



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

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

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Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited are the joint global coordinators, issue managers, bookrunners & underwriters of the Initial Public Offering ("IPO") of Soilbuild Business Space REIT.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

Summary Results of Soilbuild Business Space REIT ("Soilbuild REIT")

	1H FY2014 ¹			2Q FY2014 ²		
	Unaudited Actual	Forecast ³	Variance	Unaudited Actual	Forecast ³	Variance
Gross revenue (S\$'000)	33,547	32,765	2.4%	16,708	16,556	0.9%
Net property income (S\$'000)	28,237	27,070	4.3%	14,042	13,584	3.4%
Distributable income (S\$'000)	24,740	23,850	3.7%	12,134	11,974	1.3%
Available distribution per Unit (cents) ("DPU")	3.062	2.953	3.7%	1.500	1.481	1.3%

	Unaudited Actual	Unaudited Pro forma ⁴	Variance	Unaudited Actual	Unaudited Pro forma ⁴	Variance
	1H FY2014	1H FY2013		2Q FY2014	2Q FY2013	
Gross revenue (S\$'000)	33,547	33,022	1.6%	16,708	16,141	3.5%
Net property income (S\$'000)	28,237	25,656	10.1%	14,042	13,484	4.1%
Distributable income (S\$'000)	24,740	22,456	10.2%	12,134	11,810	2.7%
Available distribution per Unit (cents) ("DPU")	3.062	2.764	10.8%	1.500	1.449	3.5%

Footnotes:

- 1 Period from 1 January 2014 to 30 June 2014, hereinafter referred to as 1H FY2014.
- 2 Period from 1 April 2014 to 30 June 2014, hereinafter referred to as 2Q FY2014.
- 3 The Forecast numbers were derived from the Prospectus dated 7 August 2013 (the "Prospectus") and extrapolated for the relevant period.
- 4 The Pro Forma numbers were derived from the Prospectus and extrapolated for the relevant period. 1H FY2013 Pro Forma numbers are the combination of the 1Q FY2013 (Period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated 2Q FY2013 (Period from 1 April 2013 to 30 June 2013) numbers as shown in the forecast and projected statements of total return. As Soilbuild REIT was only listed on Singapore Exchange Securities Trading Limited ("SGX-ST") on 16 August 2013 ("Listing Date"), there are no actual comparative figures.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER (“2Q FY2014”) AND HALF YEAR (“1H FY2014”) ENDED 30 JUNE 2014

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 SGX-ST as a REIT, pursuant to the Prospectus.

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

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

On 26 May 2014, Soilbuild REIT completed the acquisition of Tellus Marine. The total acquisition cost is S\$18.33 million which comprises (i) the purchase consideration of S\$18.0 million and (ii) estimated transaction costs of S\$0.33 million, has been fully funded with debt. Part of the purchase consideration amounting to S\$3.42 million in respect of a new annex to be constructed will only be paid upon the Temporary Occupation Permit (“TOP”) being obtained in respect of the new annex (estimated to be 1Q FY2015).

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

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

Soilbuild REIT’s distribution policy is to distribute 100.0% of its annual distributable income for the year ending 31 December 2014. Thereafter Soilbuild REIT will distribute at least 90.0% of its annual distributable income. Annual distributable income comprises income from the leasing of its properties and related property services income after deduction of allowable expenses.

Where appropriate, comparison will be made against the unaudited pro forma financial statements and forecast and projected statements of total return stated in the Prospectus or audited financial statements for the financial year ended 31 December 2013.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

1(a) Statement of Total Return and Distribution Statement for 1H FY2014 & 2Q FY2014

Statement of Total Return	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	1H FY2014 (S\$'000)	1H FY2013 ¹ (S\$'000)		%	2Q FY2014 (S\$'000)	
Gross revenue	33,547	33,022	1.6%	16,708	16,141	3.5%
Property operating expenses	(5,310)	(7,366)	27.9%	(2,666)	(2,657)	(0.3%)
Net property income	28,237	25,656	10.1%	14,042	13,484	4.1%
Finance expenses	(4,474)	(4,604)	2.8%	(2,312)	(2,302)	(0.4%)
Manager's management fees	(2,475)	(3,057)	19.0%	(1,214)	(1,179)	(3.0%)
Trustee's fees	(95)	(78)	(21.8%)	(53)	(39)	(35.9%)
Other trust expenses	(386)	(355)	(8.7%)	(191)	(178)	(7.3%)
Total trust expenses	(7,430)	(8,094)	8.2%	(3,770)	(3,698)	(1.9%)
Net income	20,807	17,562	18.5%	10,272	9,786	5.0%

Distribution Statement	Unaudited Actual	Unaudited Pro forma	Variance	Unaudited Actual	Unaudited Pro forma	Variance
	1H FY2014 (S\$'000)	1H FY2013 ¹ (S\$'000)		%	2Q FY2014 (S\$'000)	
Net income	20,807	17,562	18.5%	10,272	9,786	5.0%
Net effect of non-tax deductible items ²	3,933	4,894	(19.6%)	1,862	2,024	(8.0%)
Income available for distribution to Unitholders	24,740	22,456	10.2%	12,134	11,810	2.7%

Footnotes:

- As Soilbuild REIT was only listed on SGX-ST on the Listing Date, there are no actual comparative figures. Accordingly, Soilbuild REIT's financial results are compared against the Pro Forma numbers which were derived from the Prospectus and extrapolated for the relevant period. 1H FY2013 Pro Forma numbers were the combination of the 1Q FY2013 (Period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated 2Q FY2013 (Period from 1 April 2013 to 30 June 2013) numbers as shown in the forecast and projected statements of total return.
- Non-tax deductible items comprise the Manager's management fees, property management fees and lease management fees paid or payable in Units, rent free amortisation, the Trustee's fees, amortisation of debt arrangement fees, security trustee fee and agency fee.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

1(b)(i) Balance Sheet

	Notes	Unaudited Actual 30 Jun 2014 (S\$'000)	Audited Actual 31 Dec 2013 (S\$'000)
Current assets			
Cash and cash equivalents	a	20,230	19,952
Trade and other receivables	b	291	193
Other current assets	c	2,029	75
Deferred expenditure		194	25
Total current assets		22,744	20,245
Non-current assets			
Investment properties	d	949,858	935,000
Deferred expenditure		401	47
Total non-current assets		950,259	935,047
Total Assets		973,003	955,292
Current liabilities			
Trade and other payables	e	8,997	8,307
Derivative financial instruments	f	22	24
Rental deposits	g	1,514	818
Total current liabilities		10,533	9,149
Non-current liabilities			
Derivative financial instruments	f	1,901	1,579
Rental deposits	g	22,388	21,935
Interest-bearing borrowings	h	289,273	275,331
Total non-current liabilities		313,562	298,845
Total Liabilities		324,095	307,994
Net assets attributable to Unitholders		648,908	647,298
Represented by:			
Unitholders' funds		648,908	647,298
NAV per Unit (S\$)		0.80	0.80

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

Notes:-

- (a) Cash and cash equivalents as at 30 June 2014 were slightly higher than as at 31 December 2013.
- (b) Trade and other receivables comprised mainly trade receivables amounting to S\$0.3 million.
- (c) Other current assets as at 30 June 2014 comprised prepayments relating to operating activities and deposits paid to various service providers. It was higher than 31 December 2013 by S\$ 2.0 million mainly due to property tax prepayments.
- (d) Investment properties as at 31 December 2013 are accounted for at fair value based on the latest valuation as at 31 December 2013 undertaken by independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"). As at 30 June 2014, investment properties are based on the 31 December 2013 valuation plus capital expenditure incurred plus purchase price of the new acquisition in 1H FY2014.
- (e) Trade and other payables as at 30 June 2014 comprised trade creditors, interest payable, advance rental received, Goods and Services Tax ("GST") payable, fees payable to Manager/Trustee, accrual of professional fees and accrued IPO issue expenses.
- (f) Derivative financial instruments as at 30 June 2014 represent the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (g) Rental deposits as at 30 June 2014 were higher than 31 December 2013 by S\$1.1 million.
- (h) Interest-bearing borrowings are made up of loan facility drawn down of S\$295.0 million less unamortised debt arrangement fees.

1(b)(ii) Aggregate Amount of Borrowings

	Unaudited Actual 30 June 2014 (S\$'000)	Audited Actual 31 Dec 2013 (S\$'000)
Secured borrowings		
Amount repayable in one year or less, or on demand	-	-
Amount repayable after one year	295,000	280,000
Less: Debt arrangement fees ¹	(5,727)	(4,669)
	289,273	275,331

Footnote:

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

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER (“2Q FY2014”) AND HALF YEAR (“1H FY2014”) ENDED 30 JUNE 2014

Details of borrowings

- Senior Term Loan Facility of S\$285.0 Million

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

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

TLF 1 Drawdown has staggered loan maturities of two, three and four year terms as described below:

S\$95.0 million (33.9%) is repayable in two years;
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 loan facility is intended for potential capital expenditure in relation to the properties as well as general working capital purposes.

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

Soilbuild REIT has put in place interest rate swaps to fix 100.0% of the interest rates of TLF 1 Drawdown at a weighted average swap rate of 0.823% for durations of 1 to 4 years, resulting in a weighted average swap maturity of 1.89 years as at 30 June 2014.

- Senior Term Loan Facility of S\$100.0 Million

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

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

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

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1(c) Statement of Cash Flows¹

	Unaudited Actual 1H FY2014 (S\$'000)	Unaudited Actual 2Q FY2014 (S\$'000)
Operating activities:		
Net income	20,807	10,272
Adjustments for		
- Interest expense	3,492	1,770
- Security trustee and agency fees	40	40
- Amortised debt arrangement fees	942	502
- Management fees in Units	3,227	1,586
Change in working capital		
- Trade and other receivables	(98)	903
- Other current assets	(1,953)	939
- Deferred expenditure	(524)	(155)
- Trade and other payables	3,434	(1,399)
- Rental deposits	1,152	160
Cash flows from operations	30,519	14,618
Interest paid	(3,483)	(1,722)
Net cash generated from operating activities	27,036	12,896
Investing activities:		
Deposits refunded/(paid)	-	1,050
Purchase of investment properties ²	(14,792)	(14,792)
Capital expenditure on investment properties	(66)	(54)
Net cash used in investing activities	(14,858)	(13,796)
Financing activities:		
Proceeds from borrowings	15,000	15,000
Debt arrangement fees	(2,000)	(2,000)
Issue expenses	(148)	5
Distributions paid	(24,752)	(12,603)
Net cash (used in)/generated from financing activities	(11,900)	402
Net increase/(decrease) in cash and cash equivalents	278	(498)
Cash and cash equivalents at beginning of period	19,952	20,728
Cash and cash equivalents at end of period	20,230	20,230

Footnotes:

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

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

	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 31 December 2013	38,627	610,274	(1,603)	647,298
Total return for the period	10,535	-	-	10,535
Distribution to Unitholders	(12,149)	-	-	(12,149)
Movement in hedging reserve	-	-	294	294
Issuance costs unutilized	-	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 unutilized	-	5	-	5
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	1,641	-	1,641
Balance as at 30 June 2014	34,682	616,149	(1,923)	648,908

Footnote:

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

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

	Unaudited Actual 1H FY2014 ('000)	Unaudited Actual 2Q FY2014 ('000)
Balance as at beginning of period	804,541	806,825
Movements during the period		
- Units issued in lieu of Manager's management fees, property management fees and lease management fees	4,402	2,118
Total issued Units as at end of period	808,943	808,943

Footnote:

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

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

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

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

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

Not applicable.

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

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the audited financial statements for the year ended 31 December 2013.

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

Not applicable.

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

	Unaudited Actual 1H FY2014	Unaudited Pro forma 1H FY2013¹	Unaudited Actual 2Q FY2014	Unaudited Pro forma 2Q FY2013¹
Weighted average number of Units	806,732,291	812,024,584	807,895,626	814,579,413
Earnings per Unit ("EPU") – Basic and Diluted² Based on the weighted average number of Units in issue (cents)	2.580	2.162	1.272	1.201
- Basic and diluted				
Number of Units in issue at end of period	808,942,812	814,579,413	808,942,812	814,579,413
Distribution per Unit ("DPU") Based on the number of Units in issue at end of each distribution period (cents)	3.062	2.764	1.500	1.449

Footnotes:

- 1 As Soilbuild REIT was only listed on SGX-ST on the Listing Date, there are no actual comparative figures. Accordingly, Soilbuild REIT's actual EPU and DPU are compared against the Pro Forma numbers which were derived from the Prospectus and extrapolated for the relevant period. 1H FY2013 Pro Forma numbers were the combination of the 1Q FY2013 (Period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated 2Q FY2013 (Period from 1 April 2013 to 30 June 2013) numbers as shown in the forecast and projected statements of total return.
- 2 The EPU has been calculated using net income for the period and the weighted average number of Units at the end of the period. The calculation will exclude net change in fair value of investment properties for the relevant period.

SOILBUILD BUSINESS SPACE REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2014") AND HALF YEAR ("1H FY2014") ENDED 30 JUNE 2014

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

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

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

a. Review of the Performance on Actual 1H FY2014 compared to Pro Forma

Gross revenue was higher by 1.6% to S\$33.5 million in 1H FY2014 when compared to the unaudited pro forma gross revenue in 1H FY2013, which was mainly due to additional rental revenue from Tellus Marine, higher rental revenue from Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral, and pre-termination income recognised from a tenant in West Park BizCentral amounting to S\$0.4 million in 1Q FY2014. This was partially offset by lower rental revenue from Solaris (16.2% lower than the pro forma) as the 1Q FY2013 pro forma figure was based on underlying leases whereas actual is on a master lease "triple-net" structure.

Property operating expenses were lower by 27.9% at S\$5.3 million in 1H FY2014 when compared to the unaudited pro forma property operating expenses in 1H FY2013. 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, compared to the unaudited pro forma where the 1Q FY2013 figure was based on underlying leases.

Net property income was 10.1% higher at S\$28.2 million in 1H FY2014 from S\$25.7 million in 1H FY2013 mainly due to the above reasons.

Net income increased by 18.5% to S\$20.8 million in 1H FY2014 from S\$17.6 million in 1H FY2013 mainly due to the higher net property income (S\$2.6 million higher), lower Manager's management fees (S\$0.6 million lower) and lower finance expenses (S\$0.1 million lower).

Income available for distribution was S\$ 24.7 million in 1H FY2014, 10.2% higher than 1H FY2013 mainly due to the higher net income.

b. Review of the Performance on Actual 2Q FY2014 compared to Pro Forma

Gross revenue was higher by 3.5% to S\$16.7 million in 2Q FY2014 when compared to the unaudited pro forma gross revenue in 2Q FY2013, which was mainly due to additional rental revenue from Tellus Marine, rental escalation for Solaris and Beng Kuang Marine in 2Q FY2014 and higher rental revenue from Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral.

Property operating expenses was higher by 0.3% at S\$2.7 million in 2Q FY2014 when compared to the unaudited pro forma property operating expenses in 2Q FY2013. The increase is largely due to inclusion of expenses for the new property, Tellus Marine.

Net property income was 4.1% higher to S\$14.0 million in 2Q FY2014 from S\$13.5 million in 2Q FY2013 mainly due to the above reasons.

Net income increased by 5.0% to S\$10.3 million in 2Q FY2014 from S\$9.8 million in 2Q FY2013 mainly due to the higher net property income (S\$0.6 million higher).

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Income available for distribution was S\$12.1 million in 2Q FY2014, 2.7% higher than 2Q FY2013 mainly due to higher net income.

9. Variance from Prospect Statement

	Unaudited Actual	Forecast¹	Variance	Unaudited Actual	Forecast¹	Variance
	1H FY2014	1H FY2014		2Q FY2014	2Q FY2014	
	(S\$'000)	(S\$'000)	(%)	(S\$'000)	(S\$'000)	(%)
Gross revenue	33,547	32,765	2.4%	16,708	16,556	0.9%
Property operating expenses	(5,310)	(5,695)	6.8%	(2,666)	(2,972)	10.3%
Net property income	28,237	27,070	4.3%	14,042	13,584	3.4%
Finance expenses	(4,474)	(4,604)	2.8%	(2,312)	(2,302)	(0.4%)
Manager's management fees	(2,475)	(2,386)	(3.7%)	(1,214)	(1,198)	(1.3%)
Trustee's fee	(95)	(78)	(21.8%)	(53)	(39)	(35.9%)
Other trust expenses	(386)	(366)	(5.5%)	(191)	(183)	(4.4%)
Total trust expense	(7,430)	(7,434)	-	(3,770)	(3,722)	(1.3%)
Net income	20,807	19,636	6.0%	10,272	9,862	4.2%
Net effect of non-tax deductible items	3,933	4,214	(6.7%)	1,862	2,112	(11.8%)
Income available for distribution to Unitholders	24,740	23,850	3.7%	12,134	11,974	1.3%
Distribution per Unit (cents)	3.062	2.953	3.7%	1.500	1.481	1.3%

Footnote:

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

Variance between the Actual and Forecast results for 1H FY2014

Gross revenue of S\$33.5 million in 1H FY2014 was 2.4% higher than the Forecast. This was mainly due to (i) pre-termination income recognised from a tenant in West Park BizCentral amounting to S\$0.4 million in 1Q FY2014, (ii) revenue from Eightrium @ Changi Business Park was also higher than Forecast due to new take up of space over a previously vacant area, and (iii) revenue recognized from the acquisition of Tellus Marine from 26 May 2014. This was partially offset by lower rental revenue from Tuas Connection due to non-renewal cases.

Property operating expenses were 6.8% lower than Forecast at S\$5.3 million in 1H FY2014. This was largely due to lower maintenance costs incurred for both Eightrium @ Changi Business Park and Tuas Connection.

Net property income was 4.3% higher than Forecast at S\$28.2 million in 1H FY2014 due to the above reasons.

Net income was 6.0% higher at S\$20.8 million, mainly due to the higher net property income and lower finance expenses. The Forecast assumed all-in interest rate of 3.28% p.a., however the actual all-in interest rate was 3.20% p.a. (excluding debt

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arrangement fees relating to undrawn loans will be 3.08% p.a.) mainly due to the benefit of lower interest rates on its interest rate swaps.

Income available for distribution was S\$24.7 million, 3.7% higher than the Forecast mainly due to the higher net income and lower finance expenses.

Variance between the Actual and Forecast results for 2Q FY2014

Gross revenue of S\$16.7 million in 2Q FY2014 was 0.9% higher than the Forecast. This was mainly due to additional revenue from the acquisition of Tellus Marine in May 2014.

Property operating expenses were 10.3% lower than Forecast at S\$2.7 million in 2Q FY2014. This was largely due to lower maintenance costs incurred for both Eightrium @ Changi Business Park and Tuas Connection.

Net property income was 3.4% higher than Forecast at S\$14.0 million in 2Q FY2014 due to the above reasons.

Net income was 4.2% higher at S\$10.3 million, mainly due to the higher net property income.

Income available for distribution was S\$12.1 million, 1.3% higher than the Forecast mainly due to the higher net income.

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

According to the Ministry of Trade & Industry¹ the Singapore economy grew by 2.1% on a year-on-year basis in 2Q FY2014, slower than the 4.7% growth achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.8%, a reversal from the 1.6% growth in the previous quarter.

The June 2014 Singapore's Purchasing Managers' Index ("PMI") posted a reading of 50.5², which was a marginal dip of 0.3 point over the previous month. The dip in the overall PMI was attributed to lower new orders and new export orders as well as lower level in production output and imports. The electronics sector recorded further expansion at 50.7, which was a marginal increase of 0.3 point over the previous month. The readings indicated further growth in new orders from domestic and overseas markets.

For 1Q FY2014, the JTC All Industrial Properties Price Index rose by 3.8%³ on a quarter-on-quarter basis, following a 3.3% decrease in the previous quarter. On a year-on-year basis, prices of all industrial space rose by 2.5%, significantly slower than the average increase of 20.2% per year over the past four years. During the same period, the JTC All Industrial Properties Rental Index increased marginally by 0.4% on a quarter-on-quarter basis, following a 0.2% increase in the previous quarter. On a year-on-year basis, rentals of all industrial space rose by 4.9% in 1Q FY2014, significantly slower than the average increase of 10.3% per year over the past four years.

In general, real estate market commentators point to upcoming supply of new industrial product having a negative impact on industrial property fundamentals over the next year. However newer high-tech industrial properties and better located business park properties will be better placed than more conventional industrial space in terms of new commitments, occupancy and rental rates.

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

Footnotes:

1. Ministry of Trade and Industry, Singapore’s GDP Growth Moderated in the Second Quarter of 2014, 14 July 2014.
2. Singapore Institute of Purchasing & Materials Management, June PMI expanded marginally at 50.5 – The electronic index continued to expand at 50.7, July 2014.
3. JTC All Industrial Properties Price Index, First Quarter 2014.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 4th distribution for the financial period from 1 April 2014 to 30 June 2014

Distribution type: Income

Distribution rate: 1.500 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 Wednesday, 6 August 2014 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Monday, 4 August 2014.

(d) Date Payable: Monday, 1 September 2014

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

Not applicable.

13. Segmented Revenue and Results

	Unaudited Actual 1H FY2014		Unaudited Pro forma 1H FY2013 ¹		Unaudited Actual 2Q FY2014		Unaudited Pro forma 2Q FY2013 ¹	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Business Park	12,986	39%	14,395	44%	6,537	39%	6,323	39%
Industrial	20,561	61%	18,627	56%	10,171	61%	9,818	61%
	33,547	100%	33,022	100%	16,708	100%	16,141	100%

	Unaudited Actual 1H FY2014		Unaudited Pro forma 1H FY2013 ¹		Unaudited Actual 2Q FY2014		Unaudited Pro forma 2Q FY2013 ¹	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Business Park	11,201	40%	10,562	41%	5,639	40%	5,389	40%
Industrial	17,036	60%	15,094	59%	8,403	60%	8,095	60%
	28,237	100%	25,656	100%	14,042	100%	13,484	100%

Footnotes:

¹ As Soilbuild REIT was only listed on SGX-ST on the Listing Date, there are no actual comparative figures. Accordingly, Soilbuild REIT's financial results are compared against the Pro Forma numbers which were derived from the Prospectus and extrapolated for the relevant period. 1H FY2013 Pro Forma numbers were the combination of the 1Q FY2013 (Period from 1 January 2013 to 31 March 2013) numbers as shown in the unaudited pro forma statements of total return, and extrapolated 2Q FY2013 (Period from 1 April 2013 to 30 June 2013) numbers as shown in the forecast and projected statements of total return.

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

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

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

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

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

Mr Benedict Andrew Lim Wee Yong
Director

Mr Chong Kie Cheong
Director

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

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

Mr. Shane Hagan
Chief Executive Officer

29 July 2014