

Citi ASEAN C-Suite Conference

25 May 2017



Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the first quarter from 1 January 2017 to 31 March 2017 (hereinafter referred to 1Q 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.

Nothing in this presentation should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors.

This presentation may contain forward-looking statements that involve risks, uncertainties and assumptions. Future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

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.

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.

Agenda

04	Key Highlights	06	1Q FY2017 Financial Performance	11	Financial Position / Capital Management
15	Portfolio Update	26	Market Update and Outlook	31	Appendix

Key Highlights



Key Highlights of 1Q FY2017

1Q FY2017 Results

- Year-on-year (“y-o-y”) gross revenue grew to S\$22.0 million and net property income (“NPI”) rose by 11.7% to S\$19.2 million.
- Distributable income increased 6.6% y-o-y to S\$15.6 million from S\$14.6 million in 1Q FY2016.
- Distribution per Unit (“DPU”) was 1.489 cents in 1Q FY2017 compared to 1.557 cents in 1Q FY2016, primarily due to payment of property management (“PM”) and lease management (“LM”) fees in cash.
- Adjusted 1Q FY2017 DPU assuming payment of PM and LM fees in Units is 1.539 cents.

Corporate and Capital Management

- Weighted average all-in cost of debt is 3.37% p.a. as at 31 March 2017.
- Weighted average debt maturity stands at 2.6 years.
- Interest rate exposure is 86.5% fixed for a weighted average term of 1.7 years.
- Unencumbered investment properties in excess of S\$883 million (71% of total investment properties).

Portfolio Update

- Portfolio occupancy rate of 91.8% as at 31 March 2017.
- Weighted average lease expiry (by gross rental income) stands at 3.3 years.
- Close to 160,000 sq ft of new leases signed as at 31 March 2017.
- Successfully completed 100,000 sq ft of renewals and forward renewals.

Financial Performance 1Q FY2017



1Q FY2017 Financial Results

For the period from 1 January to 31 March (S\$'000)	1Q FY2017	1Q FY2016	Variance
Gross Revenue	21,985	20,142	9.2%
Less Property Expenses	(2,772)	(2,949)	6.0%
Net Property Income	19,213	17,193	11.7%
Interest Income	434	236	83.9%
Finance Expenses	(3,926)	(3,296)	(19.1%)
Manager's Fees	(1,557)	(1,461)	(6.6%)
Trustee's Fees	(51)	(50)	(2.0%)
Other Trust Expenses	(257)	(254)	(1.2%)
Net Income	13,856	12,368	12.0%
Add back Non-Tax Deductible Items ⁽¹⁾	1,717	2,241	(23.4%)
Distributable Income	15,573	14,609	6.6%

Note:

(1) Non-tax deductible items comprise the Manager's management fees payable in Units, rent free amortisation, the Trustee's fees, amortisation of debt arrangement and prepayment fees. (1QFY2016: Includes property management and lease management fees payable in Units and bank commitment fees.)

Assuming the 1Q FY2017 property management fees and lease management fees were payable in Units, non-tax deductible items would have been S\$2,241k (consistent with 1Q FY2016) and income available for distribution to Unitholders would have been S\$16,097k ("adjusted distributable income").

Distribution per Unit

1Q FY2017 vs 1Q FY2016

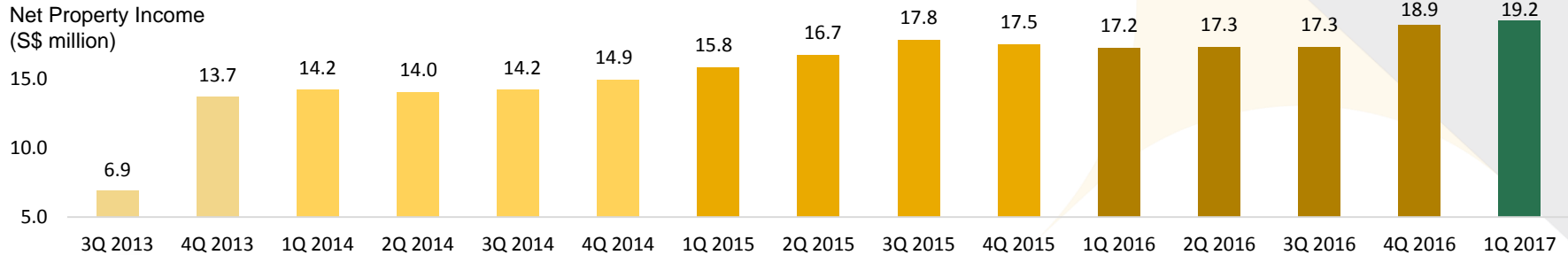
	1Q FY2017	1Q FY2016	Variance
Distributable Income (S\$'000)	15,573	14,609	6.6%
Distribution per Unit ("DPU") (cents)	1.489	1.557	(4.4%)
<i>Adjusted DPU (cents)</i>	<i>1.539⁽¹⁾</i>	<i>1.557</i>	<i>(1.2%)</i>
Annualised Distribution Yield	8.8% ⁽²⁾	8.5% ⁽³⁾	0.3%
Units in Issue ⁽⁴⁾	1,045,532,628	938,010,400	11.5%

Note:

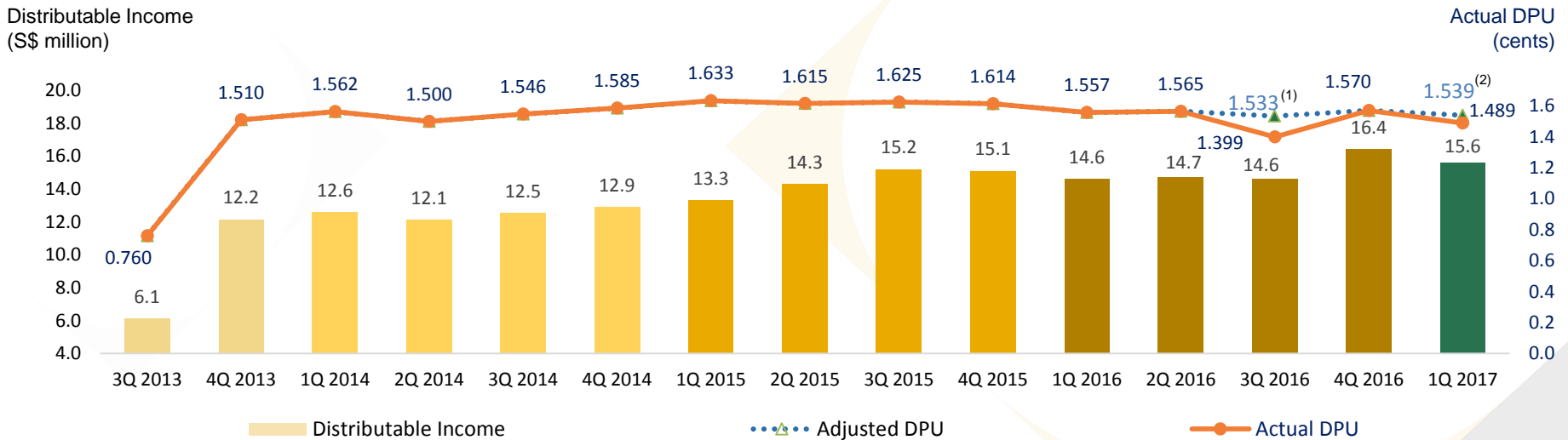
- (1) Assuming property and lease management fees for 1Q FY2017 were payable in Units.
- (2) Based on the closing price of S\$0.675 as at 31 March 2017.
- (3) Based on the closing price of S\$0.730 as at 31 March 2016.
- (4) Based on Units in issue as at 31 March.

Steady Growth Since IPO

Growing NPI



Stable DPU



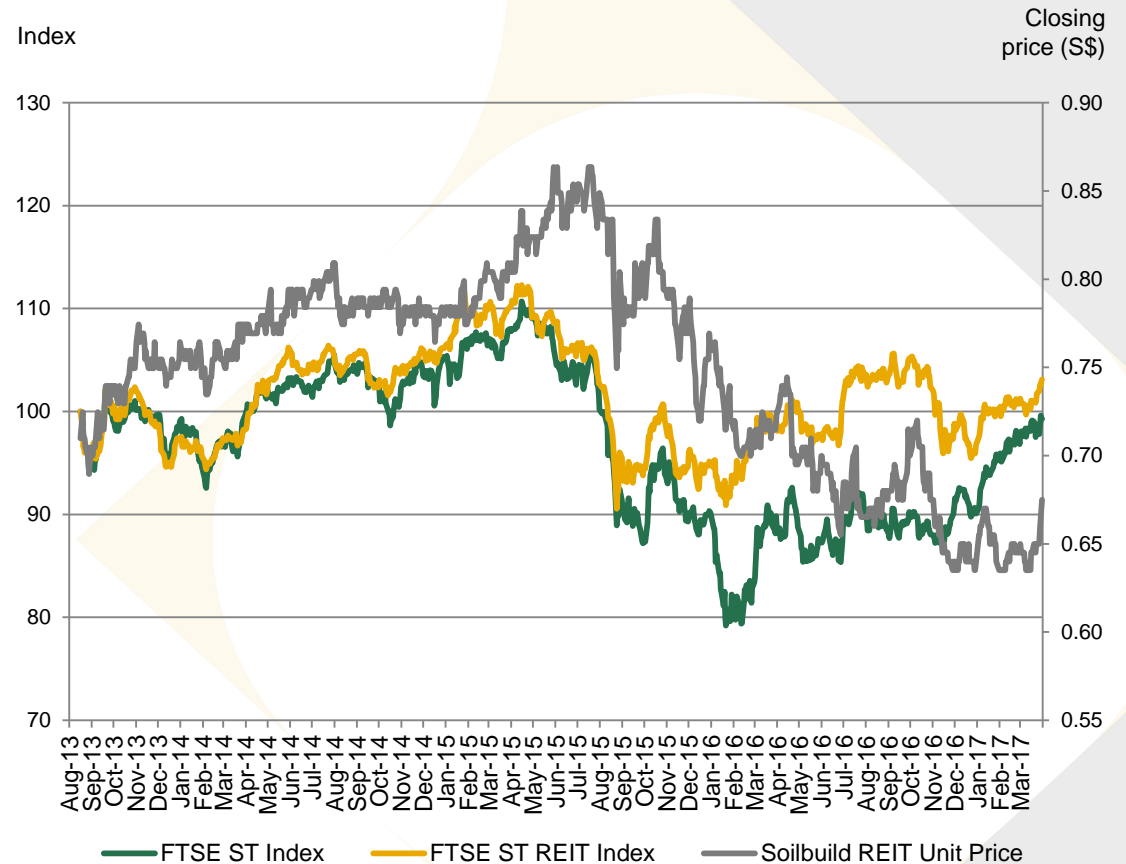
- Note:
- (1) The adjustment excludes the issuance of 94,353,672 new Units pursuant to the Preferential Offering and 1,528,571 new Units for the payment of acquisition fee at an issuance price of S\$0.63 per unit, as well as the revenue and associated borrowing costs relating to the acquisition of Bukit Batok Connection which was completed on 27 September 2016.
 - (2) Assuming property and lease management fees for 1Q FY2017 remained payable in Units, the adjusted DPU would have been 1.539 cents.

Steady Growth Since IPO

Cumulative DPU of 22.53 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	17.1
4Q 2015	0.770	14.95	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

Distribution Yield = 8.8%⁽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 annualised FY2017 DPU of 5.956 cents and Unit price of \$0.675 as at 31 March 2017.

Source: Bloomberg

Financial Position / Capital Management



1Q FY2017 Financial Results – Statement of Financial Position

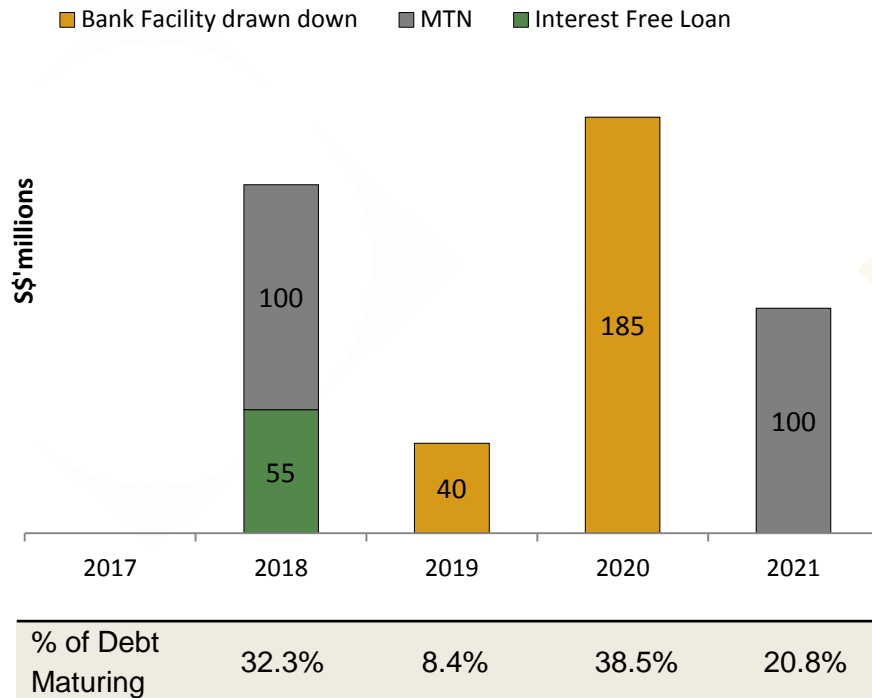
(S\$'000)	31 March 2017	31 December 2016
Investment Properties	1,243,765	1,243,700
Other Assets	34,764	31,791
Total Assets	1,278,529	1,275,491
Borrowings	473,123	472,349
Other Liabilities	54,096	51,439
Net Assets	751,310	751,703
Units in Issue ('000)	1,045,533	1,042,174
Net Asset Value per Unit (S\$)	0.72	0.72

Prudent Capital Management

- 1) Soilbuild REIT is rated Baa3/negative by Moody's.
- 2) Fixed interest rate for 86.5% of borrowings for a weighted average term of 1.7 years⁽¹⁾.

- 3) Aggregate leverage of 37.5%⁽¹⁾ allows headroom of S\$52 million⁽²⁾

← **No refinancing requirements till 2018** →



	31 March 2017
Total Bank Financing Facilities	S\$230 million
Total Bank Debt Drawn Down	S\$225 million
Multicurrency Debt Issuance Programme drawn down	S\$200 million
Interest-free Loan	S\$55 million
Unencumbered Investment Properties	S\$883 million
Secured leverage ⁽³⁾	14.5%
Average All-in Interest Cost ⁽⁴⁾	3.37% p.a.
Interest Coverage Ratio ⁽⁵⁾	5.0x
Weighted Average Debt Maturity ⁽¹⁾	2.6 years

Notes:

- (1) Includes interest free loan in relation to the Solaris upfront land premium.
- (2) Based on target aggregate leverage of 40%.
- (3) Secured Debt/Total Assets.
- (4) Excludes interest-free loan.
- (5) Computed based on 1Q FY2017 EBITDA/Net interest expense (Finance expense – Interest income).

Interest Rate Risk Management

Assuming no re-financing and entry into new interest rate swaps in FY2017:

Interest Rate Increase	Increase in FY2017 finance expense (\$'000)	As a % of Annualised FY2017 Finance Expenses	As a % of Annualised FY2017 Distributable Income	Impact on Annualised FY2017 DPU (in cents)	Increase in FY2017 Weighted Average Borrowing Cost
0.25%	181	1.1%	0.3%	0.017	0.02%
0.50%	362	2.3%	0.6%	0.035	0.06%
0.75%	543	3.4%	0.9%	0.052	0.11%
1.00%	724	4.5%	1.2%	0.069	0.15%

Portfolio Update



Portfolio Overview

- Business Park Properties
- Industrial Properties



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



Tuas Connection
 NLA: 651,072 sq ft
 Valuation: S\$122.0 million

Portfolio Summary⁽¹⁾


Valuation ⁽²⁾	S\$1,243.8 million
Total NLA	3.93 million sq ft
WALE (by GRI)	3.3 years
Occupancy	91.8%



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



Loyang Way
 NLA: 203,468 sq ft
 Valuation: S\$65.0 million



Eightrium
 NLA: 177,286 sq ft
 Valuation: S\$101.0 million




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




Speedy-Tech
 NLA: 93,767 sq ft
 Valuation: S\$25.0 million



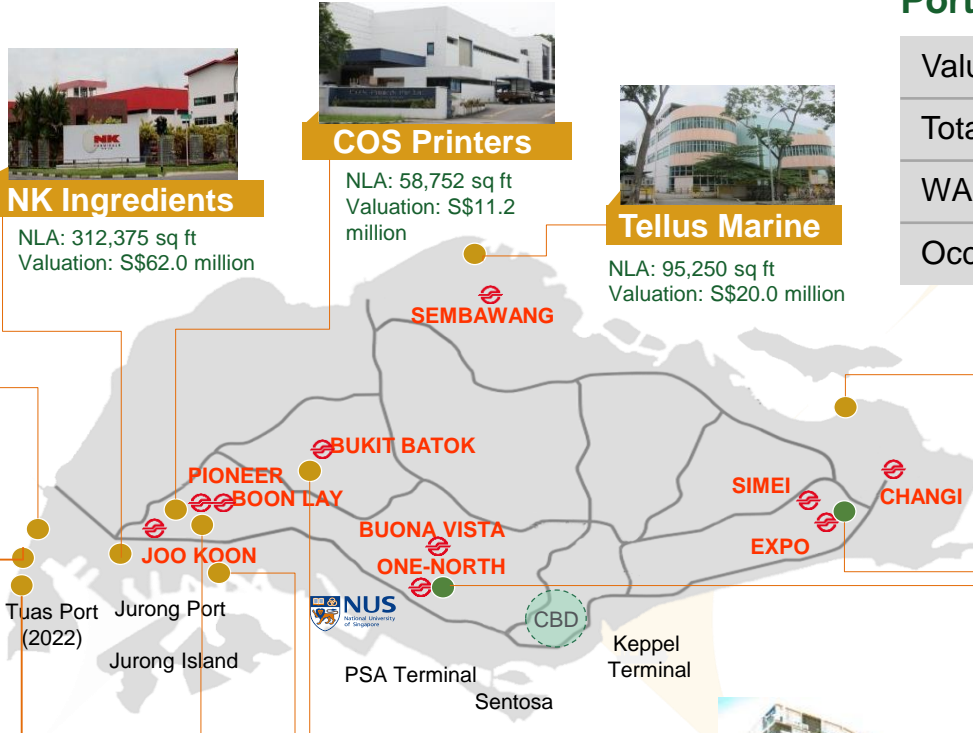
West Park BizCentral
 NLA: 1,240,583 sq ft
 Valuation: S\$306.0 million



Bukit Batok Connection
 NLA: 377,776 sq ft
 Valuation: S\$99.0 million



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

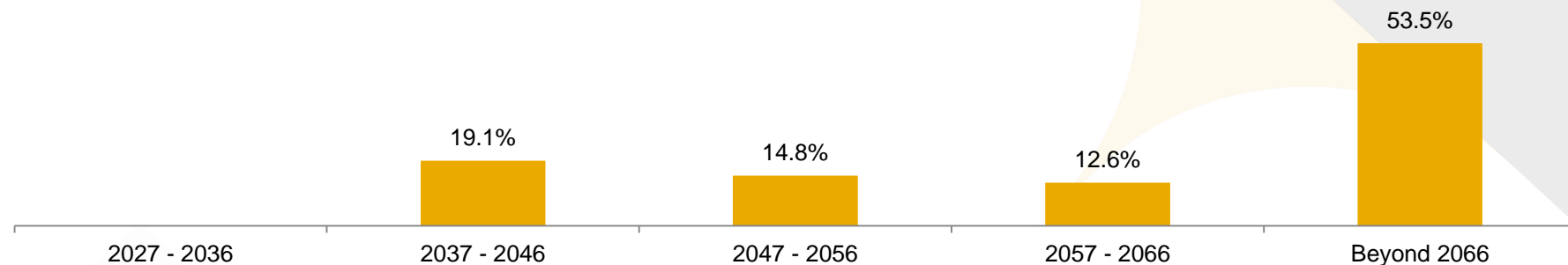


Notes:
 (1) Information as at 31 March 2017;
 (2) Based on Knight Frank's & Colliers' valuations dated 31 December 2016 and capital expenditure in 1Q FY2017.

Long Land Lease Expiry

Percentage of Unexpired Land Lease Term

By Valuation

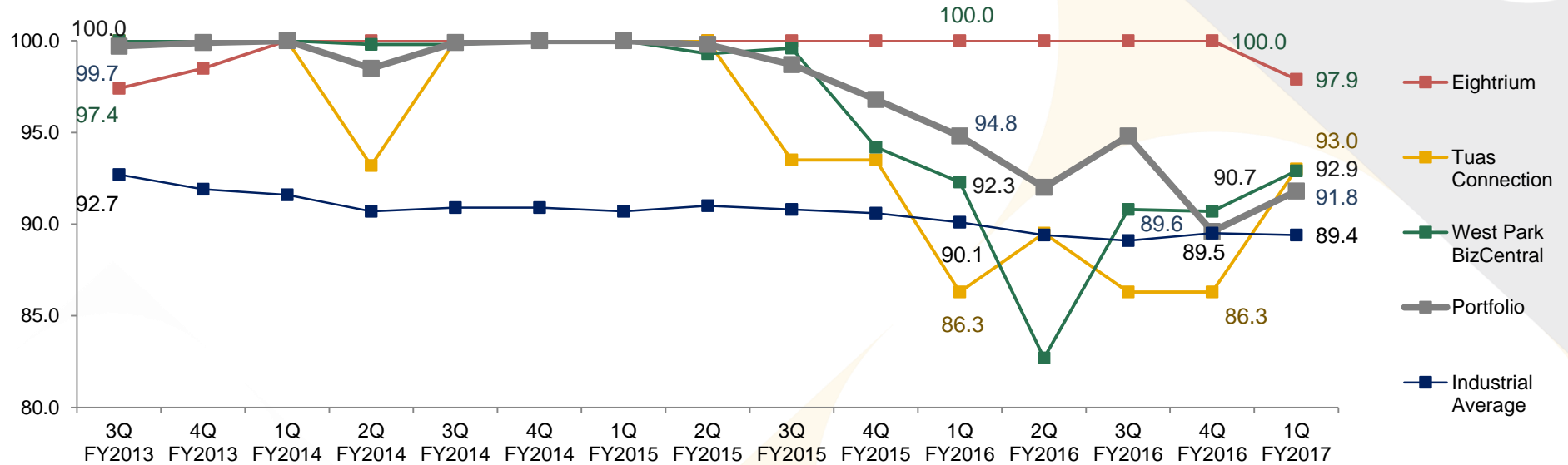


Long Land Lease Tenure of 43.5 Years (by valuation)

Property	Acquisition Date	Land Lease Expiry Date	Valuation (S\$m) (as at 31 Dec 2016)
Solaris	16-Aug-13	31-May-68	360.0
Eightrium	16-Aug-13	15-Feb-66	101.0
West Park BizCentral	16-Aug-13	31-Jul-68	306.0
Tuas Connection	16-Aug-13	30-Sep-50	122.0
NK Ingredients	15-Feb-13	30-Sep-46	62.0
COS Printers	19-Mar-13	31-Jul-42	11.2
Beng Kuang Marine	10-May-13	29-Oct-56	16.5
Tellus Marine (Phase 1)	26-May-14	15-Feb-54	20.0
Tellus Marine (Phase 2)	25-Nov-16		
KTL Offshore	31-Oct-14	18-Jul-66	56.0
Speedy-Tech	23-Dec-14	30-Apr-50	25.0
72 Loyang Way	27-May-15	20-Mar-38	65.0
Bukit Batok Connection	27-Sep-16	25-Nov-42	99.0

Portfolio Occupancy

Occupancy (%)



	3Q 2013	4Q 2013	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
Eightrium	97.4%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.9%
Tuas Connection	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	100.0%	93.5%	93.5%	86.3%	89.5%	86.3%	86.3%	93.0%
West Park BizCentral	100.0%	100.0%	100.0%	99.8%	99.8%	100.0%	100.0%	99.3%	99.6%	94.2%	92.3%	82.7%	90.8%	90.7%	92.9%
Portfolio	99.8%	99.9%	100.0%	98.5%	99.9%	100.0%	100.0%	99.8%	98.7%	96.8%	94.8%	92.0%	94.8%	89.6%	91.8%⁽¹⁾
Industrial Average ⁽²⁾	92.7%	91.9%	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%

Notes:

- (1) Inclusive of 9.9% occupancy at 72 Loyang Way.
- (2) Source: JTC statistics as at 1Q 2017

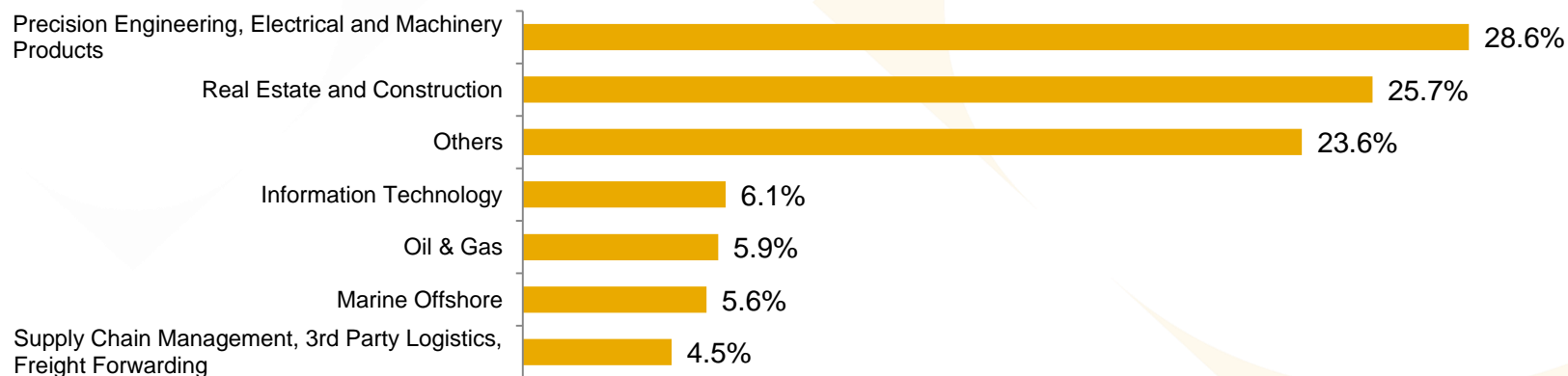
Leasing Update

1Q FY2017

	No. of Leases	Area (sqft)	Avg. Gross Rent before Renewal (\$ psf)	Avg. Gross Rent after Renewal (\$ psf)	Rental Reversion
Renewal leases	3	73,744	\$1.11 ⁽¹⁾	\$1.15 ⁽¹⁾	3.6%
New leases	12	156,067	-	\$1.52 ⁽²⁾	-
Forward renewal leases	2	27,309	\$1.67 ⁽¹⁾	\$1.57 ⁽¹⁾	(6.0%)
Total	17	257,120			

Trade sector of leases signed as at 1Q FY2017

By Gross Rental Income



Note:

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

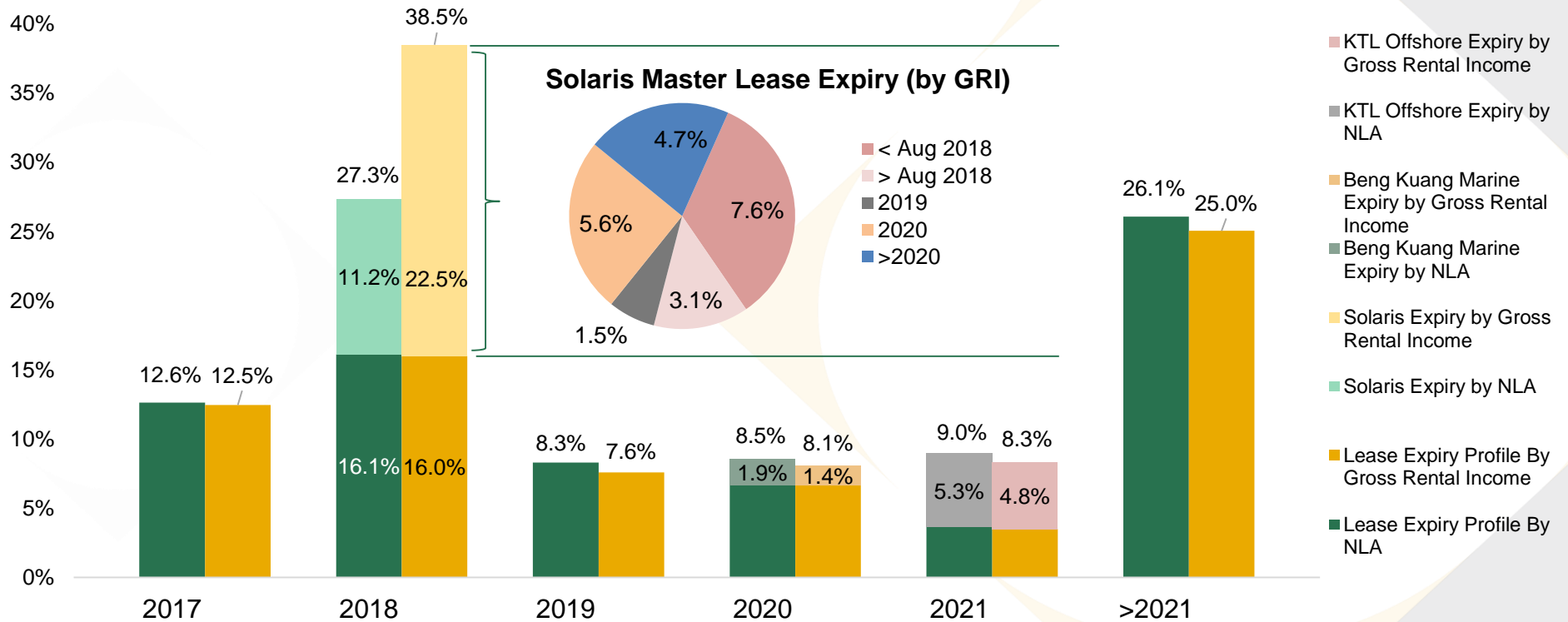
(2) The average gross rent includes both industrial and business park properties.

Well Staggered Lease Expiry

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

WALE of new leases which commenced in 1Q FY2017 was 5.0 years (by GRI)

WALE of new leases signed in 1Q FY2017 was 3.8 years (by GRI)

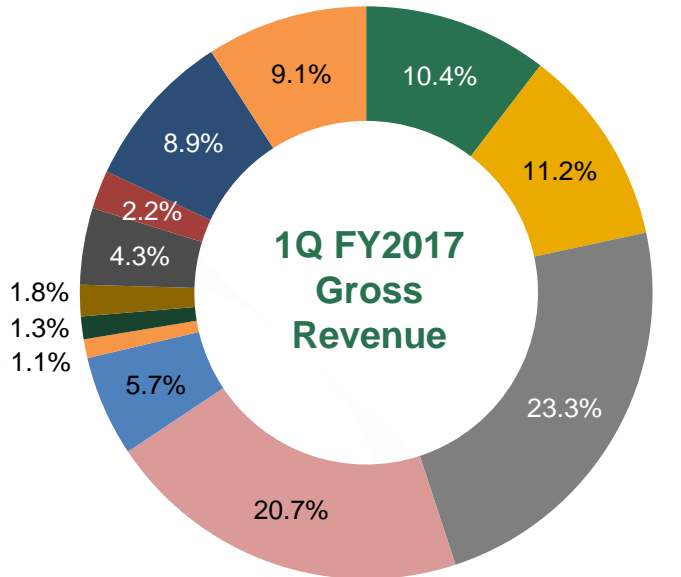


Note:
(1) Information as at 31 March 2017.

Well diversified Portfolio

Portfolio Income Spread

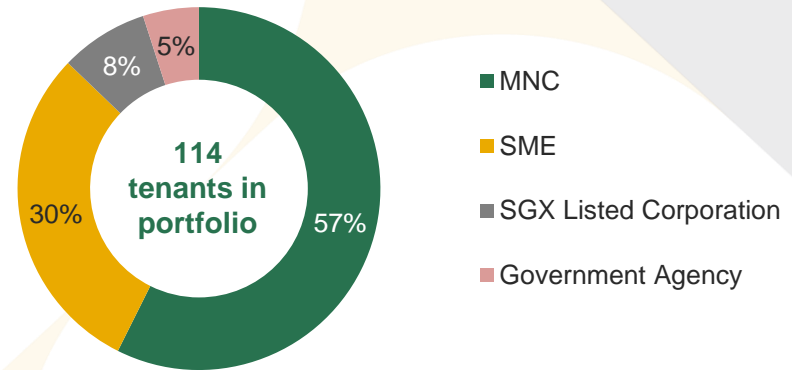
By Property



- Eightrium @ Changi Business Park
- West Park BizCentral
- NK Ingredients
- Beng Kuang Marine
- KTL Offshore
- 72 Loyang Way
- Tuas Connection
- Solaris
- COS Printers
- Tellus Marine
- Speedy-Tech
- Bukit Batok Connection

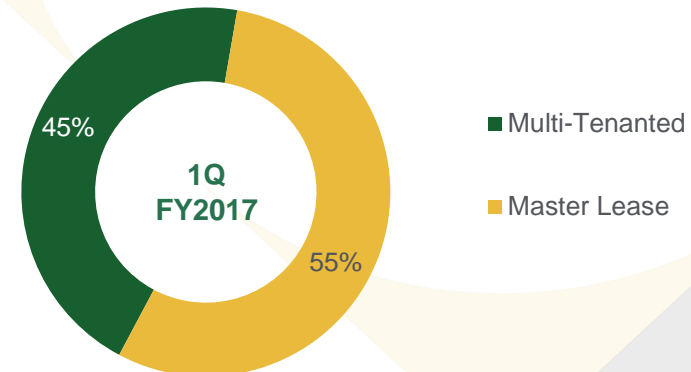
Diversified Tenant Base

By Gross Rental Income



Balanced Portfolio with Growth Upside

By Gross Rental Income

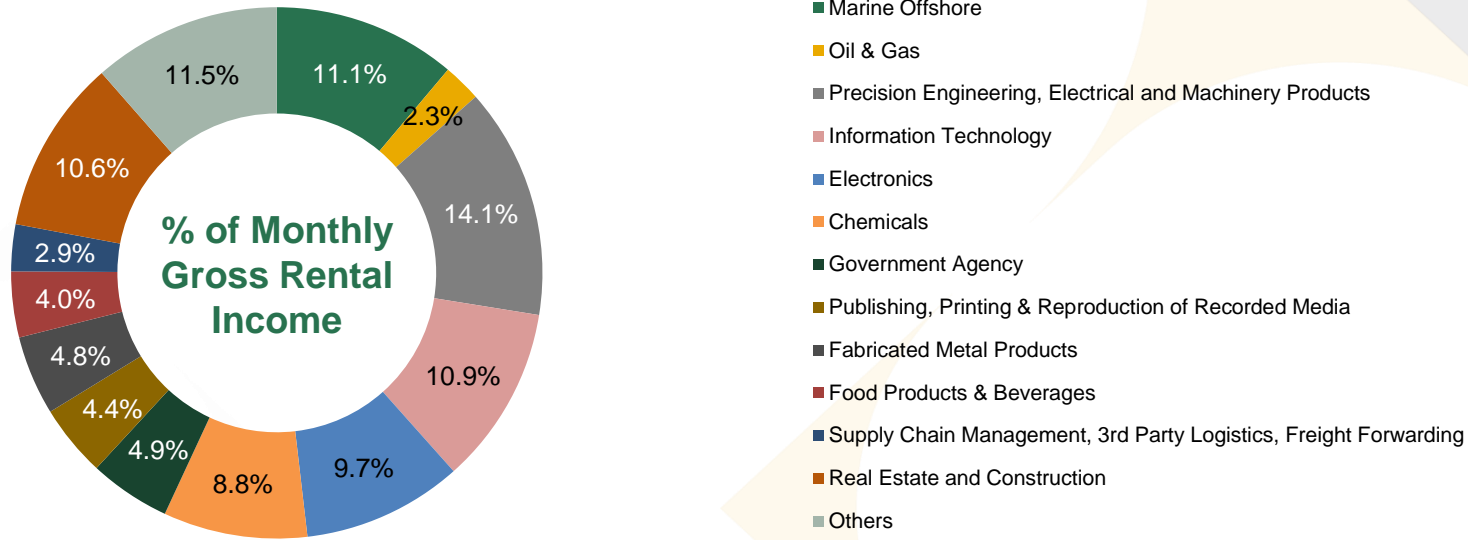


Note:
(1) Information as at 31 March 2017.

Well diversified Portfolio

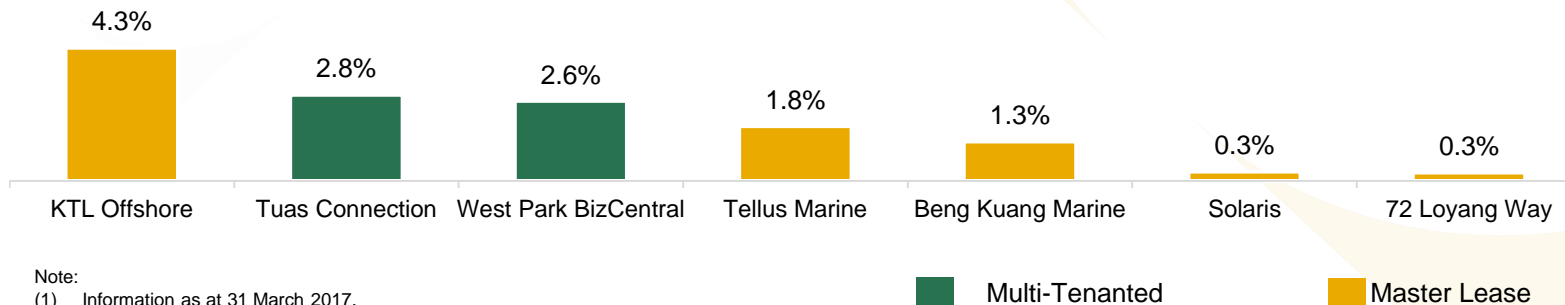
Well-spread Trade Sectors

By Gross Rental Income



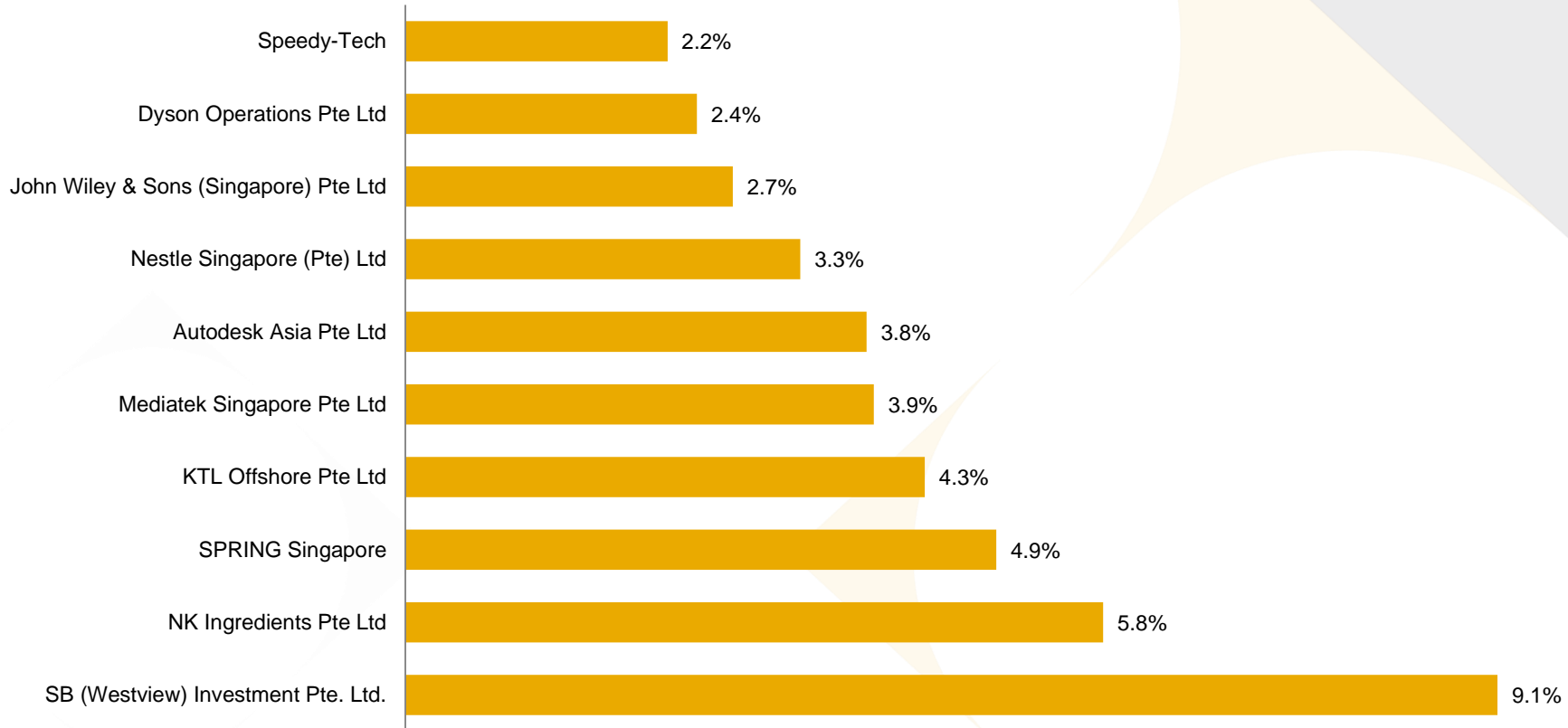
Diversified Exposure by Property – Marine Offshore and Oil & Gas

By Gross Rental Income



Note:
(1) Information as at 31 March 2017.

Diverse Tenant Base



Top 10 tenants contribute 42.4%⁽¹⁾ of monthly gross rental income.

Note:

(1) Inclusive of underlying tenants in Solaris

Rental Growth from Master Leases

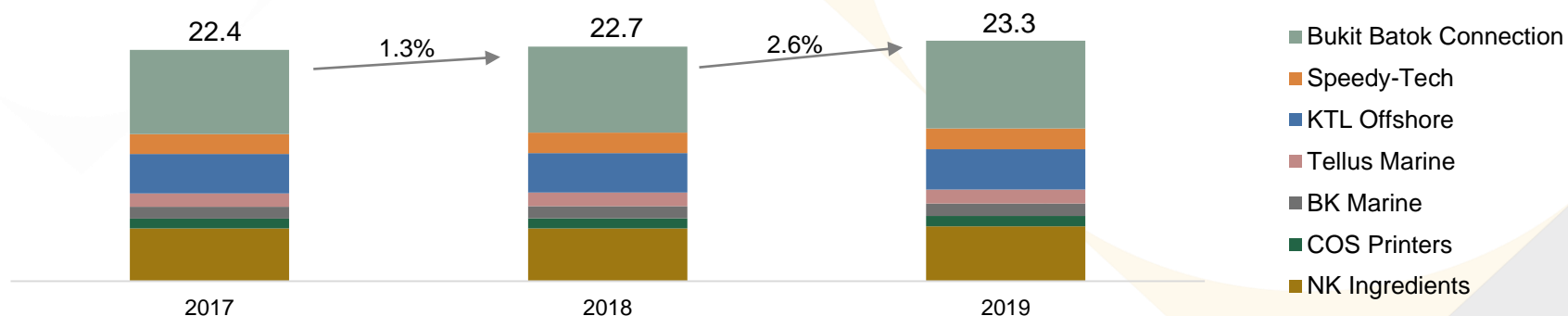
Long-term Master Leases

Lease Term from start of Master Lease Agreement

	Master Lease Property	Date of Acquisition	Lease Term	Lease Expiry
1	Solaris	16-Aug-13	5 Years	15-Aug-18
2	Beng Kuang Marine	10-May-13	7 Years	9-May-20
3	KTL Offshore	31-Oct-14	7 Years	25-Aug-21
4	COS Printers	19-Mar-13	10 Years	18-Mar-23
5	Bukit Batok Connection	27-Sep-16	7 Years	26-Sep-23
6	Speedy-Tech	23-Dec-14	10 Years	22-Dec-24
7	Tellus Marine	26-May-14	11.7 Years	16-Feb-26
8	NK Ingredients	15-Feb-13	15 Years	14-Feb-28

Fixed Annual Rental Escalation of Master Leases⁽¹⁾

Rental Revenue (S\$ million)



Note:

(1) Excluding Master Lease rental from Solaris

Right of First Refusal Assets

Acquisition of ROFR Properties

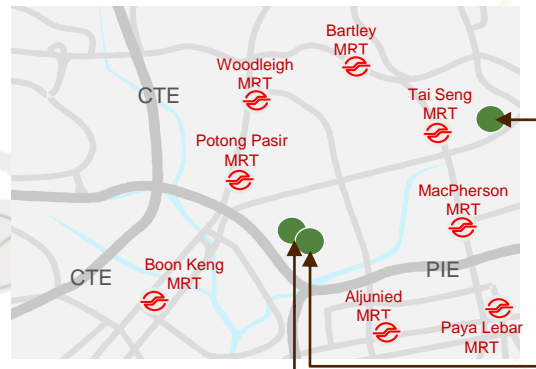
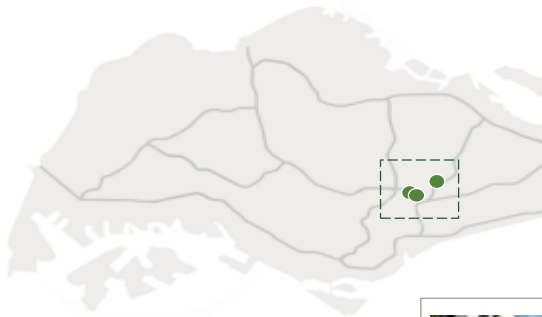
- Current ROFR pipeline of 3 industrial properties with maximum GFA⁽¹⁾ in excess of 1.9 million sq ft
- ROFR pipeline to continue growing as the Sponsor undertakes new development of business space properties



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



Waterfront

5-storey light industrial building (undergoing redevelopment)

Max GFA: 326,000 sq ft

Waterview

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

Max GFA: 575,000 sq ft

Notes:

- GFA based on maximum allowable plot ratio
- Subject to the limit imposed by the Property Funds Appendix.

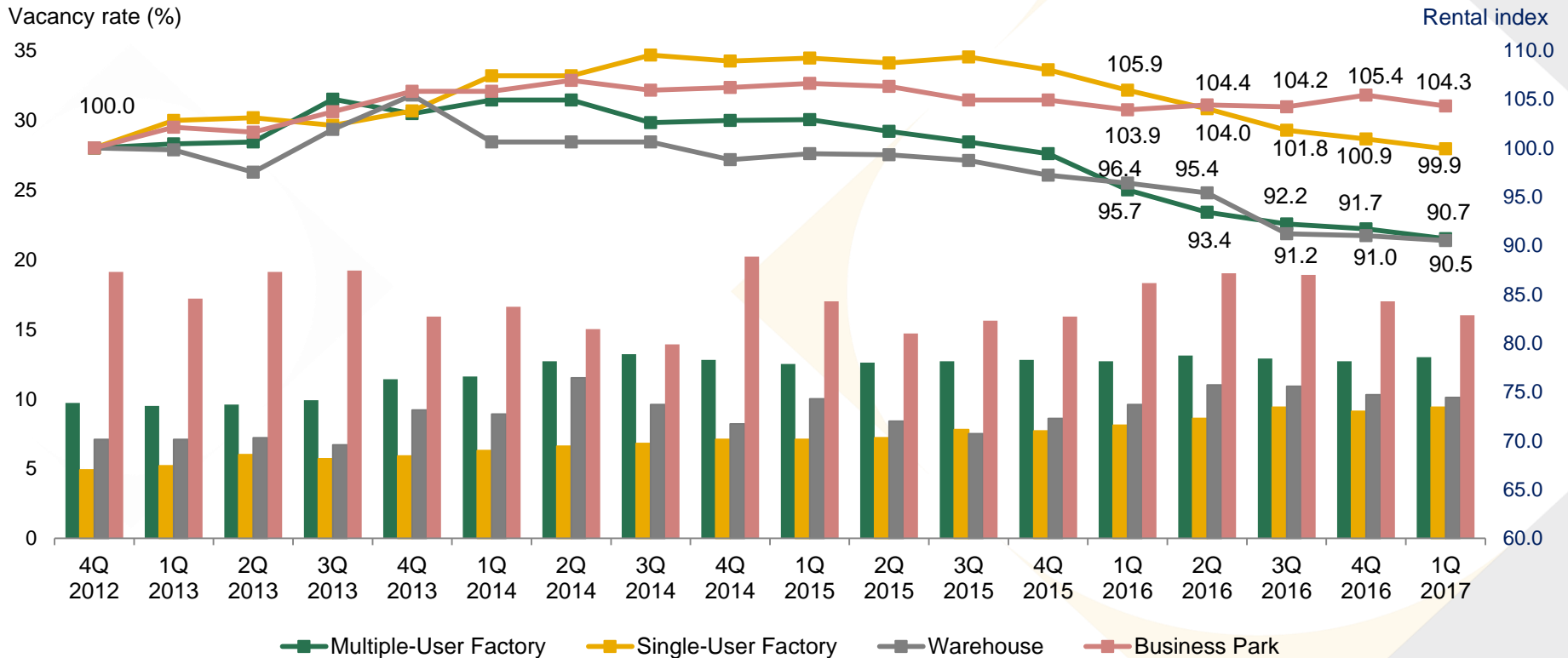
Market Update and Outlook



Industrial Properties Profile

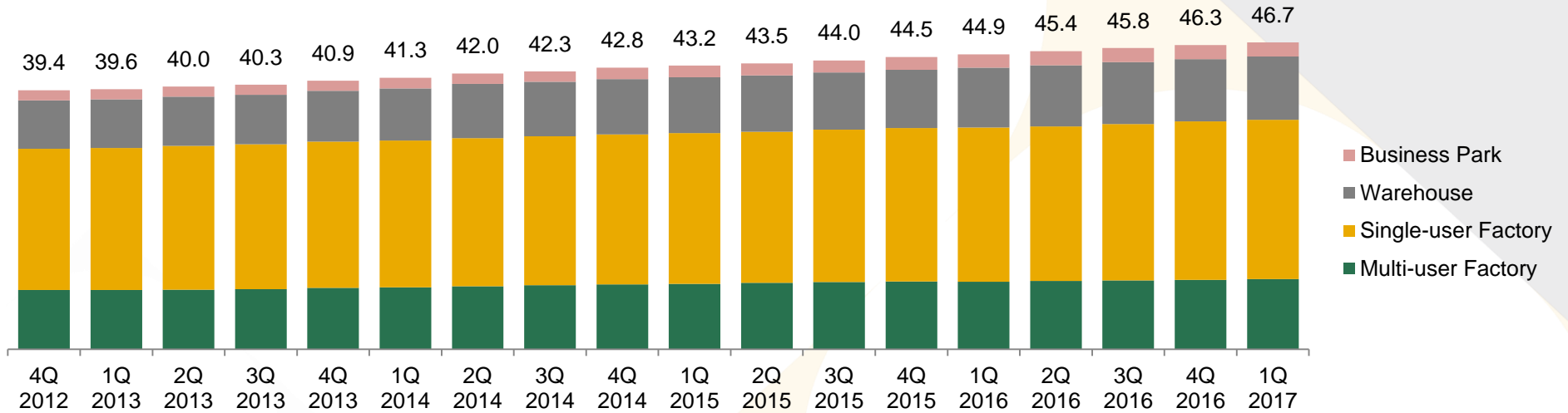
(1Q 2017 vs 4Q 2016)

	Multi-user	Single-user	Warehouse	Business Park
Vacancy Rate (%)	↑ 0.3%	↑ 0.3%	↓ 0.2%	↓ 1.0%
Rental Index	↓ 1.0%	↓ 1.0%	↓ 0.5%	↓ 1.1%

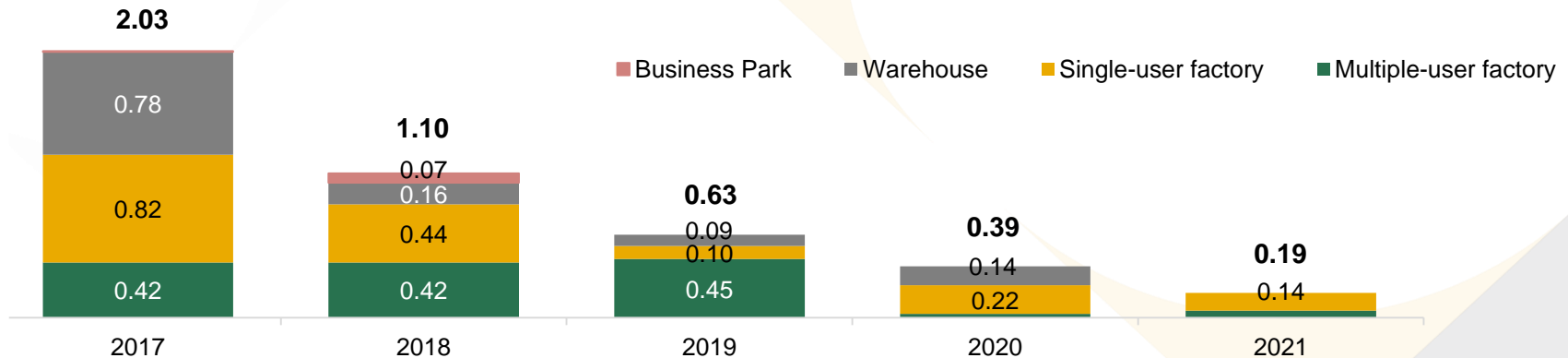


Industrial Space Supply

Total Industrial Stock ('million sq m)



Upcoming Supply in the Pipeline ('million sq m)



The Year Ahead

Singapore's Economy

- 2017 GDP growth estimates of 1.0% to 3.0%.
- Outlook for the construction, marine & offshore, retail and food services sectors continue to be sluggish.
- MTI expects the Singapore economy to ride on the improved momentum in the manufacturing sector in 2017.
- Purchasing Managers' Index for March rose to 51.2, the strongest expansion since November 2014.

Industrial Property Sector

- According to EDB⁽¹⁾, electronics and precision engineering clusters, particularly in the semiconductor, are most optimistic.
- According to Savills Industrial Research⁽²⁾, business parks or high-tech space are more likely to weather the rapidly changing industrial landscape.
- Industrial and warehouse rents are expected to soften another 5.0% y-o-y in 2017, while business park rents to exhibit slight increase.

Soilbuild REIT

- Completed close to 260,000 sqft of lease renewals, new leases and forward renewals for leases expiring in 2017.
- Balance 12.6% or 500,000 sq ft of the portfolio's net lettable area is due for renewal for the remaining of 2017.
- The challenge remains to lease the entire space at 72 Loyang Way due to the subdued marine offshore and oil & gas sector.

Note:

(1) Based on Business Expectation Survey by Economic Development Board (EDB) on 28 April 2017.

(2) Based on Savills Research Singapore Industrial Briefing Q4 2016 on 23 March 2017.

THANK YOU

Key Contacts:










Roy Teo
Chief Executive Officer
Tel: (65) 6415 5983
Email: roy.teo@soilbuild.com

Lim Hui Hua
Chief Financial Officer
Tel: (65) 6415 5985
Email: lim.huihua@soilbuild.com

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⁾	FY2016 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%	18.1	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	92.9%	20.4	306.0
Eighthrium @ CBP	 Business Park	Multi Tenanted	16 Aug 2013	177,286	2.5 2.5	n.a	15 Feb 2066	97.9%	9.2	101.0
Tuas Connection	 Multi-User Land Based Factory	Multi Tenanted	16 Aug 2013	651,072	1.4 0.8	n.a	30 Sep 2050	93.0%	9.7	122.0
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	95,250	1.4 1.4	10.0	15 Feb 2054	100.0%	1.3	20.0
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%	1.9	25.0
72 Loyang Way	 Single-User Factory	-	27 May 2015	203,468	2.5 0.7	15.0	20 Mar 2038	9.9%	7.9	65.0
Bukit Batok Connection	 Single-User Factory	Master Lease	27 Sep 2016	377,776	2.5 2.5	7.0	25 Nov 2042	100.0%	8.0	99.0
Total Portfolio				3,933,656				91.8%	87.1	1,243.7

Notes:

(1) As at date of acquisition; (2) As at 31 March 2017; (3) Based on Knight Frank's & Colliers' valuations as at 31 December 2016.