

(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 FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Summary Results of Soilbuild Business Space REIT	2
-	Introduction	3
1(a)	Statement of Total Return and Distribution Statement	4
1(b)(i)	Statement of Financial Position	5
1(b)(ii)	Aggregate Amount of Borrowings	7
1(c)	Statement of Cash Flows	9
1(d)(i)	Statement of Changes in Unitholders’ Funds	10
1(d)(ii)	Details of Any Change in Units	10
1(d)(iii)	Total Number of Issued Units	10
1(d)(iv)	Treasury Shares	11
2 & 3	Audit Statement	11
4 & 5	Changes in Accounting Policies	11
6	Earnings Per Unit (“EPU”) and Distribution per Unit (“DPU”)	11
7	Net Asset Value (“NAV”) Per Unit	12
8	Review of the Performance	12
9	Variance from the Prospect Statement	12
10	Outlook and Prospects	12
11 & 12	Distributions	13
13	Segment Revenue and Results	14
14	Interested Person Transaction (“IPT”) Mandate	15
15	Confirmation Pursuant to Rule 705(5) of the Listing Manual	15

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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

	1Q FY2016¹	1Q FY2015²	Variance (%)
Gross revenue (S\$'000)	20,142	18,615	8.2
Net property income (S\$'000)	17,193	15,798	8.8
Distributable income (S\$'000)	14,609	13,325	9.6
DPU (cents)	1.557	1.633	(4.7)

Footnotes:

- 1 Financial period from 1 January 2016 to 31 March 2016, hereinafter referred to as 1Q FY2016.
- 2 Financial period from 1 January 2016 to 31 March 2015, hereinafter referred to as 1Q FY2015.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

1(a) Statement of Total Return and Distribution Statement for 1Q FY2016 & 1Q FY2015

	1Q FY2016	1Q FY2015	Variance
	S\$'000	S\$'000	%
Gross revenue	20,142	18,615	8.2
Property operating expenses	(2,949)	(2,817)	(4.7)
Net property income	17,193	15,798	8.8
Interest Income	236	47	402.1
<u>Expenses:</u>			
Finance expenses	(3,296)	(2,993)	(10.1)
Manager's management fees	(1,461)	(1,332)	(9.7)
Trustee's fees	(50)	(47)	(6.4)
Other trust expenses	(254)	(447)	43.2
Total return before distribution	12,368	11,026	12.2

Distribution Statement	1Q FY2016	1Q FY2015	Variance
	S\$'000	S\$'000	(%)
Total return before distribution	12,368	11,026	12.2
Net effect of non-tax deductible items ¹	2,241	2,299	(2.5)
Income available for distribution to Unitholders	14,609	13,325	9.6

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 and prepayment fees and bank commitment fees.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

1(b)(i) Statement of Financial Position

	Notes	31 March 2016 (S\$'000)	31 Dec 2015 (S\$'000)
Current assets			
Cash and cash equivalents	a	15,983	16,751
Trade and other receivables	b	4,033	2,436
Derivative financial instruments	c	174	484
Other current assets	d	3,579	247
Deferred expenditure	e	587	505
Total current assets		24,356	20,423
Non-current assets			
Investment properties	f	1,190,732	1,190,700
Derivative financial instruments	c	247	2,405
Deferred expenditure	e	1,011	1,002
Total non-current assets		1,191,990	1,194,107
Total Assets		1,216,346	1,214,530
Current liabilities			
Trade and other payables	g	14,705	10,115
Rental deposits	h	2,281	2,719
Total current liabilities		16,986	12,834
Non-current liabilities			
Trade and other payables	g	2,280	33,009
Rental deposits	h	24,961	24,212
Borrowings	i	428,683	398,502
Total non-current liabilities		455,924	455,723
Total Liabilities		472,910	468,557
Net assets attributable to Unitholders		743,436	745,973
Represented by:			
Unitholders' funds		743,436	745,973
NAV per Unit (S\$)		0.79	0.80

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

Notes:

- (a) Cash and cash equivalents as at 31 March 2016 were S\$0.8 million lower than the balance as at 31 December 2015 mainly due to higher distribution for the fourth quarter of FY2015 paid as compared to net cash generated from operating activities in 1Q FY2016.
- (b) Trade and other receivables comprised mainly trade receivables, unbilled debtors and other debtors amounting to S\$2.5 million, S\$1.0 million and S\$0.5 million respectively. The increase in trade and other receivables of S\$1.6 million is mainly due to S\$1.0 million higher trade debtors and S\$0.4 million higher other receivables.
- (c) Derivative financial instruments as at 31 March 2016 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 31 March 2016 comprised mainly prepayment of property tax and security deposits paid to vendors.
- (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 31 March 2016 were accounted for at fair value based on the valuations undertaken by independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) and CBRE Pte Ltd as at 31 December 2015¹. The increase in investment properties amounting to S\$32k is due to capital expenditure for Eightrium @ Changi Business Park and West Park BizCentral.
- (g) Trade and other payables as at 31 March 2016 comprised trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. The decrease in trade and other payables of S\$26.1 million was mainly attributed to the payment of the second tranche for the Solaris upfront land premium amounting to S\$31.9 million and partially offset by S\$3.6 million higher accrued operating expenses (comprising mainly property tax payable) and S\$0.9 million higher accrued interest payable.
- (h) Rental deposits as at 31 March 2016 were higher than 31 December 2015 by S\$0.3 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 medium term notes (“MTN”) issued under Soilbuild REIT’s S\$500 million multicurrency debt issuance programme and an interest-free loan amounting to S\$55 million from SB (Solaris) Investment Pte. Ltd. (“SB Solaris”), a wholly-owned subsidiary of Soilbuild Group Holdings Ltd..

Footnotes:

¹ The business park properties were valued by CBRE Pte Ltd whereas the industrial properties were valued by Colliers.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

1(b)(ii) Aggregate Amount of Borrowings

	31 March 2016 (S\$'000)	31 Dec 2015 (S\$'000)
<u>Interest-bearing borrowings</u>		
Amount repayable within one year	-	-
Less: Debt arrangement fees ¹	-	-
	-	-
<u>Interest-bearing borrowings</u>		
Amount repayable after one year	382,500	382,500
Less: Debt arrangement fees ¹	(4,837)	(5,215)
Less: Prepayment fees ¹	(101)	(107)
	377,562	377,178
<u>Interest-free borrowings</u>		
Amount repayable after one year	55,000	23,117
Less: Deferred amortisation ²	(3,879)	(1,793)
	51,121	21,324
Total borrowings repayable after one year	428,683	398,502
Total borrowings	428,683	398,502

Footnotes:

1. Debt arrangement and prepayment 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.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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.

- **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.

As at 31 March 2016, 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 extended the first and second tranche of the loan amounting to S\$23.1 million and S\$31.9 million to Soilbuild REIT on 17 March 2015 and 18 March 2016 respectively.

- **MTN of S\$100.0 Million issued after 1Q FY2016**

On 8 April 2016, Soilbuild REIT issued S\$100.0 million of unsecured MTN which bear interest at 3.60% and mature on 8 April 2021 for the purpose of refinancing TLF 1.

Post-refinancing of TLF 1, 100% of the interest-bearing loans are either fixed rate borrowings or swapped to fixed rates with interest rate swaps.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

1(c) Statement of Cash Flows

	1Q FY2016	1Q FY2015
	(\$'000)	(\$'000)
Operating activities:		
Net income	12,368	11,026
Adjustments for		
- Amortised debt arrangement and prepayment fees	383	563
- Finance expenses	2,911	2,425
- Loan facility commitment fees	2	5
- Management fees paid and payable in Units	1,933	1,762
Changes in working capital		
- Trade and other receivables	(1,597)	(3,839)
- Other current assets	(3,332)	(3,139)
- Deferred expenditure	(91)	(39)
- Trade and other payables	3,436	1,963
- Rental deposits	311	1,281
Cash flows from operations	16,324	12,008
Finance expense paid	(1,978)	(2,502)
Net cash generated from operating activities	14,346	9,506
Investing activities:		
Deposit paid for an investment property	-	(970)
Capital expenditure on investment properties	(31,915)	(25,372)
Net cash used in investing activities	(31,915)	(26,342)
Financing activities:		
Proceeds from borrowings	31,883	23,117
Distributions paid	(15,082)	(12,886)
Net cash generated from financing activities	16,801	10,231
Net decrease in cash and cash equivalents	(768)	(6,605)
Cash and cash equivalents at beginning of the financial period	16,751	20,951
Cash and cash equivalents at end of the financial period	15,983	14,346

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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

FY2016	Operations (S\$’000)	Unitholders’ Contribution (S\$’000)	Hedging Reserve (S\$’000)	Total (S\$’000)
Balance as at 31 December 2015	27,275	715,809	2,889	745,973
Total return for the financial period	12,368	-	-	12,368
Distribution to Unitholders	(15,082)	-	-	(15,082)
Movement in hedging reserve	-	-	(2,468)	(2,468)
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	2,645	-	2,645
Balance as at 31 March 2016	24,561	718,454	421	743,436

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 financial 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

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

	1Q FY2016 (’000)	1Q FY2015 (’000)
Balance as at beginning of financial period	934,442	812,993
Movements during the financial period		
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	3,568	2,758
Total issued Units as at end of financial period	938,010	815,751

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 31 March 2016, Soilbuild REIT had 938,010,400 Units (31 December 2015: 934,441,690 units).

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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 2015.

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")

	1Q FY2016	1Q FY2015
Weighted average number of Units	936,167,220	814,310,758
EPU – Basic and Diluted¹		
Based on the weighted average number of Units in issue (cents)	1.321	1.354
- Basic and diluted		
Number of Units in issue at end of the financial period	938,010,400	815,750,896
DPU		
Based on the number of Units in issue at end of each distribution period (cents)	1.557	1.633

Footnotes:

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

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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

	31 March 2016	31 Dec 2015
NAV per Unit ¹ (S\$)	0.79	0.80

Footnote:

1. 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 1Q FY2016 compared to 1Q FY2015

Gross revenue was S\$20.1 million in 1Q FY2016, S\$1.5 million or 8.2% higher than the gross revenue in 1Q FY2015. This was mainly due to additional rental revenue from Technics and Solaris amounting to S\$2.0 million and S\$0.1 million respectively and partially offset by a reduction in revenue from Tuas Connection and West Park BizCentral amounting to S\$0.4 million and S\$0.3 million respectively.

Property operating expenses were S\$2.9 million in 1Q FY2016 which was S\$0.1 million higher than 1Q FY2015 mainly due to higher property operating expenses incurred on West Park Biz Central.

Net property income was 8.8% higher at S\$17.2 million in 1Q FY2016 from S\$15.8 million in 1Q FY2015 mainly due to the above reasons.

The increase in Manager's management fees of S\$0.1 million was due to higher annual distributable income which resulted in higher base fee. The increase in finance expenses is mainly due to notional interest expense on the S\$55 million interest-free loan and S\$9 million increase in third party borrowings since 1Q FY2015. Other trust expenses are lower in 1Q FY2016 as other trust expenses in 1Q FY2015 included Multicurrency Debt Issuance Programme establishment cost amounting to S\$0.2 million.

Total return before distribution amounting to S\$12.4 million is S\$1.3 million higher than 1Q FY2015 mainly due to higher net property income and interest income amounting to S\$1.4 million and S\$0.2 million respectively and partially offset by higher finance expenses amounting to S\$0.3 million.

Income available for distribution was S\$14.6 million in 1Q FY2016, 9.6% higher than 1Q FY2015 mainly due to higher total return before distribution and partially offset by lower non-tax deductible items.

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

Ministry of Trade and Industry ("MTI") reported that based on advance estimates, the Singapore economy grew by 1.8% on a year-on-year ("y-o-y") basis in the first quarter of 2016, unchanged from the previous quarter. Growth was flat on a quarter-on-quarter ("q-o-

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

q”) seasonally-adjusted basis, in contrast to the 6.2% expansion in the preceding quarter. The manufacturing sector contracted by 2.0% on a y-o-y basis in the first quarter, following the 6.7% decline in the previous quarter. On a q-o-q seasonally-adjusted annualised basis, the manufacturing sector rebounded to post growth of 18.2%, compared to the 4.9% contraction in the preceding quarter.¹

The purchasing managers’ index for March 2016 rose to 49.4 from 48.5 in the preceding month, registering the highest reading since December 2015. Factory activity continues to contract over nine consecutive months although new orders, exports, factory output and manufacturing employment have improved.²

With the slowdown in the manufacturing sector, rentals of all industrial properties softened by 1.1% in 4Q 2015 over the preceding quarter. While business park rental index remained flat, indices for multi-user and single-user factories both contracted 1.2% quarter-on-quarter, and warehouse contracted 1.5% over the previous quarter.³

In spite of the soft market conditions in 1Q FY2016, the Manager secured over 280,000 sq ft of renewals and new leases as at 31 March 2016. The challenge ahead is to re-let the vacant space and renew the remaining 7.2% or 250,000 sq ft of leases that are expiring for the rest of the year.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 12th distribution for the financial period from 1 January 2016 to 31 March 2016

Distribution type: Income

Distribution rate: 1.557 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%.

¹ Source: Ministry of Trade and Industry’s press release dated 14 March 2016.

² Source: Singapore Institute of Purchasing & Materials Management publication.

³ Source: JTC quarterly rental index for industrial space.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. on Friday, 22 April 2016 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Wednesday, 20 April 2016.

Date Payable: Monday, 16 May 2016

(b) Corresponding period of the preceding financial period

Name of distribution: 7th distribution for the financial period from 1 January 2015 to 31 March 2015

Distribution type: Income

Distribution rate: 1.633 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: Tuesday, 21 April 2015

Date Payable: Thursday, 14 May 2015

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

Not applicable.

13. Segmented Revenue and Results

	1Q FY2016		1Q FY2015	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Business Park	6,730	33%	6,540	35%
Industrial	13,412	67%	12,075	65%
	20,142	100%	18,615	100%

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

	1Q FY2016		1Q FY2015	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Business Park	5,853	34%	5,640	36%
Industrial	11,340	66%	10,158	64%
	17,193	100%	15,798	100%

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

The increase in percentage contribution from industrial properties is mainly due to the acquisition of Technics in May 2015.

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 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.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL
PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)**

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
Chief Executive Officer

14 April 2016