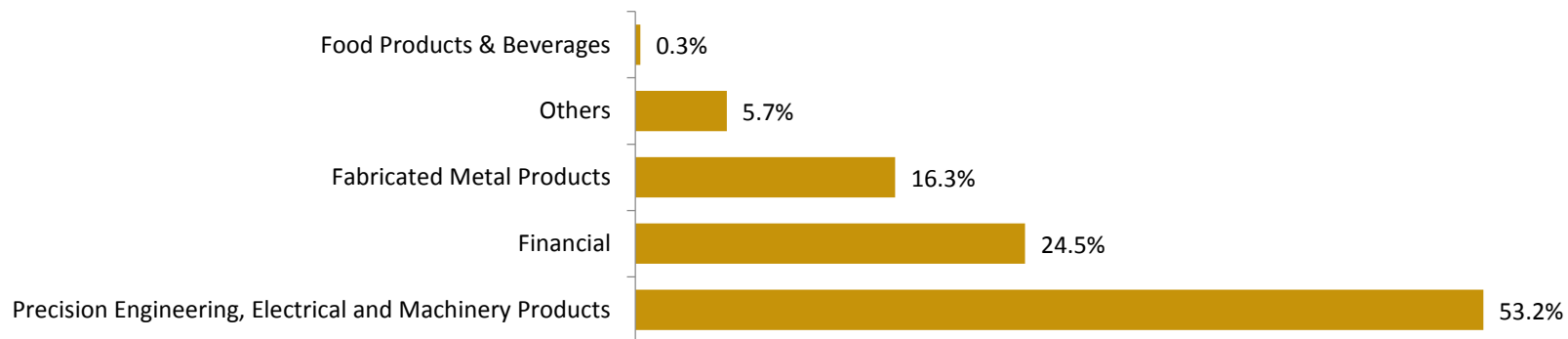
Leasing Update

1Q FY2016

	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal (\$ psf)	Avg. Gross Rent after Renewal (\$ psf)	Rental Reversion
Renewal Leases	7	152,534	\$1.83 ⁽¹⁾	\$1.95 ⁽¹⁾	6.6%
New leases	2	86,563	-	\$1.18 ⁽²⁾	-
Forward Renewal Leases	2	43,823	\$1.64 ⁽²⁾	\$1.63 ⁽²⁾	-0.6%
Total	11	282,920			

Trade sector of leases signed as at 1Q FY2016

By Gross Rental Income



Note:

(1) The average gross rent include both industrial and business park properties;

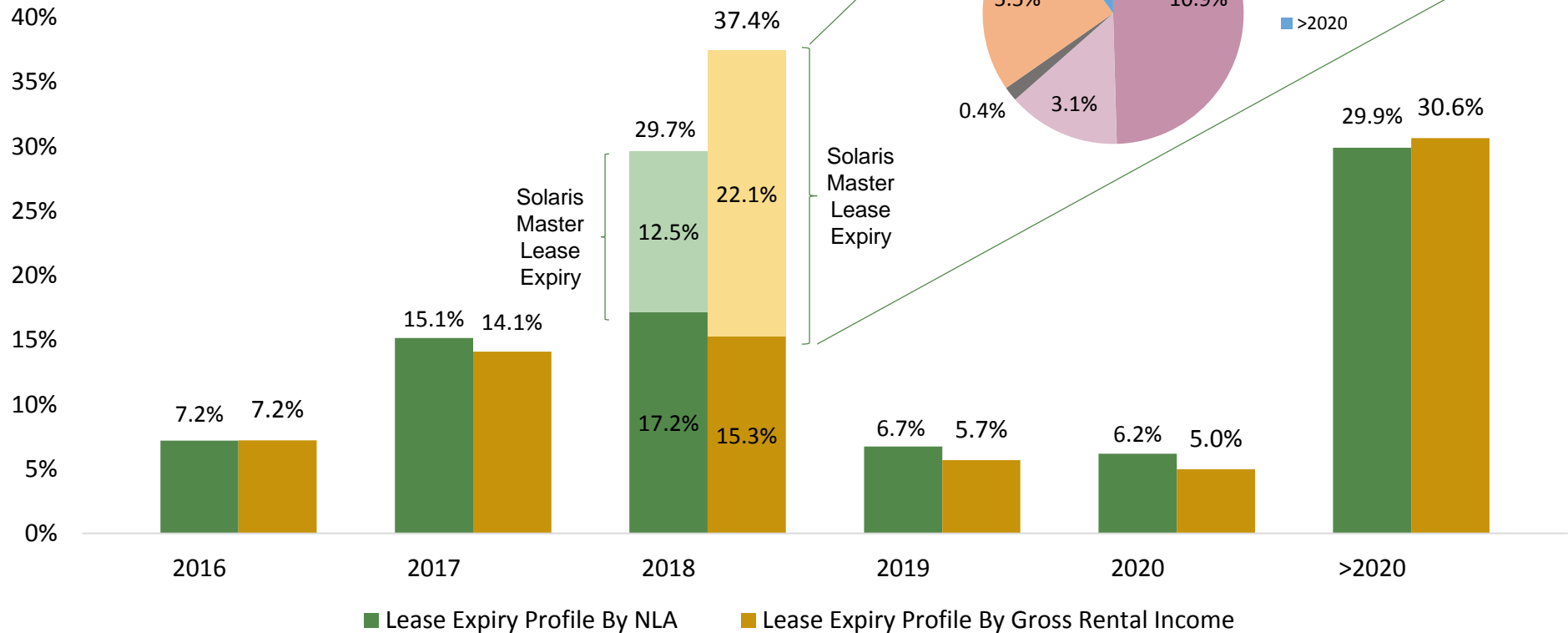
(2) The average gross rent includes solely industrial properties.

Well Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile

By % of NLA & % of Rental Income

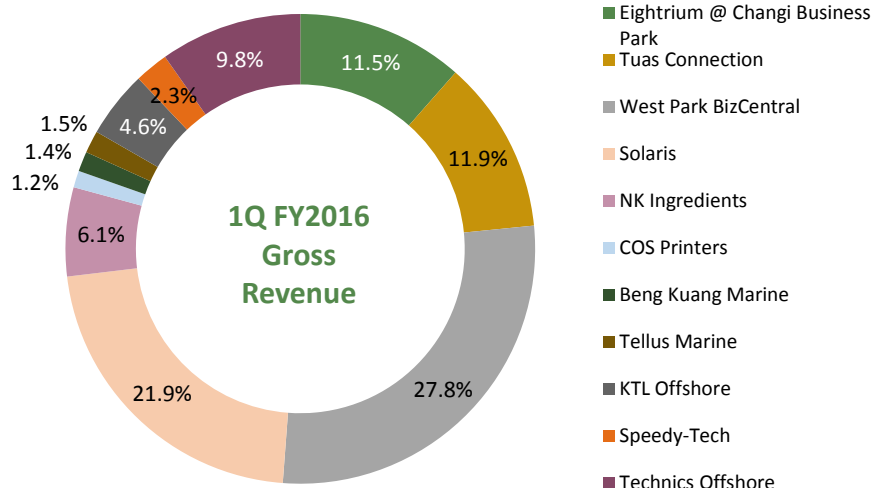
WALE (by NLA)	4.3 years
WALE (by Gross Rental Income)	4.7 years



Well-Diversified Portfolio

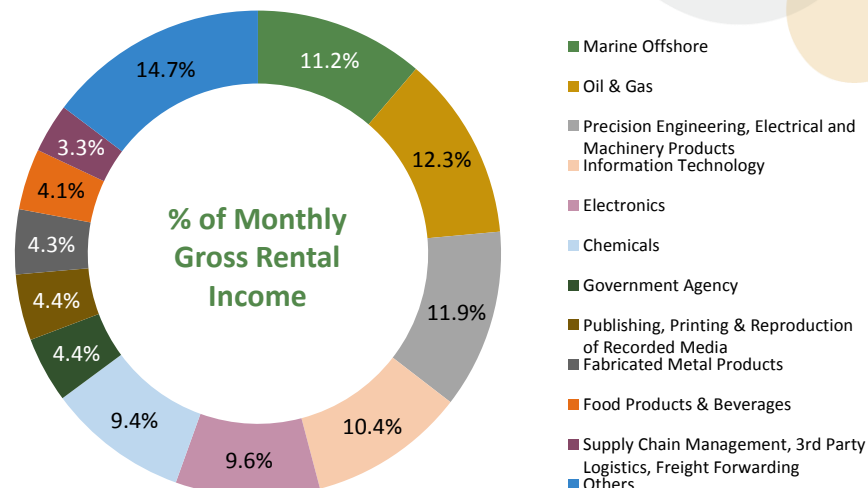
1. Portfolio Income Spread

By Property



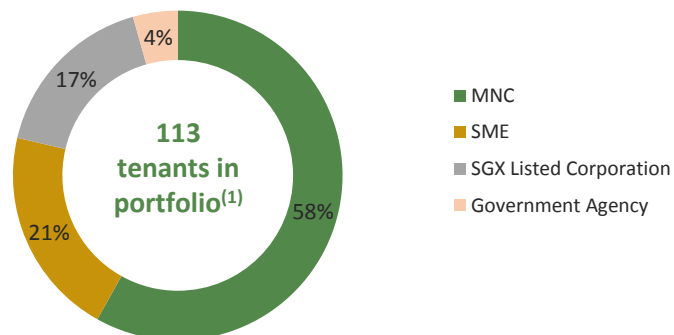
2. Well-spread Trade Sectors⁽¹⁾

By Gross Rental Income



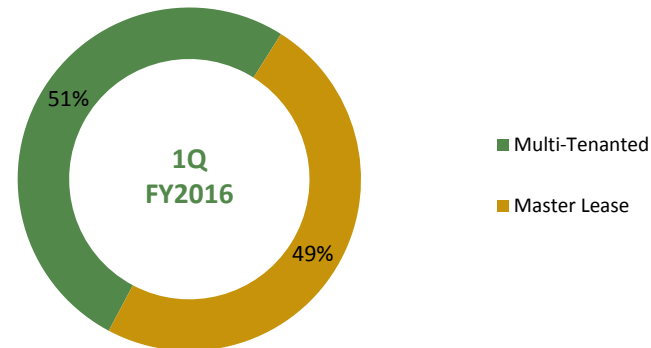
3. Diversified Tenant Base

By Gross Rental Income



4. Balanced Portfolio with Growth Upside

By Gross Rental Income



Note:

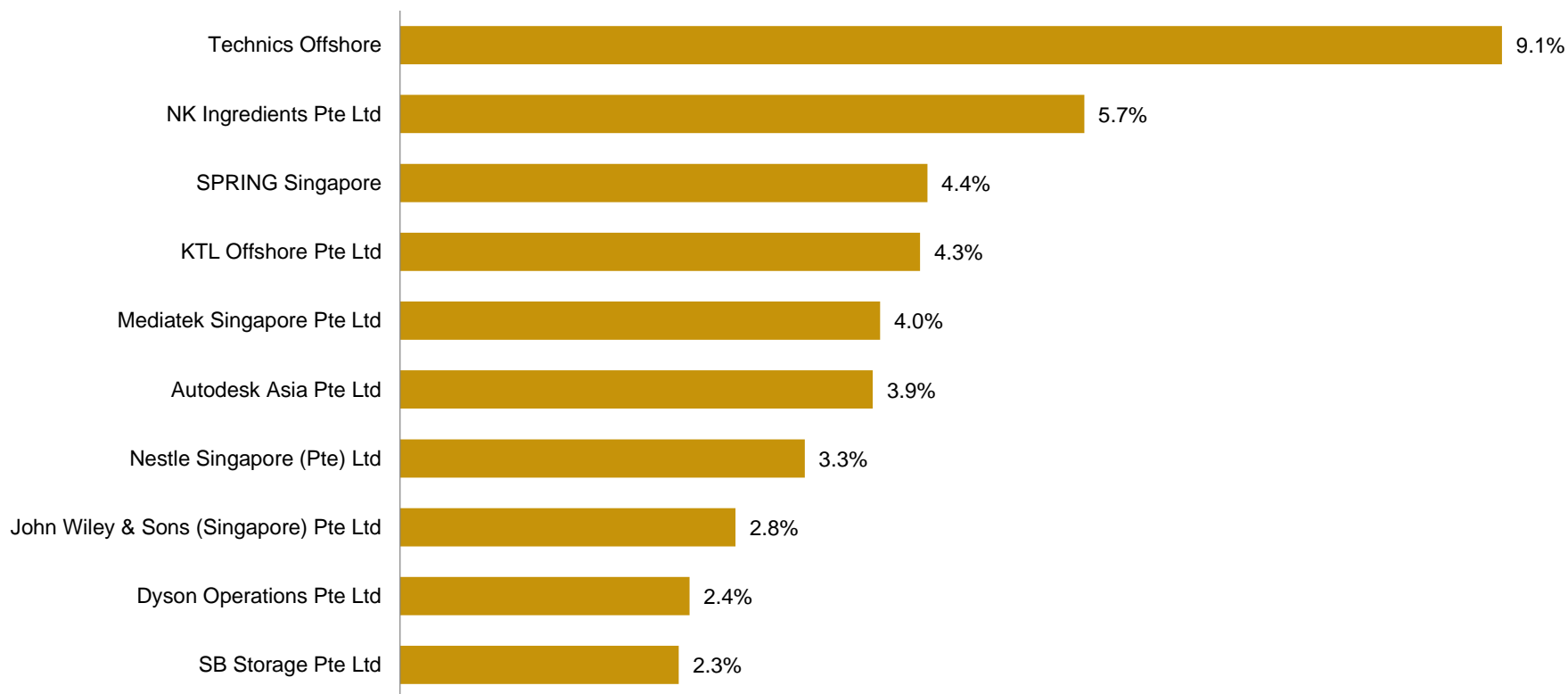
(1) Inclusive of underlying tenants at Solaris

Quality & Diverse Tenant Base

Top 10 Tenants

By Gross Rental Income ⁽¹⁾

Top 10 tenants contribute 42.2% of monthly gross rental income.



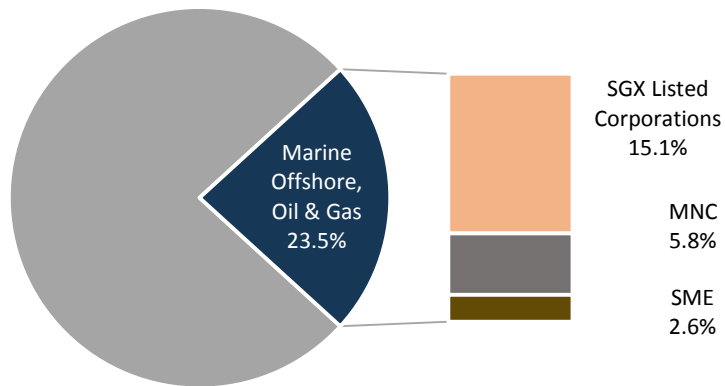
Notes:

(1) Based on monthly gross rental and includes underlying tenants at Solaris as at 31 March 2016.

Diversified Risk Exposure

Marine Offshore and Oil & Gas Tenants⁽¹⁾

By Gross Rental Income



Stress Test

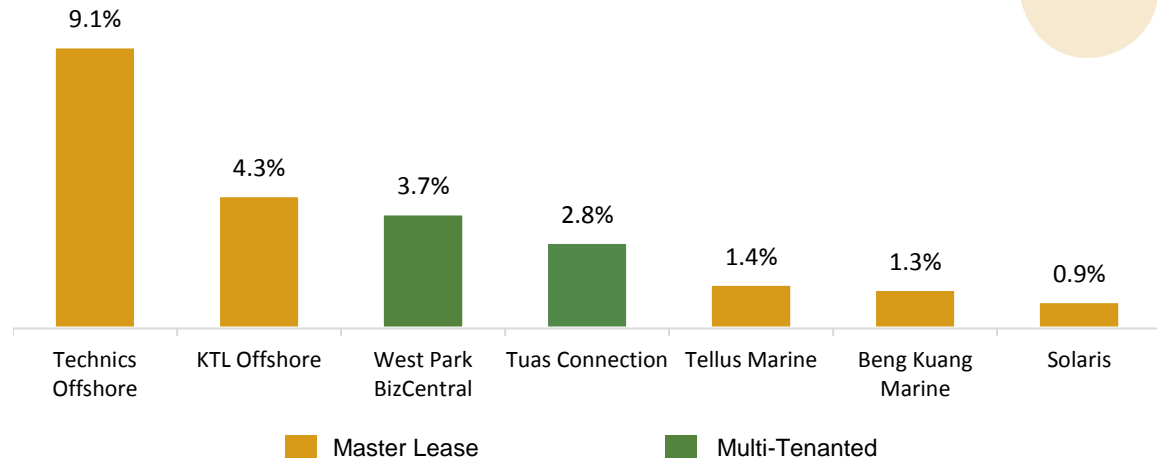
Banking Facility Financial covenants	1Q FY2016	1Q FY2016 assuming no receipts from at-risk tenants ⁽²⁾
Ratio of total net cash available for debt servicing to total interest expense ⁽³⁾	6.3:1	4.6:1

Note:

- (1) Inclusive of underlying tenants at Solaris as at 31 March 2016.
- (2) At risk tenants include all tenants in oil & gas/offshore marine apart from underlying tenants in Solaris
- (3) Computed based on the definition stated in the bank loan facility agreement.

Diversified Exposure by Property⁽¹⁾

By Gross Rental Income



Risk Management

- 🌿 **Active Engagement** with tenants on business directives
- 🌿 **12 to 18 months** rental deposits for Master Leases
- 🌿 **3 to 5 months** rental deposits for leases in Multi-Tenanted Buildings
- 🌿 **Risk Diversifications** whereby Marine Offshore and Oil & Gas sectors consist of 20 tenants

Growing Cashflows from Master Leases

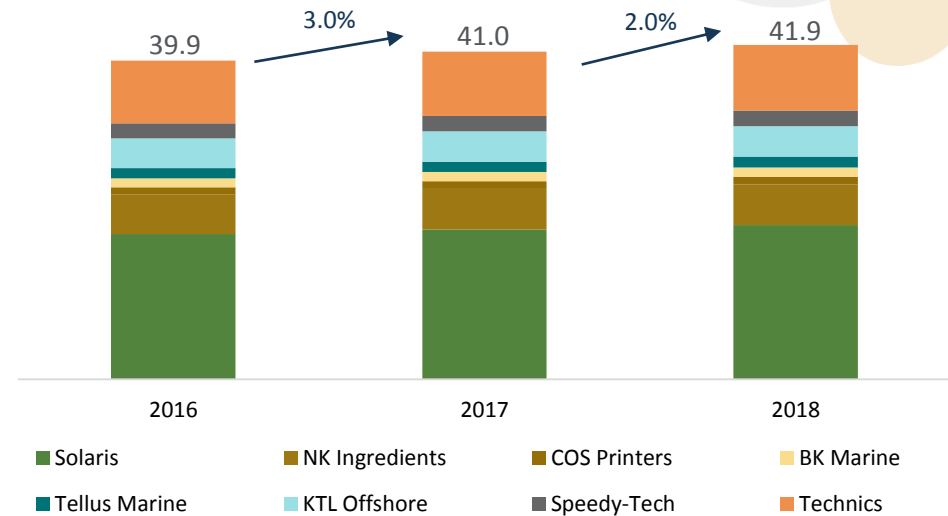
Long-term Master Leases

Lease Term from start of Master Lease Agreement

	Master Lease Property	Date of Acquisition	Lease Term
1	Technics Offshore	27 May 2015	15 Years
2	NK Ingredients	15 February 2013	15 Years
3	COS Printers	19 March 2013	10 Years
4	Tellus Marine	26 May 2014	10 Years
5	Speedy-Tech	23 December 2014	10 Years
6	Beng Kuang Marine	10 May 2013	7 Years
7	KTL Offshore	31 October 2014	7 Years
8	Solaris	16 August 2013	5 Years

Fixed Annual Rental Escalation of Master Leases

Rental Revenue (S\$ million)



Expected Stable and Growing Cash Flows from the Master Leases

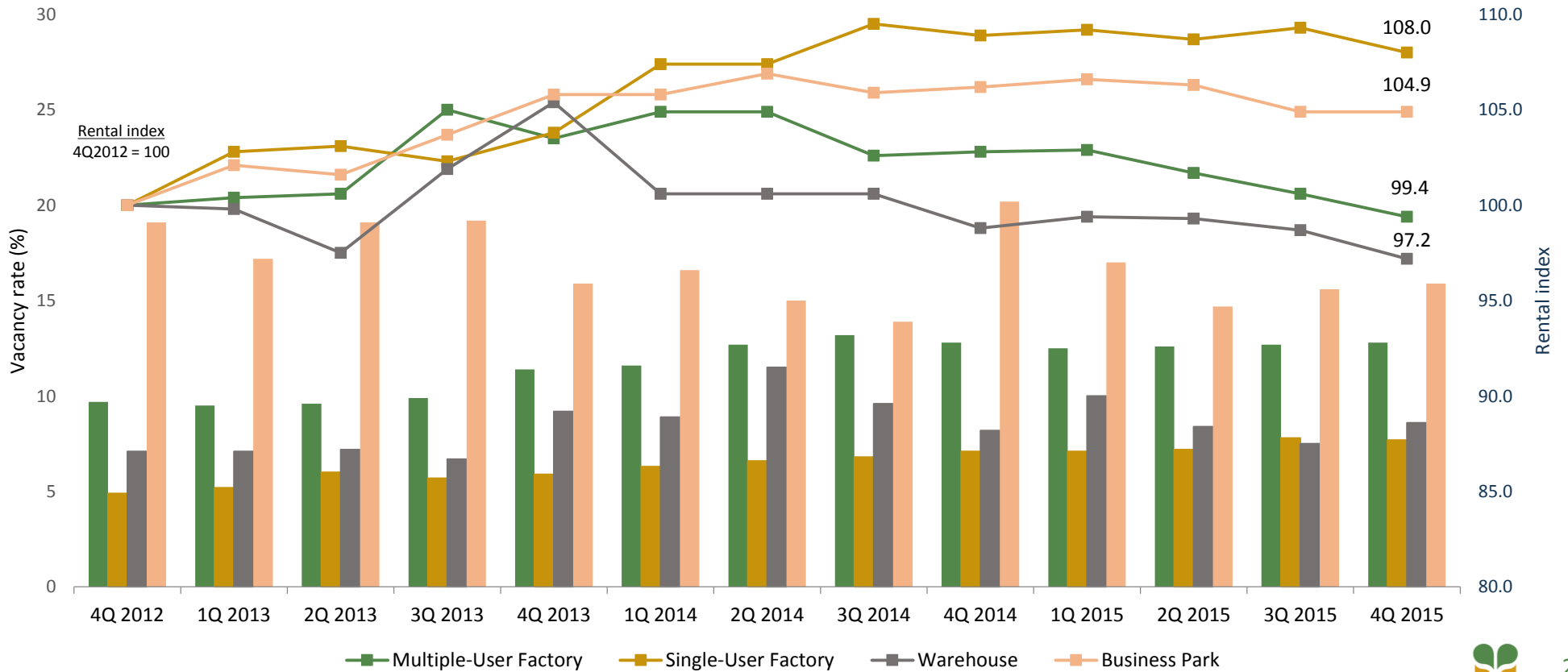
- 1 Master Leases feature long term leases ranging from 5 to 15 years provides **stability**
- 2 Master Leases provide **organic growth** through annual or bi-annual rental escalations
- 3 Master Leases structured on a double and triple net lease basis, **minimising expenses** to Soilbuild REIT
- 4 **Risk mitigation** through 6-18 month rental deposits from Master Lessees and blue chip sub-tenant base

Market Update and Outlook



Industrial Properties Profile

(4Q 2012 vs 4Q2015)	Multi-user	Single-user	Warehouse	Business Park
Vacancy Rate (%)	↑ 3.1%	↑ 2.8%	↑ 1.5%	↓ 3.2%
Rental Index	↓ 0.6%	↑ 8.0%	↓ 2.8%	↑ 4.9%



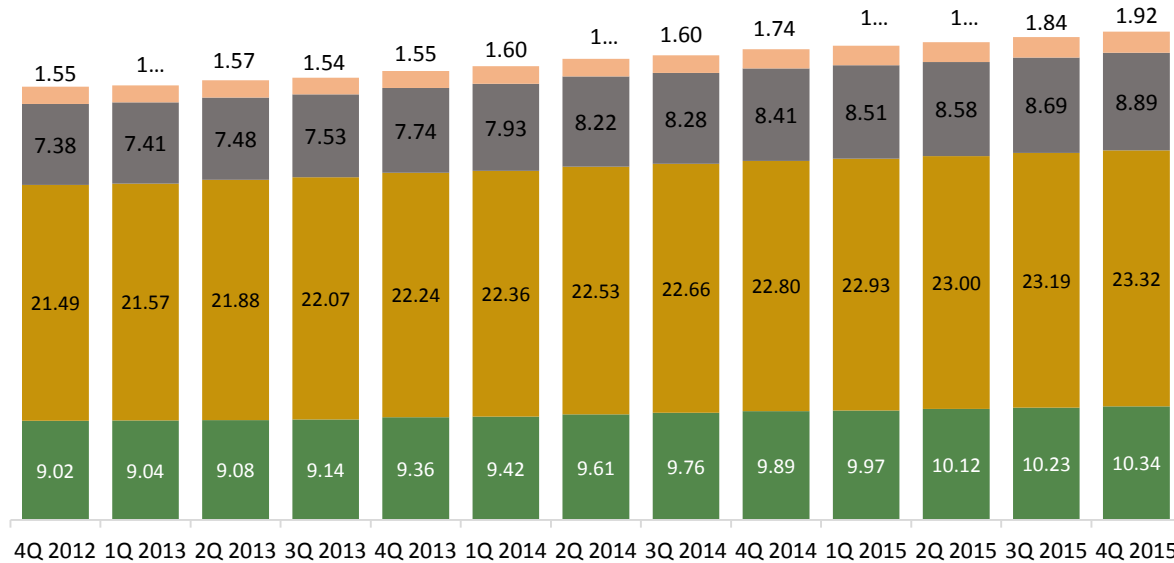
Source: JTC (4Q 2015)

Industrial Space Supply

Total Industrial Stock ('million sq m)

↑ **12.9%** since 4Q2012

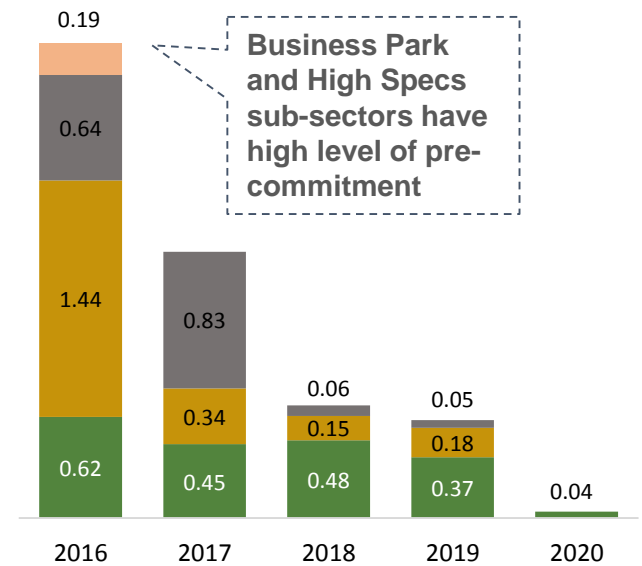
39.4	39.6	40.0	40.3	40.9	41.3	42.0	42.3	42.8	43.2	43.5	44.0	44.5
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■ Multiple-User Factory
 ■ Single-User Factory
 ■ Warehouse
 ■ Business Park
 ↑ **14.6%**
 ↑ **8.5%**
 ↑ **20.5%**
 ↑ **23.9%**

Total Industrial Supply in the Pipeline

2.89	1.62	0.69	0.60	0.04
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Business Park and High Specs sub-sectors have high level of pre-commitment

■ Multiple-user factory
 ■ Single-user factory
■ Warehouse
 ■ Business Park

Source: JTC (4Q 2015)

Market Update and Outlook

Singapore's Economy

- Based on advance estimates released by the Ministry of Trade and Industry, Singapore's economy in 1Q 2016 grew by 1.8% year-on-year, unchanged from the previous quarter. Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter.
- Purchasing Managers' Index for March 2016 rose to 49.4 from 48.5 in the preceding month, registering the highest reading since December 2015.
- Factory activity continues to contract over nine consecutive months although new orders, exports, factory output and manufacturing employment have improved.

Industrial Property Sector

- With the slowdown in the manufacturing sector, rentals of all industrial properties softened by 1.1% in 4Q 2015 over the preceding quarter.
- While business park rental index remained flat, indices for multi-user and single-user factories both contracted 1.2% quarter-on-quarter, and warehouse contracted 1.5% over the previous quarter.

Soilbuild Business Space REIT

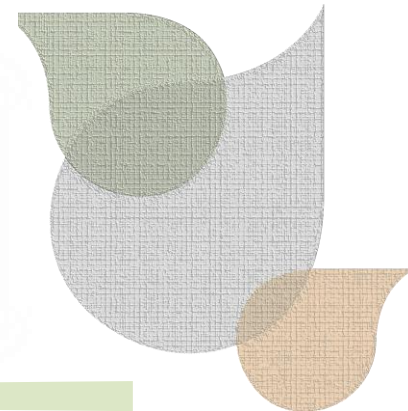
- Despite the slow market conditions, the Manager has proactively negotiated and secured renewals and new leases for over 280,000 sq ft of space as at 31 March 2016.
- The challenge ahead is to re-let the vacant space and renew 7.2% or 250,000 sq feet of leases that are expiring for the rest of the year.

Thank You

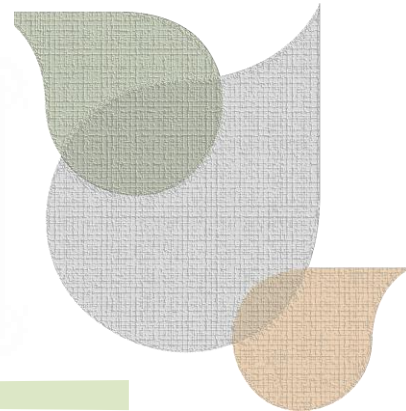
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Appendix



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 ⁽²⁾	FY2015 Gross Rental (\$\$ Mil)	Carrying Value ⁽³⁾ (\$\$ 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	92.3%	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	86.3%	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 ⁽⁴⁾
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 ⁽⁵⁾	97.0
Total Portfolio				3,537,783				94.8%	82.3⁽⁴⁾	1,190.7

Notes:

(1) As at date of acquisition;

(2) As at 31 March 2016;

(3) Based on CBRE's & Colliers' valuations dated 31 December 2015;

(4) NLA and Valuation excludes the construction of a new annex to Tellus Marine;

(5) Annualised Gross Rental Income for FY2015.