



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

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q FY2018”) AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 (“YTD FY2018”)

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Summary Results of Soilbuild Business Space REIT	2
-	Introduction	3
1(a)	Statement of Total Return and Distribution Statement	4
1(b)(i)	Statement of Financial Position	5
1(b)(ii)	Aggregate Amount of Borrowings	7
1(c)	Statement of Cash Flows	9
1(d)(i)	Statement of Changes in Unitholders’ Funds	10
1(d)(ii)	Details of Any Change in Units	12
1(d)(iii)	Total Number of Issued Units	13
1(d)(iv)	Treasury Shares	13
2 & 3	Audit Statement	13
4 & 5	Changes in Accounting Policies	13
6	Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”)	13
7	Net Asset Value (“NAV”) Per Unit	14
8	Review of the Performance	14
9	Variance from the Prospect Statement	16
10	Outlook and Prospects	16
11 & 12	Distributions	17
13	Segment Revenue and Results	18
14	Breakdown of Gross Revenue and Net Income	20
15	Breakdown of Total Distribution	20
16	Interested Person Transaction (“IPT”) Mandate	20
17	Certificate Pursuant to Paragraph 7.3 of the Property Funds Guidelines	20
18	Confirmation Pursuant to Rule 704(13) of the Listing Manual	20
19	Confirmation Pursuant to Rule 720(1) of the Listing Manual	21

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

Summary of Soilbuild Business Space REIT Group Results

	YTD FY2018 ¹	YTD FY2017 ²	Variance (%)	4Q FY2018 ³	4Q FY2017 ⁴	Variance (%)
Gross revenue (S\$'000)	83,765	84,817	(1.2)	25,783	20,747	24.3
Net property income (S\$'000)	69,929	73,481	(4.8)	20,472	17,752	15.3
Income attributable to perpetual securities holders (S\$'000)	1,026	-	nm	983	-	nm
Total amount available for distribution to Unitholders (S\$'000)	55,896	59,927	(6.7)	15,392	14,559	5.7
DPU (cents)	5.284	5.712	(7.5)	1.451	1.383	4.9

Footnotes:

- 1 Financial year from 1 January 2018 to 31 December 2018, hereinafter referred to as YTD FY2018.
- 2 Financial year from 1 January 2017 to 31 December 2017, hereinafter referred to as YTD FY2017.
- 3 Financial period from 1 October 2018 to 31 December 2018, hereinafter referred to as 4Q FY2018.
- 4 Financial period from 1 October 2017 to 31 December 2017, hereinafter referred to as 4Q FY2017.
- 5 Nm denotes not meaningful.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

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 FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

1(a) Statement of Total Return and Distribution Statement for 4Q FY2018 & 4Q FY2017 and YTD FY2018 & YTD FY2017

	YTD FY2018	YTD FY2017	Variance	4Q FY2018	4Q FY2017	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	83,765	84,817	(1.2)	25,783	20,747	24.3
Property operating expenses	(13,836)	(11,336)	(22.1)	(5,311)	(2,995)	(77.3)
Net property income	69,929	73,481	(4.8)	20,472	17,752	15.3
Interest Income	1,353	1,733	(21.9)	52	436	(88.1)
Foreign exchange loss	(772)	-	nm	(772)	-	nm
Gain on derivative financial instruments	40	-	nm	40	-	nm
Gain on divestment of a property held for sale	1,740	-	nm	-	-	nm
<u>Expenses:</u>						
Finance expenses	(15,359)	(15,735)	2.4	(4,180)	(3,868)	(8.1)
Manager's management fees	(5,590)	(5,993)	6.7	(1,535)	(1,456)	(5.4)
Trustee's fees	(212)	(206)	(2.9)	(66)	(51)	(29.4)
Other trust expenses	(998)	(1,059)	5.8	(601)	(280)	(114.6)
Net income before tax	50,131	52,221	(4.0)	13,410	12,533	7.0
Net change in fair value of investment properties	1,410	(80,515)	101.8	1,410	(80,515)	101.8
Total return before tax	51,541	(28,294)	282.2	14,820	(67,982)	121.8
Less: Tax expense	(75)	-	nm	(75)	-	nm
Total return before distribution	51,466	(28,294)	281.9	14,745	(67,982)	121.7
Distribution Statement						
Total return before distribution	51,466	(28,294)	281.9	14,745	(67,982)	121.7
Less: Amount reserved for distribution to perpetual securities holders	(1,026)	-	nm	(983)	-	nm
Net effect of non-tax deductible items ¹	5,456	88,221	(93.8)	1,630	82,541	(98.0)
Income available for distribution to Unitholders	55,896	59,927	(6.7)	15,392	14,559	5.7

Footnotes:

- 1 Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, net change in fair value of investment properties, 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.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

1(b)(i) Statement of Financial Position

	Notes	Group		Trust	
		31/12/18 (S\$'000)	31/12/17 (S\$'000)	31/12/18 (S\$'000)	31/12/17 (S\$'000)
Current assets					
Cash and cash equivalents	a	15,132	11,740	11,691	11,740
Trade and other receivables	b	2,584	3,938	3,287	3,938
Other current assets	c	421	289	381	289
Deferred expenditure	d	-	784	-	784
Property held for sale	e	-	53,000	-	53,000
Derivative financial instruments	f	151	-	151	-
Total current assets		18,288	69,751	15,510	69,751
Non-current assets					
Investment properties	g	1,229,671	1,110,600	1,121,750	1,110,600
Derivative financial instruments	f	-	1	-	1
Interest in subsidiaries	h	-	-	46,671	-
Loan to a subsidiary	i	-	-	67,300	-
Deferred expenditure	d	-	1,251	-	1,251
Total non-current assets		1,229,671	1,111,852	1,235,721	1,111,852
Total Assets		1,247,959	1,181,603	1,251,231	1,181,603
Current liabilities					
Trade and other payables	j	13,996	10,628	12,029	10,628
Derivative financial instruments	f	-	102	-	102
Rental deposits	k	22,158	21,841	22,158	21,841
Borrowings	l	39,912	147,420	39,912	147,420
Total current liabilities		76,066	179,991	74,099	179,991
Non-current liabilities					
Derivative financial instruments	f	543	-	543	-
Rental deposits	k	13,886	6,035	13,886	6,035
Borrowings	l	425,224	326,939	425,224	326,939
Total non-current liabilities		439,653	332,974	439,653	332,974
Total Liabilities		515,719	512,965	513,752	512,965
Net assets attributable to Unitholders		732,240	668,638	737,479	668,638
Represented by:					
Unitholders' funds		666,575	668,638	671,814	668,638
Perpetual securities holders		65,665	-	65,665	-
		732,240	668,638	737,479	668,638
NAV per Unit (S\$)		0.63	0.64	0.63	0.64

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

Notes:

- (a) Cash and cash equivalents as at 31 December 2018 were S\$3.4 million higher than the balance as at 31 December 2017 mainly due to the transfer of cash security deposit from SB (Solaris) Investment Pte. Ltd. to Soilbuild REIT upon the expiry of the Solaris master lease.
- (b) The decrease in trade and other receivables of S\$1.4 million was mainly due to S\$1.0 million lower unbilled debtors. The unbilled debtors balance that had arisen from straight-lining of rent-free period was reclassified to investment properties in 4QFY2018.
- (c) Other current assets as at 31 December 2018 comprised mainly the deposits paid to utilities service providers and prepayments.
- (d) As at 31 December 2017, deferred expenditure comprised the unamortised portion of marketing commissions paid to the Property Manager, Manager and external agents for securing new leases and renewing expiring leases. Deferred expenditure was reclassified to investment properties in 4QFY2018.
- (e) The property held for sale was divested in February 2018.
- (f) Derivative financial instruments as at 31 December 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 as well as currency forward contracts to hedge Australian dollar denominated distributions from Soilbuild Australia Trust.
- (g) Investment properties as at 31 December 2018 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 2018¹.

The increase in investment properties of S\$119.1 million was due to the acquisition of two properties in Australia amounting to S\$116.0 million, reclassification of unbilled debtors and deferred expenditure amounting to S\$3.2 million to investment properties, capital expenditure of S\$2.1 million, revaluation gains of S\$1.4 million and was partially offset by currency translation losses of S\$3.6 million.

Revaluation gain of S\$21.6 million for Solaris was partially offset by revaluation losses for Bukit Batok Connection (S\$6.4 million), Loyang Way (S\$4.0 million), 14 Mort Street (S\$3.2 million), Tellus Marine (S\$1.9 million), West Park BizCentral (S\$1.4 million), Inghams Burton (S\$1.3 million), Eightrium (S\$1.0 million) and COS Printers (S\$0.9 million).

- (h) Interest in subsidiaries comprises investment in Soilbuild Australia Trust and Soilbuild Business Space Holdings Ltd.
- (i) Loan to a subsidiary relates to an interest-bearing loan to Soilbuild Australia Trust.
- (j) Trade and other payables as at 31 December 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 were S\$3.4 million higher mainly due to S\$1.4 million retention held for the Australia acquisitions, higher accrued operating expenses and interest payable.
- (k) Rental deposits as at 31 December 2018 increased by S\$8.2 million mainly due to the transfer of security deposits from SB (Solaris) Investment Pte. Ltd. and top-up of security deposit by NK Ingredients Pte. Ltd.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

- (l) Borrowings comprise a S\$200 million secured bank loan, S\$181 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.

Current liabilities have exceeded current assets due to the following:

- (i) expiry of a S\$40.0 million unsecured loan ("**Current Loan**") in September 2019. The Manager is confident that the Current Loan can be refinanced by its due date which will result in the reclassification of current liability to non-current liability.
- (ii) Security deposit amounting to S\$19.3 million due to SB (Solaris) Investment Pte. Ltd. ("**Sponsor Security Deposit**"). Soilbuild REIT has sufficient committed bank facility for the repayment of the security deposit upon the completion of handover. The Sponsor Security Deposit has been included in deferred payment for the purpose of computation of aggregate leverage.

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	
	31/12/18 (S\$'000)	31/12/17 (S\$'000)
<u>Interest-bearing borrowings</u>		
Amount repayable within one year	40,000	93,500
Less: Debt arrangement fees ¹	(88)	(38)
	39,912	93,462
<u>Interest-free borrowings</u>		
Amount repayable within one year	-	55,000
Less: Deferred amortisation ²	-	(1,042)
	-	53,958
Total borrowings repayable within one year	39,912	147,420
<u>Interest-bearing borrowings</u>		
Amount repayable after one year ³	429,480	331,500
Less: Debt arrangement fees ¹	(4,045)	(4,264)
Less: Prepayment fees ¹	(211)	(297)
Total borrowings repayable after one year	425,224	326,939
Total borrowings	465,136	474,359

Footnotes:

- Debt arrangement and prepayment fees are amortised over the life of the loan facilities.
- Relates to the deferred amortisation of notional interest on interest-free loan.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

3. Includes the effect of unrealised exchange gain of S\$1,420k upon revaluation of a Australian denominated borrowing and partially offset by the loss of S\$1,214k 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. 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 September 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 31 December 2018, the principal amount of the Notes in issuance amounted to S\$88.0 million.

- 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 unsecured 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

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

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.

- 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 5**") 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. The committed facility available for draw down amounts to S\$21.5 million.

- 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 6**") for the acquisition of two properties in Australia. On 3 October 2018, A\$45 million was drawn down for the completion of the acquisitions. The committed facility available for draw down amounts to A\$5.0 million.

1(c) Statement of Cash Flows

	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	4Q FY2018 (S\$'000)	4Q FY2017 (S\$'000)
Operating activities:				
Net income after tax	50,131	52,221	13,410	12,533
Adjustments for				
- Amortised debt arrangement, structuring and prepayment fees	1,378	1,496	372	356
- Finance expenses	13,961	14,216	3,788	3,492
- Foreign exchange loss	772	-	772	-
- Gain on divestment of a property held for sale	(1,740)	-	-	-
- Net change in fair value of investment properties	(1,410)	-	(1,410)	-
- Net change in fair value of derivative financial instruments	(40)	-	(40)	-
- Management fees paid/payable in Units	5,566	5,993	1,511	1,456
- Security trustee and agency fees	20	23	20	20
Changes in working capital				
- Trade and other receivables	1,354	353	446	4,522
- Other current assets	(132)	21	(23)	(2)
- Deferred expenditure	2,035	(563)	3,688	850
- Trade and other payables	(750)	(170)	(1,979)	(2,722)
- Rental deposits	8,168	(10,151)	(280)	825
Cash flows from operations	79,313	63,439	20,275	21,330
Finance expense paid	(13,629)	(14,158)	(3,933)	(4,672)
Tax expense paid	(75)	-	(75)	-
Net cash generated from operating activities	65,609	49,281	16,267	16,658
Investing activities:				
Capital expenditure on investment properties	(2,090)	(415)	(90)	(170)
Purchase of investment properties	(115,991)	-	(110,411)	-
Increase in restricted cash	(1,442)	-	(1,442)	-

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	4Q FY2018 (S\$'000)	4Q FY2017 (S\$'000)
Proceeds from divestment of a property held for sale	55,000	-	-	-
Payment of property divestment related costs	(260)	-	-	-
Net cash used in investing activities	(64,783)	(415)	(111,943)	(170)
Financing activities:				
Proceeds from borrowings	138,185	203,500	44,685	185,000
Repayment of borrowings	(148,500)	(203,500)	-	(185,000)
Payment of debt arrangement and structuring fees	(1,121)	(1,123)	(371)	(840)
Distributions paid	(55,043)	(61,721)	(13,179)	(14,428)
Proceeds from issuance of perpetual securities	65,000	-	-	-
Payment of perpetual securities issuance cost	(361)	-	(8)	-
Net cash (used in)/generated from financing activities	(1,840)	(62,844)	31,127	(15,268)
Net (decrease)/increase in cash and cash equivalents	(1,014)	(13,978)	(64,549)	1,220
Cash and cash equivalents at beginning of the financial year/period	11,740	25,718	75,275	10,520
Effect of exchange rate changes on cash balances	2,964	-	2,964	-
Cash and cash equivalents at end of the financial year/period	13,690	11,740	13,690	11,740
Cash and cash equivalents comprise:				
Cash and bank balances	15,132	-	15,132	-
Restricted cash (Note 1)	(1,442)	-	(1,442)	-
	13,690	11,740	13,690	11,740
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	
	YTD FY2018 S\$'000	YTD FY2017 S\$'000	YTD FY2018 S\$'000	YTD FY2017 S\$'000
Unitholders' Funds	668,638	751,703	668,638	751,703
Balance at beginning of the financial year				
Operations				
Total return for the financial year attributable to Unitholders	51,466	(28,294)	55,279	(28,294)
Less: Amount reserved for distribution to perpetual securities holders	(1,026)	-	(1,026)	-
Net increase/(decrease) in net assets from operations	50,440	(28,294)	54,253	(28,294)

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

	Group		Trust	
	YTD FY2018 S\$'000	YTD FY2017 S\$'000	YTD FY2018 S\$'000	YTD FY2017 S\$'000
Movement in foreign currency translation reserve	(1,426)	-	-	-
Movement in hedging reserve	(1,545)	262	(1,545)	262
Unitholders' transactions				
Manager's management fees paid/payable in Units	5,511	6,174	5,511	6,174
Property and lease management fees paid in Units	-	514	-	514
Distributions to Unitholders	(55,043)	(61,721)	(55,043)	(61,721)
Net decrease in net assets from Unitholders' transactions	(49,532)	(55,033)	(49,532)	(55,033)
Balance at end of the financial year	666,575	668,638	671,814	668,638
Perpetual Securities Holders' Funds				
Balance at beginning of the financial year	-	-	-	-
Issuance of perpetual securities	65,000	-	65,000	-
Perpetual securities issuance cost	(361)	-	(361)	-
Amount reserved for distribution to perpetual securities holders	1,026		1,026	
Balance as at end of the financial year	65,665	-	65,665	-
Total	732,240	668,638	737,479	668,638

	Group		Trust	
	4Q FY2018 S\$'000	4Q FY2017 S\$'000	4Q FY2018 S\$'000	4Q FY2017 S\$'000
Unitholders' Funds	667,723	749,513	667,723	749,513
Balance at beginning of the financial period				
Operations				
Total return for the financial year attributable to Unitholders	14,745	(67,982)	18,558	(67,982)
Less: Amount reserved for distribution to perpetual securities holders	(983)	-	(983)	-
Net increase/(decrease) in net assets from operations	13,762	(67,982)	17,575	(67,982)

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

	Group		Trust	
	4Q FY2018 S\$'000	4Q FY2017 S\$'000	4Q FY2018 S\$'000	4Q FY2017 S\$'000
Note				
Movement in foreign currency translation reserve	(1,426)	-	-	-
Movement in hedging reserve	(1,628)	91	(1,628)	91
Unitholders' transactions				
Manager's management fees paid/payable in Units	1,323	1,444	1,323	1,444
Distributions to Unitholders	(13,179)	(14,428)	(13,179)	(14,428)
Net decrease in net assets from Unitholders' transactions	(11,856)	(12,984)	(11,856)	(12,984)
Balance at end of the financial period	666,575	668,638	671,814	668,638
Perpetual Securities Holders' Funds				
Balance at beginning of the financial period	64,690	-	64,690	-
Perpetual securities issuance cost	(8)	-	(8)	-
Amount reserved for distribution to perpetual securities holders	983	-	983	-
Balance as at end of the financial period	65,665	-	65,665	-
Total	732,240	668,638	737,479	668,638

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

<u>Group and Trust</u>	YTD FY2018 ('000)	4Q FY2018 ('000)
Balance as at beginning of financial year/period	1,052,111	1,058,516
Movements during the financial year/period		
- Units issued in lieu of Manager's management fees	8,652	2,247
Total issued Units as at end of financial year/period	1,060,763	1,060,763
<u>Group and Trust</u>	YTD FY2017 ('000)	4Q FY2017 ('000)
Balance as at beginning of financial year/period	1,042,174	1,050,040
Movements during the financial year/period		
- Units issued in lieu of Manager's management fees	9,134	2,071
- Units issued in lieu of 4Q FY2016 property management and lease management fees	803	-
Total issued Units as at end of financial year/period	1,052,111	1,052,111

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

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

As at 31 December 2018, Soilbuild REIT had 1,060,763,142 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")

	YTD FY2018	YTD FY2017	4Q FY2018	4Q FY2017
Weighted average number of Units	1,056,844,169	1,050,414,659	1,060,030,273	1,051,526,017
EPU – Basic and Diluted¹ Based on the weighted average number of Units in issue (cents)	4.868	4.983	1.390	1.192
- Basic and diluted Number of Units in issue at end of the financial year/period	1,060,763,142	1,052,111,365	1,060,763,142	1,052,111,365

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

	YTD FY2018	YTD FY2017	4Q FY2018	4Q FY2017
DPU Based on the number of Units in issue at end of each distribution period (cents)	5.284	5.712	1.451	1.383

Footnotes:

- 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	
	31/12/18	31/12/17	31/12/18	31/12/17
NAV per Unit ¹ (\$)	0.63	0.64	0.63	0.64

Footnote:

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

8. Review of the Performance

Review of the Performance on YTD FY2018 compared to YTD FY2017

Gross revenue was S\$83.8 million in YTD FY2018, S\$1.1 million or 1.2% lower than the gross revenue in YTD FY2017. The decrease in revenue was largely attributed to lower contribution from KTL Offshore, West Park BizCentral, Eightrium and Tuas Connection amounting to S\$3.3 million, S\$3.0 million, S\$1.7 million, S\$0.4 million respectively and was partially offset by higher revenue from Solaris, Inghams Burton, 14 Mort Street and 72 Loyang Way amounting to S\$4.7 million, S\$1.0 million, S\$0.8 million and S\$0.7 million respectively. The increase in revenue from 72 Loyang Way was mainly due to the receipt of liquidation proceeds of S\$3.25 million from Technics Offshore Engineering and was partially offset by lower revenue following the depletion of the security deposit in FY2017.

KTL Offshore was divested in February 2018. Solaris was converted into a multi-tenanted property in August 2018. 14 Mort Street and Inghams Burton were acquired in October 2018.

Property operating expenses were S\$13.8 million in YTD FY2018, S\$2.5 million higher than YTD FY2017 mainly due to higher property expenses incurred for Solaris, West Park BizCentral and 14 Mort Street amounting to S\$2.9 million, S\$0.3 million and S\$0.2 million and was partially offset by lower property expenses for Eightrium, 72 Loyang Way, Tuas Connection and KTL Offshore amounting to S\$0.4 million, S\$0.3 million, S\$0.1 million and S\$0.1 million respectively.

The increase in expenses for West Park BizCentral was mainly attributed to higher property tax expenses whereas the reduction in expenses for Eightrium, 72 Loyang Way and Tuas Connection was primarily due to lower property taxes.

Net property income was 4.8% lower at S\$69.9 million in YTD FY2018 from S\$73.5 million in YTD

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

FY2017 due to lower revenue and higher property operating expenses. Net property income margin was 83.5%. There was no material change in net property income margin.

Interest income was S\$0.4 million lower largely due to the absence of notional interest income relating to a interest-free loan from SB (Solaris) Investment Pte. Ltd. with effect from August 2018.

Foreign exchange loss comprised mainly unrealised exchange loss arising from the revaluation of a AUD 70 million unitholder loan receivable and was partially offset by unrealised exchange gain on the revaluation of a A\$45 million bank loan payable.

Gain on derivative financial instruments relates to unrealised gain on currency forward contracts.

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 lower gross borrowings from late May to early October 2018 following the redemption of notes due in May 2018 with the proceeds from the divestment of KTL Offshore. Gross borrowings subsequently increased in October 2018 due to a loan drawn down for the Australia acquisitions. Weighted average borrowing costs has also increased in FY2018.

The reduction 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\$61k was due to the absence of credit rating fee in FY2018 after Soilbuild REIT's withdrawal of the credit rating in FY2017 and partially offset by higher professional fees such as tax agent fees.

Total return before distribution of S\$51.5 million was S\$79.8 million higher primarily due to S\$80.5 million property revaluation loss in FY2017 versus a S\$1.4 million property revaluation gain in FY2018.

Non-tax deductible items were S\$82.8 million lower largely due to non-tax deductible investment properties revaluation loss in FY2017.

Income available for distribution to Unitholders was S\$55.9 million in YTD FY2018, 6.7% lower than YTD FY2017 mainly due to lower net property income.

Review of the Performance on 4Q FY2018 compared to 4Q FY2017

Gross revenue was S\$25.8 million in 4Q FY2018 which was S\$5.0 million or 24.3% higher than the gross revenue in 4Q FY2017. Higher revenue was largely attributed to liquidation proceeds from Technics Offshore Engineering and higher contribution from Solaris, Inghams Burton and 14 Mort Street amounting to S\$2.8 million, S\$1.0 million and S\$0.8 million respectively and was partially offset by lower contribution from KTL Offshore, West Park BizCentral, Eightrium, NKL and Tuas Connection amounting to S\$1.2 million, S\$0.8 million, S\$0.5 million, S\$0.2 million and S\$0.1 million respectively.

Property operating expenses were S\$5.3 million in 4Q FY2018, S\$2.3 million higher than 4Q FY2017 mainly due to higher property expenses incurred for Solaris, West Park and 14 Mort Street of S\$2.0 million, S\$0.3 million and S\$0.2 million respectively and partially offset by lower expenses for Tuas Connection and 72 Loyang Way amounting to S\$0.1 million each.

Higher expenses were recorded for West Park BizCentral largely due to S\$0.2 million higher property tax whereas the reduction in expenses for Tuas Connection and 72 Loyang Way was mainly due to lower property taxes.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

Net property income was 15.3% higher at S\$20.5 million in 4Q FY2018 from S\$17.8 million in 4Q FY2017 mainly due to higher revenue and partially offset by higher property operating expenses. Net property income margin was 79.4%. The reduction in net property income margin by 6.2 percentage points was mainly due to the conversion of Solaris into a multi-tenanted property.

The decrease in interest income of S\$0.4 million was related to the repayment of the S\$55 million interest-free loan from the Sponsor.

The increase in finance expenses of S\$0.3 million was mainly attributed to higher weighted average borrowing costs in 4QFY2018.

The increase in Manager's management fees of S\$79k was due to higher distributable income which resulted in higher base fee.

Other trust expenses comprised largely professional fees and on-going listing expenses. The increase in other trust expenses of S\$0.3 million was largely attributed to higher tax agent and legal fees in relation to the Australia acquisitions.

Total return before distribution was S\$82.7 million higher primarily due to a revaluation loss on investment properties amounting to S\$80.5 million in FY2017. A revaluation gain on investment properties of S\$1.4 million was recorded in FY2018.

Non-tax deductible items were S\$80.9 million lower mainly due to the non-tax deductible investment properties revaluation losses in FY2017.

Income available for distribution to Unitholders was S\$15.4 million in 4Q FY2018, 5.7% higher than 4Q FY2017 largely due to higher net property income and was partially offset by lower interest income, higher other trust and finance expenses.

9. Variance from Prospect Statement

No financial forecast has been disclosed to the market.

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

Singapore

Based on advance estimates, the Singapore economy grew by 2.2% on a year-on-year ("y-o-y") basis in the fourth quarter of 2018, easing slightly from the 2.3% growth in the preceding quarter. On a quarter-on-quarter ("q-o-q") seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.6% compared to the 3.5% growth in the third quarter. For 2018 as a whole, the economy grew by 3.3%.

The manufacturing sector expanded by 5.5% y-o-y in the fourth quarter of 2018, faster than the 3.7% growth in the previous quarter. Growth was largely driven by robust output expansions in the biomedical manufacturing and electronics clusters, which more than offset the output decline in the precision engineering cluster. On a q-o-q seasonally-adjusted annualised basis, the manufacturing sector shrank by 8.7%, a reversal from the 3.1% growth in the third quarter¹.

Singapore's manufacturing activity slipped in December 2018 with the Purchasing Managers' Index ("PMI") falling to 51.1. PMI for the electronics sector posted a reading of 49.8.

¹ Source: Ministry of Trade and Industry's press release dated 2 January 2019.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

Rentals of all industrial properties fell by 0.4% and 0.1% in 3Q 2018 y-o-y and quarter-on-quarter respectively. The multi-user factories, single-user factories and warehouse rental indices have receded 0.1%, 3.3% and 1.8% y-o-y respectively, whilst business park rentals expanded 4.9% y-o-y. In 3Q 2018, occupancy rate for all industrial space rose 0.4 percentage points q-o-q largely due to a 1.0 and 0.9 percentage points increase in business park and warehouse occupancy rates respectively².

Australia

The Australia economy grew by 3.0% or 2.8% on a seasonally adjusted basis y-o-y in 3Q 2018³. The household sector drove domestic growth with increased consumption supported by moderate rises in household income. Household consumption rose 0.3% driven by non-discretionary spending on food and housing. Household gross disposable income continued to grow at a slow pace due to moderate growth in household income being partially offset by a rise in income tax payable.

GDP growth is expected to be around 3.5% on average over 2018 and 2019. Accommodative monetary policy and tighter-than-anticipated labour market conditions are expected to provide ongoing support to growth in household income, consumption and business investment⁴.

A high level of office transaction activity was recorded in 2018 September quarter, maintaining the momentum as well as a significant number of assets brought on market. Rental growth for Australia's office asset profile is expected to continue and yields continuing to compress into 2019. In the Australia industrial sector, a high volume of industrial leasing activity transactions were recorded in 2018 September quarter, with majority in Sydney, Melbourne and Brisbane. The Adelaide industrial market has seen sales volumes significantly improve, aided by the abolishment of stamp duty for commercial transactions and underpinned by significant investment in infrastructure.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 23rd distribution for the financial period from 1 October 2018 to 31 December 2018

Distribution Type	<u>Taxable</u>
Distribution rate (cents per unit)	1.451

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%.

² Source: JTC quarterly rental index of industrial space.

³ Source: Australian Bureau of Statistics.

⁴ Source: Reserve Bank of Australia

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

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, 29 January 2019 for the purposes of determining each Unitholder's entitlement to Soilbuild REIT's distribution. The ex-dividend date will be on Monday, 28 January 2019.

Date Payable: Thursday, 28 February 2019

(b) Corresponding period of the preceding financial period

Name of distribution: 19th distribution for the financial period from 1 October 2017 to 31 December 2017

Distribution Type	<u>Taxable</u>
Distribution rate (cents per unit)	1.383

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, 30 January 2018

Date Payable: Wednesday, 28 February 2018

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

Not applicable.

13. Segmented Revenue and Results

By Business Segment

	YTD FY2018		YTD FY2017		4Q FY2018		4Q FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Business Park	31,286	37%	27,431	32%	9,931	39%	6,826	33%
Industrial	52,479	63%	57,386	68%	15,852	61%	13,921	67%
	83,765	100%	84,817	100%	25,783	100%	20,747	100%

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

	YTD FY2018		YTD FY2017		4Q FY2018		4Q FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Business Park	25,225	36%	24,030	33%	6,828	33%	5,952	34%
Industrial	44,704	64%	49,451	67%	13,644	67%	11,800	66%
	69,929	100%	73,481	100%	20,472	100%	17,752	100%

By Geographical Segment

	YTD FY2018		YTD FY2017		4Q FY2018		4Q FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Singapore	81,968	98%	84,817	100%	23,986	93%	20,747	100%
Australia	1,797	2%	-	-	1,797	7%	-	-
	83,765	100%	84,817	100%	25,783	100%	20,747	100%

	YTD FY2018		YTD FY2017		4Q FY2018		4Q FY2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Singapore	68,314	98%	73,481	100%	18,857	92%	17,752	100%
Australia	1,615	2%	-	-	1,615	8%	-	-
	69,929	100%	73,481	100%	20,472	100%	17,752	100%

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

The increase in revenue contribution from the Business Park segment is mainly due to the conversion of Solaris into a multi-tenanted property in August 2018. The reduction in revenue contribution from the Industrial segment is largely due to the divestment of KTL Offshore in February 2018.

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

The increase in revenue and net property income contribution from Australia is due to the acquisition of 14 Mort Street and Inghams Burton in October 2018.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

14. Breakdown of Gross Revenue and Net Income

	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	Variance %
Revenue reported for the first half year	38,182	43,535	(12.3)
Net income for the first half year	25,385	27,225	(6.8)
Revenue reported for second half year	45,583	41,282	10.4
Net income for second half year ¹	24,671	24,996	(1.3)

Footnote 1: Comprises net income before tax less tax expense.

15. Breakdown of Total Distributions

	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
From 1 January to 31 March	13,959	15,568
From 1 April to 30 June	13,354	15,362
From 1 July to 30 September	13,179	14,428
From 1 October to 31 December	15,392	14,551
Total	55,884	59,909

16. If Soilbuild REIT has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(i)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Soilbuild REIT has not obtained a general mandate from Unitholders for IPTs.

17. 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 October 2018 to 31 December 2018, 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.

18. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial Unitholder of Soilbuild REIT.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER ("4Q FY2018") AND FINANCIAL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018 ("YTD FY2018")

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

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

For and on behalf of the Board of Directors of SB REIT Management Pte. Ltd.

Mr Ng Fook Ai Victor
Director

Mr Chong Kie Cheong
Director

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

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

21 January 2019