

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

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

	<b>1Q FY2017<sup>1</sup></b>	<b>1Q FY2016<sup>2</sup></b>	<b>Variance</b>
Gross revenue (S\$'000)	21,985	20,142	9.2%
Net property income (S\$'000)	19,213	17,193	11.7%
Distributable income (S\$'000)	15,573	14,609	6.6%
DPU (cents)	1.489	1.557	(4.4%)

**Key change in 1Q FY2017**

**Remuneration of Property Manager and Lease Manager**

The Manager has elected to pay the property management fee and to receive the lease management fee in cash for 1Q FY2017. Manager’s management fee (“base fee”) remains payable in Units.

In 1Q FY2016, property management fee, lease management fee and base fee were wholly paid in Units.

Assuming property and lease management fees for 1Q FY2017 remained payable in Units, DPU would have been 1.539 cents (“adjusted DPU”). The adjusted DPU fell 1.2% against the 1Q FY2016 DPU.

**Footnotes:**

- 1 Financial period from 1 January 2017 to 31 March 2017, hereinafter referred to as 1Q FY2017.
- 2 Financial period from 1 January 2016 to 31 March 2016, hereinafter referred to as 1Q FY2016.

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## SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)

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### Introduction

Soilbuild REIT was constituted as a private trust on 13 December 2012 under a trust deed, which was entered into between SB REIT Management Pte. Ltd. (“SBRM” or the “Manager”), as manager of the private trust, and DBS Trustee Limited (“Trustee”) as trustee of the trust. Soilbuild REIT initially acquired three properties on a sale and leaseback structure prior to its IPO, NK Ingredients, COS Printers and Beng Kuang Marine, with the intention that these properties, together with properties acquired from Soilbuild Group Holdings Ltd., would eventually form the initial portfolio of the listed real estate investment trust (“REIT”).

On 16 August 2013 (the “Listing Date”), Soilbuild REIT completed the acquisition of Eightrium @ Changi Business Park (“Eightrium”), Solaris, Tuas Connection and West Park BizCentral, and was listed on SGX-ST as a REIT, pursuant to the Prospectus dated 7 August 2013.

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

On 26 May 2014, 31 October 2014, 23 December 2014, 27 May 2015 and 27 September 2016, Soilbuild REIT completed the acquisitions of Tellus Marine, KTL Offshore, Speedy-Tech, 72 Loyang Way and Bukit Batok Connection respectively.

The current portfolio of Soilbuild REIT comprises 12 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;
- (11) 72 Loyang Way; and
- (12) Bukit Batok Connection

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 FY2017") AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 ("YTD FY2017")**

**1(a) Statement of Total Return and Distribution Statement for 1Q FY2017 & 1Q FY2016**

	<b>1Q FY2017</b>	<b>1Q FY2016</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gross revenue	21,985	20,142	9.2%
Property operating expenses	(2,772)	(2,949)	6.0%
<b>Net property income</b>	<b>19,213</b>	<b>17,193</b>	<b>11.7%</b>
Interest income	434	236	83.9%
<u>Expenses:</u>			
Finance expenses	(3,926)	(3,296)	(19.1%)
Manager's management fees	(1,557)	(1,461)	(6.6%)
Trustee's fees	(51)	(50)	(2.0%)
Other trust expenses	(257)	(254)	(1.2%)
<b>Total return before distribution</b>	<b>13,856</b>	<b>12,368</b>	<b>12.0%</b>

<b>Distribution Statement</b>	<b>1Q FY2017</b>	<b>1Q FY2016</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Total return before distribution</b>	<b>13,856</b>	<b>12,368</b>	<b>12.0%</b>
Net effect of non-tax deductible items <sup>1</sup>	1,717	2,241	(23.4%)
<b>Income available for distribution to Unitholders</b>	<b>15,573</b>	<b>14,609</b>	<b>6.6%</b>

**Footnotes:**

- 1 Non-tax deductible items comprise the Manager's management fees payable in Units, rent free amortisation, the Trustee's fees, amortisation of debt arrangement and prepayment fees. (1QFY2016: Includes property management and lease management fees payable in Units and bank commitment fees as well.)

Assuming the 1Q FY2017 property management fees and lease management fees were payable in Units, non-tax deductible items would have been S\$2,241k (consistent with 1Q FY2016) and income available for distribution to Unitholders would have been S\$16,097k.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

**1(b)(i) Statement of Financial Position**

	Notes	31 March 2017 (S\$'000)	31 December 2016 (S\$'000)
<b>Current assets</b>			
Cash and cash equivalents	a	24,329	25,718
Trade and other receivables	b	5,369	4,291
Other current assets	c	316	310
Deferred expenditure	d	3,775	596
<b>Total current assets</b>		<b>33,789</b>	<b>30,915</b>
<b>Non-current assets</b>			
Investment properties	e	1,243,765	1,243,700
Deferred expenditure	d	975	876
<b>Total non-current assets</b>		<b>1,244,740</b>	<b>1,244,576</b>
<b>Total Assets</b>		<b>1,278,529</b>	<b>1,275,491</b>
<b>Current liabilities</b>			
Trade and other payables	f	16,648	12,008
Derivative financial instruments	g	149	181
Rental deposits	h	4,718	5,437
<b>Total current liabilities</b>		<b>21,515</b>	<b>17,626</b>
<b>Non-current liabilities</b>			
Trade and other payables	f	630	1,041
Derivative financial instruments	g	251	182
Rental deposits	h	31,700	32,590
Borrowings	i	473,123	472,349
<b>Total non-current liabilities</b>		<b>505,704</b>	<b>506,162</b>
<b>Total Liabilities</b>		<b>527,219</b>	<b>523,788</b>
<b>Net assets attributable to Unitholders</b>		<b>751,310</b>	<b>751,703</b>
<b>Represented by:</b>			
<b>Unitholders' funds</b>		<b>751,310</b>	<b>751,703</b>
<b>NAV per Unit (S\$)</b>		<b>0.72</b>	<b>0.72</b>

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**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

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**Notes:**

- (a) Cash and cash equivalents as at 31 March 2017 were S\$1.4 million lower than the balance as at 31 December 2016 mainly due to higher distribution paid in February 2017 compared to cash generated from operating activities in 1QFY2017. The utilisation of the security deposit relating to the 72 Loyang Way lease has contributed to the reduction in cash and cash equivalents.
- (b) Trade and other receivables comprised mainly trade receivables, unbilled debtors and other debtors amounting to S\$3.9 million, S\$1.0 million and S\$0.5 million respectively. The increase in trade and other receivables of S\$1.1 million is mainly due to S\$0.8 million higher trade debtors and S\$0.2 million higher other debtors.
- (c) Other current assets as at 31 March 2017 comprised mainly security deposits paid to vendors and prepayments.
- (d) Deferred expenditure comprises mainly property tax for the period from April 2017 to December 2017 and 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 mainly due to the abovementioned property tax.
- (e) Investment properties as at 31 March 2017 were accounted for at fair value based on the valuations undertaken by independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) and Knight Frank Pte. Ltd. as at 31 December 2016<sup>1</sup>. The increase in investment properties was largely due to capital expenditure on Eightrium.
- (f) Trade and other payables as at 31 March 2017 comprised trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. Trade and other payables was S\$4.2 million higher mainly due to accrual of property tax relating to the period from April 2017 to December 2017 and higher accrued interest payable amounting to S\$3.3 million and S\$1.7 million respectively. The increase in trade and other payables was partially offset by lower trade payables due to the Property Manager and Manager and refund of retention to Tellus Marine Engineering Pte. Ltd. in connection with the completion of the annex block.
- (g) Derivative financial instruments as at 31 March 2017 represented the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (h) Rental deposits as at 31 March 2017 decreased by S\$1.6 million mainly due to utilisation of the security deposit for the 72 Loyang Way property.
- (i) Borrowings comprise a S\$185 million club bank loan, S\$40 million unsecured bank loan, S\$200 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. Borrowings are net of unamortised debt arrangement fees.

**Footnotes:**

<sup>1</sup> The business park properties were valued by Knight Frank Pte. Ltd. whereas the industrial properties were valued by Colliers.

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**1(b)(ii) Aggregate Amount of Borrowings**

	<b>31 March 2017 (S\$'000)</b>	<b>31 December 2016 (S\$'000)</b>
<b><u>Interest-bearing borrowings</u></b>		
Amount repayable after one year	425,000	425,000
Less: Debt arrangement fees <sup>1</sup>	(4,228)	(4,578)
Less: Prepayment fees <sup>1</sup>	(369)	(394)
	<b>420,403</b>	<b>420,028</b>
<b><u>Interest-free borrowings</u></b>		
Amount repayable after one year	55,000	55,000
Less: Deferred amortisation <sup>2</sup>	(2,280)	(2,679)
	<b>52,720</b>	<b>52,321</b>
Total borrowings repayable after one year	<b>473,123</b>	<b>472,349</b>
<b>Total borrowings</b>	<b>473,123</b>	<b>472,349</b>

**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\$185.0 Million**

On 25 September 2015, Soilbuild REIT entered into a senior term loan facility amounting to S\$185.0 million (“TLF 1”) 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 (“BEA”), Singapore Branch and RHB Bank Berhad, Singapore Branch.

TLF 1 which was fully drawn down in September 2015, is secured against Solaris and is repayable in March 2020.

**- Term Loan Facility of S\$40 million**

On 21 September 2016, Soilbuild REIT entered into a term loan facility amounting to S\$40 million (“TLF 2”) and obtained a S\$5 million uncommitted loan facility (“ULF”) from BEA. On 27 September 2016 and 18 November 2016, S\$29 million and S\$11 million respectively were drawn down from TLF 2 mainly for the payment of the acquisition of Bukit Batok Connection. TLF2 and the ULF are unsecured. TLF2 is repayable in September 2019.

**- MTN of S\$100.0 Million issued in 2015**

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.

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**- MTN of S\$100.0 Million issued in 2016**

On 8 April 2016, Soilbuild REIT issued S\$100.0 million of unsecured MTN which bear interest at 3.60% p.a. and mature on 8 April 2021 for the purpose of refinancing a S\$100 million bank loan facility entered into on 20 May 2014.

**- 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.

**Borrowings repaid in YTD FY2016**

**- 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 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 loan was drawn down to finance the acquisition of Tellus Marine, KTL Offshore, Speedy-Tech and 72 Loyang Way on May 2014, October 2014, December 2014 and May 2015 respectively.

The loan has a four year maturity term from the date of the facility agreement.

On 8 April 2016, the loan was fully repaid and the mortgage over West Park BizCentral was released.



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**1(c) Statement of Cash Flows**

	<b>1Q FY2017</b>	<b>1Q FY2016</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Operating activities:</b>		
Net income	13,856	12,368
Adjustments for		
- Amortised debt arrangement and prepayment fees	375	383
- Finance expenses	3,551	2,911
- Loan facility commitment fees	-	2
- Management fees paid and payable in Units	1,557	1,933
Changes in working capital		
- Trade and other receivables	(1,078)	(1,597)
- Other current assets	(6)	(3,332)
- Deferred expenditure	(3,278)	(91)
- Trade and other payables	3,536	3,436
- Rental deposits	(1,609)	311
<b>Cash flows from operations</b>	<b>16,904</b>	<b>16,324</b>
Finance expense paid	(1,865)	(1,978)
<b>Net cash generated from operating activities</b>	<b>15,039</b>	<b>14,346</b>
<b>Investing activity:</b>		
Capital expenditure on investment properties (Note A)	(65)	(31,915)
<b>Net cash used in investing activity</b>	<b>(65)</b>	<b>(31,915)</b>
<b>Financing activities:</b>		
Proceeds from borrowings	-	31,883
Distributions paid	(16,363)	(15,082)
<b>Net cash (used in)/generated from financing activities</b>	<b>(16,363)</b>	<b>16,801</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,389)</b>	<b>(768)</b>
Cash and cash equivalents at beginning of the financial period	25,718	16,751
<b>Cash and cash equivalents at end of the financial period</b>	<b>24,329</b>	<b>15,983</b>

**Note A – Capital expenditure on investment properties**

During the financial year ended 31 December 2015, upfront land premium amounting to S\$55 million was capitalised in investment properties upon payment of S\$23,117,000 to JTC Corporation (“JTC”) and the balance amounting to S\$31,883,000 relating to the second instalment due to JTC was recorded as other payables. The first instalment of S\$23,117,000 paid to JTC was funded by an interest-free loan from SB (Solaris) Investment Pte. Ltd. (“SB Solaris”) on 17 March 2015. The second instalment paid to JTC was funded by the second tranche of interest-free loan from SB Solaris on 18 March 2016.

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

<b>FY2017</b>	<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 31 December 2016</b>	<b>(32,251)</b>	<b>784,317</b>	<b>(363)</b>	<b>751,703</b>
Total return for the financial period	13,856	-	-	13,856
Distribution to Unitholders	(16,363)	-	-	(16,363)
Movement in hedging reserve	-	-	(37)	(37)
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	2,151	-	2,151
<b>Balance as at 31 March 2017</b>	<b>(34,758)</b>	<b>786,468</b>	<b>(400)</b>	<b>751,310</b>

<b>FY2016</b>	<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 31 December 2015</b>	<b>27,275</b>	<b>715,809</b>	<b>2,889</b>	<b>745,973</b>
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
<b>Balance as at 31 March 2016</b>	<b>24,561</b>	<b>718,454</b>	<b>421</b>	<b>743,436</b>

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

	<b>1Q FY2017 (’000)</b>	<b>1Q FY2016 (’000)</b>
<b>Balance as at beginning of financial period</b>	1,042,174	934,442
Movements during the financial period		
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	3,359	3,568
<b>Total issued Units as at end of financial period</b>	<b>1,045,533</b>	<b>938,010</b>

**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 2017, Soilbuild REIT had 1,045,532,628 Units (31 December 2016:

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1,042,173,741 Units).

**1(d)(iv) A statement showing all sales, transfers, 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 2016.

**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 FY2017	1Q FY2016
Weighted average number of Units	1,044,338,357	936,167,220
<b>EPU – Basic and Diluted<sup>1</sup></b> Based on the weighted average number of Units in issue (cents)	1.327	1.321
<b>- Basic and diluted</b> Number of Units in issue at end of the financial period	1,045,532,628	938,010,400
<b>DPU</b> Based on the number of Units in issue at end of each distribution period (cents)	1.489	1.557

**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.

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

	<b>31 March 2017</b>	<b>31 December 2016</b>
NAV per Unit <sup>1</sup> (S\$)	0.72	0.72

**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 FY2017 compared to 1Q FY2016**

Gross revenue was S\$22.0 million in 1Q FY2017, S\$1.8 million or 9.2% higher than the gross revenue in 1Q FY2016 mainly due to the increase in revenue from Bukit Batok Connection amounting to S\$2.0 million. In addition, Solaris, Tellus Marine and Tuas Connection each contributed S\$0.1 million higher revenue. The revenue growth was partially offset by a reduction in revenue from West Park amounting to S\$0.5 million.

Property operating expenses were S\$2.8 million in 1Q FY2017 which was S\$0.2 million lower than 1Q FY2016 mainly due to a reduction in property tax for West Park.

Net property income was 11.7% higher at S\$19.2 million in 1Q FY2017 from S\$17.2 million in 1Q FY2016 mainly due to the abovementioned reasons.

Higher interest income was largely attributable to notional interest income on the second tranche of the S\$55 million interest-free loan.

The increase in finance expenses amounting to S\$0.6 million was mainly due to S\$40 million unsecured loan drawn down in 2H FY2016, higher notional interest expense on the S\$55 million interest-free loan and increase in weighted average borrowing cost.

The increase in Manager's management fees of S\$0.1 million was due to higher distributable income. Other trust expenses comprised mainly professional fees and on-going listing expenses.

Total return before distribution was S\$1.5 million higher than 1Q FY2016 mainly due to higher net property income amounting to S\$2.0 million and partially offset by higher net finance expense and Manager's management fees of S\$0.4 million and S\$0.1 million respectively.

The reduction of non-tax deductible items amounting to S\$0.5 million was largely attributable to the absence of property and lease management fees payable in units as the Manager has elected to pay the property management fee to the property manager and to receive its lease management fee in cash for 1Q FY2017.

Income available for distribution was S\$15.6 million in 1Q FY2017, 6.6% higher than 1Q FY2016 largely 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.

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**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”) announced that the Singapore economy grew by 2.0% in 2016 and maintained its GDP growth estimates of 1.0% to 3.0% for 2017. The overall performance in 2016 was largely driven by growth in the manufacturing sector. Particularly in 4Q 2016, manufacturing activity grew 11.5% y-o-y and 39.8% q-o-q. The improvement was primarily supported by the electronics and biomedical manufacturing clusters, while the transport engineering and general manufacturing clusters remained weak.

MTI projected global growth to recover slightly in 2017, especially in the US and key ASEAN economies. MTI cautioned the uncertainties from political risks in the Eurozone economies and tightening monetary policies in China. Barring the downside risks, the manufacturing and transportation & storage sectors will likely provide growth to the Singapore economy in 2017, riding on the improvement in global trade flows. However, outlook for the construction sector, marine & offshore and retail and food services sectors is likely to remain subdued.

Rentals of all industrial properties softened by 0.5% in 4Q 2016 over the preceding quarter, partially offset by an improvement in business park rentals of 1.2%. Rental indices for single-user factories, multi-user factories and warehouses contracted marginally by 0.9%, 0.5% and 0.2% respectively.

In 1Q FY2017, close to 160,000 sq ft of new leases were signed and 100,000 sq ft of renewals and forward renewals were completed. The portfolio renewals registered a positive rental uplift of 3.6% in 1Q FY2017 while portfolio rental reversions remained flat with the inclusion of the forward renewals. With 12.6% of the portfolio NLA expiring in the rest of 2017, the key challenge remains to retain existing tenants and to improve occupancy in the multi-tenanted buildings and 72 Loyang Way.

**11. Distributions**

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 16<sup>th</sup> distribution for the financial period from 1 January 2017 to 31 March 2017

Distribution type: Income

Distribution rate: 1.489 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.

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**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

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Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 pm on Friday, 21 April 2017 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Wednesday, 19 April 2017.

Date Payable: Thursday, 18 May 2017

(b) Corresponding period of the preceding financial period

Name of distribution: 12<sup>th</sup> 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%.

Books closure date: Friday, 22 April 2016

Date Payable: Monday, 16 May 2016

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

Not applicable.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

**13. Segmented Revenue and Results**

	1Q FY2017		1Q FY2016	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Business Park	6,837	31%	6,730	33%
Industrial	15,148	69%	13,412	67%
	<b>21,985</b>	<b>100%</b>	<b>20,142</b>	<b>100%</b>

	1Q FY2017		1Q FY2016	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Business Park	5,979	31%	5,853	34%
Industrial	13,234	69%	11,340	66%
	<b>19,213</b>	<b>100%</b>	<b>17,193</b>	<b>100%</b>

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

There is no material change in contributions to revenue and net income by business segments.

**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.

**16. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Manager hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Listing Manual.

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

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**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2017”) AND FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017 (“YTD FY2017”)**

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

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

Mr. Roy Teo  
Chief Executive Officer

12 April 2017