



(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 THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

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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 ("IPO") of Soilbuild Business Space REIT.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

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

	YTD FY2014 ¹			3Q FY2014 ²		
	Unaudited Actual	Forecast ³	Variance	Unaudited Actual	Forecast ³	Variance
Gross revenue (S\$'000)	50,463	49,535	1.9%	16,916	16,770	0.9%
Net property income (S\$'000)	42,430	41,023	3.4%	14,193	13,953	1.7%
Distributable income (S\$'000)	37,279	36,133	3.2%	12,539	12,283	2.1%
Available distribution per Unit (“DPU”) (cents)	4.608	4.468	3.1%	1.546	1.515	2.0%

	Unaudited Actual	Unaudited Pro forma ⁴	Variance	Unaudited Actual	Unaudited Pro forma ⁴	Variance
	YTD FY2014	YTD FY2013		3Q FY2014	3Q FY2013	
Gross revenue (S\$'000)	50,463	49,206	2.6%	16,916	16,184	4.5%
Net property income (S\$'000)	42,430	39,117	8.5%	14,193	13,461	5.4%
Distributable income (S\$'000)	37,279	34,241	8.9%	12,539	11,785	6.4%
DPU (cents)	4.608	4.201	9.7%	1.546	1.437	7.6%

Footnotes:

- 1 Period from 1 January 2014 to 30 September 2014, hereinafter referred to as YTD FY2014.
- 2 Period from 1 July 2014 to 30 September 2014, hereinafter referred to as 3Q FY2014.
- 3 The Forecast numbers were derived from the Prospectus dated 7 August 2013 (the “Prospectus”) and extrapolated for the relevant period.
- 4 The Pro forma numbers were derived from the Prospectus and extrapolated for the relevant period as follows:
 - YTD FY2013 Pro forma numbers are made up of the 1Q FY2013 (period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated numbers for the period from 1 April 2013 to 30 September 2013 as shown in the forecast and projected statements of total return as Soilbuild REIT was only listed on Singapore Exchange Securities Trading Limited (“SGX-ST”) on 16 August 2013 (“Listing Date”).
 - 3Q FY2013 Pro forma numbers for the period from 1 July 2013 to 30 September 2013 are extrapolated from the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

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”), as manager of the private trust, 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 Soilbuild Group Holdings Ltd., 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.

In addition to the initial S\$285.0 million facility entered into on 13 August 2013, Soilbuild REIT has entered into an additional S\$100.0 million facility agreement on 20 May 2014. The lead arrangers and lenders of the loan are DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and The Hongkong and Shanghai Banking Corporation Limited. The proceeds from this facility will be used to finance future acquisitions.

On 26 May 2014, Soilbuild REIT completed the acquisition of Tellus Marine. The total acquisition cost of S\$18.21 million which comprised (i) the purchase consideration of S\$18.0 million and (ii) transaction costs of S\$0.21 million, has been fully funded with debt. Part of the purchase consideration amounting to S\$3.42 million in respect of a new annex to be constructed will only be paid upon the Temporary Occupation Permit (“TOP”) being obtained in respect of the new annex (estimated to be 1Q FY2015).

The current portfolio of Soilbuild REIT comprises 8 properties located in Singapore:

- (1) Eightrium @ Changi Business Park;
- (2) Solaris;
- (3) Tuas Connection;
- (4) West Park BizCentral;
- (5) NK Ingredients;
- (6) COS Printers;
- (7) Beng Kuang Marine; and
- (8) Tellus Marine.

Soilbuild REIT’s distribution policy is to distribute 100.0% of its annual distributable income 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.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

1(a) Statement of Total Return and Distribution Statement for YTD FY2014 & 3Q FY2014

Statement of Total Return	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	YTD FY2014 (S\$'000)	YTD FY2013 ¹ (S\$'000)		%	3Q FY2014 (S\$'000)	
Gross revenue	50,463	49,206	2.6%	16,916	16,184	4.5%
Property operating expenses	(8,033)	(10,089)	20.4%	(2,723)	(2,723)	-
Net property income	42,430	39,117	8.5%	14,193	13,461	5.4%
Interest Income	10	-	nm	10	-	nm
Finance expenses	(6,928)	(6,906)	(0.3%)	(2,454)	(2,302)	(6.6%)
Manager's management fees	(3,729)	(4,237)	12.0%	(1,254)	(1,180)	(6.3%)
Trustee's fees	(140)	(118)	(18.6%)	(45)	(40)	(12.5%)
Other trust expenses	(736)	(533)	(38.1%)	(350)	(178)	(96.6%)
Total trust expenses	(11,523)	(11,794)	2.3%	(4,093)	(3,700)	(10.6%)
Net income	30,907	27,323	13.1%	10,100	9,761	3.5%

Distribution Statement	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	YTD FY2014 (S\$'000)	YTD FY2013 ¹ (S\$'000)		%	3Q FY2014 (S\$'000)	
Net income	30,907	27,323	13.1%	10,100	9,761	3.5%
Net effect of non-tax deductible items ²	6,372	6,918	(7.9%)	2,439	2,024	20.5%
Income available for distribution to Unitholders	37,279	34,241	8.9%	12,539	11,785	6.4%

Footnotes:

- 1 The Pro forma numbers were derived from the Prospectus and extrapolated for the relevant period as follow:
 - YTD FY2013 Pro forma numbers are made up of the 1Q FY2013 (period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated numbers for the period from 1 April 2013 to 30 September 2013 as shown in the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.
 - 3Q FY2013 Pro forma numbers for the period from 1 July 2013 to 30 September 2013 are extrapolated from the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.
- 2 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, amortisation of debt arrangement fees, security trustee fee and agency fee, and professional fees.
- 3 nm denotes not meaningful.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

1(b)(i) Balance Sheet

	Notes	Unaudited Actual 30 Sep 2014 (S\$'000)	Audited Actual 31 Dec 2013 ¹ (S\$'000)
Current assets			
Cash and cash equivalents	a	19,492	19,952
Trade and other receivables	b	567	193
Other current assets	c	1,804	75
Deferred expenditure		200	25
Total current assets		22,063	20,245
Non-current assets			
Investment properties	d	949,944	935,000
Deferred expenditure		349	47
Total non-current assets		950,293	935,047
Total Assets		972,356	955,292
Current liabilities			
Trade and other payables	e	7,999	8,307
Derivative financial instruments	f	244	24
Rental deposits	g	1,808	818
Interest-bearing borrowings	h	94,484	-
Total current liabilities		104,535	9,149
Non-current liabilities			
Derivative financial instruments	f	1,003	1,579
Rental deposits	g	22,317	21,935
Interest-bearing borrowings	h	195,365	275,331
Total non-current liabilities		218,685	298,845
Total Liabilities		323,220	307,994
Net assets attributable to Unitholders		649,136	647,298
Represented by:			
Unitholders' funds		649,136	647,298
NAV per Unit (S\$)		0.80	0.80

Footnote:

- 1 The balance sheet as at 31 December 2013 excludes minor private trust balances as disclosed in Soilbuild REIT's FY2013 annual report which were attributable to the private trust unitholder prior to the Listing Date.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

Notes:

- (a) Cash and cash equivalents as at 30 September 2014 were slightly lower than as at 31 December 2013.
- (b) Trade and other receivables comprised mainly trade receivables amounting to S\$0.6 million.
- (c) Other current assets as at 30 September 2014 comprised prepayments relating to operating activities and deposits paid to various service providers. They were higher than 31 December 2013 by S\$1.7 million mainly due to property tax prepayments and deposits paid.
- (d) Investment properties as at 31 December 2013 are accounted for at fair value based on the latest valuation at that date undertaken by independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”). As at 30 September 2014, investment properties are based on the 31 December 2013 valuation plus capital expenditure incurred as well as the total acquisition cost of the new acquisitions.
- (e) Trade and other payables as at 30 September 2014 comprised trade creditors, interest payable, advance rental received, Goods and Services Tax (“GST”) payable, fees payable to Manager/Trustee and accrual of professional fees.
- (f) Derivative financial instruments as at 30 September 2014 represent the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (g) Rental deposits as at 30 September 2014 were higher than 31 December 2013 by S\$1.4 million.
- (h) Interest-bearing borrowings are made up of loan facility drawn down of S\$295.0 million less unamortised debt arrangement fees. Although it is noted that total current liabilities exceed current assets, it is due to the current portion of interest bearing borrowings (S\$95.0 million) which expires in August 2015. The Manager is confident that the loan will be renewed for a new tenure which will result in its reclassification back to non-current liabilities.

1(b)(ii) Aggregate Amount of Borrowings

	Unaudited Actual 30 Sep 2014 (S\$'000)	Audited Actual 31 Dec 2013 (S\$'000)
Amount repayable within one year	95,000	-
Less: Debt arrangement fees ¹	(516)	-
	94,484	-
Amount repayable after one year	200,000	280,000
Less: Debt arrangement fees ¹	(4,635)	(4,669)
	195,365	275,331
Total borrowings	289,849	275,331

Footnote:

- 1. Debt arrangement fees are amortised over the life of the loan facilities.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

Details of borrowings

- Senior Term Loan Facility of S\$285.0 Million

Soilbuild REIT has a senior term loan facility amounting to S\$285.0 million (“TLF 1”) obtained from Citibank N.A. Singapore Branch, DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and RHB Bank Berhad Singapore Branch (the “Lending Banks 1”).

S\$280.0 million of TLF 1 has been drawn down on the Listing Date (“TLF 1 Drawdown”) to finance the acquisition of the Sponsor Properties as well as to repay private trust unitholder loans that financed the acquisition of the third parties properties prior to Listing Date.

TLF 1 Drawdown 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 from the Listing Date;
S\$95.0 million (33.9%) is repayable in three years from the Listing Date; and
S\$90.0 million (32.2%) is repayable in four years from the Listing Date.

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

TLF 1 is secured against Eightrium @ Changi Business Park, Solaris, Tuas Connection and NK Ingredients.

Soilbuild REIT has put in place interest rate swaps to fix 100.0% of the interest rates of TLF 1 Drawdown at a weighted average swap rate of 0.823% for durations of 1 to 4 years, resulting in a weighted average swap maturity of 1.44 years as at 30 September 2014.

- Senior Term Loan Facility of S\$100.0 Million

On 20 May 2014, Soilbuild REIT entered into second senior term loan facility amounting to S\$100.0 million (“TLF 2”) obtained from DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (the “Lending Banks 2”).

S\$15.0 million of the TLF 2 was drawn down on floating interest rates to finance the acquisition of Tellus Marine on 26 May 2014 (“TLF 2 Drawdown”). TLF 2 Drawdown has a four year maturity term from the date of the facility agreement.

The remaining S\$85.0 million loan facility will be used to finance future acquisitions. TLF 2 is secured against West Park BizCentral.

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1(c) Statement of Cash Flows¹

	Unaudited Actual YTD FY2014 (S\$'000)	Unaudited Actual 3Q FY2014 (S\$'000)
Operating activities:		
Net income	30,907	10,100
Adjustments for		
- Interest expense	5,325	1,833
- Security trustee and agency fees	85	45
- Amortised debt arrangement fees	1,518	576
- Management fees in Units	4,860	1,633
Change in working capital		
- Trade and other receivables	(373)	(275)
- Other current assets	(1,056)	897
- Deferred expenditure	(477)	47
- Trade and other payables	2,344	(1,090)
- Rental deposits	1,374	222
Cash flows from operations	44,507	13,988
Interest paid	(5,316)	(1,833)
Net cash generated from operating activities	39,191	12,155
Investing activities:		
Deposits for potential acquisitions	(672)	(672)
Purchase of investment properties ²	(14,792)	-
Capital expenditure on investment properties	(153)	(87)
Net cash used in investing activities	(15,617)	(759)
Financing activities:		
Proceeds from borrowings	15,000	-
Debt arrangement fees	(2,000)	-
Issue expenses	(148)	-
Distributions paid	(36,886)	(12,134)
Net cash used in financing activities	(24,034)	(12,134)
Net decrease in cash and cash equivalents	(460)	(738)
Cash and cash equivalents at beginning of period	19,952	20,230
Cash and cash equivalents at end of period	19,492	19,492

Footnotes:

- 1 No comparative statement of cash flows has been presented as Soilbuild REIT was listed on SGX-ST on the Listing Date.
- 2 This comprises of purchase consideration for Tellus Marine amounting to S\$14.6 million and associated transaction costs of S\$0.2 million.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2014”) AND FINANCIAL PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (“YTD FY2014”)

1(d)(i) Statement of Changes in Unitholders’ Funds¹

	Operations (S\$’000)	Unitholders’ Contribution (S\$’000)	Hedging Reserve (S\$’000)	Total (S\$’000)
Balance as at 31 December 2013	38,627	610,274	(1,603)	647,298
Total return for the period	10,535	-	-	10,535
Distribution to Unitholders	(12,149)	-	-	(12,149)
Movement in hedging reserve	-	-	294	294
Issuance costs unutilised	-	2,500	-	2,500
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,729	-	1,729
Balance as at 31 March 2014	37,013	614,503	(1,309)	650,207
Total return for the period	10,272	-	-	10,272
Distribution to Unitholders	(12,603)	-	-	(12,603)
Movement in hedging reserve	-	-	(614)	(614)
Issuance costs unutilised	-	5	-	5
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,641	-	1,641
Balance as at 30 June 2014	34,682	616,149	(1,923)	648,908
Total return for the period	10,100	-	-	10,100
Distribution to Unitholders	(12,134)	-	-	(12,134)
Movement in hedging reserve	-	-	676	676
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,586	-	1,586
Balance as at 30 September 2014	32,648	617,735	(1,247)	649,136

Footnote:

1 As Soilbuild REIT was only listed on SGX-ST on the Listing Date, there are no actual comparative figures.

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1(d)(ii) Details of Any Change in Units¹

	Unaudited Actual YTD FY2014 ('000)	Unaudited Actual 3Q FY2014 ('000)
Balance as at beginning of period	804,541	808,943
Movements during the period		
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	6,392	1,990
Total issued Units as at end of period	810,933	810,933

Footnote:

1 As Soilbuild REIT was only listed on SGX-ST on the Listing Date, there are no actual comparative figures.

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 audited financial statements for the year ended 31 December 2013.

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.

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

	Unaudited Actual	Unaudited Pro forma	Unaudited Actual	Unaudited Pro forma
	YTD FY2014	YTD FY2013¹	3Q FY2014	3Q FY2013¹
Weighted average number of Units	807,819,853	814,598,233	809,970,688	819,717,458
EPU – Basic and Diluted² Based on the weighted average number of Units in issue (cents)	3.825	3.353	1.247	1.191
- Basic and diluted				
Number of Units in issue at end of period	810,932,954	819,717,458	810,932,954	819,717,458
DPU Based on the number of Units in issue at end of each distribution period (cents)	4.608	4.201	1.546	1.437

Footnotes:

- 1 The Pro forma numbers were derived from the Prospectus and extrapolated for the relevant period as follows:
 - YTD FY2013 Pro forma numbers are made up of the 1Q FY2013 (period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated numbers for the period from 1 April 2013 to 30 September 2013 as shown in the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.
 - 3Q FY2013 Pro forma numbers for the period from 1 July 2013 to 30 September 2013 are extrapolated from the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.
- 2 The EPU has been calculated using net income for the period and the weighted average number of Units at the end of the period. The calculation will exclude net change in fair value of investment properties for the relevant period.

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

	Unaudited Actual	Audited Actual
	30 Sep 2014	31 Dec 2013
NAV per Unit (S\$)	0.80	0.80

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8. Review of the Performance (Actual vs Pro Forma)

a. Review of the Performance on Actual YTD FY2014 compared to Pro Forma

Gross revenue was S\$50.5 million in YTD FY2014, 2.6% higher than the unaudited pro forma gross revenue in YTD FY2013, and was due to additional rental revenue from Tellus Marine, higher rental revenue from Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral, and pre-termination income recognised from a tenant in West Park BizCentral amounting to S\$0.4 million in 1Q FY2014. This was partially offset by lower rental revenue from Solaris (10.6% lower than the pro forma) as the YTD FY2013 pro forma figure was based on underlying leases whereas actual is on a master lease “triple-net” structure.

Property operating expenses were lower by 20.4% at S\$8.0 million in YTD FY2014 when compared to the unaudited pro forma property operating expenses in YTD FY2013. The reduction was 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, compared to the unaudited pro forma where the YTD FY2013 figure was based on underlying leases.

Net property income was 8.5% higher at S\$42.4 million in YTD FY2014 from S\$39.1 million in YTD FY2013 mainly due to the above reasons.

Net income increased by 13.1% to S\$30.9 million in YTD FY2014 from S\$27.3 million in YTD FY2013 mainly due to the higher net property income (S\$3.3 million higher), lower Manager’s management fees (S\$0.5 million lower) and interest income generated in 3Q FY2014.

Income available for distribution was S\$ 37.3 million in YTD FY2014, 8.9% higher than YTD FY2013 mainly due to the higher net income.

b. Review of the Performance on Actual 3Q FY2014 compared to Pro Forma

Gross revenue was S\$16.9 million in 3Q FY2014, 4.5% higher than the unaudited pro forma gross revenue in 3Q FY2013, and was mainly due to additional rental revenue from Tellus Marine, escalated rental for Solaris and Beng Kuang Marine and higher rental revenue from Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral.

Property operating expenses was S\$2.7 million in 3Q FY2014 which was consistent with the unaudited pro forma property operating expenses in 3Q FY2013.

Net property income was 5.4% higher to S\$14.2 million in 3Q FY2014 from S\$13.5 million in 3Q FY2013 mainly due to the above reasons.

Net income increased by 3.5% to S\$10.1 million in 3Q FY2014 from S\$9.8 million in 3Q FY2013 mainly due to the higher net property income (S\$0.7 million higher).

Income available for distribution was S\$12.5 million in 3Q FY2014, 6.4% higher than 3Q FY2013 mainly due to higher net income.

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9. Variance from Prospect Statement

	Unaudited Actual	Forecast¹	Variance	Unaudited Actual	Forecast¹	Variance
	YTD FY2014	YTD FY2014		3Q FY2014	3Q FY2014	
	(S\$'000)	(S\$'000)	(%)	(S\$'000)	(S\$'000)	(%)
Gross revenue	50,463	49,535	1.9%	16,916	16,770	0.9%
Property operating expenses	(8,033)	(8,512)	5.6%	(2,723)	(2,817)	3.3%
Net property income	42,430	41,023	3.4%	14,193	13,953	1.7%
Interest Income	10	-	nm	10	-	nm
Finance expenses	(6,928)	(6,906)	(0.3%)	(2,454)	(2,302)	(6.6%)
Manager's management fees	(3,729)	(3,614)	(3.2%)	(1,254)	(1,228)	(2.1%)
Trustee's fee	(140)	(117)	(19.7%)	(45)	(39)	(15.4%)
Other trust expenses	(736)	(549)	(34.1%)	(350)	(183)	(91.3%)
Total trust expense	(11,523)	(11,186)	(3.0%)	(4,093)	(3,752)	(9.1%)
Net income	30,907	29,837	3.6%	10,100	10,201	(1.0%)
Net effect of non-tax deductible items	6,372	6,296	1.2%	2,439	2,082	17.1%
Income available for distribution to Unitholders	37,279	36,133	3.2%	12,539	12,283	2.1%
DPU (cents)	4.608	4.468	3.1%	1.546	1.515	2.0%

Footnote:

1 The Forecast figures are derived from the Forecast Year 2014 figures disclosed in the Prospectus (hereinafter referred to as the "Forecast").

2 nm denotes not meaningful.

Variance between the Actual and Forecast results for YTD FY2014

Gross revenue of S\$50.5 million in YTD FY2014 was 1.9% higher than the Forecast. This was mainly due to (i) pre-termination income recognised from a tenant in West Park BizCentral amounting to S\$0.4 million in 1Q FY2014, (ii) revenue from Eightrium @ Changi Business Park was higher than Forecast due to new take up of space over a previously vacant area, and (iii) revenue recognized from the acquisition of Tellus Marine from 26 May 2014. This was partially offset by lower rental revenue from Tuas Connection due to non-renewal cases.

Property operating expenses were 5.6% lower than Forecast at S\$8.0 million in YTD FY2014. This was largely due to lower maintenance costs incurred for Eightrium @ Changi Business Park and Tuas Connection.

Net property income was 3.4% higher than Forecast at S\$42.4 million in YTD FY2014 due to the above reasons.

Net income was 3.6% higher at S\$30.9 million, mainly due to the higher net property income and interest income generated in 3Q FY2014.

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Income available for distribution was S\$37.3 million, 3.2% higher than the Forecast mainly due to the higher net income and interest income generated in 3Q FY2014.

Variance between the Actual and Forecast results for 3Q FY2014

Gross revenue of S\$16.9 million in 3Q FY2014 was 0.9% higher than the Forecast. This was mainly due to additional revenue from the acquisition of Tellus Marine in May 2014.

Property operating expenses were 3.3% lower than Forecast at S\$2.7 million in 3Q FY2014. This was largely due to lower maintenance costs incurred for both Eightrium @ Changi Business Park and Tuas Connection.

Net property income was 1.7% higher than Forecast at S\$14.2 million in 3Q FY2014 due to the above reasons.

Net income was 1.0% lower at S\$10.1 million, mainly due to the higher finance expenses and other trust expenses.

Income available for distribution was S\$12.5 million, 2.1% higher than the Forecast mainly due to the higher net property income.

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 the Ministry of Trade & Industry¹ the Singapore economy grew by 2.4 % on a year-on-year basis in the third quarter of 2014, the same pace of growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.2%, a reversal from the 0.1% contraction in the previous quarter.

The September 2014 Singapore's Purchasing Managers' Index (“PMI”) posted a reading of 50.5², which was an increase of 0.8 point over the previous month. The increase in the overall PMI was attributed to further expansion in new orders and first-time expansion in new export orders, production output and imports. The electronics sector recorded further expansion at 51.9, which was an increase of 1.2 point over the previous month. The readings indicated further growth in new orders from domestic and overseas markets.

For 2Q FY2014, the JTC All Industrial Properties Price Index rose marginally by 0.7%³ on a quarter-on-quarter basis, following a 3.8% increase in the previous quarter. On a year-on-year basis, prices of all industrial space rose by 3.9%, significantly slower than the average increase of 18.8% per year over the past four years. During the same period, the JTC All Industrial Properties Rental Index moderated, falling by 0.1% on a quarter-on-quarter basis, following a 0.4% increase in the previous quarter. On a year-on-year basis, rentals of all industrial space rose by 5.0% in 2Q FY2014, significantly slower than the average increase of 9.8% per year over the past four years.

According to DTZ estimates there is more than 40 million sqft of industrial space expected to be completed by 2016. According to DTZ, both average capital and rental values of conventional industrial space will continue to see downward pressure as a result of the high future supply. Although most of Soilbuild REIT's industrial properties are well placed due to their specifications and location, the large amount of new supply coming in means that tenants whose leases are expiring have a wide range of accommodation options to consider. Business park upcoming supply is modest, however, with demand expected to remain healthy, particularly in newer and more centrally located parks with better quality specifications.

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Notwithstanding this cautious tone and barring any unexpected non-renewals, Management believes that Soilbuild REIT is still well placed to deliver on its forecast distribution for the 2014 financial year.

Footnotes:

1. Ministry of Trade and Industry, Singapore’s GDP Grew 2.4 Per Cent in the Third Quarter of 2014, 14 October 2014.

2. Singapore Institute of Purchasing & Materials Management, September PMI reverted to expansion at 50.5 – The electronic index expanded further at 51.9, October 2014.

3. JTC All Industrial Properties Price Index, Second Quarter 2014.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 5th distribution for the financial period from 1 July 2014 to 30 September 2014

Distribution type: Income

Distribution rate: 1.546 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.

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%.

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. on Thursday, 30 October 2014 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Tuesday, 28 October 2014.

Date Payable: Thursday, 20 November 2014

(b) Corresponding period of the preceding financial period

Any distributions declared for the previous corresponding financial period? Yes

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

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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.

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%.

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.

Date Payable: Wednesday, 4 December 2013

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

Not applicable.

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13. Segmented Revenue and Results

	Unaudited Actual YTD FY2014		Unaudited Pro forma YTD FY2013 ¹		Unaudited Actual 3Q FY2014		Unaudited Pro forma 3Q FY2013 ¹	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<u>Gross Revenue</u>								
Business Park	19,517	39%	20,718	42%	6,531	39%	6,322	39%
Industrial	30,946	61%	28,488	58%	10,385	61%	9,862	61%
	50,463	100%	49,206	100%	16,916	100%	16,184	100%

	Unaudited Actual YTD FY2014		Unaudited Pro forma YTD FY2013 ¹		Unaudited Actual 3Q FY2014		Unaudited Pro forma 3Q FY2013 ¹	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<u>Net Property Income</u>								
Business Park	16,805	40%	15,930	41%	5,605	39%	5,369	40%
Industrial	25,625	60%	23,187	59%	8,588	61%	8,092	60%
	42,430	100%	39,117	100%	14,193	100%	13,461	100%

Footnote:

1 The Pro forma numbers were derived from the Prospectus and extrapolated for the relevant period.

- YTD FY2013 Pro forma numbers are made up of the 1Q FY2013 (period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated numbers for the period from 1 April 2013 to 30 September 2013 as shown in the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.
- 3Q FY2013 Pro forma numbers for the period from 1 July 2013 to 30 September 2013 are extrapolated from the forecast and projected statements of total return as Soilbuild REIT was only listed on SGX-ST on Listing Date.

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.

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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 employee 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

Mr. Shane Hagan
Chief Executive Officer

21 October 2014