

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

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q FY2015”) AND FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 30 SEPTEMBER 2015 (“YTD FY2015”)

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

	YTD FY2015¹	YTD FY2014²	Variance (%)	3Q FY2015³	3Q FY2014⁴	Variance (%)
Gross revenue (S\$'000)	58,906	50,463	16.7	20,701	16,916	22.4
Net property income (S\$'000)	50,287	42,430	18.5	17,777	14,193	25.3
Distributable income (S\$'000)	42,776	37,279	14.7	15,147	12,539	20.8
DPU (cents)	4.873	4.608	5.8	1.625	1.546	5.1

Footnotes:

- 1 Period from 1 January 2015 to 30 September 2015, hereinafter referred to as YTD FY2015.
- 2 Period from 1 January 2014 to 30 September 2014, hereinafter referred to as YTD FY2014.
- 3 Period from 1 July 2015 to 30 September 2015, hereinafter referred to as 3Q FY2015.
- 4 Period from 1 July 2014 to 30 September 2014, hereinafter referred to as 3Q FY2014.

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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”), as manager of the private trust, and DBS Trustee Limited (“Trustee”) as trustee of the trust. Soilbuild REIT initially acquired three properties on a sale and leaseback structure prior to its IPO, NK Ingredients, COS Printers and 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 16 August 2013 (the “Listing Date”), Soilbuild REIT completed the acquisition of Eightrium @ Changi Business Park (“Eightrium”), Solaris, Tuas Connection and West Park BizCentral, and was listed on SGX-ST as a REIT, pursuant to the Prospectus dated 7 August 2013.

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.

On 26 May 2014, 31 October 2014, 23 December 2014 and 27 May 2015, Soilbuild REIT completed the acquisitions of Tellus Marine, KTL Offshore, Speedy-Tech and Technics respectively.

The current portfolio of Soilbuild REIT comprises 11 properties located in Singapore:

- (1) Eightrium;
- (2) Solaris;
- (3) Tuas Connection;
- (4) West Park BizCentral;
- (5) NK Ingredients;
- (6) COS Printers;
- (7) Beng Kuang Marine;
- (8) Tellus Marine;
- (9) KTL Offshore;
- (10) Speedy-Tech; and
- (11) Technics

Soilbuild REIT’s distribution policy is to 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.

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1(a) Statement of Total Return and Distribution Statement for 3Q FY2015 & 3Q FY2014

	YTD FY2015 S\$'000	YTD FY2014 S\$'000	Variance %	3Q FY2015 S\$'000	3Q FY2014 S\$'000	Variance %
Gross revenue	58,906	50,463	16.7	20,701	16,916	22.4
Property operating expenses	(8,619)	(8,033)	(7.3)	(2,924)	(2,723)	(7.4)
Net property income	50,287	42,430	18.5	17,777	14,193	25.3
Interest Income	447	10	4,370	190	10	1,800
<u>Expenses:</u>						
Finance expenses	(10,165)	(6,928)	(46.7)	(3,676)	(2,454)	(49.8)
Manager's management fees	(4,278)	(3,729)	(14.7)	(1,515)	(1,254)	(20.8)
Trustee's fees	(146)	(140)	(4.3)	(51)	(45)	(13.3)
Other trust expenses	(1,004)	(736)	(36.4)	(223)	(350)	36.3
	(15,146)	(11,523)	(31.4)	(5,275)	(4,093)	(28.9)
Total return before distribution	35,141	30,907	13.7	12,502	10,100	23.8

Distribution Statement	YTD FY2015 S\$'000	YTD FY2014 S\$'000	Variance %	3Q FY2015 S\$'000	3Q FY2014 S\$'000	Variance (%)
Total return before distribution	35,141	30,907	13.7	12,502	10,100	23.8
Net effect of non-tax deductible items ¹	7,635	6,372	19.8	2,645	2,439	8.4
Income available for distribution to Unitholders	42,776	37,279	14.7	15,147	12,539	20.8

Footnotes:

- 1 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, fixed assets expenses, security trustee and agency fees and bank commitment fees.

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1(b)(i) Balance Sheet

		Actual	Actual
	Notes	30 Sep 2015 (S\$'000)	31 Dec 2014 (S\$'000)
Current assets			
Cash and cash equivalents	a	17,923	20,951
Trade and other receivables	b	1,878	816
Derivative financial instruments	c	519	-
Other current assets	d	1,279	234
Deferred expenditure	e	433	315
Total current assets		22,032	22,316
Non-current assets			
Investment properties	f	1,186,159	1,030,700
Derivative financial instruments	c	2,103	213
Deferred expenditure	e	832	743
Total non-current assets		1,189,094	1,031,656
Total Assets		1,211,126	1,053,972
Current liabilities			
Trade and other payables	g	10,955	8,684
Derivative financial instruments	c	-	65
Rental deposits	h	3,377	2,510
Borrowings	i	-	94,634
Total current liabilities		14,332	105,893
Non-current liabilities			
Trade and other payables	g	33,179	-
Rental deposits	h	23,581	23,009
Borrowings	i	397,949	274,290
Total non-current liabilities		454,709	297,299
Total Liabilities		469,041	403,192
Net assets attributable to Unitholders		742,085	650,780
Represented by:			
Unitholders' funds		742,085	650,780
NAV per Unit (S\$)		0.80	0.80

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Notes:

- (a) Cash and cash equivalents as at 30 September 2015 were S\$3.0 million lower than the balance as at 31 December 2014 mainly due to payment of debt arrangement fees amounting to S\$2.7 million in FY2015.
- (b) Trade and other receivables comprised mainly unbilled debtors of S\$0.8 million and trade receivables amounting to S\$1.0 million. The increase in trade and other receivables is mainly due to S\$0.7 million higher trade debtors and S\$0.2 million higher unbilled debtors for new tenancies arising from the accounting of revenue on a straight-line basis over the lease term including the rent-free period.
- (c) Derivative financial instruments as at 30 September 2015 represented the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (d) Other current assets as at 30 September 2015 comprised mainly property tax of S\$1.0 million included in prepayments.
- (e) Deferred expenditure relates to the unamortised portion of marketing commissions paid to the Property Manager and Manager for securing new leases and renewing expiring leases. The increase in deferred expenditure was due to the increase in new and renewed leases.
- (f) Investment properties as at 30 September 2015 were accounted for at fair value based on the valuations undertaken by independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) and Savills Valuation and Professional Services (Pte) Ltd as at 31 December 2014¹. The increase in investment properties was mainly due to the acquisition of Technics amounting to S\$98.1 million (including acquisition related cost) in May 2015 and capitalisation of the upfront land premium and stamp duty amounting to S\$57.2 million for Solaris.
- (g) Trade and other payables as at 30 September 2015 comprised trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. The increase in trade and other payables was mainly attributed to the accrual for payment for the second tranche of the Solaris upfront land premium amounting to S\$31.9 million.
- (h) Rental deposits as at 30 September 2015 were higher than 31 December 2014 by S\$1.4 million mainly due to higher rental deposits collected from tenants.
- (i) Borrowings are made up of loan facilities drawn down of S\$282.5 million less unamortised debt arrangement fees, S\$100 million MTN issued and an interest-free loan amounting to S\$23.1 million from SB (Solaris) Investment Pte. Ltd. (“SB Solaris”), a wholly-owned subsidiary of Soilbuild Group Holdings Ltd..

Footnotes:

- 1 Acquisition costs of newly acquired properties are capitalised in investment properties. The carrying value of Solaris is based on the valuation report dated 17 February 2015 by Colliers plus stamp duty on the Solaris upfront land premium incurred.

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1(b)(ii) Aggregate Amount of Borrowings

	Actual 30 Sep 2015 (S\$'000)	Actual 31 Dec 2014 (S\$'000)
<u>Interest-bearing borrowings</u>		
Amount repayable within one year	-	95,000
Less: Debt arrangement fees ¹	-	(366)
	-	94,634
<u>Interest-bearing borrowings</u>		
Amount repayable after one year	382,500	278,500
Less: Debt arrangement fees ¹	(5,710)	(4,210)
	376,790	274,290
<u>Interest-free borrowings</u>		
Amount repayable after one year	23,117	-
Less: Deferred amortisation ²	(1,958)	-
	21,159	-
Total borrowings repayable after one year	397,949	274,290
Total borrowings	397,949	368,924

Footnotes:

1. Debt arrangement fees are amortised over the life of the loan facilities.
2. Relates to the deferred amortisation of notional interest on interest-free loan.

Details of borrowings

- Senior Term Loan Facility of S\$100.0 Million

On 20 May 2014, Soilbuild REIT entered into a senior term loan facility amounting to S\$100.0 million (“TLF 1”) obtained from DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.

S\$15.0 million, S\$55.0 million, S\$23.5 million and S\$4.0 million of the TLF 1 was drawn down to finance the acquisition of Tellus Marine, KTL Offshore, Speedy-Tech and Technics on May 2014, October 2014, December 2014 and May 2015 (“TLF 1 Drawdown”) respectively.

TLF 1 Drawdown has a four year maturity term from the date of the facility agreement.

The remaining S\$2.5 million loan facility will be used to finance future acquisitions. TLF 1 is secured against West Park BizCentral.

- Senior Term Loan Facility of S\$185.0 Million

On 25 September 2015, Soilbuild REIT entered into a senior term loan facility amounting to S\$185.0 million (“TLF 2”) obtained from DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, the Bank of East Asia, Limited, Singapore Branch and RHB Bank Berhad, Singapore Branch.

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TLF 2 was fully drawn down in September 2015 to refinance the loan drawn down from the original S\$285 million facility on Listing Date.

TLF 2 is secured against Solaris and is repayable in March 2020.

- **Medium Term Notes (“MTN”) of S\$100.0 Million issued**

On 21 May 2015, Soilbuild REIT issued S\$100.0 million of unsecured MTN which bear interest at 3.45% p.a. and mature on 21 May 2018.

97.9% of the interest-bearing loans are either fixed rate borrowings or swapped to fixed rates with interest rate swaps.

- **Interest-free loan from SB Solaris**

On 17 March 2015, the Manager announced that an agreement had been entered into whereby the Trustee in its capacity as Trustee of Soilbuild REIT and JTC had agreed to the conversion of the annual land rental payment scheme under the Solaris land lease to an upfront land premium payment scheme. On the same date, the Trustee entered into an interest-free loan agreement with SB Solaris amounting to S\$55 million to fund the payment of this Solaris upfront land premium. The loan matures in August 2018.

SB Solaris has extended the first tranche of the loan amounting to S\$23.1 million to Soilbuild REIT on 17 March 2015 and will extend the balance S\$31.9 million to Soilbuild REIT on 17 March 2016.

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1(c) Statement of Cash Flows

	YTD FY2015	YTD FY2014	3Q FY2015	3Q FY2014
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Operating activities:				
Net income	35,141	30,907	12,502	10,100
Adjustments for				
- Finance expenses	8,359	5,325	3,132	1,833
- Security trustee and agency fees	125	85	85	45
- Loan facility commitment fees	10	-	2	-
- Amortised debt arrangement fees	1,671	1,518	457	576
- Management fees paid and payable in Units	5,652	4,860	2,004	1,633
Changes in working capital				
- Trade and other receivables	(1,062)	(373)	(172)	(275)
- Other current assets	(1,045)	(1,056)	1,034	897
- Deferred expenditure	(207)	(477)	(109)	47
- Trade and other payables	1,181	2,344	(434)	(1,090)
- Rental deposits	1,439	1,374	(239)	222
Cash flows from operations	51,264	44,507	18,262	13,988
Finance expense paid	(8,033)	(5,316)	(2,883)	(1,833)
Net cash generated from operating activities	43,231	39,191	15,379	12,155
Investing activities:				
Deposits for potential acquisitions	-	(672)	-	(672)
Purchase of investment properties	(98,092)	(14,792)	-	-
Capital expenditure on investment properties	(25,484)	(153)	(112)	(87)
Net cash used in investing activities	(123,576)	(15,617)	(112)	(759)
Financing activities:				
Proceeds from borrowings	127,117	15,000	-	-
Repayment of borrowings	(95,000)	-	-	-
Debt arrangement fees	(2,691)	(2,000)	(2,391)	-
Issuance of new Units (Private Placement)	89,999	-	-	-
Issue expenses	(1,602)	(148)	-	-
Distributions paid	(40,506)	(36,886)	(9,176)	(12,134)
Net cash generated from/(used in) financing activities	77,317	(24,034)	(11,567)	(12,134)
Net (decrease)/increase in cash and cash equivalents	(3,028)	(460)	3,700	(738)
Cash and cash equivalents at beginning of the financial period	20,951	19,952	14,223	20,230
Cash and cash equivalents at end of the financial period	17,923	19,492	17,923	19,492

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

FY2015	Operations (S\$’000)	Unitholders’ Contribution (S\$’000)	Hedging Reserve (S\$’000)	Total (S\$’000)
Balance as at 31 December 2014	31,266	619,366	148	650,780
Total return for the period	11,026	-	-	11,026
Distribution to Unitholders	(12,886)	-	-	(12,886)
Movement in hedging reserve	-	-	1,781	1,781
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	2,152	-	2,152
Balance as at 31 March 2015	29,406	621,518	1,929	652,853
Total return for the period	11,613	-	-	11,613
Distribution to Unitholders	(18,444)	-	-	(18,444)
Movement in hedging reserve	-	-	(990)	(990)
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,762	-	1,762
Issue of new Units under Private Placement	-	89,999	-	89,999
Issuance cost	-	(1,602)	-	(1,602)
Balance as at 30 June 2015	22,575	711,677	939	735,191
Total return for the period	12,502	-	-	12,502
Distribution to Unitholders	(9,176)	-	-	(9,176)
Movement in hedging reserve	-	-	1,683	1,683
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,885	-	1,885
Balance as at 30 September 2015	25,901	713,562	2,622	742,085

FY2014	Operations (S\$’000)	Unitholders’ Contribution (S\$’000)	Hedging Reserve (S\$’000)	Total (S\$’000)
Balance as at 31 December 2013	38,629	610,274	(1,605)	647,298
Total return for the period	10,533	-	-	10,533
Distribution to Unitholders	(12,149)	-	-	(12,149)
Movement in hedging reserve	-	-	296	296
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

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FY2014	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
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

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

	YTD FY2015 (‘000)	3Q FY2015 (‘000)
Balance as at beginning of period	812,993	929,730
Movements during the period		
- Units issued in lieu of Manager's management fees, property management fees and lease management fees	7,154	2,217
- Units issued pursuant to the Private Placement ¹	111,800	-
Total issued Units as at end of period	931,947	931,947

	YTD FY2014 (‘000)	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:

¹ 111,800,000 new Units were issued on 5 May 2015 at an issue price of S\$0.805 per new Unit pursuant to the Private Placement.

1(d)(iii) To show the total number of issued units excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 30 September 2015, Soilbuild REIT had 931,947,408 Units (31 December 2014:

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812,993,184 units).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

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 nor 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 financial year ended 31 December 2014.

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

There is no change in the accounting policies and methods of computation adopted.

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

	YTD FY2015	YTD FY2014	3Q FY2015	3Q FY2014
Weighted average number of Units	853,234,490	807,819,853	930,935,017	809,970,688
EPU – Basic and Diluted¹ Based on the weighted average number of Units in issue (cents)	4.006	3.825	1.343	1.247
- Basic and diluted Number of Units in issue at end of period	931,947,408	810,932,954	931,947,408	810,932,954
DPU Based on the number of Units in issue at end of each distribution period (cents)	4.873	4.608	1.625	1.546

Footnotes:

1 The EPU has been calculated using total return before distribution for the period and the weighted average number of Units at the end of the period. The calculation excludes net change in fair value of investment properties for the relevant period.

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

	Actual 30 September 2015	Actual 31 Dec 2014
NAV per Unit ¹ (\$)	0.80	0.80

Footnote:

- The NAV per unit was computed based on the number of Units in issue at the end of the financial period.

8. Review of the Performance

Review of the Performance on YTD FY2015 compared to YTD FY2014

Gross revenue was S\$58.9 million in YTD FY2015, S\$8.4 million or 16.7% higher than the gross revenue in YTD FY2014, and was mainly due to additional rental revenue from KTL Offshore, Technics, Speedy-Tech, Tellus Marine, Solaris and Tuas Connection amounting to S\$2.8 million, S\$2.7 million, S\$1.4 million, S\$0.5 million, S\$0.4 million and S\$0.4 million respectively. KTL Offshore, Technics and Speedy-Tech were acquired after 3Q FY2014.

Property operating expenses were S\$8.6 million in YTD FY2015 which was S\$0.6 million higher than YTD FY2014 mainly due to higher property tax and lease commissions for West Park Biz Central and property and lease management fees for newly acquired properties.

Net property income was 18.5% higher at S\$50.3 million in YTD FY2015 from S\$42.4 million in YTD FY2014 mainly due to the above reasons.

The increase in Manager's management fees was due to higher annual distributable income achieved which resulted in higher base fees. The increase in finance expenses is mainly due to loans drawn down to finance the acquisition of the 4 properties acquired after the Listing Date and higher weighted average interest rate.

Total return before distribution amounting to S\$35.1 million is S\$4.2 million higher than YTD FY2014 mainly due to higher net property income (S\$7.9 million higher), partially offset by higher finance expenses, Manager's management fees and other trust expenses.

The increase in other trust expenses from S\$0.7 million in YTD FY2014 to S\$1.0 million in YTD FY2015 is mainly due to professional fees incurred on the establishment of the S\$500 million Multicurrency Debt Issuance Programme and accrual of legal fees for the re-financing of bank borrowings.

Income available for distribution was S\$42.8 million in YTD FY2015, 14.7% higher than YTD FY2014 mainly due to higher total return before distribution and non-tax deductible items, such as manager's base fees, property management fees, lease management fees paid/payable in Units, amortisation of debt arrangement fees and MTN related expenses.

Review of the Performance on 3Q FY2015 compared to 3Q FY2014

Gross revenue was S\$20.7 million in 3Q FY2015, S\$3.8 million or 22.4% higher than the gross revenue in 3Q FY2014, and was mainly due to additional rental revenue from Technics, KTL Offshore, Speedy-Tech and Solaris amounting to S\$2.0 million, S\$0.9 million, S\$0.5 million and S\$0.1 million respectively.

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Property operating expenses were S\$2.9 million in 3Q FY2015 which was S\$0.2 million higher than 3Q FY2014 mainly due to higher property operating expenses incurred on West Park Biz Central and property and lease management fees for newly acquired properties.

Net property income was 25.3% higher at S\$17.8 million in 3Q FY2015 from S\$14.2 million in 3Q FY2014 mainly due to the above reasons.

The increase in Manager’s management fees was due to higher annual distributable income achieved which resulted in higher base fees. The increase in finance expenses is mainly due to loans drawn down to finance the acquisition of KTL Offshore, Speedy-Tech and Technics and higher weighted average interest rate.

Total return before distribution amounting to S\$12.5 million is S\$2.4 million higher than 3Q FY2014 mainly due to higher net property income (S\$3.6 million higher) and lower other trust expenses, partially offset by higher finance expenses and Manager’s management fees.

The decrease in other trust expenses from S\$0.4 million in 3Q FY2014 to S\$0.2 million in 3Q FY2015 is mainly due to professional fees recharged to the Manager in 3Q FY2015.

Income available for distribution was S\$15.1 million in 3Q FY2015, 20.8% higher than 3Q FY2014 mainly due to higher total return before distribution and higher non-tax deductible items such as manager’s base fees, property management fees, lease management fees paid or payable in Units and partially offset by lower amortisation of debt arrangement fees.

Lower amortisation of debt arrangement fee is due to the benefit of lower upfront arrangement fee for the MTN and TLF 2 as compared to the original S\$285 million facility.

9. Variance from Prospect Statement

No financial forecast has been disclosed to the market.

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

Singapore’s economy faces headwind amid uncertainties globally, with slowing quarter-on-quarter economic growth from 1.8% in 2Q 2015 to 1.4% in 3Q 2015. Full year growth has been revised downwards from the earlier forecast of 2 to 4 per cent, to between 2 and 2.5 per cent by the Ministry of Trade and Industry. Advancement is hindered by the sluggish manufacturing sector which contracted for three consecutive months in 3Q 2015, with a final Purchasing Managers’ Index reading of 48.6 for the month of September. In comparison, wholesale trade and transportation sectors were supported by an upturn in oil-related activities in early Q3.

The industrial property market is exacerbated by a slowdown in the manufacturing sector and huge supply of factory space in the pipeline for the remaining of 2015. It continues to face a challenging operating environment as weak macro-economic outlook puts pressure on rentals and occupancy. Leasing activities in 3Q 2015 eased as number of transactions reduced from month to month in 3Q 2015.

Based on JTC rental index on Multiple-User Factory, rental has been declining gradually since 3Q 2014. According to DTZ Debenham Tie Leung (SEA), demand for multiple-user factory remains weak as firms are more likely to shelve expansion plans. This subsector’s rent is expected to be competitive as landlords provide more flexibility to retain cost-

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sensitive tenants. Business parks were doing relatively better with vacancy rates declining consistently in the first two quarters of 2015.

At the beginning of 2015, just over 26% of leases (by NLA) were due to expire during the year (adjusted for the inclusion of Technics in the portfolio). In spite of the soft market conditions, the Manager has proactively negotiated and secured renewals and new leases for over 780,000 sq ft of space in YTD FY2015. The Manager will now focus on the remaining leases expiring in 4Q FY2015 and 1Q FY2016. Barring any unforeseen events and subject to renewing and re-leasing a large portion of the remaining space that expires this year, the Manager expects Soilbuild REIT’s portfolio to maintain a stable performance in FY2015.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 10th distribution for the financial period from 1 July 2015 to 30 September 2015

Distribution type: Income

Distribution rate: 1.625 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, 22 October 2015 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Tuesday, 20 October 2015.

Date Payable: Wednesday, 18 November 2015

(b) Corresponding period of the preceding financial period

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

Distribution type: Income

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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

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

Not applicable.

13. Segmented Revenue and Results

	YTD FY2015		YTD FY2014		3Q FY2015		3Q FY2014	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Business Park	19,908	34%	19,517	39%	6,688	32%	6,531	39%
Industrial	38,998	66%	30,946	61%	14,013	68%	10,385	61%
	58,906	100%	50,463	100%	20,701	100%	16,916	100%

	YTD FY2015		YTD FY2014		3Q FY2015		3Q FY2014	
	S\$'000	%	S\$'000	S\$'000	%	%	S\$'000	%
<u>Net Property Income</u>								
Business Park	17,181	34%	16,805	40%	5,793	33%	5,605	39%
Industrial	33,106	66%	25,625	60%	11,984	67%	8,588	61%
	50,287	100%	42,430	100%	17,777	100%	14,193	100%

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In the review of performance, the factors leading to any material changes in contributions to revenue and net income by the business segments

The decrease in percentage contribution from business parks is mainly due to the acquisition of industrial properties in FY2014 and FY2015.

- 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 Ng Fook Ai Victor
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. Roy Teo
Acting Chief Executive Officer

14 October 2015