



(a real estate investment trust constituted on 13 December 2012 under the laws of the Republic of Singapore)

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited are the joint global coordinators, issue managers, bookrunners & underwriters of the initial public offering of Soilbuild Business Space REIT.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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**Summary Results of Soilbuild Business Space REIT (“Soilbuild REIT”)**

	16 Aug to 30 Sep 2013 <sup>1</sup>		
	Unaudited Actual	Forecast <sup>2</sup>	Variance
Gross revenue (S\$'000)	8,232	8,164	0.8%
Net property income (S\$'000)	6,909	6,775	2.0%
Distributable income (S\$'000)	6,113	5,929	3.1%
Available distribution per unit (cents)	0.760	0.738	3.0%

**Footnotes:**

- <sup>1</sup> Period from 16 August 2013 (the “Listing Date”) to 30 September 2013. Although Soilbuild REIT was established on 13 December 2012, the acquisitions of the properties and issue of new units were completed on the Listing Date. This is the first period incorporating the results of the 7 properties held directly by Soilbuild REIT.
- <sup>2</sup> The Forecast numbers for the period from Listing Date to 30 September 2013 were derived from the Prospectus dated 7 August 2013 (the “Prospectus”) and have been pro-rated for the 46 days in the period.

As disclosed in the Prospectus, Soilbuild REIT obtained a waiver from Singapore Exchange Securities Trading Limited (“SGX-ST”) for compliance with Rule 705(2)(b) of the Listing Manual in relation to the announcement of quarterly financial statements for the first quarter after Listing Date as it is not a full quarter. Notwithstanding this, Soilbuild REIT has elected to announce the results for the period from the Listing Date to 30 September 2013 and to pay a distribution for this period.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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**Introduction**

Soilbuild REIT was constituted as a private trust on 13 December 2012 under a trust deed, which was entered into between SB REIT Management Pte. Ltd. ("SBRM" or the "Manager") and DBS Trustee Limited ("Trustee"). Soilbuild REIT initially acquired the following three properties on a sale and leaseback structure (hereinafter referred to as the "Third Party Master Leases") prior to Listing Date, being:-

- (a) NK Ingredients
- (b) COS Printers
- (c) Beng Kuang Marine

with the intention that these properties, together with properties acquired from the Soilbuild Group, would eventually form the initial portfolio of the listed real estate investment trust ("REIT").

On the Listing Date, Soilbuild REIT completed the acquisition of Eightrium @ Changi Business Park, Solaris, Tuas Connection and West Park BizCentral (the "Sponsor Properties"), and was listed on SGX-ST as a REIT, pursuant to the Prospectus.

Soilbuild REIT was established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a portfolio of income-producing real estate used primarily for business space purposes in Singapore as well as real estate-related assets. The initial portfolio of Soilbuild REIT comprises 7 properties located in Singapore:

- (a) Eightrium @ Changi Business Park;
- (b) Solaris;
- (c) Tuas Connection;
- (d) West Park BizCentral;
- (e) NK Ingredients;
- (f) COS Printers; and
- (g) Beng Kuang Marine.

Soilbuild REIT's distribution policy is to distribute 100.0% of its Annual Distributable Income for the period from Listing Date to 31 December 2013 and for the year ending 31 December 2014. Thereafter Soilbuild REIT will distribute at least 90.0% of its Annual Distributable Income. Annual Distributable Income comprises income from the leasing of its properties and related property services income after deduction of allowable expenses.

No comparative figures have been presented as this is Soilbuild REIT's first set of financial statements since the Listing Date. Where appropriate, comparison will be made against the unaudited pro forma financial statements stated in the Prospectus.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**1(a) Statement of Total Return and Distribution Statement<sup>1</sup>**

<b>Statement of Total Return</b>	<b>Unaudited Actual</b>	<b>Unaudited Pro forma</b>	<b>Variance</b>
	<b>16 August to 30 September 2013</b>	<b>16 August to 30 September 2012<sup>2</sup></b>	<b>%</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>%</b>
Gross revenue	8,232	7,561	8.9%
Property operating expenses	(1,323)	(2,524)	47.6%
<b>Net property income</b>	<b>6,909</b>	<b>5,037</b>	<b>37.2%</b>
Finance expenses	(1,101)	(1,160)	5.1%
Manager's management fees	(611)	(424)	(44.1%)
Trustee's fees	(21)	(20)	(5.0%)
Other trust expenses	(89)	(89)	-
<b>Total trust income and expenses</b>	<b>(1,822)</b>	<b>(1,693)</b>	<b>(7.6%)</b>
<b>Net income</b>	<b>5,087</b>	<b>3,344</b>	<b>52.1%</b>
Net change in fair value of investment properties	29,748	n.m. <sup>3</sup>	n.m. <sup>3</sup>
<b>Total return for the period</b>	<b>34,835</b>	<b>3,344</b>	<b>n.m.<sup>3</sup></b>

<b>Distribution Statement</b>	<b>Unaudited Actual</b>	<b>Unaudited Pro forma</b>	<b>Variance</b>
	<b>16 August to 30 September 2013</b>	<b>16 August to 30 September 2012<sup>2</sup></b>	<b>%</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>%</b>
<b>Net income</b>	<b>5,087</b>	<b>3,344</b>	<b>52.1%</b>
Net effect of non-tax deductible items <sup>4</sup>	1,026	895	14.6%
<b>Income available for distribution to unitholders</b>	<b>6,113</b>	<b>4,239</b>	<b>44.2%</b>

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013  
TO 30 SEPTEMBER 2013**

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**Footnotes:**

- <sup>1</sup> As Soilbuild REIT completed the acquisition of the Sponsor Properties and issued new units on Listing Date, Soilbuild REIT's financial statements incorporate the results of the 7 properties in Soilbuild REIT's portfolio from Listing Date onwards. Soilbuild REIT's financial results from Listing Date to 30 September 2013 are compared against the corresponding period ended 30 September 2012, pro-rated from the unaudited pro forma statement of total return for the year ended 31 December 2012 as disclosed in the Prospectus, which was prepared on the assumptions, inter alia, that the listing exercise, the acquisition of the 7 properties, the Third Party Master Leases, the bank borrowings, the fee arrangements of the property manager/Manager and the Trustee, and the change in fair value of investment properties had occurred on, or were effective, on 1 January 2011.
- <sup>2</sup> The figures are extracted from the unaudited pro forma statement of total return disclosed in the Prospectus and pro-rated for 46 days for the period from 16 August 2012 to 30 September 2012.
- <sup>3</sup> n.m. – denotes "not meaningful".
- <sup>4</sup> Non-tax deductible items comprise the Manager's management fees, property management fees and lease management fees paid or payable in units, rent free amortisation, the Trustee's fees and amortisation of debt arrangement fees.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**1(b)(i) Balance Sheet**

	<b>Notes</b>	<b>Unaudited Actual 30 Sep 2013 (S\$'000)</b>	<b>Unaudited Pro forma 31 Dec 2012<sup>1</sup> (S\$'000)</b>
<b>Current assets</b>			
Cash and cash equivalents	a	11,229	1,000
Trade and other receivables	b	5,107	-
Other current assets	c	990	-
<b>Total current assets</b>		<b>17,326</b>	<b>1,000</b>
<b>Non-current assets</b>			
Investment properties	d	935,000	935,000
<b>Total non-current assets</b>		<b>935,000</b>	<b>935,000</b>
<b>Total Assets</b>		<b>952,326</b>	<b>936,000</b>
<b>Current liabilities</b>			
Trade and other payables	e	10,341	7,920
Derivative financial instruments	f	1,536	-
Rental deposits	g	916	431
<b>Total current liabilities</b>		<b>12,793</b>	<b>8,351</b>
<b>Non-current liabilities</b>			
Rental deposits	g	21,873	13,766
Interest-bearing borrowings	h	274,881	274,656
<b>Total non-current liabilities</b>		<b>296,754</b>	<b>288,422</b>
<b>Total Liabilities</b>		<b>309,547</b>	<b>296,773</b>
<b>Net assets attributable to unitholders</b>		<b>642,779</b>	<b>639,227</b>
<b>Represented by:</b>			
<b>Unitholders' funds</b>		<b>642,779</b>	<b>639,227</b>
<b>NAV per unit (S\$)</b>		<b>0.80</b>	<b>0.80</b>

**Footnotes:**

- 1 The comparatives figures presented are from the unaudited pro forma balance sheet as at 31 December 2012 extracted from the Prospectus.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**Notes:-**

- (a) Cash and cash equivalents as at 30 September 2013 were higher than the unaudited pro forma balance as at 31 December 2012 by S\$10.2 million mainly due to proceeds from issue of units which have not been utilized amounting to S\$6.6 million and approximately S\$4.6 million cash generated from operating activities for the period. The summary of the sources and usage of the Initial Public Offering ("IPO") proceeds is shown in Section 1(c)(ii).
- (b) Trade and other receivables comprise mainly trade receivables amounting to S\$4.6 million and net Goods and Services Tax ("GST") receivable of S\$0.4 million as at 30 September 2013.
- (c) Other current assets as at 30 September 2013 comprise prepayments relating to operating activities.
- (d) Investment properties were recorded at the higher of two independent valuations carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and CBRE Pte. Ltd. at IPO ("Valuations").
- (e) Trade and other payables as at 30 September 2013 comprise trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and also includes IPO issue expenses accrued of S\$5.6 million.
- (f) Derivative financial instruments as at 30 September 2013 represent the fair value changes of interest rate swaps entered into to hedge interest rate risks on the loan facility.
- (g) The rental deposits as at 30 September 2013 were higher than the unaudited pro forma balance as at 31 December 2012 largely due to rental deposits received from Solaris amounting to S\$16.7 million because of the master lease structure. The balance was partially offset by the conversion of cash rental deposits to banker's guarantee from both NK Ingredients and Beng Kuang Marine of S\$5.7 million.
- (h) Interest-bearing borrowings are made up of loan facility drawn down of S\$280.0 million less unamortised debt arrangement fees.

**1(b)(ii) Aggregate Amount of Borrowings**<sup>1</sup>

	<b>Unaudited Actual 30 Sep 2013 (S\$'000)</b>
<b>Secured borrowings</b>	
Amount repayable in one year or less, or on demand	-
Amount repayable after one year	280,000
Less: Debt arrangement fees <sup>2</sup>	(5,119)
	274,881

**Footnotes:**

- 1. No comparative figures have been presented as Soilbuild REIT was listed on SGX-ST on 16 August 2013.
- 2. Debt arrangement fees are amortised over the life of the loan facility.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION  
ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013  
TO 30 SEPTEMBER 2013**

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**The Loan Facility**

Soilbuild REIT has in place a senior term loan facility amounting to S\$285.0 million ("TLF") obtained from Citibank N.A. Singapore Branch, DBS Bank Ltd., Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (the "Lending Banks").

S\$280.0 million of the TLF has been drawn down ("TLF Drawn Down") on the Listing Date to finance the acquisition of the Sponsor Properties as well as to repay private trust unitholder loans that financed the acquisition of the properties prior to Listing Date.

The TLF Drawn Down has staggered loan maturities of two, three and four year terms as described below:

S\$95.0 million (33.9%) is repayable in two years;  
S\$95.0 million (33.9%) is repayable in three years; and  
S\$90.0 million (32.2%) is repayable in four years.

The remaining S\$5.0 million non-revolving loan facility is intended for potential capital expenditure in relation to the Properties as well as general working capital purposes.

The TLF is secured against Eightrium @ Changi Business Park, Solaris, Tuas Connection and NK Ingredients. The other three properties are subject to a negative pledge.

Soilbuild REIT has put in place interest rate swaps to fix 75.0% of the interest rates of the TLF at an average swap rate of 0.998% for durations of 2, 3 and 4 years, resulting in an average swap maturity of 3 years.



**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**1(c)(i) Statement of Cash Flows<sup>1</sup>**

	<b>Unaudited Actual 16 August to 30 September 2013 (S\$'000)</b>
<b>Operating activities:</b>	
Net income	5,087
Adjustments for	
- Interest expense	876
- Amortised debt arrangement fees	225
- Management fees in units	795
Change in working capital	
- Trade and other receivables	(5,037)
- Other current assets	(990)
- Trade and other payables	3,650
<b>Net cash generated from operating activities</b>	<b>4,606</b>
<b>Investing activities:</b>	
Acquisition of Sponsor Properties <sup>2</sup>	(799,229)
<b>Net cash used in from investing activities</b>	<b>(799,229)</b>
<b>Financing activities:</b>	
Proceeds from borrowings	280,000
Repayment of private trust debt <sup>2</sup>	(83,906)
Proceeds from issuance of new units	626,706
Issue expenses	(11,604)
Debt arrangement fees	(5,344)
<b>Net cash generated from financing Activities</b>	<b>805,852</b>
<b>Net increase in cash and cash equivalents</b>	<b>11,229</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>11,229</b>

**Footnotes:**

- 1 No comparative statement of cash flows has been presented as Soilbuild REIT was listed on SGX-ST on 16 August 2013.
- 2 Rental deposits relating to the properties have been netted off against the acquisition of the Sponsor Properties and repayment of private trust debt.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**1(c)(ii) Use of Proceeds**

In relation to the Prospectus "Use of Proceeds" section, the actual sources and usage are as follows:-

	<b>(S\$'000)</b>
Gross proceeds from IPO	928,822
Less:-	
Repayment of private trust debt (gross)	(84,800)
Payments for acquisition of Sponsor Properties (gross)	(820,452)
Debt arrangement fees paid	(5,344)
IPO issue expenses paid	(11,604)
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<b>Balance of proceeds to be utilised</b>	<b>6,622</b>
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**1(d)(i) Statement of Changes in Unitholders' Funds<sup>1</sup>**

	<b>Unaudited Actual 30 Sep 2013 (S\$'000)</b>
<b>Balance as at beginning of period</b>	-
Total return for the period	34,835
Hedging reserve	(1,536)
Issue of new units on listing	626,706
Issue expenses	(17,227)
<b>Total unitholders' funds as at end of period</b>	<b>642,779</b>

**Footnotes:**

- 1 No comparative statement of changes in unitholders' funds has been presented as Soilbuild REIT was listed on SGX-ST on 16 August 2013.

**1(d)(ii) Details of Any Change in Units<sup>1</sup>**

	<b>Unaudited Actual 30 Sep 2013 ( '000)</b>
<b>Balance as at beginning of period</b>	n.m.
Movements during the period	
- Issue of units on Listing Date	803,469
<b>Total issued units at end of period</b>	<b>803,469</b>

n.m. – denotes "not meaningful".

**Footnotes:**

- 1 No comparative details of any change in units has been presented as Soilbuild REIT was listed on SGX-ST on 16 August 2013.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

2. **Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the auditors.

3. **Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

4. **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the Prospectus.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

Not applicable

6. **Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")**

	<b>Unaudited Actual</b>	<b>Unaudited Pro forma</b>
	<b>16 August to 30 September 2013</b>	<b>16 August to 30 September 2012<sup>1</sup></b>
Weighted average number of units	803,469,000	803,469,000
<b>Earnings per unit ("EPU") – Basic and Diluted<sup>2</sup></b> Based on the weighted average number of units in issue (cents)	0.633	0.416
<b>Distribution per unit ("DPU")</b> Based on the weighted average number of units in issue (cents)	0.760	0.528

**Footnotes:**

<sup>1</sup> The comparative period is calculated using the figures extracted from the unaudited pro forma statement of total return disclosed in the Prospectus and pro-rated for 46 days for the period from 16 August 2012 to 30 September 2012 and based on the assumptions, inter alia, that the listing exercise, the acquisition of the 7 Properties, the Third Party Master Leases, the bank borrowings, the fee arrangements of the property manager/Manager and the Trustee, and the change in fair value of investment properties had occurred on or were effective on 1 January 2011.

<sup>2</sup> Earnings per unit excludes net change in fair value of investment properties.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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**7. Net Asset Value ("NAV") Per Unit**

	<b>Unaudited Actual 30 Sep 2013</b>	<b>Unaudited Pro forma 31 Dec 2012</b>
NAV per unit (S\$)	0.80	0.80

**8. Review of the Performance (Actual vs Pro forma)**

Gross revenue increased by 8.9% to S\$8.2 million for the period from Listing Date to 30 September 2013 when compared to the unaudited pro forma gross revenue for the period from 16 August 2012 to 30 September 2012. This was due largely to higher income from West Park BizCentral as the Temporary Occupation Permit ("TOP") occurred on 29 December 2011 and the occupancy steadily increased in 2012 and 2013. This was offset by lower rental income from Solaris (20.2% lower than the pro forma) as the pro forma was based on underlying leases whereas actual is on a master lease "triple-net" structure, which is based on net property income.

Property operating expenses were lower by 47.6% at S\$1.3 million for the period from Listing Date to 30 September 2013 when compared to the unaudited pro forma property operating expenses for the same period last year. The reduction is largely due to Solaris being under a master lease "triple-net" structure, whereby the master lessee is directly responsible for payment of all operating expenses.

Net property income increased by 37.2% to S\$6.9 million for the period from Listing Date to 30 September 2013 from S\$5.0 million in the unaudited pro forma for the same period last year mainly due to higher net property income from West Park BizCentral and Solaris.

Net income increased by 52.1% to S\$5.1 million for the period from Listing Date to 30 September 2013 from S\$3.3 million in unaudited pro forma figures for the same period last year mainly due to the higher net property income (S\$1.9 million higher) and lower finance expenses (S\$0.1 million lower), offset by higher manager's management fees (S\$0.2 million) due to the higher distributable income.

Income available for distribution was S\$6.1 million, 44.2% higher than the unaudited pro forma figures for the same period last year due to higher net income and non-tax deductible items.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

**9. Variance from Prospect Statement**

	<b>Unaudited Actual</b>	<b>Forecast<sup>1</sup></b>	<b>Variance</b>
	<b>16 Aug to 30 Sep 2013 (S\$'000)</b>	<b>16 Aug to 30 Sep 2013 (S\$'000)</b>	<b>(%)</b>
Gross revenue	8,232	8,164	0.8%
Less: Property operating expenses	(1,323)	(1,388)	4.7%
<b>Net property income</b>	<b>6,909</b>	<b>6,775</b>	<b>2.0%</b>
Finance expenses	(1,101)	(1,163)	5.3%
Manager's management fees	(611)	(593)	(3.0%)
Trustee's fee	(21)	(20)	(5.0%)
Other trust expenses	(89)	(93)	4.3%
<b>Total trust income and expense</b>	<b>(1,822)</b>	<b>(1,869)</b>	<b>2.5%</b>
<b>Net income</b>	<b>5,087</b>	<b>4,906</b>	<b>3.7%</b>
Net change in fair value of investment properties	29,748	-	n.m. <sup>2</sup>
<b>Total return for the period</b>	<b>34,835</b>	<b>4,906</b>	<b>n.m.<sup>2</sup></b>
<b>Net income</b>	<b>5,087</b>	<b>4,906</b>	<b>3.7%</b>
Net effect of non-tax deductible items	1,026	1,023	0.4%
<b>Income available for distribution to unitholders</b>	<b>6,113</b>	<b>5,929</b>	<b>3.1%</b>
<b>Distribution per unit (cents)</b>	<b>0.760</b>	<b>0.738</b>	<b>3.0%</b>

**Footnotes:**

1 The Forecast figures are derived from the Forecast Year 2013 figures disclosed in the Prospectus (hereinafter referred to as the "Forecast").

2 n.m. denotes "not meaningful".

**Variance between the Forecast and Actual results**

Gross revenue of S\$8.2 million for the period from Listing Date to 30 September 2013 was 0.8% higher than the Forecast. This was largely due to higher carpark income from Eightrium and rental income from Tuas Connection.

Property operating expenses were 4.7% lower than Forecast at S\$1.3 million for the period from Listing Date to 30 September 2013. This was largely due largely to lower maintenance costs incurred for both Eightrium and Tuas Connection.

Net property income was 2.0% higher than Forecast at S\$6.9 million for the period from Listing Date to 30 September 2013 due to the above reasons.

Net income was 3.7% higher at S\$5.1 million, mainly due to the higher net property income and lower finance expenses. The Forecast assumed all-in interest rate of 3.28%, however the actual all-in interest rate was 3.11% due to the benefit of lower interest rates on the floating rate debt.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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Net change in fair value of investment properties represents the unrealized gain recorded at IPO as the purchase price of the properties (S\$905.0 million) was at a discount to the higher of the two Valuations.

Income available for distribution was S\$6.1 million, 3.1% higher than the Forecast mainly due to the higher net income and lower finance expenses.

**10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months**

According to Singapore's Ministry of Trade & Industry, Singapore's economy for the second quarter of 2013 grew by 3.8% on a year on year basis, compared to 0.2% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 15.5%, which was significantly higher than the 1.7% expansion in the previous quarter. Singapore's Purchasing Managers' Index of 50.5 for September 2013, unchanged from August's reading, continues to reflect a mild expansion in industrial activity. The lower than consensus forecast reading of 51.2 is largely attributable to the slowdown in new export orders due to weaker than expected US recovery, improving but fragile Euro Zone and internal consolidation of China's economy.

For 1H 2013, the URA All Industrial Property price and rent index recorded slower growth of 3.8% and 0.35% respectively as a result of the introduction of new government policies, which includes but not limited to seller's stamp duty, payment of upfront land premium by investors on industrial leasehold land and total debt servicing ratio for new borrowers. Market rents are expected to hold steady for conventional industrial premises and record a marginal uptick for higher quality hi-tech and business park space.

Despite modest growth expectations for the Asian region, a slowdown in China's expansion and concerns of future interest rate hikes, Singapore's GDP growth forecast for 2013 is likely to fall to between 2.5-3.5%. Against this backdrop and barring any unforeseen events, management believes that Soilbuild REIT is well placed to deliver on its stated forecast distribution for the financial year.

**11. Distributions**

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 1<sup>st</sup> distribution for the financial period from Listing Date to 30 September 2013

Distribution type: Income

Distribution rate: 0.76 cents

Tax rate: Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?

Not applicable.

(c) Books closure date: The Transfer Books and Register of Unitholders of Soilbuild Business Space REIT (Soilbuild REIT) will be closed at 5.00 p.m. on Friday, 8 November 2013 for the purposes of determining each unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Wednesday, 6 November 2013.

(d) Date Payable: Wednesday, 4 December 2013

**12. If no distribution has been declared/(recommended), a statement to that effect.**

Not applicable

**13. Segmented Revenue and Results**

	Unaudited Actual 16 Aug to 30 Sep 2013		Unaudited Pro forma 16 Aug to 30 Sep 2012 <sup>1</sup>	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Business Park	3,227	39%	3,487	46%
Industrial	5,005	61%	4,074	54%
	<b>8,232</b>	<b>100%</b>	<b>7,561</b>	<b>100%</b>

	Unaudited Actual 16 Aug to 30 Sep 2013		Unaudited Pro forma 16 Aug to 30 Sep 2012 <sup>1</sup>	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Business Park	2,778	40%	1,960	39%
Industrial	4,131	60%	3,077	61%
	<b>6,909</b>	<b>100%</b>	<b>5,037</b>	<b>100%</b>

**Footnotes:**

<sup>1</sup> The figures are extracted from the unaudited pro forma statement of total return disclosed in the Prospectus and pro-rated for 46 days for the period from 16 August 2012 to 30 September 2012.

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**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 30 SEPTEMBER 2013**

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- 14. If Soilbuild REIT has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(i)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Soilbuild REIT has not obtained a general mandate from unitholders for IPTs.

- 15. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material respect.

For and on behalf of the Board of Directors of SB REIT Management Pte. Ltd.

Mr Benedict Andrew Lim Wee Yong  
Director

Mr Chong Kie Cheong  
Director

This release may contain forward-looking statements that involve risks and uncertainties. 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

By order of the Board of Directors of  
SB REIT Management Pte. Ltd.  
(Company Registration No. 201224644N)  
As Manager for Soilbuild Business Space REIT

Shane Hagan  
Chief Executive Officer

30 October 2013