(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 SECOND QUARTER ("2Q FY2020") AND HALF YEAR ("1H FY2020") ENDED 30 JUNE 2020 ("YTD FY2020")

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SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2020") AND HALF YEAR ("1H FY2020") ENDED 30 JUNE 2020 ("YTD FY2020")

Summary of Soilbuild Business Space REIT Group Results

	1H FY2020[1]	1H FY2019[2]	Variance (%)	2Q FY2020[3]	2Q FY2019[4]	Variance (%)
Gross revenue (S$'000)	46,507	45,048	3.2	23,009	22,364	2.9
Net property income (S$'000)	33,531	36,621	(8.4)	16,170	18,328	(11.8)
Income attributable to perpetual securities holders (S$'000)	1,945	1,934	0.6	973	972	0.1
Total amount available for distribution to Unitholders (S$'000)	20,624	25,300	(18.5)	9,459	12,560	(24.7)
- From operations	19,224	24,628	(21.9)	9,459	12,266	(22.9)
- From capital	1,400	672	108.3	-	294	(100.0)
DPU (cents)	**1.628**	**2.377**	**(31.5)**	**0.745**	**1.179**	**(36.8)**
- From operations	1.518	2.314	(34.4)	0.745	1.151	(35.3)
- From capital[5]	0.110	0.063	74.6	-	0.028	(100.0)

Footnotes:

1 Financial period from 1 January 2020 to 30 June 2020, hereinafter referred to as 1H FY2020.

2 Financial period from 1 January 2019 to 30 June 2019, hereinafter referred to as 1H FY2019.

3 Financial period from 1 April 2020 to 30 June 2020, hereinafter referred to as 2Q FY2020.

4 Financial period from 1 April 2019 to 30 June 2019, hereinafter referred to as 2Q FY2019.

5 In view of the COVID-19 situation, the Manager excluded capital distributions in 2Q FY2020 to conserve Soilbuild REIT's capital.

6 n.m denotes not meaningful.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2020") AND HALF YEAR ("1H FY2020") ENDED 30 JUNE 2020 ("YTD FY2020")

Introduction

Soilbuild Business Space REIT ("**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 and its subsidiaries (the "**Group**") were 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 and Australia as well as real estate-related assets.

In October 2018, the Group completed the acquisitions of two properties in Australia and in November 2019, the Group completed its third acquisition in Australia. As at 30 June 2020, the portfolio of the Group comprised 10 properties located in Singapore and 3 properties located in Australia as follows:

Singapore
(1) Eightrium;
(2) Solaris;
(3) Tuas Connection;
(4) West Park BizCentral;
(5) 2 Pioneer Sector 1;
(6) COS Printers;
(7) Beng Kuang Marine;
(8) 39 Senoko Way;
(9) Speedy-Tech; and
(10) Bukit Batok Connection

Australia
(1) 14 Mort Street, Canberra ("**14 Mort Street**");
(2) Inghams Burton, Adelaide ("**Inghams Burton**"); and
(3) 25 Grenfell Street, Adelaide ("**25 Grenfell Street**")

Pursuant to a fully underwritten, pro-rata and non-renounceable preferential offering of new units in Soilbuild REIT (the "**New Units**") on the basis of 18 New Units for every 100 existing units in Soilbuild REIT (the "**Preferential Offering**"), 192,135,040 New Units have been issued at the issue price of S$0.53 per New Unit on 19 September 2019 to partially fund the acquisition of 25 Grenfell Street ("**Acquisition**").

The Group'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.

The Group's results include the consolidation of subsidiaries. The commentaries provided are based on the consolidated Group results unless otherwise stated.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2020") AND HALF YEAR ("1H FY2020") ENDED 30 JUNE 2020 ("YTD FY2020")

1(a) Statement of Total Return and Distribution Statement for 1H FY2020 and 2Q FY2020

	1H FY2020	1H FY2019	Variance	2Q FY2020	2Q FY2019	Variance
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	46,507	45,048	3.2	23,009	22,364	2.9
Property operating expenses	(12,976)	(8,427)	(54.0)	(6,839)	(4,036)	(69.4)
Net property income	**33,531**	**36,621**	**(8.4)**	**16,170**	**18,328**	**(11.8)**
Interest income	44	82	(46.3)	19	41	(53.7)
Foreign exchange gain/(loss)	1,761	(167)	Nm	9,108	(187)	Nm
(Loss)/gain on derivative financial instruments	(3)	(1)	Nm	(41)	4	Nm
Loss on divestment of a property held for sale	(240)	-	Nm	(240)	-	Nm
Expenses:						
Finance expenses	(8,499)	(8,463)	(0.4)	(3,937)	(4,292)	8.3
Finance expenses on leases (FRS 116)	(829)	(1,002)	17.3	(348)	(513)	32.2
Manager's management fees	(2,062)	(2,530)	18.5	(946)	(1,256)	24.7
Trustee's fees	(136)	(125)	(8.8)	(68)	(63)	(7.9)
Other trust expenses	(651)	(465)	(40.0)	(292)	(225)	(29.8)
Net income before tax	**22,916**	**23,950**	**(4.3)**	**19,425**	**11,837**	**64.1**
Less: Tax expense	(356)	(150)	(137.3)	(166)	(75)	(121.3)
Total return before distribution	**22,560**	**23,800**	**(5.2)**	**19,259**	**11,762**	**63.7**
Distribution Statement						
Total return before distribution	**22,560**	**23,800**	**(5.2)**	**19,259**	**11,762**	**63.7**
Less: Amount reserved for distribution to perpetual securities holders	(1,945)	(1,934)	(0.6)	(973)	(972)	(0.1)
Net effect of non-tax deductible items[1]	(1,391)	2,762	(150.4)	(8,827)	1,476	(698.0)
Income available for distribution	**19,224**	**24,628**	**(21.9)**	**9,459**	**12,266**	**(22.9)**
Total amount available for distribution comprising:						
- Taxable income	19,224	24,628	(21.9)	9,459	12,266	(22.9)
- Distribution from capital[2]	1,400	672	108.3	-	294	(100.0)
Total amount available for distribution	**20,624**	**25,300**	**(18.5)**	**9,459**	**12,560**	**(24.7)**

Footnotes:

1 Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, amortised debt arrangement, prepayment and structuring fees, non-tax deductible financing expenses, trustee fees, non-tax deductible funding cost for the Australia acquisitions, foreign subsidiaries' income not yet remitted to Singapore, etc.

2 This relates to the distribution of income repatriated from Australia by way of tax deferred distributions. Such distribution is deemed to be capital distribution from a tax perspective and is not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

1(b)(i) Statement of Financial Position

	Notes	Group		Trust	
		30/6/20 (S$'000)	31/12/19 (S$'000)	30/6/20 (S$'000)	31/12/19 (S$'000)
Current assets					
Cash and bank balances	a	14,276	16,244	11,009	8,986
Trade and other receivables	b	2,309	4,191	2,031	4,638
Other current assets	c	328	1,143	149	186
Property held for sale	d	-	34,531	-	34,531
Derivative financial instruments	e	-	3	-	3
Total current assets		16,913	56,112	13,189	48,344
Non-current assets					
Investment properties	f	1,300,858	1,350,360	1,053,486	1,111,370
Investment property under development	f	59,547	-	59,547	-
Derivative financial instruments	e	1,846	668	1,846	668
Interest in subsidiaries	g	-	-	99,862	99,862
Loans to a subsidiary	h	-	-	148,636	146,272
Deferred tax assets	i	237	237	-	-
Total non-current assets		1,362,488	1,351,265	1,363,377	1,358,172
Total Assets		1,379,401	1,407,377	1,376,566	1,406,516
Current liabilities					
Derivative financial instruments	e	326	312	326	312
Trade and other payables	j	16,909	16,172	15,093	14,419
Rental deposits	k	5,450	6,429	5,450	6,429
Borrowings	l	146,137	-	146,137	-
Lease liabilities (FRS 116)	m	729	751	729	751
Total current liabilities		169,551	23,664	167,735	21,911
Non-current liabilities					
Derivative financial instruments	e	8,580	3,690	8,580	3,690
Rental deposits	k	8,284	9,452	8,284	9,452
Borrowings	l	348,771	521,364	348,771	521,364
Lease liabilities (FRS 116)	m	33,641	35,250	33,641	35,250
Deferred tax liabilities	n	1,460	1,460	-	-
Total non-current liabilities		400,736	571,216	399,276	569,756
Total Liabilities		570,287	594,880	567,011	591,667
Net assets		809,114	812,497	809,555	814,849
Represented by:					
Unitholders' funds		743,453	746,836	743,894	749,188
Perpetual securities holders		65,661	65,661	65,661	65,661
		809,114	812,497	809,555	814,849

	Notes	Group		Trust	
		30/6/20 (S$'000)	31/12/19 (S$'000)	30/6/20 (S$'000)	31/12/19 (S$'000)
NAV per Unit (S$)		0.59	0.59	0.59	0.59

Notes:

(a) Cash and bank balances as at 30 June 2020 were S$2.0 million lower than the balance as at 31 December 2019 mainly due to repayment of a S$30 million loan, capital expenditure, refund of security deposits to tenants and partially offset by the proceeds from the divestment of 72 Loyang Way.

(b) The decrease in trade and other receivables of S$1.9 million was mainly attributed to an allowance for doubtful receivables for third party trade receivables amounting to S$2.1 million.

(c) Other current assets as at 30 June 2020 comprised largely deposits paid to utilities service providers and prepayments. The decrease in other current assets of S$0.8 million was mainly due to the amortisation of prepaid property expenses for 25 Grenfell Street.

(d) The property held for sale as at 31 December 2019 relates to the 72 Loyang Way which was divested in April 2020.

(e) Derivative financial instruments represent the fair value of interest rate and cross-currency swaps entered into to hedge interest rate risks on floating rate loans and a United States Dollar denominated loan as well as currency forward contracts to hedge Australian dollar denominated distributions and unitholder loan interest income from Soilbuild Australia Trust. The increase in net derivative financial liabilities is due to the decline in Singapore swap offer rate and Australia bank bill swap rate.

(f) Investment properties and an investment property under development as at 30 June 2020 were accounted for at fair value based on the valuations undertaken by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**") and Colliers International Consultancy & Valuation (S) Pte Ltd ("**Colliers**") for the Singapore portfolio as at 31 December 2019 and valuations undertaken by independent valuers, CIVAS (ACT) Pty Limited and CIVAS (SA) Pty Limited, both in the Colliers International Group for 14 Mort Street and Inghams Burton on 31 December 2019 and 25 Grenfell Street as at 1 November 2019[1].

The decrease in investment properties of S$49.5 million was mainly due to the transfer of 2 Pioneer Sector 1 to investment property under development.

Investment property under development relates to 2 Pioneer Sector 1.

(g) Interest in subsidiaries comprises investment in Soilbuild Australia Trust and Soilbuild Business Space Holdings Pte. Ltd.

(h) Loans to a subsidiary relates to interest-bearing loans to Soilbuild Australia Trust.

(i) Deferred tax assets relate to 25 Grenfell Street.

(j) Trade and other payables as at 30 June 2020 comprised GST payable, trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee, deferred income and accrual of professional fees. The increase in trade and other payables of S$0.7 million was mainly attributed to higher GST payable relating to the divestment of 72 Loyang Way and partially offset by lower other payables including accrued interest.

(k) Rental deposits as at 30 June 2020 decreased by S$2.1 million mainly due to tenants replacing cash security deposits with bankers' guarantees and insurance guarantees, coupled with the release of excess security deposits held.

(l) Borrowings comprise a S$200 million secured bank loan, S$206.9 million unsecured bank loans and S$88 million medium term notes ("**MTN**") issued under Soilbuild REIT's S$500 million multicurrency debt issuance programme. Borrowings are net of unamortised debt arrangement fees.

(m) Lease liabilities arose from the adoption of FRS 116 Leases with effect from 1 January 2019. The lease liabilities relate to the present value of future lease payments due to JTC. The decrease in lease liabilities is mainly due to the divestment of 72 Loyang Way.

(n) Deferred tax liabilities relate to deferred tax provision for 14 Mort Street and Inghams Burton.

(o) Current liabilities have exceeded current assets due to the expiry of S$58.5 million unsecured bank loans in 1Q FY2021 and S$88 million MTN in 2Q FY2021. The Manager is confident that the expiring bank loans and MTN can be refinanced by its due date which will result in the reclassification of the current liability to non-current liability.

Footnotes:

[1] Singapore portfolio: The business park properties were valued by Savills whereas the industrial properties were valued by Colliers. Australia portfolio: 14 Mort Street was valued by CIVAS (ACT) Pty Limited. Inghams Burton and 25 Grenfell Street were valued by CIVAS (SA) Pty Limited.

1(b)(ii) Aggregate Amount of Borrowings

	Group and Trust	
	30/6/20 (S$'000)	**31/12/19 (S$'000)**
Interest-bearing borrowings		
Amount repayable within one year	146,500	-
Less: Debt arrangement fees[1]	(307)	-
Less: Prepayment fees[1]	(56)	
Total borrowings repayable within one year	146,137	-
Interest-bearing borrowings		
Amount repayable after one year[2]	350,880	524,497
Less: Debt arrangement fees[1]	(2,084)	(3,009)
Less: Prepayment fees[1]	(25)	(124)
Total borrowings repayable after one year	348,771	521,364
Total borrowings	**494,908**	**521,364**

Footnotes:

1. Debt arrangement and prepayment fees are amortised over the life of the loan facilities.
2. Includes the effect of unrealised exchange gain upon revaluation of Australian denominated borrowing and partially offset by unrealised exchange loss upon revaluation of a United States Dollar denominated borrowing. Soilbuild REIT has entered into a cross currency swap to hedge the United States Dollar currency exposure and is not exposed to fluctuation in the United States Dollar.

Details of borrowings

- **Senior Term Loan Facility of S$200.0 Million**

On 19 October 2017, Soilbuild REIT entered into a senior term loan facility amounting to S$200.0 million ("**TLF 1**") obtained from Oversea-Chinese Banking Corporation Limited and RHB Bank Berhad, Singapore Branch. The facility is secured against Solaris and is repayable in April 2022.

On 25 October 2017, S$185.0 million was drawn down for the repayment of a secured loan. On 18 May 2018, S$8.5 million was drawn down for the redemption of medium term notes due in May 2018. On 15 August 2018, S$6.5 million was drawn down for the repayment of interest-free loan from the Sponsor.

- **Term Loan Facility of S$40.0 million**

On 21 September 2016, Soilbuild REIT entered into an unsecured term loan facility amounting to S$40.0 million ("**TLF 2**") obtained from The Bank of East Asia, Limited, Singapore Branch ("**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. On 6 March 2019, Soilbuild REIT entered into an amendment and restatement agreement with BEA. TLF 2 is repayable on 5 March 2021.

- **MTN of S$100.0 Million issued in 2016 (S$88.0 million as at 30 June 2020)**

On 8 April 2016, Soilbuild REIT issued S$100.0 million of unsecured MTN which bears interest at 3.60% p.a. and matures on 8 April 2021 ("the **Notes**") for the purpose of refinancing a S$100 million bank loan. On 12 September 2017, Soilbuild REIT redeemed the Notes amounting to S$12.0 million pursuant to the exercise of a put option by noteholders upon the occurrence of a change of control event.

The change of control event occurred when the sponsor of Soilbuild REIT, Mr Lim Chap Huat transferred part of his interests in Soilbuild REIT to Mr Lim Han Feng, Mr Lim Han Qin and Mr Lim Han Ren for estate planning purposes. The conditions of the Notes provide that a "change of control event" will occur when Mr Lim Chap Huat and Soilbuild Group Holdings Ltd. cease to own, directly or indirectly, in aggregate at least 20% of the units in Soilbuild REIT.

As at 30 June 2020, the principal amount of the Notes in issuance amounted to S$88.0 million.

- **Term Loan Facility of S$30.0 million**

On 15 May 2018, Soilbuild REIT entered into a S$30 million equivalent, 5-year unsecured term loan facility agreement with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") ("**TLF 3**") for the redemption of notes due in May 2018. TLF 3 is denominated in United States Dollar and was fully drawn down on 18 May 2018. Soilbuild REIT has entered into a cross currency swap to hedge the currency exposure and is not exposed to fluctuation in the United States Dollar arising from the United States Dollar denominated loan. TLF 3 is repayable on 18 May 2023.

- **Term Loan Facility of S$70.0 million**

On 18 July 2018, Soilbuild REIT entered into a S$70 million, 5-year unsecured term loan facility agreement with United Overseas Bank Limited ("**TLF 4**") mainly for the repayment of interest-free loan from Sponsor and the refund of the Sponsor Security Deposit. On 15 August 2018, S$48.5 million was drawn down for the repayment of interest-free loan from the Sponsor. On 12 February 2019 and 17 May 2019, S$10 million and S$1.5 million respectively were drawn down for the partial refund of security deposit to the Sponsor. On 15 July 2019, S$10 million was drawn down for the payment of deposit for the proposed acquisition of 25 Grenfell Street, Adelaide and for the partial refund of security deposit to the Sponsor. TLF 4 is repayable on 15 August 2023.

- **Term Loan Facility of A$50.0 million**

On 1 October 2018, Soilbuild REIT entered into a A$50 million, 5-year unsecured term loan facility agreement with HSBC ("**TLF 5**") for the acquisition of two properties in Australia. On 3 October 2018, A$45 million was drawn down for the completion of the acquisitions. On 29 March 2019, A$5 million was drawn down. TLF 5 is repayable on 2 October 2023.

- **Term Loan Facility of S$18.5 million**

On 24 January 2019, Soilbuild REIT entered into a S$18.5 million unsecured 2-year term loan facility agreement with CTBC Bank Co., Ltd., acting through its Singapore Branch ("**CTBC**") ("**TLF 6**"). On 28 January 2019, the facility was fully drawn down for the repayment of existing borrowings. TLF 6 is repayable on 23 January 2021.

- **Revolving Credit Loan Facility of S$45.0 million**

On 16 October 2019, Soilbuild REIT entered into a S$45.0 million unsecured 4-year term revolving credit facility agreement with CIMB Bank Berhad, Singapore Branch ("**CIMB**") ("**TLF 7**"). On 29 October 2019, S$30.0 million was drawn down to partly fund the acquisition of 25 Grenfell Street. On 19 March 2020, S$1.0 million was drawn down for working capital purpose. S$30.0 million was repaid on 30 April 2020 with the proceeds from the divestment of 72 Loyang Way. TLF 7 is repayable on 31 December 2023.

1(c) Statement of Cash Flows

	1H FY2020 (S$'000)	1H FY2019 (S$'000)	2Q FY2020 (S$'000)	2Q FY2019 (S$'000)
Operating activities:				
Net income before tax	22,916	23,950	19,425	11,837
Adjustments for				
- Amortised debt arrangement, structuring and prepayment fees	721	710	360	350
- Finance expenses	8,607	8,755	3,925	4,455
- Unrealised foreign exchange (gain)/loss	(1,838)	157	(9,136)	192
- Loss on divestment of a property held for sale	240	-	240	-
- Net change in fair value of derivative financial instruments	3	1	41	(4)
- Management fees paid/payable in Units	2,026	2,493	925	1,245
Changes in working capital				
- Trade and other receivables	2,601	(2,148)	2,797	143
- Other current assets	815	174	539	(100)
- Trade and other payables	992	981	585	281
- Rental deposits	(2,147)	(10,358)	(1,622)	(2,184)
Cash flows from operations	34,936	24,715	18,079	16,215
Finance expense paid	(8,950)	(9,546)	(4,718)	(5,979)
Tax expense paid	(356)	(150)	(166)	(75)
Net cash generated from operating activities	25,630	15,019	13,195	10,161
Investing activities:				
Capital expenditure on investment properties and an investment property under development	(6,709)	(367)	(3,965)	(327)
Deposit from the proposed divestment of an investment property	-	1,704	-	-
Proceeds from divestment of a property held for sale	33,080	-	33,080	-
Decrease in restricted cash	4,239	-	2,134	-
Net cash generated from/(used in) investing activities	30,610	1,337	31,249	(327)
Financing activities:				

	1H FY2020 (S$'000)	1H FY2019 (S$'000)	2Q FY2020 (S$'000)	2Q FY2019 (S$'000)
Proceeds from borrowings	1,000	34,816	-	1,500
Repayment of borrowings	(30,000)	(18,500)	(30,000)	-
Payment of debt arrangement and structuring fees	-	(57)	-	-
Reversal of Issuance cost	9	-	-	-
Distributions to Unitholders	(22,831)	(28,131)	(11,160)	(12,739)
Distributions to perpetual securities holders	(1,945)	(1,934)	-	-
Payment of perpetual securities issuance cost	-	(3)	-	-
Repayment of lease liabilities	(292)	(327)	(108)	(157)
Net cash used in financing activities	(54,059)	(14,136)	(41,268)	(11,396)
Net increase/(decrease) in cash and cash equivalents	2,181	2,220	3,176	(1,562)
Cash and cash equivalents at beginning of the financial period (excluding restricted cash) (Note 1)	11,458	13,690	9,845	17,473
Effect of exchange rate changes on cash balances	90	(9)	708	(10)
Cash and cash equivalents at end of the financial period	**13,729**	**15,901**	**13,729**	**15,901**
Cash and cash equivalents comprise:				
Cash and bank balances	13,729	15,901	13,729	15,901
Restricted cash (Note 1)	547	-	547	-
	14,276	**15,901**	**14,276**	**15,901**

Note 1: As at 30 June 2020 and 31 December 2019, the restricted cash of S$547k and S$4,786k respectively relates to incentives for a tenant placed in a trust account.

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

		Group		Trust	
	Note	2Q FY2020 S$'000	2Q FY2019 S$'000	2Q FY2020 S$'000	2Q FY2019 S$'000
Unitholders' Funds					
Balance at beginning of the financial period		**728,714**	**663,604**	**737,304**	**668,687**
Operations					
Total return for the financial period attributable to Unitholders		19,259	11,762	19,783	11,742
Less: Amount reserved for distribution to perpetual securities holders		(973)	(972)	(973)	(972)
Net increase in net assets from operations		18,286	10,790	18,810	10,770
Movement in foreign currency translation reserve		8,673	(653)	-	-
Movement in hedging reserve		(2,161)	(1,613)	(2,161)	(1,613)
Unitholders' transactions					

	Note	Group		Trust	
		2Q FY2020 S$'000	2Q FY2019 S$'000	2Q FY2020 S$'000	2Q FY2019 S$'000
Manager's management fees paid/payable in Units		1,101	1,248	1,101	1,248
Distributions to Unitholders		(11,160)	(12,739)	(11,160)	(12,739)
Net decrease in net assets from Unitholders' transactions		(10,059)	(11,491)	(10,059)	(11,491)
Balance at end of the financial period		**743,453**	**660,637**	**743,894**	**666,353**
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		**64,688**	**64,690**	**64,688**	**64,690**
Amount reserved for distribution to perpetual securities holders		973	972	973	972
Balance as at end of the financial period		**65,661**	**65,662**	**65,661**	**65,662**
Total		**809,114**	**726,299**	**809,555**	**732,015**

	Note	Group		Trust	
		1H FY2020 S$'000	1H FY2019 S$'000	1H FY2020 S$'000	1H FY2019 S$'000
Unitholders' Funds					
Balance at beginning of the financial period		**746,836**	**666,575**	**749,188**	**671,838**
Operations					
Total return for the financial period attributable to Unitholders		22,560	23,800	22,068	23,619
Less: Amount reserved for distribution to perpetual securities holders		(1,945)	(1,934)	(1,945)	(1,934)
Net increase in net assets from operations		20,615	21,866	20,123	21,685
Movement in foreign currency translation reserve		1,419	(634)	-	-
Movement in hedging reserve		(4,845)	(1,799)	(4,845)	(1,799)
Unitholders' transactions					
Manager's management fees paid/payable in Units		2,250	2,760	2,250	2,760
Distributions to Unitholders		(22,831)	(28,131)	(22,831)	(28,131)
Reversal of issuance cost		9	-	9	-
Net decrease in net assets from Unitholders' transactions		(20,572)	(25,371)	(20,572)	(25,371)

	Note	Group		Trust	
		1H FY2020 S$'000	1H FY2019 S$'000	1H FY2020 S$'000	1H FY2019 S$'000
Balance at end of the financial period		**743,453**	**660,637**	**743,894**	**666,353**
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		**65,661**	**65,665**	**65,661**	**65,665**
Distributions to perpetual securities holders		(1,945)	(1,934)	(1,945)	(1,934)
Perpetual securities issuance cost		-	(3)	-	(3)
Amount reserved for distribution to perpetual securities holders		1,945	1,934	1,945	1,934
Balance as at end of the financial period		**65,661**	**65,662**	**65,661**	**65,662**
Total		**809,114**	**726,299**	**809,555**	**732,015**

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

Group and Trust	1H FY2020 ('000)	2Q FY2020 ('000)
Balance as at beginning of financial period	1,261,711	1,263,903
Movements during the financial period		
- Units issued in lieu of Manager's management fees	6,400	4,208
Total issued Units as at end of financial period	**1,268,111**	**1,268,111**

Group and Trust	1H FY2019 ('000)	2Q FY2019 ('000)
Balance as at beginning of financial period	1,060,763	1,063,335
Movements during the financial period		
- Units issued in lieu of Manager's management fees	4,629	2,057
Total issued Units as at end of financial period	**1,065,392**	**1,065,392**

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 30 June 2020, Soilbuild REIT had 1,268,111,059 Units (31 December 2019: 1,261,711,055 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.

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 2019.

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")

	1H FY2020	1H FY2019	2Q FY2020	2Q FY2019
Weighted average number of Units[1]	1,263,432,502	1,065,038,136	1,263,949,462	1,066,098,209
EPU – Basic and Diluted[2] Based on the weighted average number of Units in issue (cents)	1.785	2.235	1.524	1.103
- Basic and diluted Number of Units in issue at end of the financial period	1,268,111,059	1,065,391,852	1,268,111,059	1,065,391,852
DPU Based on the number of Units in issue at end of each distribution period (cents)	1.628	2.377	0.745	1.179

Footnotes:

[1] The 2Q FY2019 and 1H FY2019 weighted average number of Units have been retrospectively adjusted for the proportionate change in the number of Units outstanding arising from the Preferential Offering. ("**Adjusted Weighted Average Number of Units**").

[2] 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. 2Q FY2019 and 1H FY2019 EPU have been restated based on the Adjusted Weighted Average Number of Units.

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

	Group		Trust	
	30/6/20	31/12/19	30/6/20	31/12/19
NAV per Unit[1] (S$)	0.59	0.59	0.59	0.59

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 1H FY2020 compared to 1H FY2019

Gross revenue was S$46.5 million in 1H FY2020 which was S$1.5 million or 3.2% higher y-o-y. 25 Grenfell Street and West Park BizCentral contributed S$5.2 million and S$0.4 million higher revenue respectively. The increase in revenue was partially offset by lower contribution from 2 Pioneer Sector 1, Tuas Connection, Solaris and 72 Loyang Way amounting to S$2.5 million, S$0.9 million, S$0.5 million and S$0.3 million respectively.

Property operating expenses of S$13.0 million in 1H FY2020 were S$4.5 million or 54.0% higher mainly due to an allowance for doubtful receivables of S$2.1 million. In addition, property expenses for 25 Grenfell Street and 2 Pioneer Sector 1 were S$2.1 million and S$0.2 million higher.

Net property income was 8.4% lower at S$33.5 million in 1H FY2020 from S$36.6 million in 1H FY2019 due to higher property operating expenses and partially offset by higher revenue. Net property income margin was 72.1%. The reduction in net property income margin by 9.2 percentage points was mainly due to the allowance for doubtful receivables, lower net property income margin for 2 Pioneer Sector 1 and the acquisition of the multi-tenanted 25 Grenfell Street.

The decrease in interest income of S$38k was due to lower cash balance and interest rate.

Foreign exchange gain of S$1.8 million comprises largely unrealised foreign exchange gains relating to the revaluation of Australian dollar denominated monetary assets and liabilities. The Australian dollar strengthened against the Singapore dollar at 30 June 2020 versus 31 December 2019.

Loss on divestment of a property held for sale relates to the divestment of 72 Loyang Way in April 2020.

The increase in finance expenses (excluding finance expenses on leases) of S$36k was mainly attributed to higher weighted average loan principal in 1H FY2020. The reduction of finance expenses on leases (FRS 116) was due to the capitalisation of land rent for 2 Pioneer Sector 1 and divestment of 72 Loyang Way.

The decrease in Manager's management fees of S$0.5 million was due to lower distributable income which resulted in lower base fee.

Other trust expenses comprised largely professional fees and on-going listing expenses. The

increase in other trust expenses of S$0.2 million was largely attributed to higher professional fees.

Tax expense relates to withholding tax on unitholder loan interest income. The increase in tax expense of S$0.2 million was due to a A$85 million unitholder loan extended to Soilbuild Australia Trust by Soilbuild REIT in October 2019.

Non-tax deductible items fell S$4.2 million mainly due to higher non-taxable unrealised foreign exchange gains and lower base fee in units.

Capital distribution rose S$0.7 million y-o-y due to the acquisition of 25 Grenfell Street on 1 November 2019.

Total amount available for distribution to Unitholders was S$20.6 million in 1H FY2020, 18.5% lower y-o-y as explained above.

Review of the Performance on 2Q FY2020 compared to 2Q FY2019

Gross revenue was S$23.0 million in 2Q FY2020 which was S$0.6 million or 2.9% higher y-o-y. 25 Grenfell Street contributed S$2.7 million higher revenue. The increase in revenue was partially offset by lower contribution from 2 Pioneer Sector 1, Tuas Connection and Solaris amounting to S$1.4 million, S$0.4 million and S$0.3 million respectively.

Property operating expenses of S$6.8 million were S$2.8 million or 69.4% higher due to a S$1.5 million allowance for doubtful receivables. In addition, the property expenses for 25 Grenfell Street and West Park were S$1.1 million and S$0.2 million higher.

Net property income was 11.8% lower at S$16.2 million in 2Q FY2020 from S$18.3 million in 2Q FY2019 due to higher property operating expenses and partially offset by higher revenue. Net property income margin was 70.3%. The reduction in net property income margin by 11.8 percentage points was mainly due to the allowance for doubtful receivables, lower net property income margin for 2 Pioneer Sector 1 and the acquisition of the multi-tenanted 25 Grenfell Street.

The decrease in interest income of S$22k was due to lower cash balance and interest rate.

Foreign exchange gain of S$9.1 million comprises largely unrealised foreign exchange gains relating to the revaluation of Australian dollar denominated monetary assets and liabilities. The Australian dollar strengthened against the Singapore dollar at 30 June 2020 versus 31 December 2019.

Loss on derivative financial instruments relates mainly to reversal of 1Q FY2020 unrealised gain on currency forward contracts entered into to fix the exchange rate for the Australian dollar denominated distributions from Soilbuild Australia Trust.

The decrease in finance expenses (excluding finance expenses on leases) of S$0.4 million was mainly attributed to lower weighted average borrowing cost in 2Q FY2020. The reduction of finance expenses on leases (FRS 116) was due to the capitalisation of land rent for 2 Pioneer Sector 1 and divestment of 72 Loyang Way.

The decrease in Manager's management fees of S$0.3 million was due to lower distributable income which resulted in lower base fee.

Other trust expenses comprised largely professional fees and on-going listing expenses. The increase in other trust expenses of S$67k was largely attributed to higher professional fees.

Tax expense relates to withholding tax on unitholder loan interest income. The increase in tax expense of S$0.1 million was due to a A$85 million unitholder loan extended to Soilbuild Australia Trust by Soilbuild REIT in October 2019.

Non-tax deductible items fell S$10.3 million mainly due to higher non-taxable unrealised foreign exchange gains and lower base fee in units.

Capital distribution fell by S$0.3 million due to the withholding of capital distribution in 2Q FY2020 to conserve capital.

Total amount available for distribution to Unitholders was S$9.5 million in 2Q FY2020, 24.7% lower y-o-y as explained above.

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

Singapore

Based on advance estimates released by the Ministry of Trade and Industry on 14 July 2020, the Singapore economy contracted by 12.6% y-o-y in the second quarter of 2020 ("**2Q 2020**"), due to the circuit breaker measures that were implemented. On a q-o-q seasonally-adjusted annualised basis, the economy shrank by 41.2% in 2Q 2020.

The manufacturing sector grew by 2.5% y-o-y in 2Q 2020, slower than the 8.2% growth in the previous quarter. On a q-o-q seasonally-adjusted annualised basis, the manufacturing sector shrank by 23.1%, a sharp reversal from the 45.5% expansion in the preceding quarter.

The Singapore Purchasing Managers' Index rose to 48.0 in June 2020 from 46.8 in May 2020.

According to the JTC 1Q 2020 market report, the rental index of all industrial space was flat y-o-y in 1Q 2020 and fell 0.1% q-o-q. In 1Q 2020, the multiple-user factories and warehouse rental indices receded 0.4% and 0.1% y-o-y respectively, whilst business park rentals expanded 0.4% y-o-y. In 1Q 2020, the all-industrial occupancy rate fell 0.1% y-o-y as warehouse occupancy rate declined by 1.7% and was partially offset by occupancy growth for multiple-user factory and business park of 1.6% and 0.4% respectively.

In respect of the COVID-19 relief measures, the Government will provide one month of rent relief to owners of industrial/office properties through property tax rebate and cash grants. Landlords will be required to grant eligible SMEs in industrial/office properties one month of waiver of their base rental. Eligible SMEs can therefore receive a total of two months' waiver of base rental for industrial and office properties provided by the Government and landlords.

Australia

In the key economic indicators snapshot released by the Reserve Bank of Australia ("**RBA**") dated 8 July 2020, the country's economy and key indicators were mixed with economic growth at 1.4%, inflation at 2.2%, unemployment rate of 7.1%, employment growth rate of negative 5.4% and wage growth of 2.1%. The target cash rate remains at 0.25%.

Based on the Australia Office Marketview Snapshot 2Q 2020 report by CBRE, Adelaide prime net rent held steady over the quarter while incentives remained relatively static at 31.7%. Canberra's CBD office market outperformed other markets with rental growth in prime stock over 1Q 2020. Incentives remain steady across the prime end of the market but increased marginally in the secondary market.

The Australian Government has established a mandatory code of conduct for application to commercial tenancies where the tenant is an eligible business for the purpose of the Commonwealth Government's JobKeeper programme ("**Code**"). The leasing principals set out in the Code include non-termination of leases by landlords due to non-payment of rent during the COVID-19 pandemic period or reasonable subsequent recovery period, landlords to offer tenants proportionate reductions in rent payable in the form of waivers and deferrals, etc.

11. Distributions

(a) Current financial period
Any distributions declared for the current financial period? Yes
Name of distribution: 29th distribution for the financial period from 1 April 2020 to 30 June 2020

Distribution Type	Taxable	Capital	Total
Distribution rate (cents per unit)	0.745	-	0.745

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: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. Friday, 24 July 2020 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Thursday, 23 July 2020.

Date Payable: Friday, 21 August 2020

(b) Corresponding period of the preceding financial period

Name of distribution: 25th distribution for the financial period from 1 April 2019 to 30 June 2019

Distribution Type	Taxable	Capital	Total
Distribution rate (cents per unit)	1.151	0.028	1.179

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: Thursday, 25 July 2019

Date Payable: Friday, 23 August 2019

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

Not applicable.

13. 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.

14. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that, in relation to the distribution to the Unitholders of Soilbuild Reit for the period from 1 April 2020 to 30 June 2020, the Manager is satisfied on reasonable grounds that, immediately after making the distribution, Soilbuild Reit will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

Soilbuild Reit currently distributes approximately 93% and 85% of its distributable income to Unitholders for 1HFY2020 and 2QFY2020 respectively, other than gains on the sale of properties and unrealised surplus on revaluation of investment properties on a quarterly basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, quarterly at the discretion of the Manager.

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	Mr Chong Kie Cheong
Director	Director

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2020") AND HALF YEAR ("1H FY2020") ENDED 30 JUNE 2020 ("YTD FY2020")

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

16 July 2020