(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 FIRST QUARTER ("1Q FY2019") AND FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019 ("YTD FY2019")

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SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2019") AND FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019 ("YTD FY2019")

Summary of Soilbuild Business Space REIT Group Results

	1Q FY2019[1]	1Q FY2018[2]	Variance (%)
Gross revenue (S$'000)	22,684	19,447	16.6
Net property income (S$'000)	18,293	16,989	7.7
Income attributable to perpetual securities holders (S$'000)	962	-	Nm
Total amount available for distribution to Unitholders (S$'000)	12,740	13,960	(8.7)
- From operations	12,362	13,960	(11.4)
- From capital	378	-	Nm
DPU (cents)	**1.198**	**1.324**	**(9.5)**
- From operations	1.163	1.324	(12.2)
- From capital	0.035	-	Nm

Footnotes:

1 Financial period from 1 January 2019 to 31 March 2019, hereinafter referred to as 1Q FY2019.

2 Financial period from 1 January 2018 to 31 March 2018, hereinafter referred to as 1Q FY2018.

3 Nm denotes not meaningful.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2019") AND FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019 ("YTD FY2019")

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.

The divestment of KTL Offshore was completed in February 2018 and in October 2018, the Group had completed the acquisitions of two properties in Australia. The current portfolio of the Group comprises 11 properties located in Singapore and 2 properties located in Australia as follows:

Singapore
(1) Eightrium;
(2) Solaris;
(3) Tuas Connection;
(4) West Park BizCentral;
(5) NK Ingredients ("**NKI**");
(6) COS Printers;
(7) Beng Kuang Marine;
(8) 39 Senoko Way;
(9) Speedy-Tech;
(10) 72 Loyang Way; and
(11) Bukit Batok Connection

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

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 FIRST QUARTER ("1Q FY2019") AND FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019 ("YTD FY2019")

1(a) Statement of Total Return and Distribution Statement for 1Q FY2019 & 1Q FY2018

	1Q FY2019	1Q FY2018	Variance
	S$'000	S$'000	%
Gross revenue	22,684	19,447	16.6
Property operating expenses	(4,391)	(2,458)	(78.6)
Net property income	**18,293**	**16,989**	**7.7**
Interest Income	41	502	(91.8)
Foreign exchange gain	20	-	Nm
Loss on derivative financial instruments	(5)	-	Nm
Gain on divestment of a property held for sale	-	1,740	(100.0)
Expenses:			
Finance expenses	(4,171)	(3,778)	(10.4)
Finance expenses on leases (FRS 116)	(489)	-	Nm
Manager's management fees	(1,274)	(1,396)	8.7
Trustee's fees	(62)	(49)	(26.5)
Other trust expenses	(240)	(120)	(100.0)
Net income before tax	**12,113**	**13,888**	**(12.8)**
Less: Tax expense	(75)	-	Nm
Total return before distribution	**12,038**	**13,888**	**(13.3)**
Distribution Statement			
Total return before distribution	**12,038**	**13,888**	**(13.3)**
Less: Amount reserved for distribution to perpetual securities holders	(962)	-	**Nm**
Net effect of non-tax deductible items[1]	1,286	72	1,686.1
Income available for distribution	**12,362**	**13,960**	**(11.4)**
Total amount available for distribution comprising:			
- Taxable income	**12,362**	**13,960**	**(11.4)**
- Distribution from capital[2]	**378**	**-**	**Nm**
Total amount available for distribution	**12,740**	**13,960**	**(8.7)**

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 (i) income repatriated from Australia by way of tax deferred distributions, (ii) reimbursement received from a vendor in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of a property in Australia. Such distributions are deemed to be capital distribution from a tax perspective and are 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	
		31/3/19 (S$'000)	31/12/18 (S$'000)	31/3/19 (S$'000)	31/12/18 (S$'000)
Current assets					
Cash and cash equivalents	a	18,916	15,132	15,568	11,691
Trade and other receivables	b	4,680	2,584	4,692	3,287
Other current assets	c	147	421	118	381
Property held for sale	d	35,583	-	35,583	-
Derivative financial instruments	e	143	151	143	151
Total current assets		59,469	18,288	56,104	15,510
Non-current assets					
Investment properties	f	1,231,021	1,229,671	1,123,034	1,121,750
Derivative financial instruments	e	860	-	860	-
Interest in subsidiaries	g	-	-	46,671	46,671
Loan to a subsidiary	h	-	-	67,342	67,300
Total non-current assets		1,231,881	1,229,671	1,237,907	1,235,721
Total Assets		1,291,350	1,247,959	1,294,011	1,251,231
Current liabilities					
Trade and other payables	i	16,758	13,996	14,336	12,005
Rental deposits	j	13,820	22,158	13,820	22,158
Borrowings	k	-	39,912	-	39,912
Lease liabilities (FRS 116)	l	722	-	722	-
Total current liabilities		31,300	76,066	28,878	74,075
Non-current liabilities					
Derivative financial instruments	e	1,765	543	1,765	543
Rental deposits	j	14,050	13,886	14,050	13,886
Borrowings	k	480,118	425,224	480,118	425,224
Lease liabilities (FRS 116)		35,823	-	35,823	-
Total non-current liabilities		531,756	439,653	531,756	439,653
Total Liabilities		563,056	515,719	560,634	513,728
Net assets attributable to Unitholders		728,294	732,240	733,377	737,503
Represented by:					
Unitholders' funds		663,604	666,575	668,687	671,838
Perpetual securities holders		64,690	65,665	64,690	65,665
		728,294	732,240	733,377	737,503
NAV per Unit (S$)		0.62	0.63	0.63	0.63

Notes:

(a) Cash and cash equivalents as at 31 March 2019 were S$3.8 million higher than the balance as at 31 December 2018 mainly due to the draw down of a A$5.0 million loan for working capital purposes.

(b) The increase in trade and other receivables of S$2.1 million was mainly due to S$1.9 million higher trade debtors.

(c) Other current assets as at 31 March 2019 comprised mainly the deposits paid to utilities service providers and prepayments.

(d) The property held for sale relates to the proposed divestment of 72 Loyang Way.

(e) Derivative financial instruments as at 31 March 2019 represented 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 from Soilbuild Australia Trust.

(f) Investment properties as at 31 March 2019 were accounted for at fair value based on the valuations undertaken by independent valuers, CBRE Pte. Ltd. ("**CBRE**") and Colliers International Consultancy & Valuation (S) Pte Ltd ("**Colliers**") for the Singapore portfolio as at 31 December 2018 and valuations undertaken by independent valuers, CIVAS (ACT) Pty Limited and CIVAS (SA) Pty Limited, both in the Colliers International Group for the Australia portfolio on 31 August 2018[1].

The increase in investment properties of S$1.4 million was due to the inclusion of right-of-use assets relating to future land rent payable to JTC in investment properties and was partially offset by the transfer of 72 Loyang Way to property held for sale.

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

(h) Loan to a subsidiary relates to an interest-bearing loan to Soilbuild Australia Trust.

(i) Trade and other payables as at 31 March 2019 comprised GST payable, trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. Trade and other payables were S$2.8 million higher mainly due to the increase in accrued interest payable, rental received in advance and trade creditors.

(j) Rental deposits as at 31 March 2019 decreased by S$8.2 million mainly due to repayment of S$10.0 million security deposit to SB (Solaris) Investment Pte. Ltd.

(k) Borrowings comprise a S$200 million secured bank loan, S$195.1 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.

(l) 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.

Footnotes:

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

1(b)(ii) Aggregate Amount of Borrowings

	Group and Trust	
	31/3/19 (S$'000)	**31/12/18 (S$'000)**
Interest-bearing borrowings		
Amount repayable within one year	-	40,000
Less: Debt arrangement fees[1]	-	(88)
Total borrowings repayable within one year	-	39,912
Interest-bearing borrowings		
Amount repayable after one year[2]	484,138	429,480
Less: Debt arrangement fees[1]	(3,831)	(4,045)
Less: Prepayment fees[1]	(189)	(211)
Total borrowings repayable after one year	480,118	425,224
Total borrowings	**480,118**	**465,136**

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 31 March 2019)**

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 31 March 2019, 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 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, S$10 million was drawn down for the partial refund of security deposit to the Sponsor. The committed facility available for draw down amounts to S$11.5 million. 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.

1(c) Statement of Cash Flows

	1Q FY2019 (S$'000)	1Q FY2018 (S$'000)
Operating activities:		
Net income before tax	12,113	13,888
Adjustments for		
- Amortised debt arrangement, structuring and prepayment fees	360	333
- Finance expenses	4,300	3,445
- Foreign exchange gain	(20)	-
- Gain on divestment of a property held for sale	-	(1,740)
- Net change in fair value of derivative financial instruments	5	-
- Management fees paid/payable in Units	1,248	1,396
Changes in working capital		
- Trade and other receivables	(2,096)	1,663
- Other current assets	274	-
- Deferred expenditure	-	(2,283)
- Trade and other payables	656	5,959
- Rental deposits	(8,174)	3,019
Cash flows from operations	8,666	25,680
Finance expense paid	(3,567)	(1,965)
Tax expense paid	(75)	-
Net cash generated from operating activities	5,024	23,715
Investing activities:		
Capital expenditure on investment properties	(40)	(696)
Deposit from the proposed divestment of an investment property	1,704	-
Proceeds from divestment of a property held for sale	-	55,000
Payment of property divestment related costs	-	(260)
Net cash generated from investing activities	1,664	54,044
Financing activities:		
Proceeds from borrowings	33,310	-
Repayment of borrowings	(18,500)	-
Payment of debt arrangement and structuring fees	(57)	-
Distributions to Unitholders	(15,392)	(14,551)
Distributions to perpetual securities holders	(1,934)	-
Payment of perpetual securities issuance cost	(3)	-
Repayment of lease liabilities	(170)	-
Net cash used in financing activities	(2,746)	(14,551)
Net increase in cash and cash equivalents	3,942	63,208
Cash and cash equivalents at beginning of the financial period	13,690	11,740
Effect of exchange rate changes on cash balances	(159)	-
Cash and cash equivalents at end of the financial period	17,473	74,948
Cash and cash equivalents comprise:		
Cash and bank balances	17,473	74,948
Restricted cash (Note 1)	1,443	-
	18,916	74,948

Note 1: The restricted cash pertains to retention sum held in trust accounts in relation to the acquisition of 14 Mort Street and Inghams Burton.

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

		Group		Trust	
	Note	1Q FY2019 S$'000	1Q FY2018 S$'000	1Q FY2019 S$'000	1Q FY2018 S$'000
Unitholders' Funds		**666,575**	**668,638**	**671,838**	**668,638**
Balance at beginning of the financial period					
Operations					
Total return for the financial period attributable to Unitholders		12,038	13,888	11,877	13,888
Less: Amount reserved for distribution to perpetual securities holders		(962)	-	(962)	-
Net increase/(decrease) in net assets from operations		11,076	13,888	10,915	13,888
Movement in foreign currency translation reserve		19	-	-	-
Movement in hedging reserve		(186)	231	(186)	231
Unitholders' transactions					
Manager's management fees paid/payable in Units		1,512	1,456	1,512	1,456
Distributions to Unitholders		(15,392)	(14,551)	(15,392)	(14,551)
Net decrease in net assets from Unitholders' transactions		(13,880)	(13,095)	(13,880)	(13,095)
Balance at end of the financial period		**663,604**	**669,662**	**668,687**	**669,662**
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		**65,665**	**-**	**65,665**	**-**
Distributions to perpetual securities holders		(1,934)	-	(1,934)	-
Perpetual securities issuance cost		(3)	-	(3)	-
Amount reserved for distribution to perpetual securities holders		962	-	962	-
Balance as at end of the financial period		**64,690**	**-**	**64,690**	**-**
Total		**728,294**	**669,662**	**733,377**	**669,662**

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

Group and Trust	**1Q FY2019 ('000)**	**1Q FY2018 ('000)**
Balance as at beginning of financial period	1,060,763	1,052,111
Movements during the financial period		
- Units issued in lieu of Manager's management fees	2,572	2,203
Total issued Units as at end of financial period	**1,063,335**	**1,054,314**

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 2019, Soilbuild REIT had 1,063,335,495 Units (31 December 2018: 1,060,763,142 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 2018 except in the current financial year, the Trust has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2019. The adoption of these new and revised standards did not have any effect on the financial performance or position of Soilbuild REIT save for the adoption of FRS 116 Leases which resulted in the recognition of right-of-use assets included in investment properties and lease liabilities, as well as interest expense in relation to the lease liabilities in place of land rent expenses.

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

Please refer to paragraph 4 above.

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

	1Q FY2019	1Q FY2018
Weighted average number of Units	1,062,449,462	1,053,579,933
EPU – Basic and Diluted[1] Based on the weighted average number of Units in issue (cents)	1.133	1.318
- Basic and diluted Number of Units in issue at end of the financial period	1,063,335,495	1,054,314,217
DPU Based on the number of Units in issue at end of each distribution period (cents)	1.198	1.324

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.

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

	Group		Trust	
	31/3/19	31/12/18	31/3/19	31/12/18
NAV per Unit[1] (S$)	0.62	0.63	0.63	0.63

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 FY2019 compared to 1Q FY2018

Gross revenue was S$22.7 million in 1Q FY2019 which was S$3.2 million or 16.6% higher than the gross revenue in 1Q FY2018. Higher revenue was largely attributed to higher contribution from Solaris, Inghams Burton and 14 Mort Street amounting to S$2.6 million, S$1.0 million and S$0.9 million respectively. Higher revenue was partially offset by lower contribution from KTL Offshore of S$0.7 million following the divestment of the property in February 2018 and lower revenue from West Park BizCentral, Eightrium and 72 Loyang Way amounting to S$0.4 million, S$0.1 million and S$0.1 million respectively.

Property operating expenses were S$4.4 million in 1Q FY2019, S$1.9 million higher than 1Q FY2018 mainly due to higher property expenses incurred for Solaris and 14 Mort Street of S$1.7 million and S$0.2 million respectively.

Net property income was 7.7% higher at S$18.3 million in 1Q FY2019 from S$17.0 million in 1Q FY2018 mainly due to higher revenue and partially offset by higher property operating expenses. Net property income margin was 80.6%. The reduction in net property income margin by 6.7 percentage points was mainly due to the conversion of Solaris into a multi-tenanted property.

The decrease in interest income of S$0.5 million was related to the repayment of the S$55 million interest-free loan from the Sponsor. Notional interest income and interest expenses were recognised for the interest-free loan.

The increase in finance expenses (excluding finance expenses on leases) of S$0.4 million was mainly attributed to higher weighted average borrowing costs in 1QFY2019 and higher loan principal. Finance expenses on leases (FRS 116) are in relation to the land rent expenses.

The decrease in Manager's management fees of S$0.1 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$0.1 million was largely attributed to higher expenses with the expansion into Australia.

Total return before distribution was S$1.9 million lower primarily due to the absence of a non-recurring gain on divestment of KTL Offshore.

Non-tax deductible items were S$1.2 million higher mainly due to the absence of non-recurring non-taxable gain on divestment of KTL Offshore.

Income available for distribution to Unitholders was S$12.7 million in 1Q FY2019, 8.7% lower than 1Q FY2018 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 by the Ministry of Trade and Industry ("**MTI**"), the Singapore economy grew by 1.3% on a year-on-year ("**y-o-y**") basis in the first quarter of 2019, moderating from the 1.9% growth in the fourth quarter of 2018. On a quarter-on-quarter ("**q-o-q**") seasonally-adjusted basis, the economy expanded by 2%, faster than the 1.4% growth in the previous quarter. The manufacturing sector contracted by 1.9% on y-o-y basis in the first quarter, a reversal from the 5.1% growth recorded in the previous quarter. The performance of the sector was weighed down by output declines in the precision engineering and electronics clusters, which more than offset output expansions in the biomedical manufacturing and transport engineering clusters. On a q-o-q seasonally-adjusted annualised basis, the sector shrank by 12%, extending the 2.7% decline in the preceding quarter. Over the last six months, the contribution of the manufacturing sector to GDP growth has waned, reflecting the maturing of the global electronics cycle and the economic slowdown in China. Against this backdrop, Singapore's GDP growth is expected to come in slightly below the mid-point of the 1.5% - 3.5% forecast range in 2019[1].

[1] Source: MTI's press release dated 12 April 2019.

Singapore's manufacturing activity rose in March 2019 from February 2019 with the Purchasing Managers' Index ("**PMI**") of 50.8. PMI for the electronics sector posted a reading of 49.8.

Rentals of all industrial space was flat q-o-q in 4Q 2018 and fell by 0.3% y-o-y. The multi-user factories, single-user factories and warehouse rental indices have receded 0.1%, 1.9% and 0.9% y-o-y respectively, whilst business park rentals expanded 2.8% y-o-y. In 4Q 2018, occupancy rate for all industrial space rose 0.2 percentage point q-o-q largely due to a 1.0 percentage point increase in multiple-user factory[2].

Australia

The Australia economy grew by 0.2% in seasonally adjusted chain volume terms in the December 2018 quarter, following a 0.3% rise in the September 2018 quarter. The Australia economy grew 2.3 % through the year. The government final consumption expenditure rose 1.8% in the December 2018 quarter and remains strong during the year at 5.6%. National non-defence was the main contributor to growth in the quarter, due to increases in social benefits to households from continued government spending on disability, health and aged care services. Household final consumption expenditure increased 0.4% in the December 2018 quarter. The growth in household expenditure was driven by spending on health, clothing and footwear, and hotels, cafes and restaurants. Household spending on electricity, gas and other fuel, purchases of vehicles, furnishings and household equipment fell. Compensation of employees increased 0.9% in the December 2018 quarter due to strength in both the private and public sectors[3].

GDP growth is expected to be around 3% and 2.75% over 2019 and 2020 respectively. Accommodative monetary policy and tighter-than-anticipated labour market conditions are expected to provide ongoing support to growth in household income, consumption and business investment[4].

The total vacancy rate in Canberra office fell to 11.0% in December 2018 from 12.4% in June 2018. The Canberra A grade market has mirrored the total market vacancy movements with the vacancy rate at 4.9% from 8.5% in January 2018. CBD A grade space reduced further to 1.7% in January 2019 and could now be considered under supplied until new developments reach completion in 2020-2021[5].

11. Distributions

(a) Current financial period
Any distributions declared for the current financial period? Yes
Name of distribution: 24th distribution for the financial period from 1 January 2019 to 31 March 2019

Distribution Type	Taxable	Capital	Total
Distribution rate (cents per unit)	1.163	0.035	1.198

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

[2] Source: JTC quarterly rental index of industrial space.
[3] Source: Australia Bureau of Statistics.
[4] Source: Reserve Bank of Australia.
[5] Source: Savills Research – Briefing Notes (Canberra Office) dated February 2019.

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%.

Capital distribution

Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. Friday, 26 April 2019 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Thursday, 25 April 2019.

Date Payable: Thursday, 23 May 2019

(b) Corresponding period of the preceding financial period

Name of distribution: 20th distribution for the financial period from 1 January 2018 to 31 March 2018

Distribution Type	Taxable
Distribution rate (cents per unit)	1.324

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: Tuesday, 24 April 2018

Date Payable: Monday, 21 May 2018

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 January 2019 to 31 March 2019, 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 100% of its distributable income to Unitholders, 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

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 FIRST QUARTER ("1Q FY2019") AND FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019 ("YTD FY2019")

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

17 April 2019