(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 FY2018") AND HALF YEAR ("1H FY2018") ENDED 30 JUNE 2018 ("YTD FY2018")

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SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2018") AND HALF YEAR ("1H FY2018") ENDED 30 JUNE 2018 ("YTD FY2018")

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

	1H FY2018[1]	1H FY2017[2]	Variance (%)	2Q FY2018[3]	2Q FY2017[4]	Variance (%)
Gross revenue (S$'000)	38,182	43,535	(12.3)	18,735	21,550	(13.1)
Net property income (S$'000)	33,235	37,940	(12.4)	16,246	18,727	(13.2)
Distributable income (S$'000)	27,318	30,936	(11.7)	13,358	15,363	(13.1)
DPU (cents)	2.588	2.955	(12.4)	1.264	1.466	(13.8)

Footnotes:

1 Financial period from 1 January 2018 to 30 June 2018, hereinafter referred to as 1H FY2018.

2 Financial period from 1 January 2017 to 30 June 2017, hereinafter referred to as 1H FY2017.

3 Financial period from 1 April 2018 to 30 June 2018, hereinafter referred to as 2Q FY2018.

4 Financial period from 1 April 2017 to 30 June 2017, hereinafter referred to as 2Q FY2017.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q FY2018") AND HALF YEAR ("1H FY2018") ENDED 30 JUNE 2018 ("YTD FY2018")

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 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 and Australia as well as real estate-related assets.

The divestment of KTL Offshore was completed in February 2018. The current portfolio of Soilbuild REIT comprises 11 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) 39 Senoko Way;
(9) Speedy-Tech;
(10) 72 Loyang Way; and
(11) 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 SECOND QUARTER ("2Q FY2018") AND HALF YEAR ("1H FY2018") ENDED 30 JUNE 2018 ("YTD FY2018")

1(a) Statement of Total Return and Distribution Statement for 2Q FY2018 & 2Q FY2017 and 1H FY2018 & 1H FY2017

	1H FY2018 S$'000	1H FY2017 S$'000	Variance %	2Q FY2018 S$'000	2Q FY2017 S$'000	Variance %
Gross revenue	38,182	43,535	(12.3)	18,735	21,550	(13.1)
Property operating expenses	(4,947)	(5,595)	11.6	(2,489)	(2,823)	11.8
Net property income	**33,235**	**37,940**	**(12.4)**	**16,246**	**18,727**	**(13.2)**
Interest Income	1,046	862	21.3	544	428	27.1
Gain on divestment of a property held for sale	1,740	-	Nm	-	-	-
Expenses:						
Finance expenses	(7,542)	(7,898)	4.5	(3,764)	(3,972)	5.2
Manager's management fees	(2,732)	(3,094)	11.7	(1,336)	(1,537)	13.1
Trustee's fees	(97)	(103)	5.8	(48)	(52)	7.7
Other trust expenses	(265)	(482)	45.0	(145)	(225)	35.6
Total return before distribution	**25,385**	**27,225**	**(6.8)**	**11,497**	**13,369**	**(14.0)**

Distribution Statement	1H FY2018 S$'000	1H FY2017 S$'000	Variance %	2Q FY2018 S$'000	2Q FY2017 S$'000	Variance %
Total return before distribution	**25,385**	**27,225**	**(6.8)**	**11,497**	**13,369**	**(14.0)**
Net effect of non-tax deductible items[1]	1,933	3,711	(47.9)	1,861	1,994	(6.7)
Income available for distribution to Unitholders	**27,318**	**30,936**	**(11.7)**	**13,358**	**15,363**	**(13.1)**

Footnotes:

1 Non-tax deductible items comprise mainly the Manager's management fees payable in Units, rent-free adjustments, the Trustee's fees and amortisation of debt arrangement, structuring and prepayment fees and is partially offset by non-taxable gain on divestment of a property held for sale.

2 nm denotes not meaningful.

1(b)(i) Statement of Financial Position

	Notes	30 June 2018 (S$'000)	31 December 2017 (S$'000)
Current assets			
Cash and cash equivalents	a	12,045	11,740
Trade and other receivables	b	2,035	3,938
Other current assets	c	301	289
Deferred expenditure	d	2,402	784
Property held for sale	e	-	53,000
Total current assets		16,783	69,751
Non-current assets			
Investment properties	f	1,112,138	1,110,600
Derivative financial instruments	g	1,192	1
Deferred expenditure	d	1,289	1,251
Total non-current assets		1,114,619	1,111,852
Total Assets		1,131,402	1,181,603
Current liabilities			
Trade and other payables	h	9,949	10,628
Derivative financial instruments	g	-	102
Rental deposits	i	22,351	21,841
Borrowings	j	54,789	147,420
Total current liabilities		87,089	179,991
Non-current liabilities			
Rental deposits	i	8,814	6,035
Borrowings	j	367,065	326,939
Total non-current liabilities		375,879	332,974
Total Liabilities		462,968	512,965
Net assets attributable to Unitholders		668,434	668,638
Represented by:			
Unitholders' funds		668,434	668,638
NAV per Unit (S$)		0.63	0.64

Notes:

(a) Cash and cash equivalents as at 30 June 2018 were S$0.3 million higher than the balance as at 31 December 2017 mainly due to the proceeds from the divestment of a property known as KTL Offshore, cash inflow from changes in working capital and was partially offset by the redemption of medium term notes due in May 2018 and capital expenditure.

(b) Trade and other receivables comprised mainly unbilled debtors, trade receivables and other receivables amounting to S$1.1 million, S$0.5 million and S$0.4 million respectively. The decrease in trade and other receivables of S$1.9 million was mainly due to S$2.0 million lower trade receivables and was partially offset by S$0.1 million higher other receivables.

(c) Other current assets as at 30 June 2018 comprised mainly security deposits paid to vendors and prepayments.

(d) Deferred expenditure comprises mainly property tax for the period from July 2018 to December 2018 and the unamortised portion of marketing commissions paid to the Property Manager, Manager and external agents for securing new leases and renewing expiring leases. The increase in deferred expenditure of S$1.7 million was mainly due to the abovementioned property tax.

(e) The property held for sale was divested in February 2018.

(f) Investment properties as at 30 June 2018 were accounted for at fair value based on the valuations undertaken by independent valuers, Knight Frank Pte. Ltd. and Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**") as at 31 December 2017[1]. The increase in investment properties of S$1.5 million was due to an asset enhancement initiative undertaken at Eightrium.

(g) Derivative financial instruments as at 30 June 2018 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.

(h) Trade and other payables as at 30 June 2018 comprised GST payable, trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. Trade and other payables fell by S$0.7 million mainly due to lower accrued interest payable and deferred income.

(i) Rental deposits as at 30 June 2018 increased by S$3.3 million mainly due to the top-up of security deposit by NK Ingredients Pte. Ltd.

(j) Borrowings comprise a S$193.5 million secured bank loan, S$88.5 million unsecured bank loans, S$88 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.

Current liabilities have exceeded current assets due to the expiry of the S$55.0 million interest-free loan in August 2018. The Manager is confident that the interest-free loan can be refinanced by its due date which will result in the reclassification of current liability to non-current liability.

Footnotes:

[1] The business park properties were valued by Knight Frank Pte. Ltd. whereas the industrial properties were valued by Savills.

1(b)(ii) Aggregate Amount of Borrowings

	30 June 2018 (S$'000)	31 December 2017 (S$'000)
Interest-bearing borrowings		
Amount repayable within one year	-	93,500
Less: Debt arrangement fees[1]	-	(38)
	-	93,462
Interest-free borrowings		
Amount repayable within one year	55,000	55,000
Less: Deferred amortisation[2]	(211)	(1,042)
	54,789	53,958
Total borrowings repayable within one year	54,789	147,420
Interest-bearing borrowings		
Amount repayable after one year[3]	371,224	331,500
Less: Debt arrangement fees[1]	(3,905)	(4,264)
Less: Prepayment fees[1]	(254)	(297)
Total borrowings repayable after one year	367,065	326,939
Total borrowings	**421,854**	**474,359**

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.
3. Includes the effect of unrealised exchange loss of S$1,224k upon revaluation of a United States Dollar denominated borrowing. 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.

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. The committed facility available for draw down up to October 2018 amounts to S$6.5 million.

- **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. 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. TLF 2 is unsecured and is repayable in September 2019.

- **MTN of S$100.0 Million issued in 2016 (S$88.0 million as at 30 June 2018)**

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 2018, the principal amount of the Notes in issuance amounted to S$88.0 million.

- **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 unsecured interest-free loan agreement with SB Solaris amounting to S$55.0 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.

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

On 30 June 2017, Soilbuild REIT entered into a S$200 million unsecured 3-year term loan facility agreement with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") ("**TLF 3**") for the repayment of its existing borrowings. On 11 September 2017, S$18.5 million was drawn down from TLF 3 for the redemption of notes put back by noteholders on 12 September 2017. As TLF 3 was granted by HSBC solely for the purpose of redemption of notes pursuant to the change of control event, the balance unutilised facility of S$181.5 million has expired.

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

On 15 May 2018, Soilbuild REIT entered into a S$30 million equivalent, 5-year term loan facility agreement with HSBC ("**TLF 4**") for the redemption of notes due in May 2018. TLF 4 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.

1(c) Statement of Cash Flows

	1H FY2018 (S$'000)	1H FY2017 (S$'000)	2Q FY2018 (S$'000)	2Q FY2017 (S$'000)
Operating activities:				
Net income	25,385	27,225	11,497	13,369
Adjustments for				
- Amortised debt arrangement and prepayment fees	665	756	332	381
- Finance expenses	6,877	7,142	3,432	3,591
- Gain on divestment of a property held for sale	(1,740)	-	-	-
- Management fees paid and payable in Units	2,732	3,094	1,336	1,537
Changes in working capital				
- Trade and other receivables	1,903	(2,331)	240	(1,253)
- Other current assets	(12)	28	(12)	34
- Deferred expenditure	(1,656)	(2,286)	627	992
- Trade and other payables	711	1,430	(5,248)	(2,106)
- Rental deposits	3,289	(10,773)	270	(9,164)
Cash flows from operations	38,154	24,285	12,474	7,381
Finance expense paid	(7,316)	(7,227)	(5,351)	(5,362)
Net cash generated from operating activities	30,838	17,058	7,123	2,019
Investing activities:				
Capital expenditure on investment properties	(1,538)	(94)	(842)	(29)
Proceeds from divestment of a property held for sale	55,000	-	-	-
Payment of property divestment related costs	(260)	-	-	-
Net cash generated from/(used in) investing activities	53,202	(94)	(842)	(29)
Financing activities:				
Proceeds from borrowings	38,500	-	38,500	-
Repayment of borrowings	(93,500)	-	(93,500)	-
Payment of debt arrangement fees	(225)	-	(225)	-
Distributions paid	(28,510)	(31,931)	(13,959)	(15,568)
Net cash used in financing activities	(83,735)	(31,931)	(69,184)	(15,568)
Net increase/(decrease) in cash and cash equivalents	305	(14,967)	(62,903)	(13,578)
Cash and cash equivalents at beginning of the financial period	11,740	25,718	74,948	24,329
Cash and cash equivalents at end of the financial period	12,045	10,751	12,045	10,751

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

FY2018	**Operations (S$'000)**	**Unitholders' Contribution (S$'000)**	**Hedging Reserve (S$'000)**	**Total (S$'000)**
Balance as at 31 December 2017	**(122,266)**	**791,005**	**(101)**	**668,638**
Total return for the financial period	13,888	-	-	13,888
Distribution to Unitholders	(14,551)	-	-	(14,551)
Movement in hedging reserve	-	-	231	231
Issue of Units in lieu of Manager's management fees	-	1,456	-	1,456
Balance as at 31 March 2018	**(122,929)**	**792,461**	**130**	**669,662**
Total return for the financial period	11,497	-	-	11,497
Distribution to Unitholders	(13,959)	-	-	(13,959)
Movement in hedging reserve	-	-	(162)	(162)
Issue of Units in lieu of Manager's management fees	-	1,396	-	1,396
Balance as at 30 June 2018	**(125,391)**	**793,857**	**(32)**	**668,434**

FY2017	**Operations (S$'000)**	**Unitholders' Contribution (S$'000)**	**Hedging Reserve (S$'000)**	**Total (S$'000)**
Balance as at 31 December 2016	**(32,251)**	**784,317**	**(363)**	**751,703**
Total return for the financial period	13,856	-	-	13,856
Distribution to Unitholders	(16,363)	-	-	(16,363)
Movement in hedging reserve	-	-	(37)	(37)
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	2,151	-	2,151
Balance as at 31 March 2017	**(34,758)**	**786,468**	**(400)**	**751,310**
Total return for the financial period	13,369	-	-	13,369
Distribution to Unitholders	(15,568)	-	-	(15,568)
Movement in hedging reserve	-	-	(31)	(31)
Issue of Units in lieu of Manager's management fees	-	1,557	-	1,557
Balance as at 30 June 2017	**(36,957)**	**788,025**	**(431)**	**750,637**

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

	1H FY2018 ('000)	2Q FY2018 ('000)
Balance as at beginning of financial period	1,052,111	1,054,314
Movements during the financial period		
- Units issued in lieu of Manager's management fees	4,342	2,139
Total issued Units as at end of financial period	1,056,453	1,056,453

	1H FY2017 ('000)	2Q FY2017 ('000)
Balance as at beginning of financial period	1,042,174	1,045,533
Movements during the financial period		
- Units issued in lieu of Manager's management fees, property management fees and lease management fees (2Q FY2017: Manager's management fees only)	5,723	2,364
Total issued Units as at end of financial period	1,047,897	1,047,897

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 2018, Soilbuild REIT had 1,056,452,643 Units (31 December 2017: 1,052,111,365 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 2017 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 2018. The adoption of these new and revised standards did not have any effect on the financial performance or position of Soilbuild REIT.

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 FY2018	1H FY2017	2Q FY2018	2Q FY2017
Weighted average number of Units	1,055,773,034	1,047,139,283	1,055,841,664	1,047,195,667
EPU – Basic and Diluted[1] Based on the weighted average number of Units in issue (cents)	2.404	2.603	1.086	1.277
- Basic and diluted Number of Units in issue at end of the financial period	1,056,452,643	1,047,897,262	1,056,452,643	1,047,897,262
DPU Based on the number of Units in issue at end of each distribution period (cents)	2.588	2.955	1.264	1.466

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

	30 June 2018	31 December 2017
NAV per Unit[1] (S$)	0.63	0.64

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 FY2018 compared to 1H FY2017

Gross revenue was S$38.2 million in 1H FY2018, S$5.4 million or 12.3% lower than the gross revenue in 1H FY2017. The decrease in revenue was largely attributed to lower contribution from 72 Loyang Way, KTL Offshore and West Park BizCentral amounting to S$2.7 million, S$1.2 million and S$1.2 million respectively.

Property operating expenses were S$4.9 million in 1H FY2018, S$0.6 million lower than 1H FY2017 mainly due to lower property tax expenses incurred for Eightrium.

Net property income was 12.4% lower at S$33.2 million in 1H FY2018 from S$37.9 million in 1H FY2017 mainly due to the abovementioned reasons.

The increase in interest income of S$0.2 million was largely due to the placement of the property divestment proceeds in a fixed deposit account. Gain on divestment of a property held for sale relates to the divestment of KTL Offshore on 28 February 2018.

The decrease in finance expenses amounting to S$0.4 million was mainly attributed to S$55 million lower gross borrowings following the redemption of notes due in May 2018, lower post-refinancing bank loan margins and was partially offset by higher floating base rates.

The decrease in Manager's management fees of S$0.4 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 reduction in other trust expenses of S$0.2 million was due to the absence of credit rating fee in FY2018 after Soilbuild REIT's withdrawal of the credit rating, as well as lower professional fees.

Total return before distribution was S$1.8 million lower due to S$4.7 million lower net property income and was partially offset by the gain on divestment of KTL Offshore amounting to S$1.7 million, lower Manager's management fee, finance expenses and other trust expenses.

Non-tax deductible items were S$1.8 million lower as the gain on divestment of KTL Offshore was non-taxable.

Income available for distribution was S$27.3 million in 1H FY2018, 11.7% lower than 1H FY2017 largely due to lower net property income.

Review of the Performance on 2Q FY2018 compared to 2Q FY2017

Gross revenue was S$18.7 million in 2Q FY2018, S$2.8 million or 13.1% lower than the gross revenue in 2Q FY2017. The decrease in revenue was largely attributed to lower contribution from 72 Loyang Way and West Park BizCentral amounting to S$1.0 million and S$0.7 million respectively and absence of income following the divestment of KTL Offshore in February 2018.

Property operating expenses were S$2.5 million in 2Q FY2018, S$0.3 million lower than 2Q FY2017 mainly due to lower property tax expenses incurred for Eightrium.

Net property income was 13.2% lower at S$16.2 million in 2Q FY2018 from S$18.7 million in 2Q FY2017 mainly due to the abovementioned reasons.

The increase in interest income of S$0.1 million was largely due to the placement of the property divestment proceeds in a fixed deposit account.

The decrease in finance expenses of S$0.2 million was mainly attributed to S$55 million lower gross borrowings following the redemption of notes due in May 2018.

The decrease in Manager's management fees of S$0.2 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 reduction in other trust expenses was largely attributed to lower professional fees.

Total return before distribution was S$1.9 million lower due to lower net property income and was partially offset by lower finance expenses and Manager's management fee.

Non-tax deductible items were S$0.1 million lower mainly due to lower Manager's management fee in units and was partially offset by lower non-taxable rent-free income.

Income available for distribution was S$13.4 million in 2Q FY2018, 13.1% lower than 2Q FY2017 largely due to lower net property income.

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

Based on advance estimates, the Singapore economy grew by 3.8% on a year-on-year ("**y-o-y**") basis in the second quarter of 2018, moderating from the 4.3% growth in the previous quarter. On a quarter-on-quarter ("**q-o-q**") seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0% compared to the 1.5% growth in the preceding quarter.

The manufacturing sector grew by 8.6% y-o-y in the second quarter of 2018, slower than the 9.7% growth in the previous quarter. All clusters within the sector expanded during the quarter, with the electronics and biomedical manufacturing clusters contributing the most to the sector's growth. On a q-o-q seasonally-adjusted annualised basis, the sector shrank marginally by 0.1%, a reversal from the 21.3% growth in the preceding quarter.[1]

Singapore's manufacturing activity continued to expand in June 2018 but at a slower pace, with the Purchasing Managers' Index ("**PMI**") falling to 52.5. PMI for the electronics sector posted a reading of 51.9.[2]

Rentals of all industrial properties fell by 2.0% and 0.1% in 1Q 2018 y-o-y and quarter-on-quarter respectively. The multi-user factories, single-user factories and warehouse rental indices have receded 1.8%, 2.4% and 5.5% y-o-y respectively, whilst business park rentals expanded 6.9% y-o-y. In 1Q 2018, vacancy rate for all industrial space fell by 0.1 percentage points q-o-q largely due to a 0.2 percentage point reduction in single-user factory vacancy and was partially offset by an increase in vacancy rates of business park and warehouse space by 1.5 and 0.2 percentage points respectively.[3]

[1] Source: Ministry of Trade and Industry's press release dated 13 July 2018.
[2] Source: Singapore Institute of Purchasing & Materials Management publication.
[3] Source: JTC quarterly rental index of industrial space.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 21st distribution for the financial period from 1 April 2018 to 30 June 2018

Distribution type: Income

Distribution rate: 1.264 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: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. Tuesday, 24 July 2018 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Friday, 20 July 2018.

Date Payable: Tuesday, 21 August 2018

(b) Corresponding period of the preceding financial period

Name of distribution: 17th distribution for the financial period from 1 April 2017 to 30 June 2017

Distribution type: Income

Distribution rate: 1.466 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, 21 July 2017

Date Payable: Friday, 18 August 2017

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. 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.

15. 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.

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 2018