

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

**TABLE OF CONTENTS**

<b>Item No.</b>	<b>Description</b>	<b>Page No.</b>
-	Summary Results of Soilbuild Business Space REIT	<b>2</b>
-	Introduction	<b>3</b>
1(a)	Statement of Total Return and Distribution Statement	<b>4</b>
1(b)(i)	Balance Sheet	<b>6</b>
1(b)(ii)	Aggregate Amount of Borrowings	<b>7</b>
1(c)(i)	Statement of Cash Flows	<b>9</b>
1(c)(ii)	Use of Proceeds	<b>10</b>
1(d)(i)	Statement of Changes in Unitholders' Funds	<b>10</b>
1(d)(ii)	Details of Any Change in Units	<b>11</b>
2 & 3	Audit Statement	<b>11</b>
4 & 5	Changes in Accounting Policies	<b>11</b>
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	<b>12</b>
7	Net Asset Value ("NAV") Per Unit	<b>12</b>
8	Review of the Performance	<b>12</b>
9	Variance from Prospect Statement	<b>14</b>
10	Outlook and Prospects	<b>15</b>
11 & 12	Distributions	<b>16</b>
13	Segment Revenue and Results	<b>17</b>
14	Interested Person Transaction ("IPT") Mandate	<b>17</b>
15	Confirmation Pursuant to Rule 704(13) of the Listing Manual	<b>17</b>

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

	16 Aug to 31 Dec 2013 <sup>1</sup>			1 Oct to 31 Dec 2013 <sup>2</sup>		
	Unaudited Actual	Forecast <sup>3</sup>	Variance	Unaudited Actual	Forecast <sup>3</sup>	Variance
Gross revenue (S\$'000)	24,565	24,353	0.9%	16,333	16,189	0.9%
Net property income (S\$'000)	20,605	20,189	2.1%	13,696	13,413	2.1%
Distributable income (S\$'000)	18,263	17,671	3.4%	12,150	11,741	3.5%
Available distribution per Unit (cents) (“DPU”)	2.270	2.199	3.2%	1.510	1.461	3.4%

**Footnotes:**

- <sup>1</sup> Period from 16 August 2013 (the “Listing Date”) to 31 December 2013, hereinafter referred to as 2H FY2013.
- <sup>2</sup> Period from 1 October 2013 to 31 December 2013, hereinafter referred to as 4Q FY2013.
- <sup>3</sup> The Forecast numbers were derived from the Prospectus dated 7 August 2013 (the “Prospectus”) and extrapolated for the relevant period.

---

## SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013

---

### 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 the 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 Singapore Exchange Securities Trading Limited ("SGX-ST") as a REIT, pursuant to the Prospectus.

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

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

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

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

**1(a) Statement of Total Return and Distribution Statement for 2H FY2013 & 4Q FY2013<sup>1</sup>**

Statement of Total Return	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	16 Aug to 31 Dec 2013 (S\$'000)	16 Aug to 31 Dec 2012 (S\$'000)		1 Oct to 31 Dec 2013 (S\$'000)	1 Oct to 31 Dec 2012 (S\$'000)	
Gross revenue	24,565	23,362	5.1%	16,333	15,801	3.4%
Property operating expenses	(3,960)	(6,985)	43.3%	(2,637)	(4,461)	40.9%
<b>Net property income</b>	<b>20,605</b>	<b>16,377</b>	25.8%	<b>13,696</b>	<b>11,340</b>	20.8%
Finance expenses	(3,307)	(3,479)	4.9%	(2,206)	(2,319)	4.9%
Manager's management fees	(1,976)	(3,958)	50.1%	(1,365)	(3,534)	61.4%
Trustee's fees	(64)	(60)	(6.7%)	(43)	(40)	(7.5%)
Other trust expenses	(273)	(268)	(1.9%)	(184)	(179)	(2.8%)
<b>Total trust income and expenses</b>	<b>(5,620)</b>	<b>(7,765)</b>	27.6%	<b>(3,798)</b>	<b>(6,072)</b>	37.5%
<b>Net income</b>	<b>14,985</b>	<b>8,612</b>	74.0%	<b>9,898</b>	<b>5,268</b>	87.9%
Net change in fair value of investment properties	29,748	n.m. <sup>2</sup>	n.m. <sup>2</sup>	-	n.m. <sup>2</sup>	n.m. <sup>2</sup>
<b>Total return for the period</b>	<b>44,733</b>	<b>8,612</b>	n.m. <sup>2</sup>	<b>9,898</b>	<b>5,268</b>	87.9%

Distribution Statement	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	16 Aug to 31 Dec 2013 (S\$'000)	16 Aug to 31 Dec 2012 (S\$'000)		1 Oct to 31 Dec 2013 (S\$'000)	1 Oct to 31 Dec 2012 (S\$'000)	
<b>Net income</b>	<b>14,985</b>	<b>8,612</b>	74.0%	<b>9,898</b>	<b>5,268</b>	87.9%
Net effect of non-tax deductible items <sup>3</sup>	3,278	5,391	39.2%	2,252	4,496	49.9%
<b>Income available for distribution to Unitholders</b>	<b>18,263</b>	<b>14,003</b>	30.4%	<b>12,150</b>	<b>9,764</b>	24.4%

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION  
ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING  
DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

**Footnotes:**

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

	<b>Notes</b>	<b>Unaudited Actual 31 Dec 2013 (S\$'000)</b>	<b>Unaudited Pro forma 31 Dec 2012<sup>1</sup> (S\$'000)</b>
<b>Current assets</b>			
Cash and cash equivalents	a	19,952	1,000
Trade and other receivables	b	218	-
Other current assets	c	75	-
<b>Total current assets</b>		<b>20,245</b>	<b>1,000</b>
<b>Non-current assets</b>			
Investment properties	d	935,000	935,000
Deferred expenditure		47	-
<b>Total non-current assets</b>		<b>935,047</b>	<b>935,000</b>
<b>Total Assets</b>		<b>955,292</b>	<b>936,000</b>
<b>Current liabilities</b>			
Trade and other payables	e	9,125	7,920
Derivative financial instruments	f	24	-
Rental deposits		-	431
<b>Total current liabilities</b>		<b>9,149</b>	<b>8,351</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	f	1,579	-
Rental deposits	g	21,935	13,766
Interest-bearing borrowings	h	275,331	274,656
<b>Total non-current liabilities</b>		<b>298,845</b>	<b>288,422</b>
<b>Total Liabilities</b>		<b>307,994</b>	<b>296,773</b>
<b>Net assets attributable to Unitholders</b>		<b>647,298</b>	<b>639,227</b>
<b>Represented by:</b>			
<b>Unitholders' funds</b>		<b>647,298</b>	<b>639,227</b>
<b>NAV per Unit (S\$)</b>		<b>0.80</b>	<b>0.80</b>

**Footnote:**

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

**Notes:-**

- (a) Cash and cash equivalents as at 31 December 2013 were higher than the unaudited pro forma balance as at 31 December 2012 by S\$19.0 million mainly due to distributable income of S\$12.1 million not being paid out yet, IPO expenses of S\$3.1 million as well as finance expenses of S\$0.8 million not yet paid. The summary of the sources and uses of the Initial Public Offering (“IPO”) proceeds is shown in Section 1(c)(ii).
- (b) Trade and other receivables comprised mainly trade receivables amounting to S\$0.2 million.
- (c) Other current assets as at 31 December 2013 comprised prepayments relating to operating activities and deposits paid to various service providers.
- (d) Investment properties were recorded as per valuation carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2013.
- (e) Trade and other payables as at 31 December 2013 comprised trade creditors, interest payable, advance rental received, GST payable, fees payable to Manager/Trustee, accrual of professional fees and accrued IPO issue expenses.
- (f) Derivative financial instruments as at 31 December 2013 represent the fair value of interest rate swaps entered into to hedge interest rate risks on the loan facility.
- (g) Rental deposits as at 31 December 2013 were higher than the unaudited pro forma balance as at 31 December 2012 largely due to rental deposits received from Solaris amounting to S\$16.7 million because of the master lease structure. The balance was partially offset by the conversion of cash rental deposits to banker’s guarantee from both NK Ingredients and Beng Kuang Marine of S\$5.7 million.
- (h) Interest-bearing borrowings are made up of loan facility drawn down of S\$280.0 million less unamortised debt arrangement fees.

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

	<b>Unaudited Actual 31 Dec 2013 (S\$'000)</b>
<b>Secured borrowings</b>	
Amount repayable in one year or less, or on demand	-
Amount repayable after one year	280,000
Less: Debt arrangement fees <sup>2</sup>	(4,669)
	<b>275,331</b>

**Footnotes:**

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

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

**The Loan Facility**

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

S\$280.0 million of the TLF has been drawn down on the Listing Date (“TLF Drawn Down”) 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.

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

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

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

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

Soilbuild REIT has put in place interest rate swaps to fix 100.0% of the interest rates of the TLF at an weighted average swap rate of 0.823% for durations of 1, 2, 3 and 4 years, resulting in a weighted average swap maturity of 2.2 years as at 31 December 2013.



**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

	<b>Unaudited Actual 16 Aug to 31 Dec 2013 (S\$'000)</b>	<b>Unaudited Actual 1 Oct to 31 Dec 2013 (S\$'000)</b>
<b>Operating activities:</b>		
Net income	14,985	9,898
Adjustments for		
- Interest expense	2,632	1,756
- Amortised debt arrangement fees	675	450
- Management fees in Units	2,524	1729
Change in working capital		
- Trade and other receivables	(218)	4,819
- Other current assets	(75)	915
- Deferred expenditure (non-current)	(47)	(47)
- Trade and other payables	3,301	(349)
<b>Cash flows from operations</b>	<b>23,777</b>	<b>19,171</b>
Interest paid	(1,790)	(1,790)
<b>Net cash generated from operating activities</b>	<b>21,987</b>	<b>17,381</b>
<b>Investing activities:</b>		
Acquisition of Sponsor Properties <sup>2</sup>	(799,229)	-
<b>Net cash used in from investing activities</b>	<b>(799,229)</b>	<b>-</b>
<b>Financing activities:</b>		
Proceeds from borrowings	280,000	-
Repayment of private trust debt <sup>2</sup>	(83,906)	-
Proceeds from issuance of new Units	626,706	-
Issue expenses	(14,156)	(2,552)
Debt arrangement fees	(5,344)	-
Distributions paid	(6,106)	(6,106)
<b>Net cash generated from financing activities</b>	<b>797,194</b>	<b>(8,658)</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,952</b>	<b>8,723</b>
Cash and cash equivalents at beginning of period	-	11,229
<b>Cash and cash equivalents at end of period</b>	<b>19,952</b>	<b>19,952</b>

**Footnotes:**

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

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

	<b>(S\$'000)</b>
Gross proceeds from IPO	928,822
Less:-	
Repayment of private trust debt (gross)	(84,800)
Payments for acquisition of Sponsor Properties (gross)	(820,452)
Debt arrangement fees paid	(5,344)
IPO issue expenses paid	(14,156)
	-----
<b>Balance of proceeds to be utilised</b>	<b>4,070</b>
	-----

**1(d)(i) Statement of Changes in Unitholders' Funds<sup>1</sup>**

	<b>Operations (S\$'000)</b>	<b>Unitholders' Contribution (S\$'000)</b>	<b>Hedging Reserve (S\$'000)</b>	<b>Total (S\$'000)</b>
<b>Balance as at beginning of period</b>	-	626,706	-	<b>626,706</b>
Total return for the period	34,835	-	-	<b>34,835</b>
Movement in hedging reserve	-	-	(1,536)	<b>(1,536)</b>
Issue expenses	-	(17,227)	-	<b>(17,227)</b>
<b>Balance as at 30 September 2013</b>	<b>34,835</b>	<b>609,479</b>	<b>(1,536)</b>	<b>642,778</b>
Total return for the period	9,898	-	-	<b>9,898</b>
Distribution to Unitholders	(6,106)	-	-	<b>(6,106)</b>
Movement in hedging reserve	-	-	(67)	<b>(67)</b>
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	795	-	<b>795</b>
<b>Balance as at 31 December 2013</b>	<b>38,627</b>	<b>610,274</b>	<b>(1,603)</b>	<b>647,298</b>

**Footnote:**

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

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

	<b>Unaudited Actual 16 Aug to 31 Dec 2013 (‘000)</b>	<b>Unaudited Actual 1 Oct to 31 Dec 2013 (‘000)</b>
<b>Balance as at beginning of period</b>	-	803,469
Movements during the period		
- Issue of Units on Listing Date	803,469	-
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	1,072	1,072
<b>Total issued Units at end of period</b>	<b>804,541</b>	<b>804,541</b>

**Footnote:**

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

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

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

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

Not applicable

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

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

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

Not applicable

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

	<b>Unaudited Actual</b>	<b>Unaudited Pro forma</b>	<b>Unaudited Actual</b>	<b>Unaudited Pro forma</b>
	<b>16 Aug to 31 Dec 2013</b>	<b>16 Aug to 31 Dec 2012<sup>1</sup></b>	<b>1 Oct to 31 Dec 2013</b>	<b>1 Oct to 31 Dec 2012<sup>1</sup></b>
Weighted average number of Units	803,841,771	804,025,215	804,028,156	804,303,323
<b>Earnings per Unit ("EPU") – Basic and Diluted<sup>2</sup></b> Based on the weighted average number of Units in issue (cents)	1.864	1.071	1.231	0.655
<b>- Basic and diluted</b>				
Number of Units in issue at end of period	804,540,716	804,303,323	804,540,716	804,303,323
<b>Distribution per Unit ("DPU")</b> Based on the number of Units in issue at end of each distribution period (cents)	2.270	1.742	1.510	1.214

**Footnotes:**

<sup>1</sup> The comparative period is calculated using the figures extracted from the unaudited pro forma statement of total return disclosed in the Prospectus and pro-rated for 138 days for the period from 16 August 2012 to 31 December 2012 and based on the assumptions, inter alia, that the listing exercise, the acquisition of the 7 Properties, the Third Party Master Leases, the bank borrowings, the fee arrangements of the property manager/Manager and the Trustee, and the change in fair value of investment properties had occurred on or were effective on 1 January 2011.

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

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

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

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

**a. Review of the Performance 2H FY2013 compared to Pro Forma**

Gross revenue increased by 5.1% to S\$24.6 million for the period from Listing Date to 31 December 2013 compared to the unaudited pro forma gross revenue for the period from 16 August 2012 to 31 December 2012. This was due largely to higher income from West Park BizCentral as the Temporary Occupation Permit ("TOP") occurred on 29 December 2011 and the occupancy steadily increased in 2012 and 2013. This was offset by lower rental revenue from Solaris (23.7% lower than the pro

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

forma) as the pro forma was based on underlying leases whereas actual is on a master lease “triple-net” structure, based on net property income.

Property operating expenses were lower by 43.3% at S\$4.0 million for the period from Listing Date to 31 December 2013 when compared to the unaudited pro forma property operating expenses for the same period last year. The reduction is largely due to Solaris being under a master lease “triple-net” structure, whereby the master lessee is directly responsible for payment of all operating expenses.

Net property income increased by 25.8% to S\$20.6 million for the period from Listing Date to 31 December 2013 from S\$16.4 million in the unaudited pro forma for the same period last year mainly due to higher net property income from West Park BizCentral and Solaris.

Net income increased by 74.0% to S\$15.0 million for the period from Listing Date to 31 December 2013 from S\$8.6 million in unaudited pro forma figures for the same period last year mainly due to the higher net property income (S\$4.2 million higher), lower finance expenses (S\$0.2 million lower) and lower manager’s management fees (S\$2.0 million lower).

Income available for distribution was S\$18.3 million, 30.4% higher than the unaudited pro forma figures for the same period last year due to higher net income.

**b. Review of the Performance 4Q FY2013 compared to Pro Forma**

Gross revenue increased by 3.4% to S\$16.3 million for the period from 1 October 2013 to 31 December 2013 when compared to the unaudited pro forma gross revenue for the period from 1 October 2012 to 31 December 2012. This was due largely to higher income from West Park BizCentral as the TOP occurred on 29 December 2011 and the occupancy steadily increased in 2012 and 2013. There was also higher income derived from Eightrium @ Changi Business Park and Tuas Connection. This was offset by lower rental revenue from Solaris (26.0% lower than the pro forma) as the pro forma was based on underlying leases whereas actual is on a master lease “triple-net” structure, which is based on net property income.

Property operating expenses were lower by 40.9% at S\$2.6 million for the period from 1 October 2013 to 31 December 2013 when compared to the unaudited pro forma property operating expenses for the same period last year. The reduction is largely due to Solaris being under a master lease “triple-net” structure, whereby the master lessee is directly responsible for payment of all operating expenses.

Net property income increased by 20.8% to S\$13.7 million for the period from 1 October 2013 to 31 December 2013 from S\$11.3 million in the unaudited pro forma for the same period last year mainly due to higher net property income from West Park BizCentral and Solaris.

Net income increased by 87.9% to S\$9.9 million for the period from 1 October 2013 to 31 December 2013 from S\$5.3 million in unaudited pro forma figures for the same period last year mainly due to the higher net property income (S\$2.4 million higher), lower finance expenses (S\$0.1 million lower) and lower manager’s management fees (S\$2.2 million lower).

Income available for distribution was S\$12.2 million, 24.4% higher than the unaudited pro forma figures for the same period last year due to higher net income.

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

**9. Variance from Prospect Statement**

	<b>Unaudited Actual</b>	<b>Forecast<sup>1</sup></b>	<b>Variance</b>	<b>Unaudited Actual</b>	<b>Forecast<sup>1</sup></b>	<b>Variance</b>
	<b>16 Aug to 31 Dec 2013 (S\$'000)</b>	<b>16 Aug to 31 Dec 2013 (S\$'000)</b>	<b>(%)</b>	<b>1 Oct to 31 Dec 2013 (S\$'000)</b>	<b>1 Oct to 31 Dec 2013 (S\$'000)</b>	<b>(%)</b>
Gross revenue	24,565	24,353	0.9%	16,333	16,189	0.9%
Property operating expenses	(3,960)	(4,164)	4.9%	(2,637)	(2,776)	5.0%
<b>Net property income</b>	<b>20,605</b>	<b>20,189</b>	<b>2.1%</b>	<b>13,696</b>	<b>13,413</b>	<b>2.1%</b>
Finance expenses	(3,307)	(3,465)	4.6%	(2,206)	(2,302)	4.2%
Manager's management fees	(1,976)	(1,775)	(11.3%)	(1,365)	(1,182)	(15.5%)
Trustee's fee	(64)	(59)	(8.5%)	(43)	(39)	(10.3%)
Other trust expenses	(273)	(267)	(2.2%)	(184)	(174)	(5.7%)
<b>Total trust income and expense</b>	<b>(5,620)</b>	<b>(5,566)</b>	<b>(1.0%)</b>	<b>(3,798)</b>	<b>(3,697)</b>	<b>(2.7%)</b>
<b>Net income</b>	<b>14,985</b>	<b>14,623</b>	<b>2.5%</b>	<b>9,898</b>	<b>9,716</b>	<b>1.9%</b>
Net change in fair value of investment properties	29,748	-	n.m. <sup>2</sup>	-	-	n.m. <sup>2</sup>
<b>Total return for the period</b>	<b>44,733</b>	<b>14,623</b>	<b>n.m.<sup>2</sup></b>	<b>9,898</b>	<b>9,716</b>	<b>1.9%</b>
<b>Net income</b>	<b>14,985</b>	<b>14,623</b>	<b>2.5%</b>	<b>9,898</b>	<b>9,716</b>	<b>1.9%</b>
Net effect of non-tax deductible items	3,278	3,048	7.5%	2,252	2,025	11.2%
<b>Income available for distribution to Unitholders</b>	<b>18,263</b>	<b>17,671</b>	<b>3.4%</b>	<b>12,150</b>	<b>11,741</b>	<b>3.5%</b>
<b>Distribution per Unit (cents)</b>	<b>2.270</b>	<b>2.199</b>	<b>3.2%</b>	<b>1.510</b>	<b>1.461</b>	<b>3.4%</b>

**Footnotes:**

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

2 n.m. denotes "not meaningful".

**Variance between the Forecast and Actual results for 2H FY2013**

Gross revenue of S\$24.6 million for the period from Listing Date to 31 December 2013 was 0.9% higher than the Forecast. This was largely due to higher carpark income and new take up in Eightrium and higher rental income in Tuas Connection.

Property operating expenses were 4.9% lower than Forecast at S\$4.0 million for the period from Listing Date to 31 December 2013. This was largely due to lower maintenance costs incurred for both Eightrium and Tuas Connection.

Net property income was 2.1% higher than Forecast at S\$20.6 million for the period from Listing Date to 31 December 2013 due to the above reasons.

Net income was 2.5% higher at S\$15.0 million, mainly due to the higher net property income and lower finance expenses. The Forecast assumed all-in interest rate of 3.28%,

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

however the actual all-in interest rate was 3.12% due to the benefit of lower interest rates on its interest rate swaps.

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

Income available for distribution was S\$18.3 million, 3.4% higher than the Forecast mainly due to the higher net income and lower finance expenses.

**Variance between the Forecast and Actual results for 4Q FY2013**

Gross revenue of S\$16.3 million for the period from 1 October 2013 to 31 December 2013 was 0.9% higher than the Forecast. This was largely due to higher carpark income and new take up rate in Eightrium and higher rental in Tuas Connection.

Property operating expenses were 5.0% lower than Forecast at S\$2.6 million for the period from 1 October 2013 to 31 December 2013. This was largely due largely to lower maintenance costs incurred for both Eightrium and Tuas Connection.

Net property income was 2.1% higher than Forecast at S\$13.7 million for the period from 1 October 2013 to 31 December 2013 due to the above reasons.

Net income was 1.9% higher at S\$9.9 million, mainly due to the higher net property income and lower finance expenses. The Forecast assumed all-in interest rate of 3.28%, however the actual all-in interest rate was 3.12% due to the benefit of lower interest rates on its interest rate swaps.

Income available for distribution was S\$12.2 million, 3.5% higher than the Forecast mainly due to the higher net income and lower finance expenses.

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

Singapore's Ministry of Trade & Industry<sup>(1)</sup> ("MTI") reported that the Singapore economy grew by 3.7% for the full year of 2013. This was largely contributed by the strong third and fourth quarter year-on-year growth of 5.9% and 4.4% respectively.

However, manufacturing activity contracted for the first time in 9 months in December 2013, with the overall Singapore's Purchasing Managers' Index ("PMI") of 49.7<sup>(2)</sup>, down from 50.8 in November. Despite the slower activity, economists are expecting 2014 to improve with continued growth in new orders and new export orders for electronic and the manufacturing sectors.

For the third quarter of 2013, the industrial property market appeared to be tracking well, despite the recent policy cooling measures set by JTC and MAS. The URA All Industrial Property Price and Rental index recorded growth of 6.1% and 8.8% respectively, on a year-on-year basis and by 2.8% and 4.4% respectively, on a quarter-on-quarter basis. According to DTZ<sup>(3)</sup>, industrial rents are projected to continue the upward trend in 2014, due to the growth in the manufacturing and externally orientated industries and a moderate supply of available space coming on to the market backed by high levels of pre-commitment.

Despite some economists' concern of the domestic consolidation due to the tight labour market, the MTI forecasts Singapore's GDP growth for 2014 to be in the range between 2 to 4%, underpinned by manufacturing and export growth. Against this backdrop and

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

barring any unexpected non-renewals, management believes that Soilbuild REIT continues to be well placed to deliver on its forecast distribution for the 2014 financial year.

**Footnotes:**

- 1 Ministry of Trade and Industry, Singapore's GDP Grew 4.4 Per Cent in the Fourth Quarter of 2013, 2 January 2014.
- 2 EnterpriseOne, Manufacturing Contracts in December 2013, 8 January 2014.
- 3 The Business Times, Industrial Rents to Rise in 2014: DTZ, 7 January 2014.

**11. Distributions**

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 2<sup>nd</sup> distribution for the financial period from 1 October 2013 to 31 December 2013

Distribution type: Income

Distribution rate: 1.51 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%.

(b) Corresponding period of the preceding financial period

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

Not applicable.

(c) Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. on Monday, 3 February 2014 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Wednesday, 29 January 2014.

(d) Date Payable: Friday, 28 February 2014



**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

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

Not applicable

**13. Segmented Revenue and Results**

	Unaudited Actual 16 Aug to 31 Dec 2013		Unaudited Pro forma 16 Aug to 31 Dec 2012 <sup>1</sup>		Unaudited Actual 1 Oct to 31 Dec 2013		Unaudited Pro forma 1 Oct to 31 Dec 2012 <sup>1</sup>	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Business Park	9,661	39%	11,345	49 %	6,434	39%	7,858	50%
Industrial	14,904	61%	12,017	51 %	9,899	61%	7,943	50%
	<b>24,565</b>	<b>100%</b>	<b>23,362</b>	<b>100%</b>	<b>16,333</b>	<b>100%</b>	<b>15,801</b>	<b>100%</b>

	Unaudited Actual 16 Aug to 31 Dec 2013		Unaudited Pro forma 16 Aug to 31 Dec 2012 <sup>1</sup>		Unaudited Actual 1 Oct to 31 Dec 2013		Unaudited Pro forma 1 Oct to 31 Dec 2012 <sup>1</sup>	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Business Park	8,300	40%	7,127	44 %	5,523	40%	5,307	46%
Industrial	12,305	60%	9,250	56%	8,173	60%	6,033	54%
	<b>20,605</b>	<b>100%</b>	<b>16,377</b>	<b>100%</b>	<b>13,696</b>	<b>100%</b>	<b>11,340</b>	<b>100%</b>

**Footnote:**

<sup>1</sup> The figures are extracted from the unaudited pro forma statement of total return disclosed in the Prospectus and extrapolated for the relevant period.

**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 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial Unitholder of Soilbuild REIT.

---

**SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION  
ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD FROM LISTING  
DATE OF 16 AUGUST 2013 TO 31 DECEMBER 2013**

---

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

Mr Benedict Andrew Lim Wee Yong  
Director

Mr Chong Kie Cheong  
Director

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

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

Mr. Shane Hagan  
Chief Executive Officer

23 January 2014