

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

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

**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)	Statement of Financial Position	<b>5</b>
1(b)(ii)	Aggregate Amount of Borrowings	<b>7</b>
1(c)	Statement of Cash Flows	<b>9</b>
1(d)(i)	Statement of Changes in Unitholders’ Funds	<b>10</b>
1(d)(ii)	Details of Any Change in Units	<b>12</b>
1(d)(iii)	Total Number of Issued Units	<b>12</b>
1(d)(iv)	Treasury Shares	<b>12</b>
2 & 3	Audit Statement	<b>13</b>
4 & 5	Changes in Accounting Policies	<b>13</b>
6	Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”)	<b>13</b>
7	Net Asset Value (“NAV”) Per Unit	<b>14</b>
8	Review of the Performance	<b>14</b>
9	Variance from the Prospect Statement	<b>15</b>
10	Outlook and Prospects	<b>15</b>
11 & 12	Distributions	<b>16</b>
13	Segment Revenue and Results	<b>18</b>
14	Breakdown of Gross Revenue and Net Income	<b>18</b>
15	Breakdown of Total Distribution	<b>19</b>
16	Interested Person Transaction (“IPT”) Mandate	<b>19</b>
17	Confirmation Pursuant to Rule 704(13) of the Listing Manual	<b>19</b>
18	Confirmation Pursuant to Rule 720(1) of the Listing Manual	<b>19</b>

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

	<b>YTD FY2016<sup>1</sup></b>	<b>YTD FY2015<sup>2</sup></b>	<b>Variance</b>	<b>4Q FY2016<sup>3</sup></b>	<b>4Q FY2015<sup>4</sup></b>	<b>Variance</b>
Gross revenue (S\$'000)	81,130	79,340	2.3%	21,687	20,434	6.1%
Net property income (S\$'000)	70,674	67,777	4.3%	18,892	17,490	8.0%
Distributable income (S\$'000)	60,252	57,867	4.1%	16,365	15,091	8.4%
DPU (cents)	6.091	6.487	(6.1%)	1.570	1.614	(2.7%)

**Footnotes:**

- 1 Financial period from 1 January 2016 to 31 December 2016, hereinafter referred to as YTD FY2016.
- 2 Financial period from 1 January 2015 to 31 December 2015, hereinafter referred to as YTD FY2015.
- 3 Financial period from 1 October 2016 to 31 December 2016, hereinafter referred to as 4Q FY2016.
- 4 Financial period from 1 October 2015 to 31 December 2015, hereinafter referred to as 4Q FY2015.

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

## **Introduction**

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

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

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

On 26 May 2014, 31 October 2014, 23 December 2014, 27 May 2015 and 27 September 2016, Soilbuild REIT completed the acquisitions of Tellus Marine, KTL Offshore, Speedy-Tech, 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) 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 FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

**1(a) Statement of Total Return and Distribution Statement for 4Q FY2016 & 4Q FY2015 and YTD FY2016 & YTD FY2015**

	YTD FY2016 S\$'000	YTD FY2015 S\$'000	Variance %	4Q FY2016 S\$'000	4Q FY2015 S\$'000	Variance %
Gross revenue	81,130	79,340	2.3%	21,687	20,434	6.1%
Property operating expenses	(10,456)	(11,563)	9.6%	(2,795)	(2,944)	5.1%
<b>Net property income</b>	<b>70,674</b>	<b>67,777</b>	<b>4.3%</b>	<b>18,892</b>	<b>17,490</b>	<b>8.0%</b>
Interest income	1,505	643	134.1%	428	196	118.4%
<u>Expenses:</u>						
Finance expenses	(14,637)	(13,490)	(8.5%)	(3,955)	(3,325)	(18.9%)
Manager's management fees	(6,025)	(6,442)	6.5%	(1,636)	(2,164)	24.4%
Trustee's fees	(206)	(196)	(5.1%)	(54)	(50)	(8.0%)
Other trust expenses	(1,033)	(1,168)	11.6%	(270)	(164)	(64.6%)
<b>Net income</b>	<b>50,278</b>	<b>47,124</b>	<b>6.7%</b>	<b>13,405</b>	<b>11,983</b>	<b>11.9%</b>
Net change in fair value of investment properties	(50,855)	4,535	nm <sup>2</sup>	(50,855)	4,535	nm
<b>Total return before distribution</b>	<b>(577)</b>	<b>51,659</b>	<b>(101.1%)</b>	<b>(37,450)</b>	<b>16,518</b>	<b>(326.7%)</b>

Distribution Statement	YTD FY2016 S\$'000	YTD FY2015 S\$'000	Variance %	4Q FY2016 S\$'000	4Q FY2015 S\$'000	Variance %
<b>Total return before distribution</b>	<b>(577)</b>	<b>51,659</b>	<b>(101.1%)</b>	<b>(37,450)</b>	<b>16,518</b>	<b>(326.7%)</b>
Net effect of non-tax deductible items <sup>1</sup>	60,829	6,208	nm	53,815	(1,427)	nm
<b>Income available for distribution to Unitholders</b>	<b>60,252</b>	<b>57,867</b>	<b>4.1%</b>	<b>16,365</b>	<b>15,091</b>	<b>8.4%</b>

**Footnotes:**

1 Non-tax deductible items comprise the Manager's management fees, property management fees and lease management fees paid or payable in Units, rent free amortisation, the Trustee's fees, amortisation of debt arrangement and prepayment fees, security trustee and agency fee, bank commitment fees and net change in fair value of investment properties.

2 nm denotes not meaningful.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND  
DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND  
FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

	Notes	31 December 2016 (S\$'000)	31 December 2015 (S\$'000)
<b>Current assets</b>			
Cash and cash equivalents	a	25,718	16,751
Trade and other receivables	b	4,291	2,436
Derivative financial instruments	c	-	484
Other current assets	d	310	247
Deferred expenditure	e	596	505
<b>Total current assets</b>		<b>30,915</b>	<b>20,423</b>
<b>Non-current assets</b>			
Investment properties	f	1,243,700	1,190,700
Derivative financial instruments	c	-	2,405
Deferred expenditure	e	876	1,002
<b>Total non-current assets</b>		<b>1,244,576</b>	<b>1,194,107</b>
<b>Total Assets</b>		<b>1,275,491</b>	<b>1,214,530</b>
<b>Current liabilities</b>			
Trade and other payables	g	12,008	10,115
Derivative financial instruments	c	181	-
Rental deposits	h	5,437	2,719
<b>Total current liabilities</b>		<b>17,626</b>	<b>12,834</b>
<b>Non-current liabilities</b>			
Trade and other payables	g	1,041	33,009
Derivative financial instruments	c	182	-
Rental deposits	h	32,590	24,212
Borrowings	i	472,349	398,502
<b>Total non-current liabilities</b>		<b>506,162</b>	<b>455,723</b>
<b>Total Liabilities</b>		<b>523,788</b>	<b>468,557</b>
<b>Net assets attributable to Unitholders</b>		<b>751,703</b>	<b>745,973</b>
<b>Represented by:</b>			
<b>Unitholders' funds</b>		<b>751,703</b>	<b>745,973</b>
<b>NAV per Unit (S\$)</b>		<b>0.72</b>	<b>0.80</b>

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

**Notes:**

- (a) Cash and cash equivalents as at 31 December 2016 were S\$9.0 million higher than the balance as at 31 December 2015 mainly due to the drawdown of an unsecured loan amounting to S\$8 million for refund of the cash security deposit to the master lessee of Bukit Batok Connection upon the receipt of a banker’s guarantee.
- (b) Trade and other receivables comprised mainly trade receivables, unbilled debtors and other debtors amounting to S\$3.1 million, S\$1.0 million and S\$0.2 million respectively. The increase in trade and other receivables of S\$1.9 million is mainly due to S\$1.7 million higher trade debtors, S\$0.1 million higher unbilled debtors and S\$0.1 million higher other debtors.
- (c) Derivative financial instruments as at 31 December 2016 represented the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (d) Other current assets as at 31 December 2016 comprised mainly security deposits paid to vendors and prepayments.
- (e) Deferred expenditure relates to the unamortised portion of marketing commissions paid to the Property Manager and Manager for securing new leases and renewing expiring leases. The reduction in deferred expenditure was due to the amortisation of marketing commissions over the lease term.
- (f) Investment properties as at 31 December 2016 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 amounting to S\$53.0 million was mainly due to the acquisition of Bukit Batok Connection in September 2016 amounting to S\$100.4 million, completion of Tellus Marine Phase 2 amounting to S\$3.5 million and partially offset by revaluation loss of S\$50.9 million.
- (g) Trade and other payables as at 31 December 2016 comprised trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. The decrease in trade and other payables of S\$30.1 million was mainly attributed to the payment of the second tranche for the Solaris upfront land premium amounting to S\$31.9 million and partially offset by higher other payables including interest payable.
- (h) Rental deposits as at 31 December 2016 increased by S\$11.1 million mainly due to S\$8 million security deposit relating to the Bukit Batok Connection lease and the balance of the unutilised security deposit for the 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.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

	<b>31 December 2016 (S\$'000)</b>	<b>31 December 2015 (S\$'000)</b>
<b><u>Interest-bearing borrowings</u></b>		
Amount repayable after one year	425,000	382,500
Less: Debt arrangement fees <sup>1</sup>	(4,578)	(5,215)
Less: Prepayment fees <sup>1</sup>	(394)	(107)
	<b>420,028</b>	<b>377,178</b>
<b><u>Interest-free borrowings</u></b>		
Amount repayable after one year	55,000	23,117
Less: Deferred amortisation <sup>2</sup>	(2,679)	(1,793)
	<b>52,321</b>	<b>21,324</b>
Total borrowings repayable after one year	<b>472,349</b>	<b>398,502</b>
<b>Total borrowings</b>	<b>472,349</b>	<b>398,502</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.

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

**- 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 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.



**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

	YTD FY2016	YTD FY2015	4Q FY2016	4Q FY2015
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Operating activities:</b>				
Net income	50,278	47,124	13,405	11,983
Adjustments for				
- Amortised debt arrangement and prepayment fees	1,475	2,058	384	387
- Finance expenses	13,120	11,295	3,571	2,936
- Loan facility commitment fees	2	12	-	2
- Management fees paid and payable in Units	7,917	8,296	2,150	2,644
- Acquisition fee paid in Units	963	-	-	-
- Security trustee and agency fees	40	125	-	-
Changes in working capital				
- Trade and other receivables	(1,855)	(1,620)	5,664	(558)
- Other current assets	(63)	(13)	943	1,032
- Deferred expenditure	35	(449)	(2)	(242)
- Trade and other payables	852	209	(1,445)	(972)
- Rental deposits	11,095	1,412	(8,728)	(27)
<b>Cash flows from operations</b>	83,859	68,449	15,942	17,185
Finance expense paid	(12,596)	(11,371)	(5,308)	(3,338)
<b>Net cash generated from operating activities</b>	71,263	57,078	10,634	13,847
<b>Investing activities:</b>				
Purchase of investment properties	(103,864)	(98,092)	(3,462)	-
Capital expenditure on investment properties	(31,915)	(25,490)	-	(6)
Remission of stamp duty	41	-	-	-
<b>Net cash used in investing activities</b>	(135,738)	(123,582)	(3,462)	(6)
<b>Financing activities:</b>				
Proceeds from borrowings	171,883	127,117	11,000	-
Repayment of borrowings	(97,500)	(95,000)	-	-
Payment of debt arrangement fees	(760)	(2,691)	-	-
Payment of prepayment fees	(366)	(113)	-	(113)
Issuance of new Units	59,443	89,999	-	-
Issue expenses	(309)	(1,358)	9	244
Distributions paid	(58,949)	(55,650)	(14,541)	(15,144)
<b>Net cash generated from/(used in) financing activities</b>	73,442	62,304	(3,532)	(15,013)
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,967	(4,200)	3,640	(1,172)
Cash and cash equivalents at beginning of the financial year/period	16,751	20,951	22,078	17,923
<b>Cash and cash equivalents at end of the financial year/period</b>	25,718	16,751	25,718	16,751

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

<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>
Total return for the financial period	12,421	-	-	12,421
Distribution to Unitholders	(14,604)	-	-	(14,604)
Movement in hedging reserve	-	-	(864)	(864)
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,933	-	1,933
Issuance cost written-back	-	41	-	41
<b>Balance as at 30 June 2016</b>	<b>22,378</b>	<b>720,428</b>	<b>(443)</b>	<b>742,363</b>
Total return for the financial period	12,084	-	-	12,084
Distribution to Unitholders	(14,722)	-	-	(14,722)
Movement in hedging reserve	-	-	(229)	(229)
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,923	-	1,923
Issue of Units in lieu of acquisition fee	-	963	-	963
Issue of Units under Preferential Offering	-	59,443	-	59,443
Issuance cost	-	(359)	-	(359)
<b>Balance as at 30 September 2016</b>	<b>19,740</b>	<b>782,398</b>	<b>(672)</b>	<b>801,466</b>
Total return for the financial period	(37,450)	-	-	(37,450)
Distribution to Unitholders	(14,541)	-	-	(14,541)
Movement in hedging reserve	-	-	309	309
Issue of Units in lieu of Manager’s management fees, property management fees and lease management fees	-	1,910	-	1,910
Issuance cost written-back	-	9	-	9
<b>Balance as at 31 December 2016</b>	<b>(32,251)</b>	<b>784,317</b>	<b>(363)</b>	<b>751,703</b>

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

<b>FY2015</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 2014</b>	<b>31,266</b>	<b>619,366</b>	<b>148</b>	<b>650,780</b>
Total return for the financial period	11,026	-	-	11,026
Distribution to Unitholders	(12,886)	-	-	(12,886)
Movement in hedging reserve	-	-	1,781	1,781
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	2,152	-	2,152
<b>Balance as at 31 March 2015</b>	<b>29,406</b>	<b>621,518</b>	<b>1,929</b>	<b>652,853</b>
Total return for the financial period	11,613	-	-	11,613
Distribution to Unitholders	(18,444)	-	-	(18,444)
Movement in hedging reserve	-	-	(990)	(990)
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	1,762	-	1,762
Issue of new Units under Private Placement	-	89,999	-	89,999
Issuance cost	-	(1,602)	-	(1,602)
<b>Balance as at 30 June 2015</b>	<b>22,575</b>	<b>711,677</b>	<b>939</b>	<b>735,191</b>
Total return for the financial period	12,502	-	-	12,502
Distribution to Unitholders	(9,176)	-	-	(9,176)
Movement in hedging reserve	-	-	1,683	1,683
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	1,885	-	1,885
<b>Balance as at 30 September 2015</b>	<b>25,901</b>	<b>713,562</b>	<b>2,622</b>	<b>742,085</b>
Total return for the financial period	16,518	-	-	16,518
Distribution to Unitholders	(15,144)	-	-	(15,144)
Movement in hedging reserve	-	-	267	267
Issuance costs unutilised	-	244	-	244
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	2,003	-	2,003
<b>Balance as at 31 December 2015</b>	<b>27,275</b>	<b>715,809</b>	<b>2,889</b>	<b>745,973</b>

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

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

	<b>YTD FY2016 ('000)</b>	<b>4Q FY2016 ('000)</b>
<b>Balance as at beginning of financial year/period</b>	934,442	1,039,419
Movements during the financial year/period		
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	11,849	2,755
- Units issued pursuant to the Preferential Offering <sup>1</sup>	94,354	-
- Units issued in lieu of acquisition fee <sup>2</sup>	1,529	-
<b>Total issued Units as at end of financial year/period</b>	<b>1,042,174</b>	<b>1,042,174</b>

**Footnote:**

<sup>1</sup>94,353,672 new Units were issued on 26 September 2016 at an issue price of S\$0.630 per new Unit pursuant to the Preferential Offering.

<sup>2</sup>1,528,571 new Units were issued on 27 September 2016 at an issue price of S\$0.630 per new Unit in relation to the acquisition fee paid to the Manager for the acquisition of Bukit Batok Connection.

	<b>YTD FY2015 ('000)</b>	<b>4Q FY2015 ('000)</b>
<b>Balance as at beginning of financial year/period</b>	812,993	931,947
Movements during the financial year/period		
- Units issued in lieu of Manager’s management fees, property management fees and lease management fees	9,649	2,495
- Units issued pursuant to the Private Placement <sup>1</sup>	111,800	-
<b>Total issued Units as at end of financial year/period</b>	<b>934,442</b>	<b>934,442</b>

**Footnote:**

<sup>1</sup>111,800,000 new Units were issued on 5 May 2015 at an issue price of S\$0.805 per new Unit pursuant to the private placement.

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

As at 31 December 2016, Soilbuild REIT had 1,042,173,741 Units (31 December 2015: 934,441,690 units).

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

Not applicable.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2016") AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 ("YTD FY2016")**

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

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

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

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the audited financial statements for the financial year ended 31 December 2015.

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

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

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

	YTD FY2016	YTD FY2015	4Q FY2016	4Q FY2015
Weighted average number of Units	1,039,908,204	891,845,578	1,041,365,275	933,302,996
<b>EPU – Basic and Diluted<sup>1</sup></b> Based on the weighted average number of Units in issue (cents)	5.205	5.283	1.287	1.277
<b>- Basic and diluted</b> Number of Units in issue at end of the financial year/period	1,042,173,741	934,441,690	1,042,173,741	934,441,690
<b>DPU</b> Based on the number of Units in issue at end of each distribution period (cents)	6.091	6.487	1.570	1.614

**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 year/period.

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2016") AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 ("YTD FY2016")**

---

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

	<b>31 December 2016</b>	<b>31 December 2015</b>
NAV per Unit <sup>1</sup> (S\$)	0.72	0.80

**Footnote:**

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

**8. Review of the Performance**

**Review of the Performance on YTD FY2016 compared to YTD FY2015**

Gross revenue was S\$81.1 million in YTD FY2016, S\$1.8 million or 2.3% higher than the gross revenue in YTD FY2015. This was mainly due to higher revenue contributed by Loyang Way, Bukit Batok Connection, Solaris and Eightrium amounting to S\$3.2 million, S\$2.1 million, S\$0.5 million and S\$0.1 million respectively and was partially offset by reduction in revenue from West Park and Tuas Connection amounting to S\$3.1 million and S\$1.2 million respectively.

Property operating expenses were S\$10.5 million in YTD FY2016, S\$1.1 million lower than YTD FY2015 largely due to the reduction in property tax expense amounting to S\$0.8 million arising from the revision of FY2015 and FY2016 annual values by the tax authority and reduction of land rent amounting to S\$0.2 million.

Net property income was 4.3% higher at S\$70.7 million in YTD FY2016 from S\$67.8 million in YTD FY2015 mainly due to the above reasons.

The increase in finance expenses amounting to S\$1.1 million was mainly due to higher notional interest expense on the S\$55 million interest-free loan and S\$40 million unsecured loan drawn down in 2H FY2016.

The decrease in Manager's management fees of S\$0.4 million was largely due to the absence of performance fee amounting to S\$0.7 million in YTD FY2015 and partially offset by higher base fee arising from the increase in distributable income. Other trust expenses were lower in YTD FY2016 as other trust expenses in YTD FY2015 included Multicurrency Debt Issuance Programme establishment cost amounting to S\$0.2 million.

Net change in fair value of investment properties was S\$55.4 million lower due to S\$50.9 million revaluation loss in YTD FY2016 as compared to S\$4.5 million revaluation gain in YTD FY2015. Revaluation loss in FY2016 mainly relates to Loyang Way, West Park, Tuas Connection and Eightrium amounting to S\$32.0 million, S\$13.0 million, S\$4.0 million and S\$1.8 million respectively. The decline in the valuation of Loyang Way was largely due to the termination of lease with Technics Offshore Engineering Pte Ltd ("TOE") in December 2016 whereas the decline in the valuation of West Park and Tuas Connection was mainly attributed to higher vacancies and negative rental reversions.

Total return before distribution amounting to a deficit of S\$0.6 million was S\$52.2 million lower than YTD FY2015 mainly due to the reduction in net change in fair value of investment properties and partially offset by increase in net property income amounting to S\$2.9 million.

Net effect of non-tax deductible items comprised mainly net change in fair value of investment properties, manager's management fee, property and lease management fees paid/payable in units and amortisation of debt arrangement and prepayment fees.

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

Income available for distribution was S\$60.3 million in YTD FY2016, 4.1% higher than YTD FY2015 mainly due to higher net property income and interest income and was partially offset by higher finance expenses.

**Review of the Performance on 4Q FY2016 compared to 4Q FY2015**

Gross revenue was S\$21.7 million in 4Q FY2016, S\$1.3 million or 6.1% higher than the gross revenue in 4Q FY2015 mainly due to the increase in revenue from Bukit Batok Connection amounting to S\$2.0 million and was partially offset by reduction in revenue from West Park amounting to S\$0.8 million.

Property operating expenses were S\$2.8 million in 4Q FY2016 which was S\$0.1 million lower than 4Q FY2015 mainly due to reduction in land rent expense.

Net property income was 8.0% higher at S\$18.9 million in 4Q FY2016 from S\$17.5 million in 4Q FY2015 mainly due to the abovementioned reasons.

The increase in finance expenses was mainly due to S\$40 million unsecured loan drawn down in 2HFY2016 and notional interest expense on the S\$55 million interest-free loan.

The decrease in Manager’s management fees of S\$0.5 million was due to the absence of performance fee amounting to S\$0.7 million in 4Q FY2015 and partially offset by higher distributable income in 4QFY2016 which resulted in higher base fee. Other trust expenses were S\$0.1 million higher in 4Q FY2016 largely due to the reversal of over-accrued legal fee in 4Q FY2015.

Net change in fair value of investment properties was S\$55.4 million lower due to S\$50.9 million revaluation loss in FY2016 as compared to S\$4.5 million revaluation gain in FY2015. Revaluation loss in FY2016 mainly relates to Loyang Way, West Park, Tuas Connection and Eightrium amounting to S\$32.0 million, S\$13.0 million, S\$4.0 million and S\$1.8 million respectively.

Total return before distribution amounting to a deficit of S\$37.5 million was S\$54.0 million lower than 4Q FY2015 mainly due to a negative net change in fair value of investment properties amounting to S\$55.4 million, and partially offset by higher net property income amounting to S\$1.4 million.

Income available for distribution was S\$16.4 million in 4Q FY2016, 8.4% higher than 4Q FY2015 largely due to higher net property income and interest income and partially offset by higher finance expenses.

**9. Variance from Prospect Statement**

No financial forecast has been disclosed to the market.

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

Ministry of Trade and Industry (“MTI”) reported its advance estimates of 1.8% growth in Singapore’s economy year-on-year (“y-o-y”) in the fourth quarter of 2016, an improvement from 1.2% in the previous quarter. The growth was attributed by an expansion in the manufacturing sector by 6.5% y-o-y, partially offset by a contraction of 2.8% y-o-y in the construction sector. The improvement was generally driven by the electronics and biomedical manufacturing clusters, while the transport engineering and general manufacturing clusters continue to weaken. On a quarter-on-quarter (“q-o-q”) seasonally-

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

adjusted annualised basis, the economy expanded by 9.1%, contributed by a growth in the manufacturing sector of 14.6% q-o-q, moderated by a 14.8% contraction in the construction sector. Despite an economic growth of 1.8% for the whole of 2016, which is above MTI's GDP growth forecast of “1.0% to 1.5%”, MTI cautioned the downside risks in the global economy, specifically lower external demand and weak demand conditions in the marine & offshore engineering segment.

Rentals of all industrial properties softened by 2.0% in 3Q 2016 over the preceding quarter. Rental indices for warehouses fell by the largest margin of 4.4%, followed by contraction in the single-user, multi-user and business park properties of 2.1%, 1.3% and 0.2% respectively. All industrial occupancy rate contracted marginally by 0.3% to 89.1% in 3Q 2016, largely attributed by the dip in occupancy rate for single-user factories by 0.8% in 3Q 2016 compared to the previous quarter, and partially offset by the rise in occupancy rates for multi-user factories (0.2%), business parks (0.1%) and warehouse (0.1%).

The Manager expects Soilbuild REIT's near-term financial performance to be weaker than the preceding quarters should the Manager be unable to find a replacement tenant prior to the full utilisation of the security deposit provided by TOE. The balance security deposit is expected to be fully utilised by May 2017.

In FY2016, close to 620,000 sq ft of renewals and new leases were signed, including 110,000 sq ft of forward renewals for leases expiring in FY2017. 13.7% of the portfolio's net lettable area or approximately 540,000 sq ft of leases expiring in FY2017 remains. The challenge remains to retain existing tenants, improve occupancy rates in the multi-tenanted buildings and leasing of Loyang Way facility in this weak leasing environment.

## **11. Distributions**

### (a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 15<sup>th</sup> distribution for the financial period from 1 October 2016 to 31 December 2016

Distribution type: Income

Distribution rate: 1.570 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%.



---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. on Wednesday, 1 February 2017 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Friday, 27 January 2017.

Date Payable: Monday, 27 February 2017

(b) Corresponding period of the preceding financial period

Name of distribution: 11<sup>th</sup> distribution for the financial period from 1 October 2015 to 31 December 2015

Distribution type: Income

Distribution rate: 1.614 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, 29 January 2016

Date Payable: Tuesday, 23 February 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 FOURTH QUARTER ("4Q FY2016") AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 ("YTD FY2016")**

**13. Segmented Revenue and Results**

	YTD FY2016		YTD FY2015		4Q FY2016		4Q FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Business Park	27,243	34%	26,574	33%	6,822	31%	6,666	33%
Industrial	53,887	66%	52,766	67%	14,865	69%	13,768	67%
	<b>81,130</b>	<b>100%</b>	<b>79,340</b>	<b>100%</b>	<b>21,687</b>	<b>100%</b>	<b>20,434</b>	<b>100%</b>

	YTD FY2016		YTD FY2015		4Q FY2016		4Q FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Business Park	23,904	34%	22,978	34%	6,007	32%	5,796	33%
Industrial	46,770	66%	44,799	66%	12,885	68%	11,694	67%
	<b>70,674</b>	<b>100%</b>	<b>67,777</b>	<b>100%</b>	<b>18,892</b>	<b>100%</b>	<b>17,490</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. Breakdown of Gross Revenue and Net Income**

	YTD FY2016 (S\$'000)	YTD FY2015 (S\$'000)	Variance %
Revenue reported for the first half year	39,712	38,205	3.9
Net income for the first half year	24,789	22,639	9.5
Revenue reported for second half year	41,418	41,135	0.7
Net income for second half year	25,489	24,485	4.1

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

**15. Breakdown of Total Distributions**

	<b>YTD FY2016 (S\$'000)</b>	<b>YTD FY2015 (S\$'000)</b>
From 1 January to 31 March	14,604	13,321
From 1 April to 30 June	14,722	14,299
From 1 July to 30 September	14,541	15,144
From 1 October to 31 December	16,362	15,082
<b>Total</b>	<b>60,229</b>	<b>57,846</b>

**16. 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.

**17. 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.

**18. 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

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

---

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND  
DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2016”) AND  
FINANCIAL YEAR FROM 1 JANUARY 2016 TO 31 DECEMBER 2016 (“YTD FY2016”)**

---

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

Mr. Roy Teo  
Chief Executive Officer

23 January 2017