SOILBUILD
BUSINESS SPACE REIT

Third Annual General Meeting

21 April 2016













Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the full year ended 31 December 2015 (hereinafter referred to FY2015).

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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.

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Agenda

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Key Highlights









Key Highlights in FY2015

WE HAVE DELIVERED:

- **Growth in DPU** – achieved DPU of 6.487 cents, a 4.7% growth over FY2014.
- **Growth in assets** – acquired Technics Offshore for S$97 million in FY2015, growing the portfolio size to S$1.19 billion.
- **Capital management capabilities** – successfully launched its first equity fund raising of S$90 million via private placement and issued its first S$100 million 3.45% Fixed Rate Notes due 2018 under the MTN Programme.

WE HAVE MAINTAINED:

- **High occupancy** – the portfolio occupancy is 96.8% as at 31 December 2015.
- **Prudent approach to capital management** – successfully refinanced Club Loan of S$185 million to FY2020. The aggregate leverage stands at 36.0%.

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Soilbuild REIT Roadmap



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

21 May 2015:
First issuance of S$100 million 3.45% Fixed Rate Notes Due 2018 under the MTN Programme





19 Nov 2015:
Solaris and West Park BizCentral awarded Singapore Property Awards 2015, under Sustainable Development Category and Industrial Category respectively



11 Feb 2015:
Solaris Greenmark Platinum award renewed

22 Apr 2015:
Soilbuild REIT's first equity fund raising of S$90 million via private placement

25 Apr 2015:
Established S$500 million Medium Term Notes ("**MTN**") Programme

25 Sep 2015:
Completed refinancing of S$185 million Club Loan to March 2020



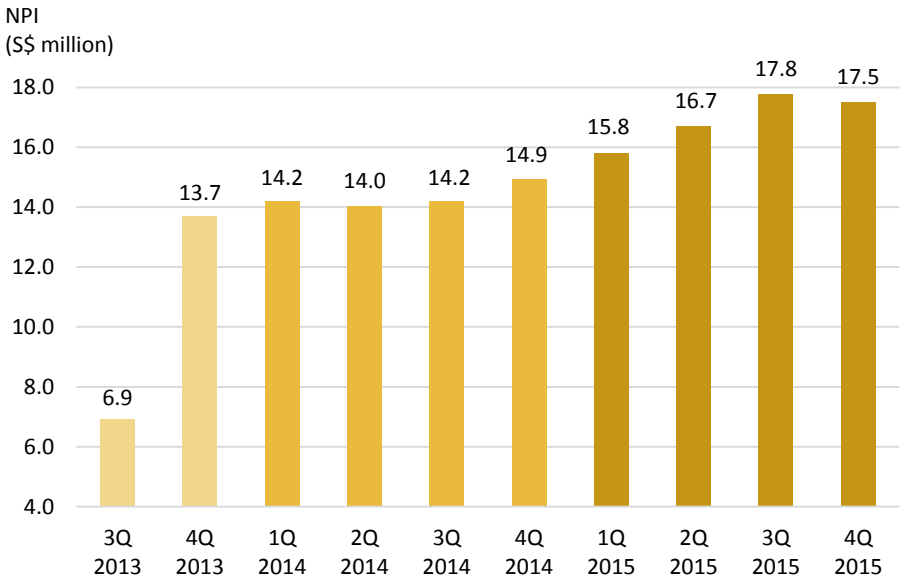
27 May 2015:
Completed Technics acquisition for S$98.1 million (including acquisition related costs)

22 Mar 2016:
Assigned Baa3 investment grade issuer rating

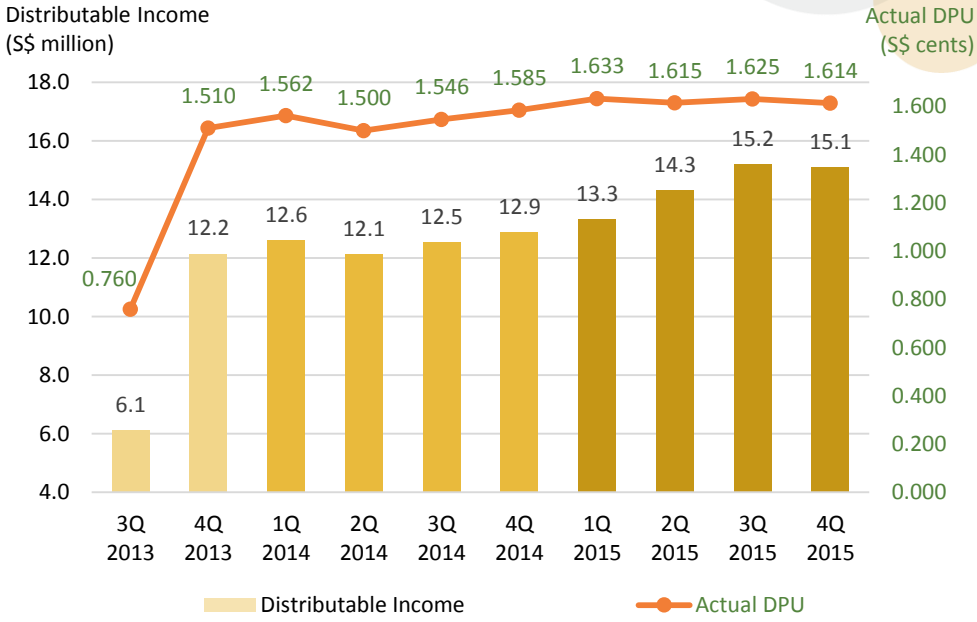
8 April 2016:
Second issuance of S$100 million 3.60% Fixed Rate Notes Due 2021 under the MTN Programme

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

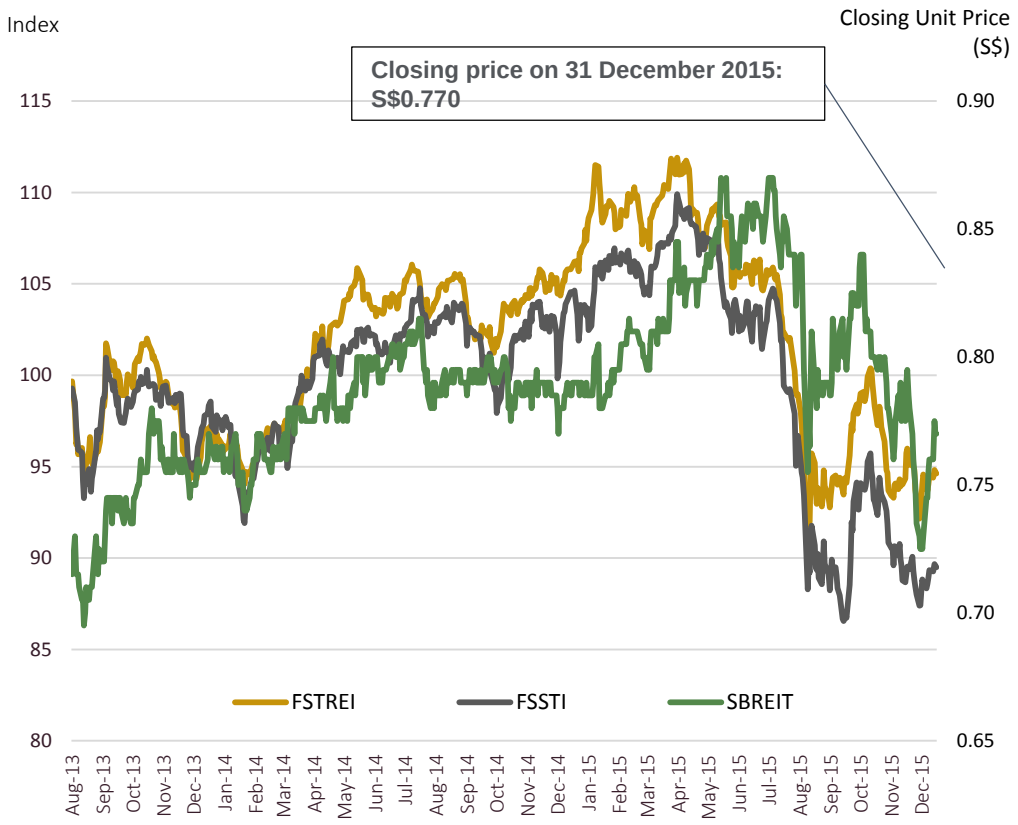
Note:
(1) Based on closing price on last day of each quarter;
(2) Based on cumulative distribution per unit against IPO price of S$0.78.
Source: Bloomberg

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Attractive Return on Investment since IPO

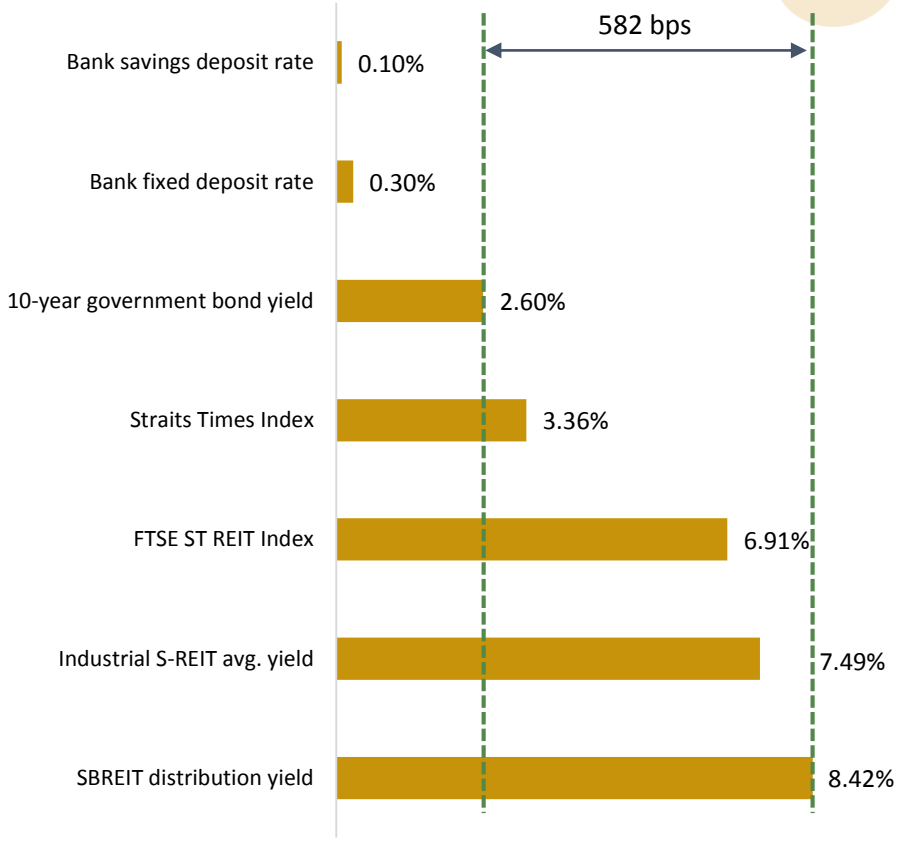
Total Annualised Return of 7.17%(1) since listing

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

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FY2015

Financial Performance






Growth in distributable income

FY2015 Distributable Income rose by 15.3% y-o-y

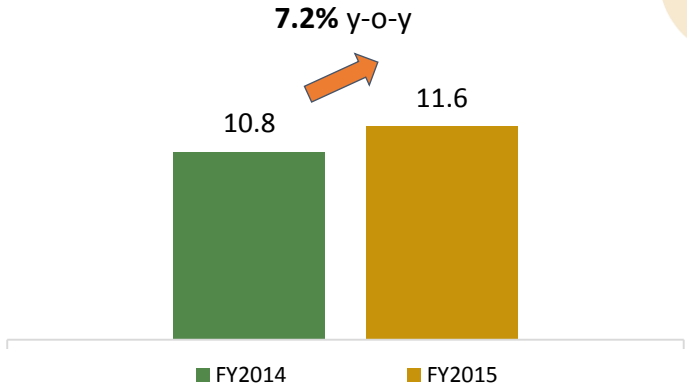
1 January 2015 to 31 December 2015

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



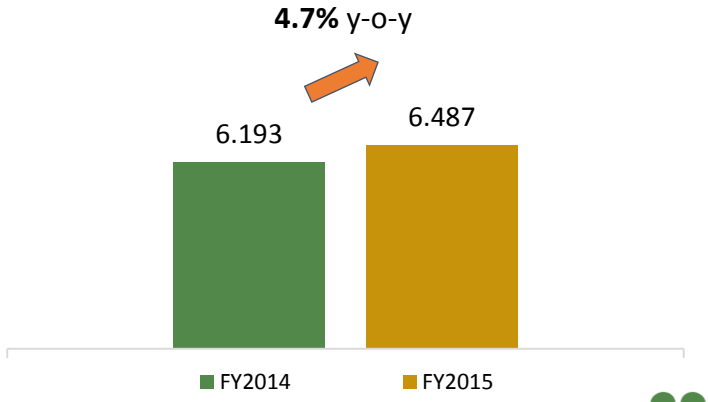
FY2015 Property Operating Expenses (S$ million)

1 January 2015 to 31 December 2015



FY2015 Distribution per Unit (cents)

1 January 2015 to 31 December 2015



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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.

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

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Prudent Capital Management

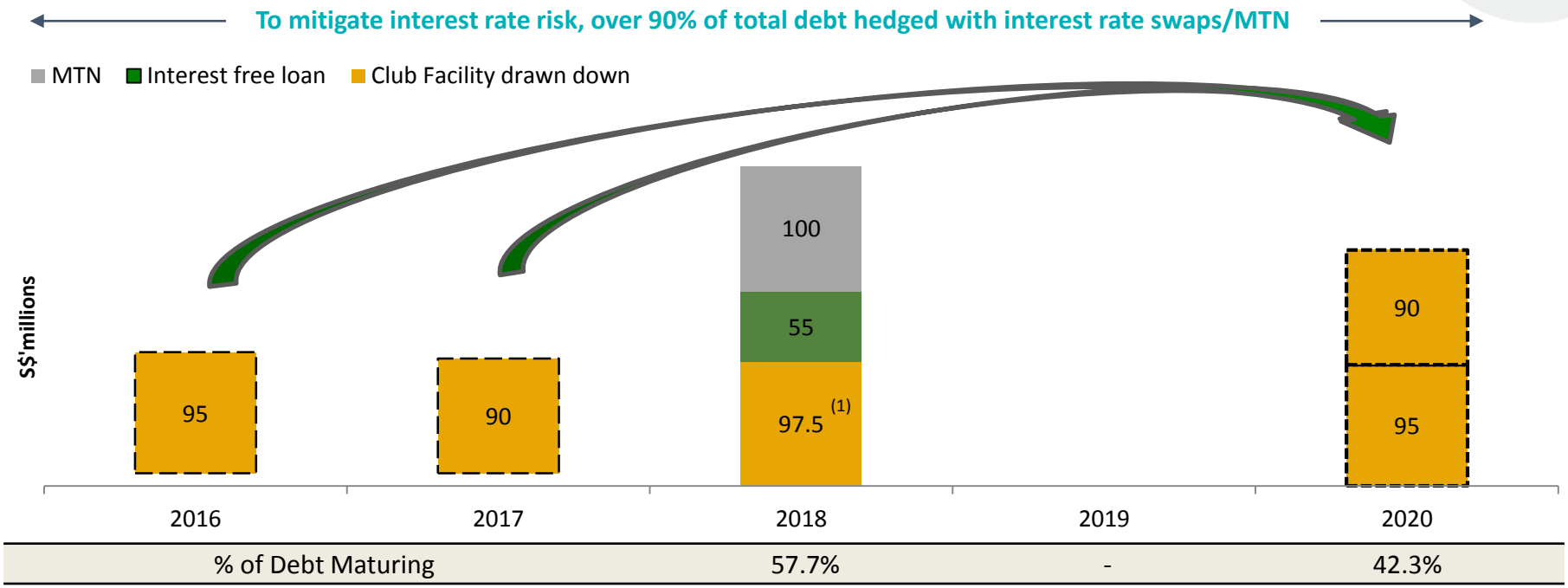
Aggregate leverage allows headroom of S$80 million(1)

	31 December 2015	31 December 2014
Total Bank Financing Facilities	S$285 million	S$385 million
Total Bank Debt Drawn Down	S$282.5 million	S$374 million
Multicurrency Debt Issuance Programme drawn down	S$100 million	N.A.
Interest-free loan & deferred payment (included in trade and other payables)	S$55 million	N.A.
Total Assets	S$1,215 million	S$1,054 million
Debt headroom(1)	S$80 million	S$80 million
Aggregate Leverage(2)	36.0%	35.4%
Average All-in Interest Cost(3)	3.21%	3.19%
Interest Coverage Ratio(4)	4.8x	5.3x
Weighted Average Debt Maturity (2)	3.2 years	2.1 years

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 .

Debt Maturity Profile

No major refinancing requirements until FY2018



% of Debt Maturing		57.7%	-	42.3%

Credit Rating

- **Standard & Poor's has assigned Soilbuild REIT an investment grade credit rating of BBB-**
- **Moody's has assigned Baa3 rating to Soilbuild REIT in March 2016**

Notes:
(1) Management has refinanced the club facility with a S$100 million 3.60% 5 year fixed rate notes in April 2016.

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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)



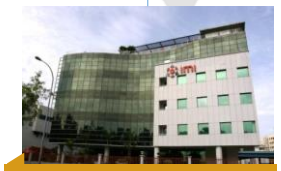
KTL Offshore
NLA: 208,057 sq ft
Valuation: S$56.0 million



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

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%

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.

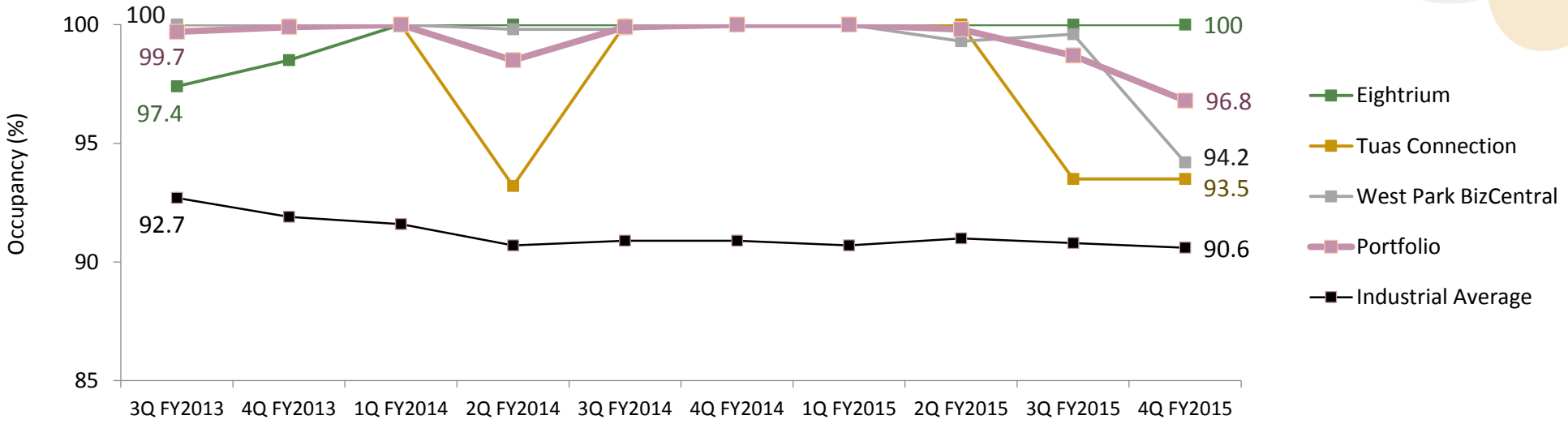
Industrial Properties Business Park Properties

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Stability from Multi-tenanted Properties

Portfolio Occupancy

As at end of each quarter



	3Q FY2013	4Q FY2013	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014	1Q FY2015	2Q FY2015	3Q FY2015	4Q FY2015
Eightrium	97.4%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Tuas Connection	100.0%	100.0%	100.0%	93.2%	100.0%	100.0%	100.0%	100.0%	93.5%	93.5%
West Park BizCentral	100.0%	100.0%	100.0%	99.8%	99.8%	100.0%	100.0%	99.3%	99.6%	94.2%
Portfolio	**99.7%**	**99.9%**	**100.0%**	**98.5%**	**99.9%**	**100.0%**	**100.0%**	**99.8%**	**98.7%**	**96.8%**
Industrial Average	**92.7%**	**91.9%**	**91.6%**	**90.7%**	**90.9%**	**90.9%**	**90.7%**	**91.0%**	**90.8%**	**90.6%**

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Leasing Update

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**			

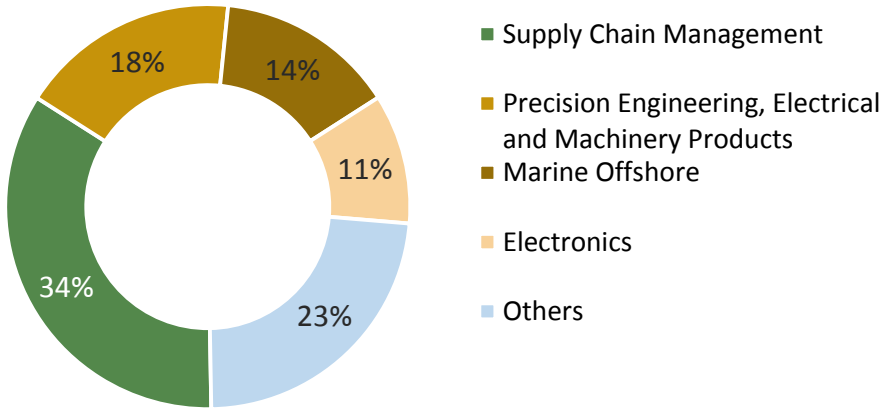
FY2015

317,748 sqft

of new space leased

Trade Sector of new leases in FY2015(1)

By Gross Rental Income



Note:
(1) Tenants of multi-tenanted buildings at West Park BizCentral and Tuas Connection.

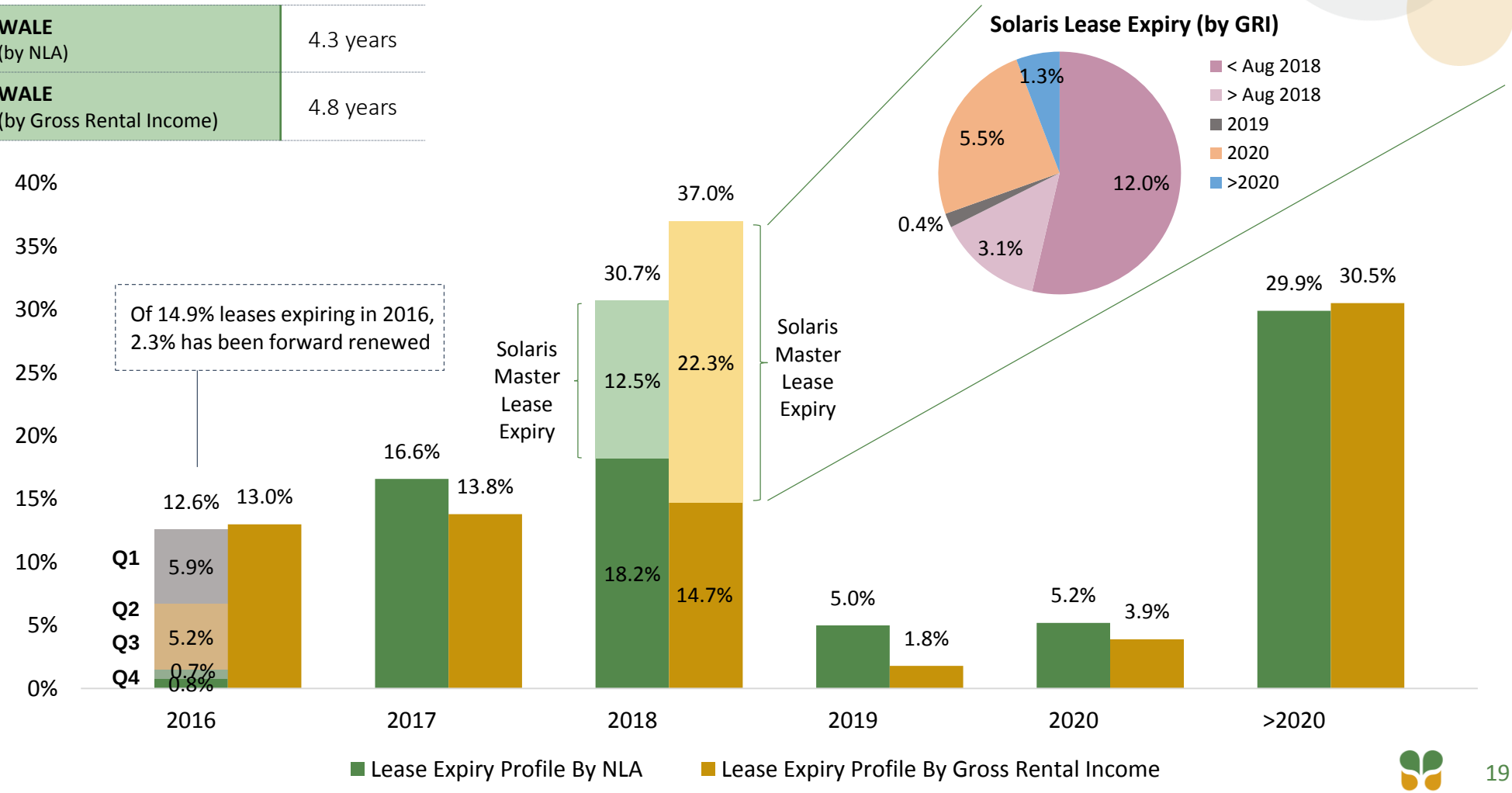
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Well Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile

By % of NLA & % of Rental Income

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

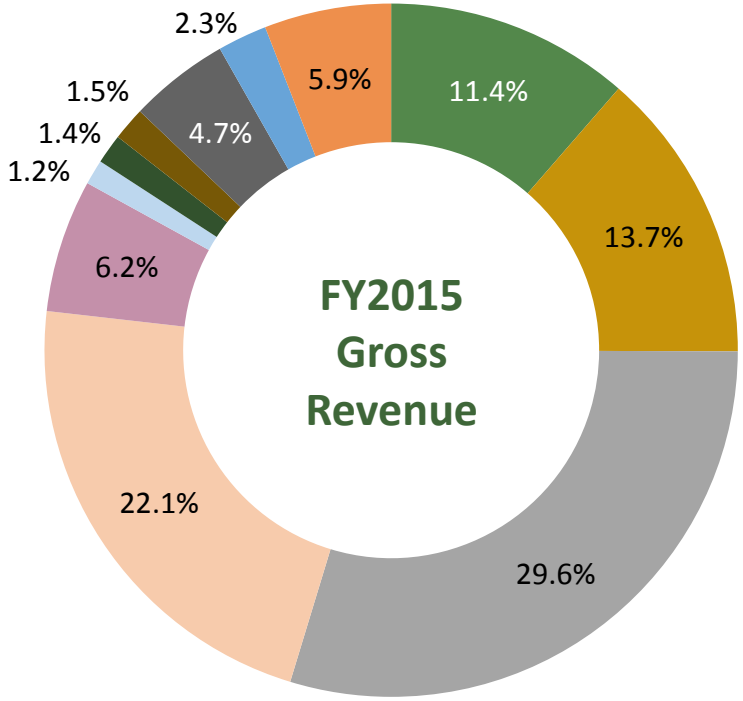


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Well-Diversified Portfolio

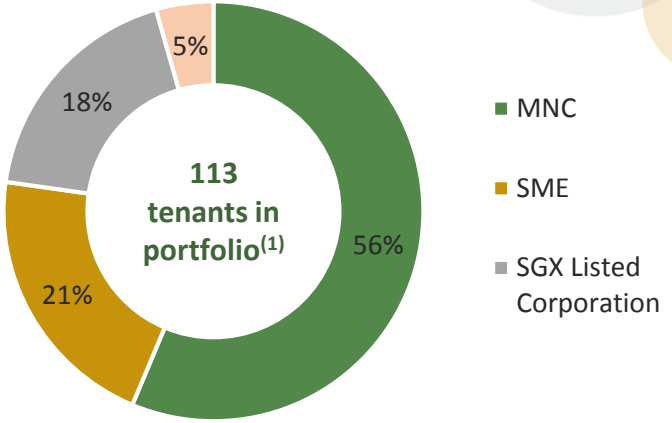
1. Portfolio Income Spread

By Property



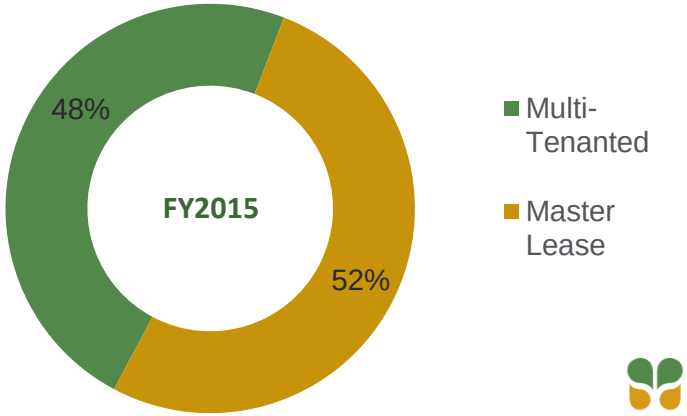
2. Diversified Tenant Base

By Gross Rental Income



3. Balanced Portfolio with Growth Upside

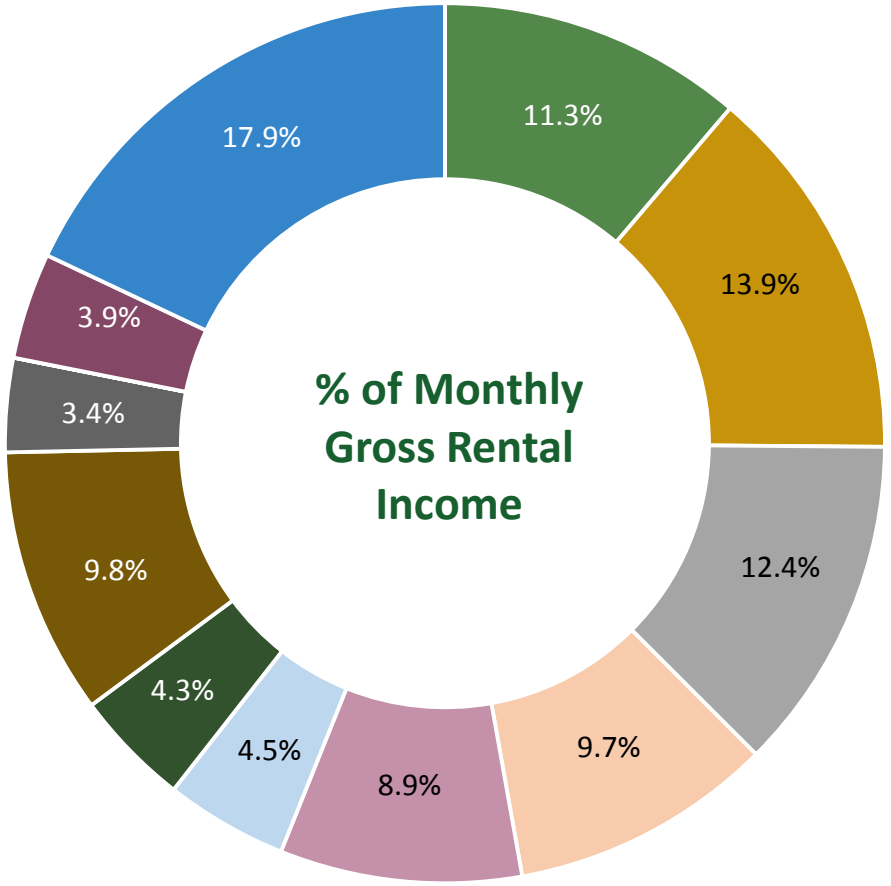
By Net Property Income



Note:
(1) Inclusive of underlying tenants at Solaris

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Well-spread Trade Sectors(1)



- Marine Offshore
- Oil & Gas
- Precision Engineering, Electrical and Machinery Products
- Chemicals
- Electronics
- Fabricated Metal Products
- Publishing, Printing & Reproduction of Recorded Media
- Information Technology
- Supply Chain Management, 3rd Party Logistics, Freight Forwarding
- Construction
- Food Products & Beverages
- Others

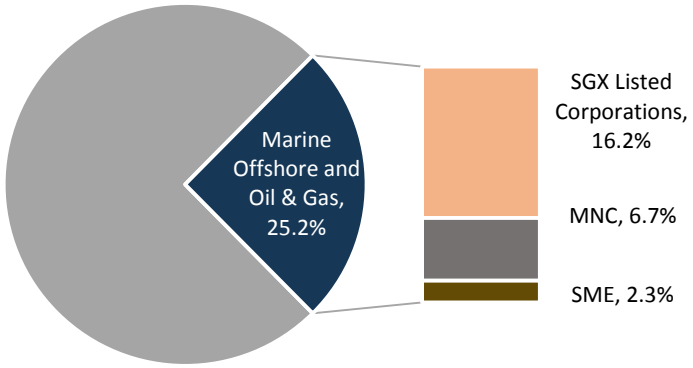
Note:
(1) Inclusive of underlying tenants at Solaris

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Diversified Risk Exposure

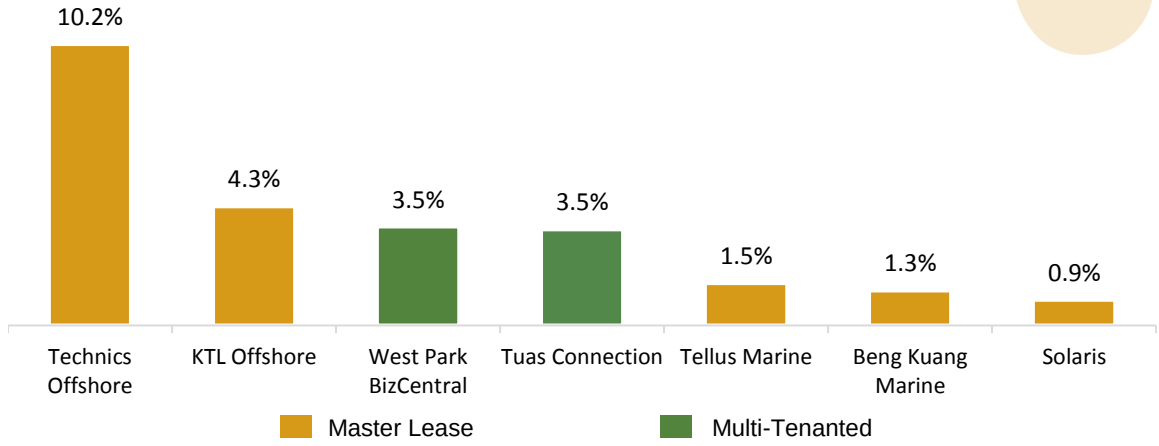
Marine Offshore and Oil & Gas Tenants[(1)]

By Gross Rental Income



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 24 tenants

Stress test

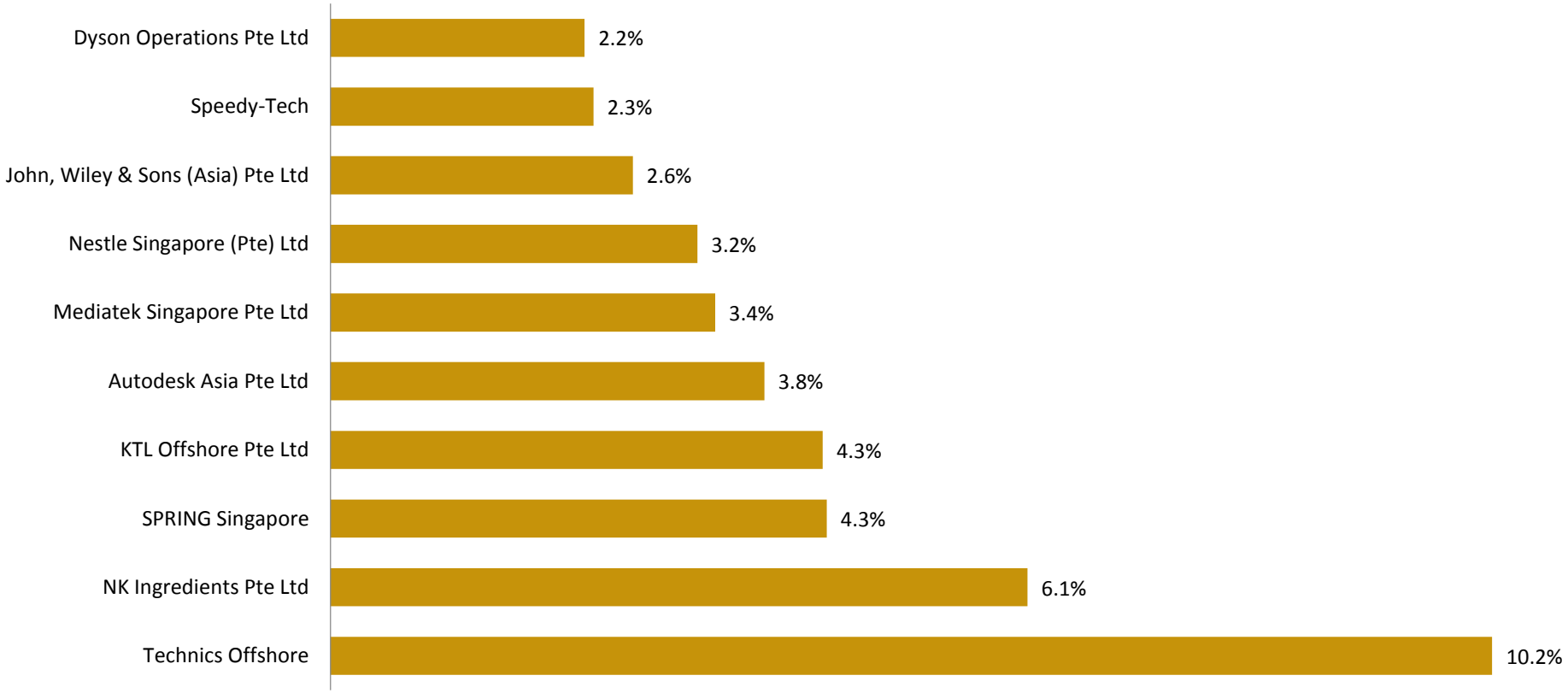
Financial covenants	Required covenant	4Q FY2015	4Q FY2015 assuming no receipts from at-risk tenants[(2)]
S$100 million club facility Ratio of property net cash available for debt servicing to relevant interest expense (Westpark)	3:1	6.3:1	5.1:1
Ratio of total net cash available for debt servicing to total interest expense	3:1	6.3:1	4.4:1

Note:
(1) Inclusive of underlying tenants at Solaris
(2) At risk tenants include all tenants in oil & gas/offshore marine apart from underlying tenants in Solaris

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Quality and Diverse Tenant Base

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



Note:
(1) Inclusive of underlying tenants at Solaris

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Growth Strategies






Growing Cashflows from Master Leases

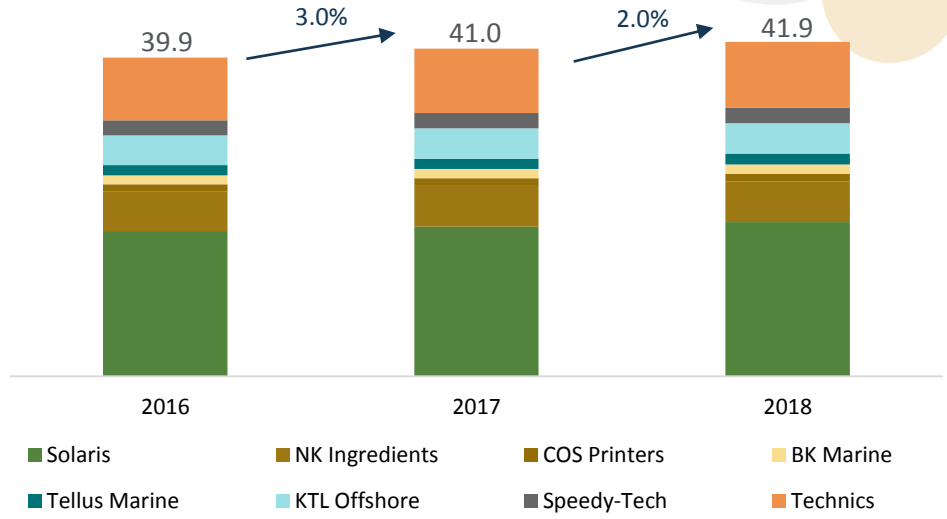
Long-term Master Leases

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

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Sponsor Right of First Refusal Properties

1 Acquisition of ROFR Properties

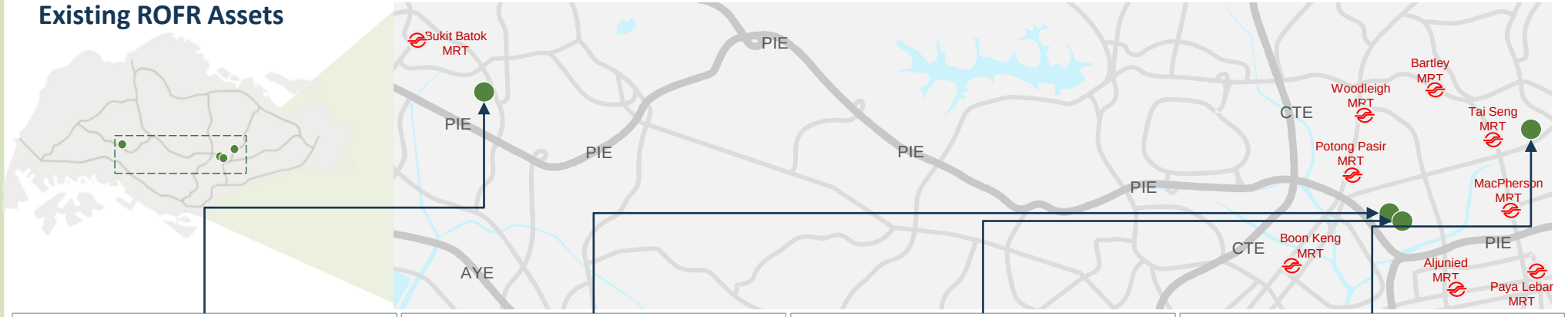
- Current ROFR pipeline of 4 industrial properties with maximum GFA[1] in excess of 2.3 million sq ft
- ROFR pipeline to continue growing as the Sponsor undertakes new development of business space properties

+

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.

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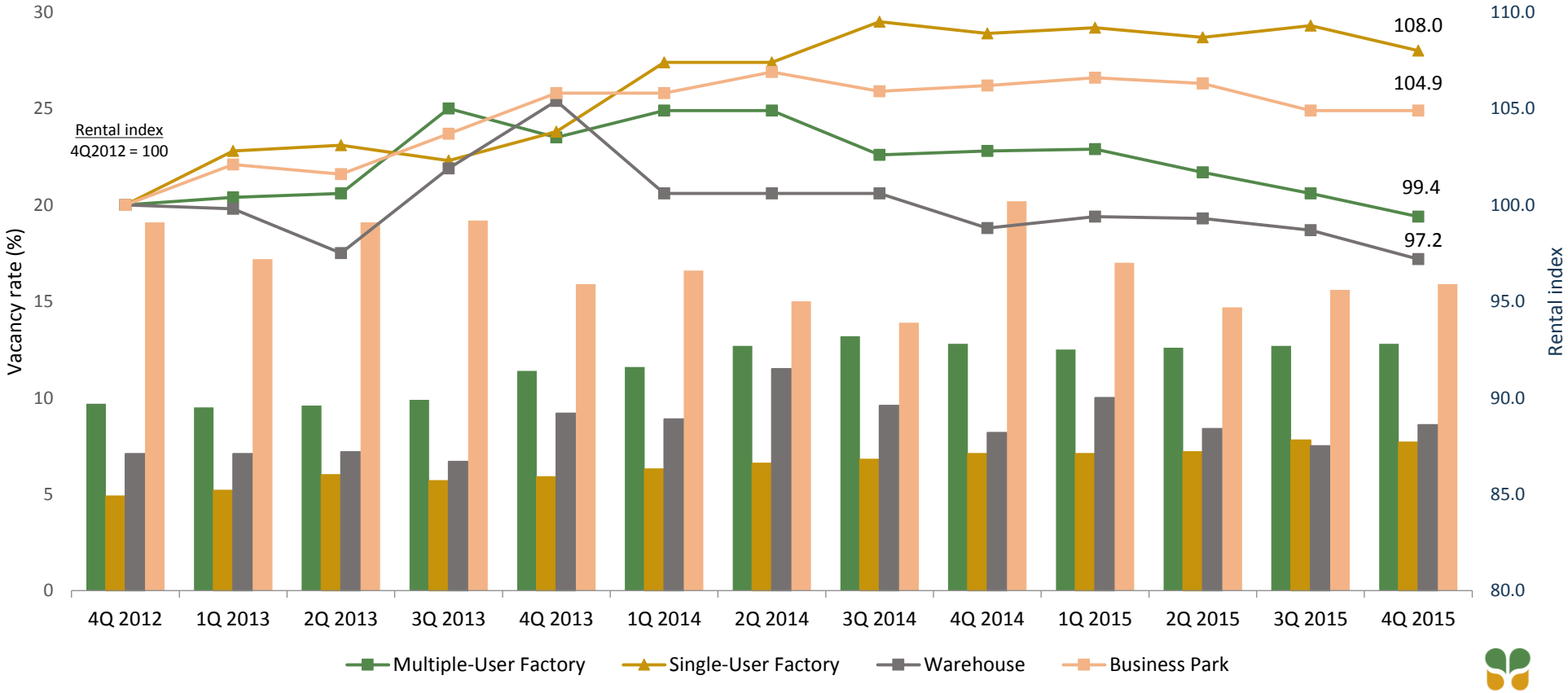
Market Update and Outlook






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)

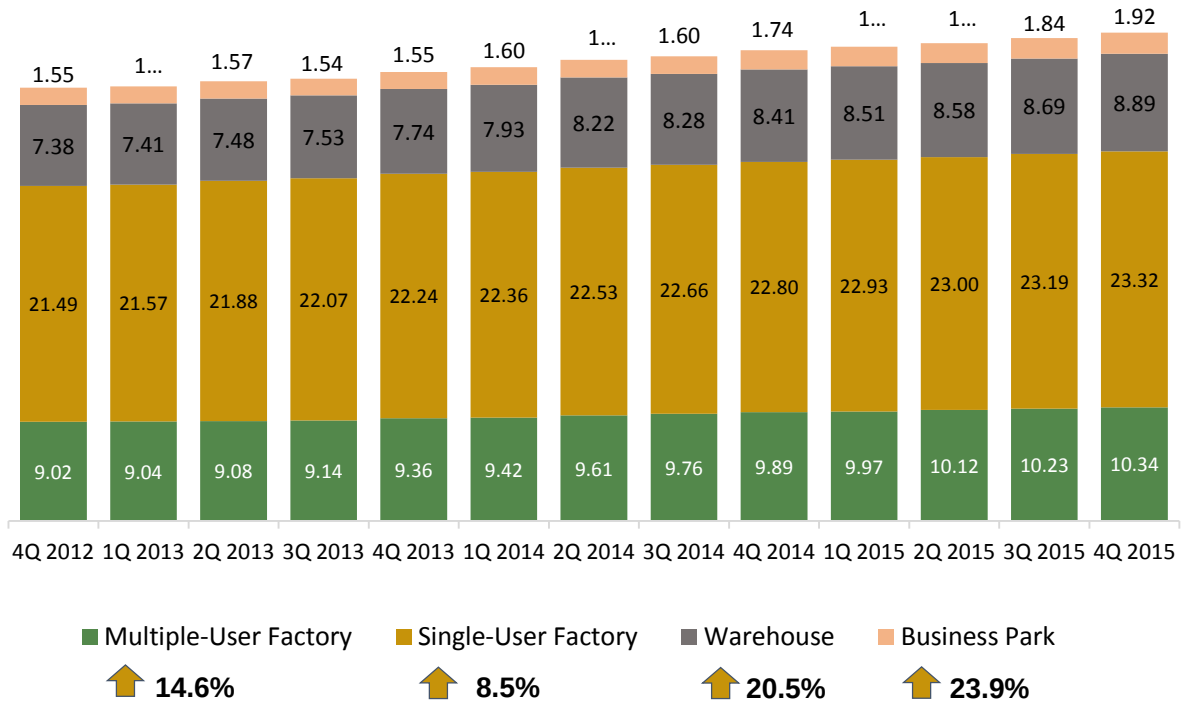
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Industrial Space Supply

Total Industrial Stock ('million sq m)

12.9% since 4Q2012

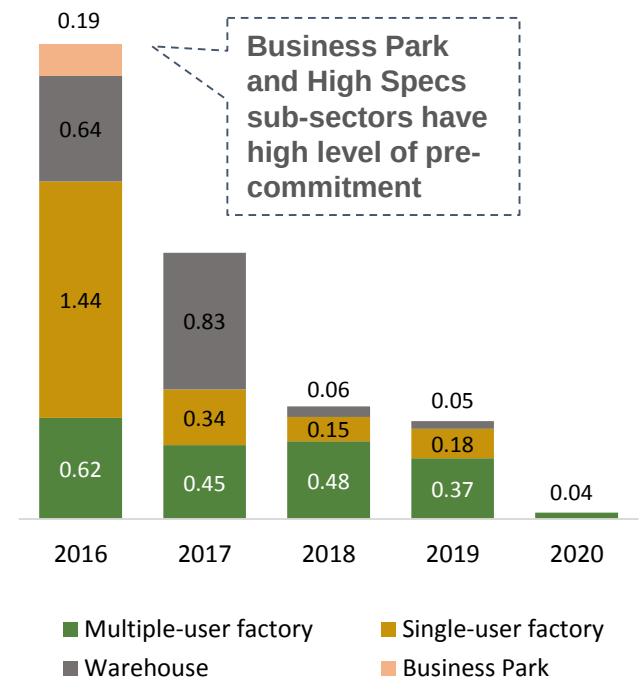
39.4	39.6	40.0	40.3	40.9	41.3	42.0	42.3	42.8	43.2	43.5	44.0	44.5



Multiple-User Factory **14.6%** | Single-User Factory **8.5%** | Warehouse **20.5%** | Business Park **23.9%**

Total Industrial Supply in the Pipeline

2.89	1.62	0.69	0.60	0.04



Source: JTC (4Q 2015)

SOILBUILD BUSINESS SPACE REIT

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.

Thank you

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