

IMPORTANT NOTICE

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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States (“U.S.”) nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space Real Estate Investment Trust (“**Soilbuild REIT**”)) (the “**Issuer**”), SB REIT Management Pte. Ltd. (as manager of Soilbuild REIT), DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, SB REIT Management Pte. Ltd. (as manager of Soilbuild REIT) or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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SOILBUILD BUSINESS SPACE REIT

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

Managed by

SB REIT Management Pte. Ltd.

(UEN/Company Registration No. 201224644N)

S\$500,000,000

Multicurrency Debt Issuance Programme (the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "Notes") and perpetual securities (the "Perpetual Securities" and together with the Notes, the "Securities") to be issued from time to time by DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT ("Soilbuild REIT")) (the "Issuer") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, Soilbuild REIT, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or such Securities.

Sole Arranger



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NOTICE

DBS Bank Ltd. (the “**Arranger**”) has been authorised by DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT (“**Soilbuild REIT**”)) (the “**Issuer**”) to arrange the S\$500,000,000 Multicurrency Debt Issuance Programme (the “**Programme**”) described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, Soilbuild REIT, the Soilbuild REIT Manager (as defined herein), the Group (as defined herein), the Programme and the Securities.

The Issuer confirms that this Information Memorandum contains all information relating to itself (in its personal capacity as well as its capacity as trustee of Soilbuild REIT), Soilbuild REIT, the Soilbuild REIT Manager and the assets of Soilbuild REIT (the “**Soilbuild REIT Sections**”) which is material in the context of the Programme and the issue and offering of the Securities, that all the information contained in the Soilbuild REIT Sections in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in the Soilbuild REIT Sections of this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held and that there are no other facts the omission of which in the context of the Programme and the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

The Soilbuild REIT Manager confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Securities, that all the information in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held and that there are no other facts the omission of which in the context of the Programme and the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than Variable Rate Notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of Variable Rate Notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same issue date or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Issuer and the relevant Dealer (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as

defined herein) issued in relation to each series or tranche of Notes (the “**Redemption Amount**”). Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer. Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein), shall be S\$500,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, Soilbuild REIT or any of the subsidiaries (if any) or associated companies (if any) of Soilbuild REIT. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and Securities in bearer form are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, Soilbuild REIT, the Soilbuild REIT Manager or any of the subsidiaries (if any) or associated companies (if any) of Soilbuild REIT or any statement of fact or information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription therefor, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer, Soilbuild REIT, the Soilbuild REIT Manager or the subsidiaries (if any) or associated companies (if any) of Soilbuild REIT. Further, neither the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, Soilbuild REIT, the subsidiaries (if any) or associated companies (if any) of Soilbuild REIT or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, Soilbuild REIT and the subsidiaries (if any) and associated companies (if any) of Soilbuild REIT, and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, Soilbuild REIT and the subsidiaries (if any) and associated companies (if any) of Soilbuild REIT. Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly

contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Soilbuild REIT Manager or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports or audited accounts and/or unaudited published financial statements (consolidated in the case of Soilbuild REIT) of Soilbuild REIT and its subsidiaries (if any) or associated companies (if any) and any notes to the accounts in connection therewith and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein).

Any subscription for, purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section “Subscription, Purchase and Distribution” on pages 181 to 182 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective purchasers of Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of Securities.

Prospective investors should pay attention to the investment considerations set out in the section “Investment Considerations”.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “project”, “aim”, “seek”, “may”, “will”, “would”, “should” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer, Soilbuild REIT and/or the Group (including statements as to the Issuer’s, Soilbuild REIT’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of Soilbuild REIT and/or the Group, expected growth in Soilbuild REIT and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Soilbuild REIT and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail under, in particular, but not limited to, the section “Investment Considerations” herein.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of Soilbuild REIT or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and other forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Soilbuild REIT Manager, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of Soilbuild REIT or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer, Soilbuild REIT, the Soilbuild REIT Manager, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or on the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Soilbuild REIT Manager, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

- “Agency Agreement”** : The Agency Agreement dated 24 April 2015 between (1) the Issuer, as issuer, (2) the Principal Paying Agent, as principal paying agent, CDP transfer agent and CDP registrar, (3) the Non-CDP Paying Agent, as non-CDP paying agent and non-CDP transfer agent, (4) the Non-CDP Registrar, as non-CDP registrar, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
- “Arranger”** : DBS Bank Ltd.
- “Business Day”** : In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s and, in the case of Non-CDP Securities, the Non-CDP Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency.
- “Calculation Agent”** : In relation to any Series of Securities, the person appointed as calculation agent pursuant to the terms of the Calculation Agency Agreement as specified in the applicable Pricing Supplement (or such other calculation agent as may be appointed from time to time pursuant to the Agency Agreement).
- “CDP” or the “Depository”** : The Central Depository (Pte) Limited.
- “CDP System”** : The computerised system operated by the Depository whereby Securities Accounts are maintained by Depositors with the Depository and, *inter alia*, transfers of the Securities are effected electronically between Securities Accounts.

- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
- “CIS Code”** : The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “Conditions”** : (a) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 of the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and
- (b) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 of the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
- “Couponholders”** : The holders of the Coupons.

“Coupons”	: The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
“Dealers”	: Persons appointed as dealers under the Programme.
“Definitive Securities”	: A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue.
“Directors”	: The directors (including alternate directors, if any) of the Soilbuild REIT Manager as at the date of this Information Memorandum, unless otherwise stated.
“Depositors”	: At any time, persons (including Depository Agents) having any Securities standing to the credit of their Securities Accounts at that time.
“Depository Agent”	: A corporation authorised by the Depository to maintain Sub-Accounts.
“Extraordinary Resolution”	: A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the total number of votes cast.
“FY”	: Financial year ended or ending 31 December.
“GFA”	: Gross floor area.
“Global Certificate”	: A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) a common depository for Euroclear and/or Clearstream, Luxembourg, (ii) CDP and/or (iii) any other clearing system.
“Global Security”	: A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
“Group”	: Soilbuild REIT and its subsidiaries.
“IRAS”	: Inland Revenue Authority of Singapore.
“Issuer” or “Soilbuild REIT Trustee”	: DBS Trustee Limited (in its capacity as trustee of Soilbuild REIT).
“ITA”	: Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
“JTC”	: JTC Corporation.
“Latest Practicable Date”	: 31 March 2016.
“Listing Manual”	: The Listing Manual of the SGX-ST.
“MAS”	: The Monetary Authority of Singapore.

“Moody’s”	: Moody’s Investors Service, Inc. or its successors.
“Non-CDP Securities”	: Each Series of Securities other than Securities which have been or will be cleared through the CDP System.
“Non-CDP Paying Agent”	: Deutsche Bank AG, Hong Kong Branch.
“Non-CDP Registrar”	: Deutsche Bank Luxembourg S.A.
“Non-CDP Transfer Agent”	: Deutsche Bank AG, Hong Kong Branch.
“Noteholders”	: The holders of the Notes.
“Notes”	: The multicurrency medium term notes issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates).
“Permanent Global Security”	: A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security, being substantially in the form set out in Schedule 3 or, as the case may be, Schedule 7 to the Trust Deed.
“Perpetual Securities”	: The multicurrency perpetual securities issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates).
“Perpetual Securityholders”	: The holders of the Perpetual Securities.
“Pricing Supplement”	: In relation to any Tranche or Series, a pricing supplement, supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 or, as the case may be, Appendix 3 to the Programme Agreement.
“Principal Paying Agent”	: (1) (in the case of Securities cleared through the CDP System) Deutsche Bank AG, Singapore Branch and (2) (in the case of Non-CDP Securities) the Non-CDP Paying Agent.
“Programme”	: The S\$500,000,000 Multicurrency Debt Issuance Programme established by the Issuer pursuant to the Programme Agreement.

“Programme Agreement”	: The Programme Agreement dated 24 April 2015 made between (1) the Issuer, as issuer, (2) the Soilbuild REIT Manager, as manager of Soilbuild REIT, and (3) DBS Bank Ltd., as arranger and dealer, as amended, varied or supplemented from time to time.
“Property Funds Appendix”	: Appendix 6 to the CIS Code issued by the MAS in relation to real estate investment trusts.
“Property Manager”	: SB Property Services Pte. Ltd., as property manager of Soilbuild REIT.
“REIT”	: Real estate investment trust.
“Registered Securities”	: Securities in registered form.
“Registrar”	: (1) (in the case of Securities cleared through the CDP System) the CDP Registrar and (2) (in the case of Non-CDP Securities) the Non-CDP Registrar.
“Securities”	: The Notes and the Perpetual Securities.
“Securities Accounts”	: The securities accounts of the Depositors maintained with the Depository (but does not include Sub-Accounts).
“Securities Act”	: The Securities Act of 1933 of the United States, as amended or modified from time to time.
“Securityholders”	: The Noteholders and the Perpetual Securityholders.
“Senior Perpetual Securities”	: Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
“Series”	: (a) (in relation to Securities other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than Variable Rate Notes) interest or (in the case of Perpetual Securities) distribution and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“Soilbuild REIT”	: Soilbuild Business Space REIT established in Singapore as a collective investment scheme and constituted by the Soilbuild REIT Trust Deed.

- “Soilbuild REIT Manager”** : SB REIT Management Pte. Ltd., as manager of Soilbuild REIT.
- “Soilbuild REIT Trust Deed”** : The first amending and restating deed dated 29 July 2013 made between (1) the Soilbuild REIT Manager, as manager, and (2) DBS Trustee Limited, as trustee, amending and restating a deed of trust dated 13 December 2012 constituting Soilbuild REIT, as further amended, modified and supplemented from time to time.
- “Sponsor”** : Soilbuild Group Holdings Ltd., as sponsor of Soilbuild REIT.
- “sq ft”** : Square feet.
- “Subordinated Perpetual Securities”** : Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
- “subsidiary”** : Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act), and in relation to Soilbuild REIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate):
- (i) which is controlled, directly or indirectly, by the Issuer; or
 - (ii) more than half the interests of which is beneficially owned, directly or indirectly, by the Issuer; or
 - (iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies,
- and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by Soilbuild REIT if Soilbuild REIT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
- “Sub-Accounts”** : The securities sub-accounts maintained by each Depository Agent for its own account and for the account of its clients.
- “Talons”** : Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.

“TARGET System”	: The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
“Temporary Global Security”	: A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 or, as the case may be, Schedule 6 to the Trust Deed.
“Tranche”	: Securities which are identical in all respects (including as to listing).
“Transfer Agent”	: (1) (in the case of Securities cleared through the CDP System) the CDP Transfer Agent and (2) (in the case of Non-CDP Securities) the Non-CDP Transfer Agent.
“Trust Deed”	: The Trust Deed dated 24 April 2015 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied and supplemented by a supplemental trust deed dated 3 June 2016 made between the same parties, and as further amended, varied or supplemented from time to time.
“Trustee”	: DB International Trust (Singapore) Limited.
“Unit”	: An undivided interest in Soilbuild REIT as provided for in the Soilbuild REIT Trust Deed.
“Unitholders”	: Unitholders of Soilbuild REIT.
“United States” or “U.S.”	: United States of America.
“US\$” or “US dollars”	: United States dollars.
“S\$” and “cents”	: Singapore dollars and cents respectively.
“%”	: Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Issuer	: DBS Trustee Limited (in its capacity as trustee of Soilbuild REIT) 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982
Auditors for Soilbuild REIT	: Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583
Soilbuild REIT Manager	: SB REIT Management Pte. Ltd. 25 Changi South Street 1 SB Building Singapore 486059
Board of Directors of the Soilbuild REIT Manager	: Mr Chong Kie Cheong Mr Ng Fook Ai Victor Mr Michael Ng Seng Tat Mr Lim Chap Huat Mr Ho Toon Bah Ms Lim Cheng Hwa
Company Secretary	: Ms Susie Low Geok Eng
Registered Office	: 25 Changi South Street 1 Singapore 486059
Arranger of the Programme	: DBS Bank Ltd. 12 Marina Boulevard Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger (as at the date of establishment of the Programme)	: Allen & Gledhill LLP #28-00 One Marina Boulevard Singapore 018989
Legal Advisers to the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the Registrar and the Transfer Agent (as at the date of establishment of the Programme)	: Allen & Gledhill LLP #28-00 One Marina Boulevard Singapore 018989
Legal Advisers to the Soilbuild REIT Manager (as at the date of establishment of the Programme)	: Allen & Gledhill LLP #28-00 One Marina Boulevard Singapore 018989

Legal Advisers to the Soilbuild REIT Trustee (as at the date of establishment of the Programme)	: Shook Lin & Bok LLP #18-00 AIA Tower Singapore 048542
Principal Paying Agent, CDP Registrar and CDP Transfer Agent	: Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent and Non-CDP Transfer Agent	: Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Non-CDP Registrar	: Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-1115 Luxembourg
Trustee for the Securityholders	: DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	: DBS Trustee Limited (in its capacity as trustee of Soilbuild REIT).
Arranger	: DBS Bank Ltd.
Dealers	: DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	: DB International Trust (Singapore) Limited.
Principal Paying Agent, CDP Transfer Agent and CDP Registrar	: Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent and Non-CDP Transfer Agent	: Deutsche Bank AG, Hong Kong Branch.
Non-CDP Registrar	: Deutsche Bank Luxembourg S.A.
Description	: S\$500,000,000 Multicurrency Debt Issuance Programme.
Programme Size	: The maximum aggregate principal amount of the Securities outstanding at any time shall be S\$500,000,000 (or its equivalent in other currencies) or such higher amount as may be agreed between the Issuer, the Soilbuild REIT Manager and the Arranger.
Currency	: Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	: The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for (a) the purpose of (1) refinancing the existing borrowings of the Group, (2) financing or refinancing the acquisitions and/or investments of Soilbuild REIT and any development and asset enhancement works initiated by Soilbuild REIT, (3) financing general working capital purposes and capital expenditure requirements of the Group or (b) such other purpose as may be specified in the relevant Pricing Supplement.

- Method of Issue : Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis, in accordance with the requirements of the Issuer. The Securities may be issued in Series in accordance with the requirements of the Issuer. The terms for each Series shall be agreed between the Issuer and the Dealer. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
- Issue Price : Securities may be issued at par or at a discount, or premium, to par.
- Form and Denomination : The Securities will be issued in bearer form or registered form and in such denomination as may be agreed between the Issuer and the relevant Dealer. Each Tranche or Series of Bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein. Each Tranche or Series of registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be transferred, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.
- Record Date for Global Certificates registered in the name of, or in the name of a nominee of, a common depository for Euroclear and/or Clearstream, Luxembourg : So long as the Securities of any Series and/or Tranche are represented by a Global Certificate and the Global Certificate for such Series and/or Tranche of Securities is registered in the name of, or in the name of a nominee of, a common depository for Euroclear and/or Clearstream, Luxembourg, the "**Record Date**" for such Series and/or Tranche of Securities shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

- Custody of the Securities : Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and Clearstream, Luxembourg.
- Non-Disposal Covenant : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it will not, and will ensure that none of the subsidiaries of Soilbuild REIT will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets or any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the Issuer or Soilbuild REIT. The following disposals shall not be taken into account under Clause 16.28 of the Trust Deed:
- (i) disposals in the ordinary course of business on arm's length and on normal commercial terms;
 - (ii) any exchange of assets for other assets of a similar nature and value;
 - (iii) any disposal of assets which are obsolete or no longer required for the purpose of its business;
 - (iv) any short term investment of funds not immediately required in its business and any realisation of such investment;
 - (v) any disposal or transfer of assets to Soilbuild REIT, any of the subsidiaries of Soilbuild REIT or any real estate investment trust, property fund trust or other similar entity established by Soilbuild REIT or any of its subsidiaries;
 - (vi) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;
 - (vii) any lawful distribution to the holders of the units of Soilbuild REIT; and
 - (viii) any disposal approved by the Securityholders by way of an Extraordinary Resolution.

- Further Covenants : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, *inter alia*, it will (i) comply in all material respects, and shall procure that Soilbuild REIT and the subsidiaries of Soilbuild REIT comply in all material respects, with the terms and conditions of all laws and regulations applicable to Soilbuild REIT and its subsidiaries and (ii) comply, and shall procure that Soilbuild REIT and the subsidiaries of Soilbuild REIT comply, with the SFA, the CIS Code, the Property Funds Appendix and other relevant codes and guidelines on collective investment schemes issued by the MAS.
- Listing : Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, please see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
- Governing Law : The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

NOTES

- Maturities** : Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
- Mandatory Redemption** : Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
- Interest Basis** : Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest.
- Fixed Rate Notes** : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
- Floating Rate Notes** : Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
- Variable Rate Notes** : Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Hybrid Notes** : Hybrid Notes will bear interest during the fixed rate period, to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).

- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
- Status of the Notes : The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- Optional Redemption and Purchase : If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders.
- Redemption on Termination of Soilbuild REIT : In the event that Soilbuild REIT is terminated in accordance with the provisions of the Soilbuild REIT Trust Deed, the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of Soilbuild REIT.
- The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of Soilbuild REIT.
- Redemption upon Cessation or Suspension of Trading of Units in Soilbuild REIT : In the event that (i) the units in Soilbuild REIT cease to be traded on the SGX-ST or (ii) trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven market days.

Negative Pledge

: So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of the subsidiaries of Soilbuild REIT will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital), save for:

- (i) (1) any security created over any asset existing on the date of the Trust Deed which has been disclosed to the Trustee in writing on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the original credit facilities secured by such asset, or (2) any security over any asset referred to in (1) above created in connection with the taking out of new credit facilities extended by banks and other financial institutions to the Group which ranks, in point of priority, completely after such security referred to in (1) above, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into account such credit facility;
- (ii) any liens or rights of set-off arising solely by operation of law and in the ordinary course of its business, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;
- (iii) any security over any assets acquired, renovated, refurbished or developed after the date of the Trust Deed for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development or any refinancing thereof and securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development (as determined by the Trustee);
- (iv) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods;

- (v) any security existing at the time of the acquisition of any asset directly or indirectly acquired after the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to the Group and any substitute security created on that asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by the security over such asset at any time;
- (vi) any security created on any asset after the date of the Trust Deed for the sole purpose of securing moneys raised pursuant to the issuance (whether by it or a special purpose vehicle) of any commercial mortgage-backed securities (“**CMBS**”) or any security to be created over any asset to be substituted for any asset which is the subject matter of such CMBS, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into consideration such moneys raised pursuant to the issuance of CMBS;
- (vii) any security over any assets created in connection with credit facilities extended by banks and other financial institutions to the Group at any time and from time to time, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into consideration such credit facilities; and
- (viii) any other security created or permitted to subsist, the terms of which have been approved by the Noteholders by way of an Extraordinary Resolution.

Terms used in this paragraph have the same meanings ascribed to them in the Conditions.

Financial Covenants

- : The Issuer has covenanted with the Trustee in the Trust Deed that, so long as any Note or Coupon remains outstanding, it will ensure that:
- (i) the ratio of the Consolidated Total Borrowings to the Consolidated Total Assets will not at any time be more than 0.60:1; and
 - (ii) the ratio of the Consolidated EBITDA to Consolidated Interest Expense will not at any time be less than 1.5:1.

Terms used in this paragraph have the same meanings ascribed to them in the Conditions.

- Events of Default : See Condition 10 of the Notes.
- Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.

PERPETUAL SECURITIES

- No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 of the Perpetual Securities and without prejudice to Condition 9 of the Perpetual Securities), only have the right to redeem or purchase them in accordance with the provisions of Condition 5 the Perpetual Securities.
- Distribution Basis : Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
- Fixed Rate Perpetual Securities : Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
- Floating Rate Perpetual Securities : Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Distribution Discretion

- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice to the Trustee, the Principal Paying Agent, the Registrar and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than three business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the "Reference Period" (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (a) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations (as defined in the Conditions of the Perpetual Securities) or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations (as defined in the Conditions of the Perpetual Securities); or
- (b) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration, and/or as otherwise specified in the applicable Pricing Supplement, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral

: If Non-Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (an “**Optional Distribution**”) in whole or in part by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

If Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of
Non-Payment

: If Dividend Stopper is set out on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of the subsidiaries of Soilbuild REIT shall:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

- Status of the Senior Perpetual Securities : The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- Status of the Subordinated Perpetual Securities : The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with any Parity Obligations of the Issuer.
- Subordination of Subordinated Perpetual Securities : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer or Soilbuild REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the winding-up of the Issuer or Soilbuild REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Soilbuild REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Soilbuild REIT Notional Preferred Units**”) having an equal right to return of assets in the winding-up of the Issuer or Soilbuild REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the winding-up of the Issuer or Soilbuild REIT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Soilbuild REIT Notional Preferred Unit on a return of assets in such winding-up of the Issuer or Soilbuild REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities.

Set-off in relation to Subordinated Perpetual Securities

: Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Issuer's or Soilbuild REIT's winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer or Soilbuild REIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer or Soilbuild REIT) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face of the Perpetual Security and the relevant Pricing Supplement, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

Redemption for Taxation
Reasons

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax Act (Qualifying Debt Securities) Regulations; or
 - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and
 - (2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Soilbuild REIT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of Soilbuild REIT pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

- (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position issued or announced before the Issue Date,

payments of distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer which would otherwise have been regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be so regarded.

Redemption in the case of Minimal Outstanding Amount

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption upon a Regulatory Event

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage (as defined in Condition 5(g) of the Perpetual Securities) under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

- Redemption upon a Ratings Event
- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.
- Redemption upon Cessation or Suspension of Trading of Units
- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, in the event that (i) the units in Soilbuild REIT cease to be traded on the SGX-ST or (ii) trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption). For the purposes of the paragraph above,
- (A) “**Effective Date**” means (in the case where the units in Soilbuild REIT cease to be traded on the SGX-ST) the date of cessation of trading or (in the case where trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and
- (B) “**market day**” means a day on which the SGX-ST is open for securities trading.

- Limited right to institute proceedings in relation to Perpetual Securities : The right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
- Proceedings for winding-up : If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or Soilbuild REIT or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such default continues for a period of three business days, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer or Soilbuild REIT and/or prove in the winding-up of the Issuer or Soilbuild REIT and/or claim in the liquidation of the Issuer or Soilbuild REIT for such payment.
- Taxation : Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of Soilbuild REIT, and Soilbuild REIT may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

For further details, please see the section on "Singapore Taxation" herein.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed dated 24 April 2015 made between (1) DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT (“**Soilbuild REIT**”)), as issuer (the “**Issuer**”), and (2) DB International Trust (Singapore) Limited, as trustee for the Noteholders (as defined below) (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed) (as amended, varied and supplemented by a supplemental trust deed dated 3 June 2016 made between the same parties, and as further amended, varied and supplemented from time to time, the “**Trust Deed**”) and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the “**Deed of Covenant**”) dated 24 April 2015, relating to the Notes executed by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented from time to time, the “**Agency Agreement**”) dated 24 April 2015 made between (1) the Issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**” and, together with any other paying agents that may be appointed, the “**Paying Agents**”), transfer agent in respect of Securities (as defined in the Trust Deed) cleared through the CDP System (as defined in the Trust Deed) (in such capacity, the “**CDP Transfer Agent**”) and registrar in respect of Securities cleared through the CDP System (in such capacity, the “**CDP Registrar**”), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Non-CDP Securities (as defined in the Trust Deed) (in such capacity, the “**Non-CDP Paying Agent**”) and transfer agent in respect of Non-CDP Securities (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”), (4) Deutsche Bank Luxembourg S.A., as registrar in respect of Non-CDP Securities (the “**Non-CDP Registrar**” and, together with the CDP Registrar, the “**Registrars**”), and (5) the Trustee. The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall with respect to Non-CDP Notes (as defined in the Trust Deed) be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of Notes cleared through the CDP System, be deemed to be a reference to the CDP Registrar and, in the case of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, and (c) the Transfer Agent shall, in the

case of Notes cleared through the CDP System, be deemed to be a reference to the CDP Transfer Agent and, in the case of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Principal Paying Agent and the Non-CDP Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating such holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be

treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer

Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption or Purchase in respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or exercise notice delivered pursuant to these Conditions and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, exercise notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, exercise notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any other Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of any Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge and Financial Covenants

(a) Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of the subsidiaries of Soilbuild REIT will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital), save for:

- (i) (1) any security created over any asset existing on the date of the Trust Deed which has been disclosed to the Trustee in writing on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the original credit facilities secured by such asset, or (2) any security over any asset referred to in (1) above created in connection with the taking out of new credit facilities extended by banks and other financial institutions to the Group which ranks, in point of priority, completely after such security referred to in (1) above, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into account such credit facility;
- (ii) any liens or rights of set-off arising solely by operation of law and in the ordinary course of its business, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;
- (iii) any security over any assets acquired, renovated, refurbished or developed after the date of the Trust Deed for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development or any refinancing thereof and securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development (as determined by the Trustee);
- (iv) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods;
- (v) any security existing at the time of the acquisition of any asset directly or indirectly acquired after the date of the Trust Deed securing credit facilities extended by banks and other financial institutions to the Group and any substitute security created on that asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by the security over such asset at any time;
- (vi) any security created on any asset after the date of the Trust Deed for the sole purpose of securing moneys raised pursuant to the issuance (whether by it or a special purpose vehicle) of any commercial mortgage-backed securities (“CMBS”) or any security to be created over any asset to be substituted for any asset which is the

subject matter of such CMBS, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into consideration such moneys raised pursuant to the issuance of CMBS;

- (vii) any security over any assets created in connection with credit facilities extended by banks and other financial institutions to the Group at any time and from time to time, provided that the Consolidated Total Secured Debt of the Group shall not exceed in aggregate 55 per cent. of the Consolidated Total Assets of the Group (or its equivalent in any other currency or currencies) after taking into consideration such credit facilities; and
- (viii) any other security created or permitted to subsist, the terms of which have been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any Note or Coupon remains outstanding, it will ensure that:

- (i) the ratio of the Consolidated Total Borrowings to the Consolidated Total Assets will not at any time be more than 0.60:1; and
- (ii) the ratio of the Consolidated EBITDA to Consolidated Interest Expense will not at any time be less than 1.5:1.

(c) Definitions

For the purposes of the Trust Deed and the Conditions:

- (i) “**Consolidated EBITDA**” means, in relation to any Test Period, the aggregate of the net income of the Group during such period before taking into account Consolidated Interest Expense, income tax expense and net change in the fair value of investment properties but making adjustments thereto by adding back depreciation charged and amount attributable to amortisation of goodwill and other intangibles to the extent deducted in arriving at such earnings on ordinary activities during such Test Period;
- (ii) “**Consolidated Interest Expense**” means, in relation to any Test Period, the aggregate amount of interest accrued, paid or payable (including any capitalised interest and commissions paid or payable) by the Group during that Test Period;
- (iii) “**Consolidated Total Assets**” means, at any particular time, the consolidated amount of the book values of all the assets of the Group (as defined in the Trust Deed), determined as assets in accordance with generally accepted accounting principles in Singapore;
- (iv) “**Consolidated Total Borrowings**” means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (and where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation):
 - (A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

- (B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;
 - (C) the liabilities of the Issuer under the Trust Deed or the Notes;
 - (D) all other indebtedness whatsoever of the Group for borrowed moneys; and
 - (E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group (other than those shares which are regarded as equity as reflected in the latest audited consolidated balance sheet of the Group);
- (v) **“Consolidated Total Debt”** means the aggregate of Consolidated Total Borrowings plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including, but without limitation:
- (A) current creditors and taxation payable within 12 months;
 - (B) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;
 - (C) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;
 - (D) all actual and contingent liabilities (only insofar as such liabilities are reflected in the most recently published consolidated quarterly financial statements of the Group) of whatsoever nature of any member of the Group in respect of borrowed moneys including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including the par value (if any) of any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;
 - (E) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms (only insofar as the same are reflected in the most recently published consolidated quarterly financial statements of the Group) or provision of funds in support of obligations of third parties and similar transactions in relation to any property (other than land), and any other amounts due to creditors other than current creditors (other than in relation to land); and
 - (F) amounts standing to the credit of any deferred tax account or tax equalisation reserve,

provided that no liabilities shall be included in a calculation of Consolidated Total Debt more than once.

For the avoidance of doubt, for the purposes of these definitions, any Perpetual Securities issued by the Issuer or any other member of the Group which are accounted for as “equity” shall be treated as such (and not as debt);

- (vi) “**Consolidated Total Secured Debt**” means the portion of Consolidated Total Debt secured by any security interest over any asset of the Group; and
- (vii) “**Test Period**” means each period of three months ending on the last day of each quarter of each of the financial years of Soilbuild REIT.

5. (I) **Interest on Fixed Rate Notes**

(a) **Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 5(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) **Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, “**Fixed Rate Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) **Interest on Floating Rate Notes or Variable Rate Notes**

(a) **Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest

payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) Rate of Interest — Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:
 - (1) in the case of Floating Rate Notes which are SIBOR Notes:
 - (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
 - (C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements

imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and
 - (C) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference

Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest — Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
 - (1) notify or cause the Relevant Dealer to notify the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

- (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “**Spread**” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) **Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means, in respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System

is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

“Euro” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Interest Commencement Date” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“Interest Determination Date” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

“Reference Banks” means the institutions specified as such hereon or, if none, three major banks selected by the Calculation Agent (after consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.
- (ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Note to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.
- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

- (i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.
- (ii) In the event that (1) the units in Soilbuild REIT cease to be traded on the SGX-ST or (2) trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this sub-paragraph (ii) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 6(e)(ii),

- (A) **"Effective Date"** means (in the case where the units in Soilbuild REIT cease to be traded on the SGX-ST) the date of cessation of trading or (in the case where trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and

(B) “**market day**” means a day on which the SGX-ST is open for securities trading.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by two duly authorised signatories for and on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer or any of the related corporations of Soilbuild REIT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of the related corporations of Soilbuild REIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) Redemption upon Termination of Soilbuild REIT

In the event that Soilbuild REIT is terminated in accordance with the provisions of the Soilbuild REIT Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of Soilbuild REIT.

The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of Soilbuild REIT.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of the related corporations of Soilbuild REIT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any of the other Transfer Agents and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the Transfer Agents and the Registrars initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and any Registrar and to appoint additional or other Principal Paying Agents, Non-CDP Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore, (ii) a Transfer Agent in relation to Registered Notes and (iii) a Registrar in relation to Registered Notes.

Notice of any such change or any change of any specified office will be given to the Noteholders within the period specified in the Agency Agreement in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee, without the consent of any Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the Noteholders or the Couponholders.

(e) Unmatured Coupons and unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the

Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons related to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by

the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);
- (b) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so; or
- (c) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**”

shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “principal” and/or “premium” and/or “Redemption Amounts” and/or “interest” and/or “Early Redemption Amounts” shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events (“Events of Default”) occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) when due at the place at and in the currency in which it is expressed to be payable and such default continues for three business days after the due date;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if that default is capable of remedy, it is not remedied within 21 days of the Trustee giving notice of the failure to perform or comply to the Issuer;
- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 21 days of the Trustee giving notice of such non-compliance or incorrectness to the Issuer;
- (d) (i) any other indebtedness of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any originally applicable grace period in any agreement relating to that indebtedness; or
(ii) the Issuer, Soilbuild REIT or any of the Principal Subsidiaries fails to pay when due (taking into account any originally applicable grace period), any amount payable by it under any present or future guarantees for, or indemnities in respect of, any moneys borrowed or raised;

provided however that no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness of which one or more of the events mentioned above in this paragraph (d)(i) and (d)(ii) has/have occurred equals or exceeds S\$20,000,000 (or its equivalent in other currency or currencies);

- (e) the Issuer, Soilbuild REIT or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the indebtedness of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;
- (g) any security on or over the whole or any material part of the property or assets of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries becomes enforceable;
- (h) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed or any other procedure or proceeding is taken with a view to the winding-up or dissolution of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries (except in the case of a Principal Subsidiary of Soilbuild REIT only, for a voluntary winding-up of such Principal Subsidiary for the purposes of and followed by a consolidation, reorganisation, amalgamation, merger or reconstruction, in each case, not involving insolvency and where such event is not likely to have a material adverse effect on the financial condition, business or assets of the Issuer or Soilbuild REIT) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries or over the whole or any part of the property or assets of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries;
- (i) the Issuer, Soilbuild REIT or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (except in the case of a Principal Subsidiary of Soilbuild REIT only, for a voluntary winding-up of such Principal Subsidiary not involving insolvency and where such event is not likely to have a material adverse effect on the financial condition, business or assets of the Issuer or Soilbuild REIT) or (save as permitted by, and in accordance with, the provisions of Clause 16.28 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets;
- (j) any step is taken by any person acting under the authority of any national, regional or local government authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer, Soilbuild REIT or any of the Principal Subsidiaries;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.6 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature or those contested in good faith and, in each case, which are discharged within 21 days) is current or pending against the Issuer, Soilbuild REIT or any of the Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on Soilbuild REIT;
- (o) if (i) (1) the DBS Trustee Limited (“**DBST**”) resigns or is removed; (2) an order is made for the winding-up of DBST, a receiver, judicial manager, administrator, agent or similar officer of DBST is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of DBST which prevents or restricts the ability of the Issuer to perform its obligations under any of the Issue Documents or any of the Notes and (ii) the replacement or substitute trustee of Soilbuild REIT is not appointed in accordance with the terms of the Soilbuild REIT Trust Deed;
- (p) the Soilbuild REIT Manager is removed pursuant to the terms of the Soilbuild REIT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the Soilbuild REIT Trust Deed;
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h), (i) or (j);
- (r) the Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (s) the Issuer loses its right to be indemnified out of the assets of Soilbuild REIT in respect of all liabilities, claims, demands and actions under or in connection with any of the Issue Documents or the Notes;

In these Conditions:

- (A) “**Principal Subsidiary**” means any subsidiary of the Soilbuild REIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the “**transferor**”) shall at any time transfer the whole or any part only of its business, undertaking or assets to another subsidiary or the Issuer (the “**transferee**”) then:
 - (aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if any part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated financial statements of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated financial statements have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated financial statements. A report prepared by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma financial statements required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(B) “**subsidiary**” has the meaning ascribed to it in the Trust Deed.

11. Enforcement of Rights

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption

Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer, the Principal Paying Agent, the Registrar or any other Transfer Agent may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding notes of any Series (including the Notes) or upon such terms

as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single Series with the Notes. Any further notes forming a single Series with the outstanding notes of any Series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of Soilbuild REIT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent and/or the Non-CDP Paying Agent (in the case of Bearer Notes)

or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Principal Paying Agent and/or Non-CDP Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent and/or Non-CDP Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two business days from the date of despatch to the Noteholders.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18. Acknowledgement

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders acknowledge that DBST has entered into the Trust Deed only in its capacity as trustee of Soilbuild REIT and not in its personal capacity and all references to the Issuer in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, DBST has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of Soilbuild REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Notes and the Coupons is given only in its capacity as trustee of Soilbuild REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons is limited to the assets of, or held on trust for, Soilbuild REIT and shall not extend to any personal assets or any assets held by DBST as trustee of any other trust. Any obligation, matter, act, action or thing required to be done, performed or undertaken by DBST under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to Soilbuild REIT (and shall not extend to DBST's obligations in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.
- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed and acknowledged that the Issuer's obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of DBST and the Trustee, the Noteholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of DBST for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.

- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against DBST in its capacity as trustee of Soilbuild REIT and not in DBST's personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.

19. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.
- (b) **Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

20. No immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes and the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consent generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed dated 24 April 2015 made between (1) DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT (“**Soilbuild REIT**”)), as issuer (the “**Issuer**”), and (2) DB International Trust (Singapore) Limited, as trustee for the Perpetual Securityholders (as defined below) (the “**Trustee**”, which expression shall, wherever the context so admits, include such company and all other persons for the time being the trustee or trustees of the Trust Deed) (as amended, varied and supplemented by a supplemental trust deed dated 3 June 2016 made between the same parties, and as further amended, varied and supplemented from time to time, the “**Trust Deed**”) and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended and supplemented, the “**Deed of Covenant**”) dated 24 April 2015, relating to the Perpetual Securities executed by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented from time to time, the “**Agency Agreement**”) dated 24 April 2015 made between (1) the Issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**” and, together with any other paying agents that may be appointed, the “**Paying Agents**”), transfer agent in respect of Securities (as defined in the Trust Deed) cleared through the CDP System (as defined in the Trust Deed) (in such capacity, the “**CDP Transfer Agent**”) and registrar in respect of Securities cleared through the CDP System (in such capacity, the “**CDP Registrar**”), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Non-CDP Securities (as defined in the Trust Deed) (in such capacity, the “**Non-CDP Paying Agent**”) and transfer agent in respect of Non-CDP Securities (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”), (4) Deutsche Bank Luxembourg S.A., as registrar in respect of Non-CDP Securities (the “**Non-CDP Registrar**” and, together with the CDP Registrar, the “**Registrars**”), and (5) the Trustee. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall with respect to Non-CDP Perpetual Securities (as defined in the Trust Deed) be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of Perpetual Securities cleared through the CDP System, be deemed to be a reference to the CDP Registrar and, in the case of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (c) the Transfer Agent shall, in the case of Perpetual Securities

cleared through the CDP System, be deemed to be a reference to the CDP Transfer Agent and, in the case of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Principal Paying Agent and the Non-CDP Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”) in each case in the Denomination Amount shown hereon.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating such holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in

the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Perpetual Securityholder**” means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and “**holder**” (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and “**Tranche**” means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

- (a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.
- (b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless

otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

- (c) **Exercise of Options or Partial Redemption or Purchase in respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any other Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days ending on the due date for redemption of any Perpetual Security, (ii) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (iii) after any such Perpetual Security has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means any instrument or security (including without limitation any preference units in Soilbuild REIT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Soilbuild REIT Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer or Soilbuild REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the winding-up of the Issuer or Soilbuild REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Soilbuild REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Soilbuild REIT Notional Preferred Units**”) having an equal right to return of assets in the winding-up of the Issuer or Soilbuild REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the winding-up of the Issuer or Soilbuild REIT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Soilbuild REIT Notional Preferred Unit on a return of assets in such winding-up of the Issuer or Soilbuild REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution

Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Issuer's or Soilbuild REIT's winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer or Soilbuild REIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer or Soilbuild REIT) and accordingly any such discharge shall be deemed not to have taken place.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its Calculation Amount (as defined in Condition 4(II)(c)) from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Securities is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement)
 - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
 - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from the Distribution Commencement Date to the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement) (1) for the period from the Distribution Commencement Date to the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to the immediately following Reset Date, the Reset Distribution Rate.

Provided always that if Redemption upon Cessation or Suspension of Trading of Units is specified on the face of such Perpetual Security and a Cessation or Suspension Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension Event (as defined in Condition 5(i)) has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(i), the then prevailing Distribution Rate shall be increased by the Cessation or Suspension Event Margin (as applicable) with effect from (and including) the Distribution Payment Date immediately following the date on which Cessation or Suspension Event occurred (or, if the Cessation or Suspension Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purpose of these Conditions:

“Reset Distribution Rate” means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension Event Margin (if applicable); and

“Swap Offer Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded

up, if necessary, to the nearest four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank.

(c) Calculation of Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Reset Date, determine the applicable Reset Distribution Rate or (if a Cessation or Suspension Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Change of Control Event and/or a Cessation or Suspension Event has occurred) the applicable Distribution Rate determined by it to be notified to the Principal Paying Agent, the Trustee, the Registrar, the Issuer and the Soilbuild REIT Manager as soon as practicable after their determination but in no event later than the fourth business day thereafter. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Perpetual Securityholders.

(d) Publication of relevant Reset Distribution Rate

The Issuer shall cause notice of the then applicable Reset Distribution Rate or (if a Cessation or Suspension Event has occurred) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination.

(e) Determination or Calculation by Trustee

If the Calculation Agent does not at any material time for any reason so determine the applicable Reset Distribution Rate or (if a Cessation or Suspension Event has occurred) the applicable Distribution Rate, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the provisions of this Condition 4(l), with any necessary consequential amendments, to the extent that, in its opinion, it can do so and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of distribution payable per Calculation Amount in respect of a Fixed Rate Distribution Period, for any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of this Condition 4(l)(f), “**Fixed Rate Distribution Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its Calculation Amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date (“**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security (the “**Specified Number of Months**”) after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date

shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Distribution Commencement Date and ending on the first Distribution Payment Date and each successive period beginning on a Distribution Payment Date and ending on the next succeeding Distribution Payment Date is herein called a “**Distribution Period**”.

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Distribution - Floating Rate Perpetual Securities

- (i) Each Floating Rate Perpetual Security confers a right to receive distribution on its Calculation Amount at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The “Spread” and the “Step-Up Spread” are the percentage rates per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the “**Rate of Distribution**”.

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:
- (1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME”

and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

- (B) if on any Distribution Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00hrs London Time” under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
 - (B) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and
 - (C) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Perpetual Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day on (other than a Saturday, Sunday or gazetted public holiday) which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 4:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

“Distribution Commencement Date” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“Distribution Determination Date” means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“Euro” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

“Reference Banks” means the institutions specified as such hereon or, if none, three major banks selected by the Calculation Agent (after consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

“Relevant Time” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the **“Distribution Amounts”**) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Principal Paying Agent, the Registrar and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than three business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the “Reference Period” (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (i) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer’s Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer’s Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration, and/or as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer (each, a “**Compulsory Distribution Payment Event**”) and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions, “**Junior Obligation**” means any class of equity capital in Soilbuild REIT and any instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Soilbuild REIT.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No obligation to pay

If Optional Payment is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

- (i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (an “**Optional**”

Distribution) in whole or in part by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis.

- (ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.
- (iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of the subsidiaries of Soilbuild REIT shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer’s Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer’s Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of any of the Issuer’s Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer’s Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in

the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 15 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer or Soilbuild REIT.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA") and Regulation 2 of the Income Tax Act (Qualifying Debt Securities) Regulations; or
 - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and

- (2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Principal Paying Agent:

- (A) a certificate signed by two duly authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal, tax or other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, "SFRS") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Soilbuild REIT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of Soilbuild REIT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Principal Paying Agent:

- (A) a certificate, signed by two duly authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee and the Principal Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position issued or announced before the Issue Date,

payments of distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer which would otherwise have been regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, so regarded.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Principal Paying Agent:

- (A) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect,

and the Trustee and the Principal Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon a Regulatory Event

If so provided hereon, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable and shall oblige the Issuer to redeem the Perpetual Securities), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a "**Regulatory Event**"), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(g), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Principal Paying Agent:

- (i) a certificate, signed by two authorised signatories of the Issuer or two authorised signatories of the Soilbuild REIT Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect,

and the Trustee and the Principal Paying Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(g).

For the purposes of this Condition 5(g):

- (1) **“Aggregate Leverage”** means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix;
- (2) **“Property Funds Appendix”** means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore;

(h) Redemption upon a Ratings Event

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time (**“Ratings Event”**).

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Principal Paying Agent a certificate, signed by two duly authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances.

(i) Redemption upon Cessation or Suspension of Trading of Units

If so provided hereon, in the event that (i) the units in Soilbuild REIT cease to be traded on the SGX-ST or (ii) trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days (each, a **“Cessation or Suspension Event”**), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if earlier, the date falling 45 days after the Effective Date, at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption). The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Perpetual Securityholders of the occurrence of the event specified in this Condition 5(i).

In this Condition 5(i),

- (A) **“Effective Date”** means (in the case where the units in Soilbuild REIT cease to be traded on the SGX-ST) the date of cessation of trading or (in the case where trading in the units in Soilbuild REIT on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and
- (B) **“market day”** means a day on which the SGX-ST is open for securities trading.

(j) Purchase

The Issuer or any of the related corporations of Soilbuild REIT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer or any of the related corporations of Soilbuild REIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may, at the option of the Issuer or relevant related corporation, be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation or stock exchange.

(k) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer or any of the related corporations of Soilbuild REIT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any of the other Transfer Agents and in the manner provided in Condition 6(b)(ii).
- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application

by the Perpetual Securityholder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the Transfer Agents and the Registrars initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and any Registrar and to appoint additional or other Principal Paying Agents, Non-CDP Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore, (ii) a Transfer Agent in relation to Registered Perpetual Securities and (iii) a Registrar in relation to Registered Perpetual Securities.

Notice of any such change or any change of any specified office will be given to the Perpetual Securityholders within the period specified in the Agency Agreement in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee, without the consent of any Perpetual Securityholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the Perpetual Securityholders or the Couponholders.

(e) Unmatured Coupons and unexchanged Talons

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unexpired Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons relating to it, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the Perpetual Securityholder shall not be entitled to payment until the following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

- (b) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so; or
- (c) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of Soilbuild REIT, and Soilbuild REIT may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts, principal, premium, Redemption Amount or distribution (as the case may be) which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for winding-up

If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or Soilbuild REIT or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such default continues for a period of three business days (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer or Soilbuild REIT and/or prove in the winding-up of the Issuer or Soilbuild REIT and/or claim in the liquidation of the Issuer or Soilbuild REIT for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may, at its discretion and without further notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Rights of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer and/or Soilbuild REIT or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders’ remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

(g) Damages subject to Subordination

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 8.3 of the Trust Deed.

10. Meetings of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to amend the subordination provisions of the Perpetual Securities, (g) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If any Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, at the specified office of the Principal Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to the Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer, the Principal Paying Agent, the Registrar and any other Transfer Agent may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding perpetual securities of any Series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single Series with the Perpetual Securities. Any further perpetual securities forming a single Series with the outstanding perpetual securities of any Series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other perpetual securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other Series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the related corporations of Soilbuild REIT without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Principal Paying Agent and/or Non-CDP Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Principal Paying Agent and/or Non-CDP Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent and/or Non-CDP Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition 14, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two business days from the date of despatch to the Perpetual Securityholders.

15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

16. Acknowledgment

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, the Trustee, the Perpetual Securityholders and the Couponholders acknowledge that DBS Trustee Limited (“**DBST**”) has entered into the Trust Deed only in its capacity as trustee of Soilbuild REIT and not in its personal capacity and all references to the Issuer in the Trust Deed, the Perpetual Securities and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, DBST has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee of Soilbuild REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons is given only in its capacity as trustee of Soilbuild REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities and the Coupons is limited to the assets of, or held on trust for, Soilbuild REIT and shall not extend to any personal assets or any assets held by DBST as trustee of any other trust. Any obligation, matter, act, action or thing required to be done, performed or undertaken by DBST under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to Soilbuild REIT (and shall not extend to DBST’s obligations in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.
- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed and acknowledged that the Issuer’s obligations under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of DBST and the Trustee, the Perpetual Securityholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of DBST for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.
- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against DBST in its capacity as trustee of Soilbuild REIT and not in DBST’s personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any gross negligence, fraud or breach of trust of DBST or otherwise.

17. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

- (b) **Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18. No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities and the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consent generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

INVESTMENT CONSIDERATIONS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein, including the investment considerations set out below. The investment considerations set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuer, Soilbuild REIT or the Group or any of their respective properties or any decision to purchase, own or dispose of the Securities. Additional risks which the Issuer or Soilbuild REIT is currently unaware of may also impair Soilbuild REIT or the Group's businesses, assets, financial condition, performance or prospects. If any of the following investment considerations develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer, Soilbuild REIT or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer, the Soilbuild REIT Manager, Soilbuild REIT or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Soilbuild REIT Manager, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Soilbuild REIT Manager, Soilbuild REIT, the subsidiaries (if any) or associated companies (if any) of Soilbuild REIT, the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Soilbuild REIT Manager, Soilbuild REIT, the subsidiaries (if any) and associated companies (if any) of Soilbuild REIT, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section "Forward-Looking Statements" on page 6 of this Information Memorandum.

Investment considerations associated with investment in the Securities

There may be limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

The market value of the Securities issued under the Programme may fluctuate

Trading prices of the Securities are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, Soilbuild REIT and/or the subsidiaries (if any) and/or associated companies (if any) of Soilbuild REIT, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, Soilbuild REIT, the subsidiaries (if any) and/or associated companies (if any) of Soilbuild REIT generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, Soilbuild REIT, the subsidiaries (if any) and/or associated companies (if any) of Soilbuild REIT operate or have business dealings, could have a material adverse effect on the Singapore economy and the operating results and/or the financial condition of the Issuer, Soilbuild REIT, the subsidiaries (if any) and/or associated companies (if any) of Soilbuild REIT.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets or may adversely affect the market price of any Series or Tranche of Securities.

The Securities are subject to interest rate risk

Securityholders may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. The Securityholders may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

The Securities are subject to inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Where Global Securities are held in clearing systems, investors will need to rely on the relevant clearing system's standard procedures for transfer, payment and communication with the Issuer.

Legal risk factors may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

The Securities are not secured

The Notes and the Senior Perpetual Securities and Coupons relating to them of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. The Subordinated Perpetual Securities

and Coupons relating to them of all Series constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.

Accordingly, on a winding-up or termination of the Issuer or Soilbuild REIT at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of Soilbuild REIT or its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of Soilbuild REIT, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

Enforcement of the Securities is subject to the Issuer's right of indemnity out of the assets of Soilbuild REIT

Securityholders should note that the Securities are issued by the Issuer and not Soilbuild REIT, since Soilbuild REIT is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders shall only have recourse in respect of the Securities to the assets of Soilbuild REIT which the Issuer has recourse to under the Soilbuild REIT Trust Deed and not to the Issuer personally nor any other assets held by the Issuer as trustee of any trust (other than Soilbuild REIT). Further, Securityholders do not have direct access to the assets of Soilbuild REIT and can only gain access to such trust assets through the Issuer and if necessary seek to subrogate to the Issuer's right of indemnity out of the assets of Soilbuild REIT. Accordingly, any claim of the Securityholders to the assets of Soilbuild REIT is derivative in nature. A Securityholder's right of subrogation could be limited by DBS Trustee Limited's right of indemnity under the Soilbuild REIT Trust Deed. Securityholders should also note that such right of indemnity of DBS Trustee Limited may be limited or lost through fraud, gross negligence, wilful default, breach of trust or breach of the Soilbuild REIT Trust Deed by DBS Trustee Limited.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Principal Paying Agent, the Calculation Agent, the CDP Registrar, the CDP Transfer Agent, the Non-CDP Paying Agent, the Non-CDP Registrar and/or the Non-CDP Transfer Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfill its obligations to the Securityholders and the Couponholders.

The Securities may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem Securities, the market value of such Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls may result in Securityholders receiving less principal, interest or distribution than expected

The Issuer will pay principal, interest and distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if the Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Meetings of Securityholders and Modifications

The Conditions of the Notes and the Conditions of the Perpetual Securities contain provisions for calling meetings of Noteholders or, as the case may be, Perpetual Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or, as the case may be, Perpetual Securityholders including Noteholders or, as the case may be, Perpetual Securityholders who did not attend and vote at the relevant meeting and Noteholders or, as the case may be, Perpetual Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below).

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Principal Paying Agent or the Non-CDP Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities or Global Certificates will not have a direct right under the respective Global Securities or Global Certificates to take enforcement action against the Issuer following an Event of Default or, as the case may be, an Enforcement Event (as defined in the Trust Deed) under the relevant Securities but will have to rely upon their rights under the Trust Deed.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 11 of the Notes or Condition 9 of the Perpetual Securities), the Trustee may (at its sole discretion) request the Securityholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes action on behalf of the Securityholders. The Trustee shall not be obliged to take any such action if not indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity, security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity, security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

Investment considerations relating to the Notes

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Singapore Tax Risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section on “Singapore Taxation” herein.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Notes are subject to mandatory redemption in the event of termination of Soilbuild REIT

In the event that Soilbuild REIT is terminated in accordance with the provisions of the Soilbuild REIT Trust Deed, the Issuer shall redeem all of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

The Notes are subject to a put option in the event of delisting of the Units

Should the Units cease to be traded on the SGX-ST or trading in the Units is suspended for more than seven consecutive market days, the Issuer shall, at the option of the Noteholders, redeem such Notes at their redemption amount together with interest accrued to the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

Investment considerations relating to the Perpetual Securities

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual

Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If so specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects to not pay all or a part of a distribution under the Conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro-rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro-rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's and/or the Group's financial condition.

If so specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects to defer distribution payments

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled Distribution on the Perpetual Securities for any period of time. The Issuer may be subject to certain restrictions in relation to the payment of dividends on its junior obligations and the redemption and repurchase of its junior obligations until any Arrears of Distribution and any Additional Distribution Amounts are satisfied. The Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Where distributions are cumulative, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such deferral. Investors should be aware that the interests of the Issuer may be different from the interests of the Securityholders.

If so specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to the date fixed for redemption. In addition, if specified on the relevant

Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. Please refer to “*Terms and Conditions of the Perpetual Securities — Redemption and Purchase*”.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute proceedings for the winding-up of the Issuer or Soilbuild REIT is limited to circumstances where payment has become due. The only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Issuer or Soilbuild REIT in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer or Soilbuild REIT, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer or Soilbuild REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the winding-up of the Issuer or Soilbuild REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Soilbuild REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Soilbuild REIT Notional Preferred Units**”) having an equal right to return of assets in the winding-up of the Issuer or Soilbuild REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the winding-up of the Issuer or Soilbuild REIT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption

that the amount that such Perpetual Securityholder was entitled to receive in respect of each Soilbuild REIT Notional Preferred Unit on a return of assets in such winding-up of the Issuer or Soilbuild REIT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer or Soilbuild REIT and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

In the event that the IRAS does not regard any tranche of the Perpetual Securities (the “**Relevant Tranche of Perpetual Securities**”) issued by the Issuer as “debt securities” for Singapore income tax purposes, all payments, or part thereof, of Distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts (if applicable) in respect of the Relevant Tranche of Perpetual Securities may be subject to Singapore income tax in the same manner as distributions on ordinary units of Soilbuild REIT, and the Issuer may be obliged (in certain circumstances) to withhold tax at the rate of 10% or 17% under Section 45G of the ITA on such distributions. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Relevant Tranche of Perpetual Securities in connection therewith for or on account of any such taxes or duties. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the tax treatment of the Distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts (if applicable) under the Relevant Tranche of Perpetual Securities received by them, including the risk of such distributions being subject to Singapore withholding tax.

In the event the IRAS regards the Relevant Tranche of Perpetual Securities issued by the Issuer to be “debt securities” for Singapore income tax purposes, the Perpetual Securities are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions. However, there is no assurance that the Relevant Tranche of Perpetual Securities will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time, or should the required conditions cease to be fulfilled.

For further details of the tax treatment of the Perpetual Securities, please see the section on “Singapore Taxation” herein.

A change in the law governing the subordination provisions of the Perpetual Securities may adversely affect Securityholders

The provisions of the Conditions of the Perpetual Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Perpetual Securities.

Investment considerations relating to Soilbuild REIT's operations

Soilbuild REIT is exposed to the economic and real estate market conditions in Singapore

As the Properties are located in Singapore, Soilbuild REIT's gross revenue and results of operations depend on the performance of the Singapore economy. A decline in Singapore's economy could adversely affect Soilbuild REIT's results of operations and future growth. The performance of Soilbuild REIT may also be adversely affected by a number of local real estate market conditions, such as the competitiveness of competing business space properties or an oversupply of or reduced demand for business space properties.

In addition, Singapore's economy is affected by global economic conditions. The global credit markets have experienced in the past decade (e.g. the global financial crisis and the European sovereign debt crisis), and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect Soilbuild REIT insofar as they result in:

- (i) a negative impact on the ability of the tenants to pay their rents to Soilbuild REIT and the ability of the sub-tenants to pay their rents or service fees to the Master Lessees in a timely manner or (ii) the tenants' ability to continue their leases and the sub-tenants' ability to continue their sub-tenancies, which may in turn affect the Master Lessees' ability to pay their rents pursuant to the Master Leases, thus reducing Soilbuild REIT's cash flow;
- an increase in counterparty risk (being the risk of monetary loss which Soilbuild REIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) Soilbuild REIT's banking syndicate (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for Soilbuild REIT's rental deposits or other types of deposits relating to or in connection with the Properties or Soilbuild REIT's operations or (iii) Soilbuild REIT's insurers, may be unable to honour their commitments to Soilbuild REIT.

There is also uncertainty as to the strength of the global economy, the potential for slowdown in consumer demand and the impact of any future global downturn on Singapore's economy.

Soilbuild REIT is exposed to the marine offshore and oil & gas trade sectors through its tenants

As at the Latest Practicable Date, marine offshore and oil & gas trade sectors' tenants contribute approximately 23.5% of Soilbuild REIT's gross revenue. The slump in oil price has caused tenants operating in the marine offshore and/or oil & gas sectors to suffer in terms of profitability and ability to pay rents. In the event of a prolonged period of low oil prices, the operations of these tenants may be adversely affected resulting in premature termination of lease, downsizing or rental default. Any default could adversely affect Soilbuild REIT's business, financial condition or results of operations.

The amount that Soilbuild REIT may borrow is limited, which may affect the operations of Soilbuild REIT

Under the Property Funds Appendix, Soilbuild REIT is permitted to borrow up to 45 per cent. of the value of the Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

Soilbuild REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Soilbuild REIT decides to incur additional borrowings in the future, Soilbuild REIT may be unable to obtain such additional borrowing if to do so would breach the prescribed limits, and this may, *inter alia*, result in Soilbuild REIT:

- being unable to fund capital expenditure requirements in relation to Soilbuild REIT's existing asset portfolio or in relation to Soilbuild REIT's acquisitions to expand its portfolio;
- being unable, should there be a decline in the value of the Deposited Property which causes the borrowing limit to be exceeded, to make further borrowings; and
- facing cash flow shortages (including with respect to distributions) which Soilbuild REIT might otherwise be able to resolve by borrowing funds.

Soilbuild REIT may face risks associated with debt financing

Soilbuild REIT is subject to risks associated with debt financing. This includes the risk that its cash flow will be insufficient to meet the required payments of principal and interest under such financing, and therefore to make distributions to Unitholders, such that Soilbuild REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

As at the date of this Information Memorandum, Soilbuild REIT has in place one bank loan facility amounting to S\$185 million, the entire amount of which has been drawn down. In addition, on 17 March 2015, the Soilbuild REIT Trustee entered into an interest free loan agreement with SB (Solaris) Investment Pte. Ltd., of which S\$55 million has been drawn down. If Soilbuild REIT defaults under these loan facilities, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided. In addition, these loan facilities also contain covenants that restrict the ability of Soilbuild REIT to divest its assets unless such divestment satisfies certain conditions under the loan facilities. In the event that such conditions are not satisfied, Soilbuild REIT's ability to divest non-performing assets to free up or recycle capital for re-deployment towards higher yielding growth opportunities in accordance with its divestment strategy will be affected. The loan facilities may also include covenants that restrict Soilbuild REIT from changing the Soilbuild REIT Manager or the Soilbuild REIT Trustee without the approval of the lenders.

Solaris is currently mortgaged and other properties in Soilbuild REIT's portfolio may be mortgaged in the future as security for payments in connection with Soilbuild REIT's borrowings. If Soilbuild REIT is unable to meet interest or principal payments in respect of such borrowings, these properties could be foreclosed by the lender(s) or the lender(s) could require a forced sale of the property with a consequent loss of income and asset value to Soilbuild REIT, which may in turn adversely affect the financial condition and results of operations of Soilbuild REIT.

Soilbuild REIT has a higher level of gearing compared to certain other types of unit trusts

Soilbuild REIT's level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting Soilbuild REIT's cash flow, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

If the Soilbuild REIT Manager's capital markets services licence for REIT management (the "CMS Licence") is cancelled or the authorisation of Soilbuild REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Soilbuild REIT will be adversely affected

The CMS Licence issued to the Soilbuild REIT Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Soilbuild REIT Manager is cancelled by the MAS, the operations of Soilbuild REIT will be adversely affected as the Soilbuild REIT Manager would no longer be able to act as manager of Soilbuild REIT.

Soilbuild REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs

Soilbuild REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs. There is no assurance that the MAS or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which would adversely affect REITs generally or Soilbuild REIT specifically.

The Soilbuild REIT Manager may not be able to successfully implement its investment strategy for Soilbuild REIT

There is no assurance that the Soilbuild REIT Manager will be able to implement its investment strategy successfully or that it will be able to expand Soilbuild REIT's portfolio at any specified rate or to any specified size, as the Soilbuild REIT Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

As Soilbuild REIT faces active competition in acquiring suitable properties, its ability to make new property acquisitions under its acquisition growth strategy may be adversely affected. Furthermore, as there may also be significant competition for attractive investment opportunities from other property investors, including other REITs, property development companies and private investment funds, there is no assurance that Soilbuild REIT will be able to compete effectively against such entities.

The Soilbuild REIT Manager's strategy to initiate asset enhancement on some of the Properties from time to time may not materialise

While the Soilbuild REIT Manager may also from time to time initiate asset enhancement on some of the Properties, there is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise and are completed, that they will be able to achieve their desired results. In the event that such plans do not materialise or the desired results of such asset enhancement and/or development works are not achieved after significant expenditure on such asset enhancement has been incurred, the business, financial condition and results of operations of Soilbuild REIT may be adversely affected.

Soilbuild REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

Soilbuild REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Soilbuild REIT Manager. If any of these key personnel were to leave the employment of the Soilbuild REIT Manager, the Soilbuild REIT Manager will need to search for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could in turn have a material adverse effect on the financial condition and the results of operations of Soilbuild REIT.

Soilbuild REIT may from time to time be subject to legal proceedings and government proceedings

Legal proceedings against Soilbuild REIT relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that Soilbuild REIT will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of Soilbuild REIT.

On 18 May 2016, the Issuer filed a Writ of Summons and Statement of Claim against Technics Offshore Engineering Pte Ltd (the “**Technics Tenant**”) and Technics Oil & Gas Limited (the “**Technics Guarantor**”) in the High Court of Singapore. The Technics Tenant is a major tenant of Soilbuild REIT and accounts for 9.1% of its monthly Gross Rental Income as at the Latest Practicable Date. On 19 May 2016, the Technics Tenant and the Technics Guarantor filed a Writ of Summons and a Summons for Injunction against the Issuer in the High Court of Singapore. On 24 May 2016, the High Court of Singapore dismissed the Summons for Injunction. Please see the section entitled “*Soilbuild Business Space REIT — Recent Developments*” for more information. There can be no assurance of a positive outcome of these proceedings or that these proceedings (or the outcome thereof) will not have a material and adverse impact on the Issuer’s business, financial condition, results of operations, cash flows and prospects.

Soilbuild REIT is regulated by various government authorities and regulations. If any government authority believes that Soilbuild REIT or any of its tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize Soilbuild REIT’s properties, enjoin future action or (in the case of Soilbuild REIT’s subsidiaries not being in compliance with the regulations), assess civil and/or criminal penalties against Soilbuild REIT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of Soilbuild REIT.

Soilbuild REIT may engage in interest rate hedging transactions, which can limit gains and increase costs

Soilbuild REIT may enter into interest rate hedging transactions to protect itself from the effects of interest rate on floating rate debt. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of Soilbuild REIT.

Interest rate hedging could fail to protect Soilbuild REIT or adversely affect Soilbuild REIT because, among others:

- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Soilbuild REIT’s ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the net asset value of Soilbuild REIT.

Interest rate hedging involves risks and transaction costs, which may reduce overall returns.

These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available to Soilbuild REIT, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of Soilbuild REIT

The outbreak of an infectious disease such as Influenza A (H1N1-2009), avian influenza, the Zika virus or SARS in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact the revenues and results of Soilbuild REIT. These factors could materially and adversely affect the business, financial condition and the results of operations of Soilbuild REIT.

Occurrence of any acts of God, natural disasters, severe environmental pollution, war and terrorist attacks may adversely and materially affect the business and operations of the Properties

Acts of God, such as natural disasters and severe environmental pollution such as haze which are beyond the control of Soilbuild REIT or the Soilbuild REIT Manager, may materially and adversely affect the international financial markets and the Singapore economy, infrastructure and livelihood of the local population. This may in turn have an adverse effect on the operations of the Properties and hence the Issuer's ability to fulfil its payment obligations under the Securities.

In addition, physical damage to the Properties resulting from fire, floods or other acts of God may lead to a significant disruption to the business and operation of the Properties. This may then result in an adverse impact on the business, financial condition and results of operations of Soilbuild REIT and its capital growth.

The Soilbuild REIT Manager and the Property Manager are wholly-owned subsidiaries of the Sponsor, which in turn is wholly-owned by Mr Lim Chap Huat. There may be potential conflicts of interest between Soilbuild REIT, the Soilbuild REIT Manager, the Property Manager, the Sponsor and Mr Lim Chap Huat

Mr Lim Chap Huat and the Sponsor, its subsidiaries, related corporations and associates companies are engaged in the investment in, and the development and management of, among other things, real estate which is wholly or partially used for business space and residential purposes in Singapore. As at the date of this Information Memorandum, Mr Lim Chap Huat and the Sponsor together hold 234,534,444 Units (constituting 24.9 per cent. of the total number of Units).

Mr Lim Chap Huat and the Sponsor may exercise influence over the activities of Soilbuild REIT through the Soilbuild REIT Manager, which is a wholly-owned subsidiary of the Sponsor, which is in turn wholly-owned by Mr Lim Chap Huat. These include matters which require Unitholders' approval.

There is no assurance that Soilbuild REIT will be able to leverage on the Sponsor's experience in the operation of the Properties or the Sponsor's financial strength, market reach and network of contacts to further its growth

In the event that the Sponsor decides to transfer or dispose of its shares in the Soilbuild REIT Manager, Soilbuild REIT may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of business space properties; or
- the Sponsor's financial strength, market reach and network of contacts to further its growth.

In addition, Soilbuild REIT may not be able to benefit from the range of corporate services which are available to owners of properties managed by the Sponsor. This may have a material and adverse impact on Soilbuild REIT's results of operations and financial condition which may consequently affect the Issuer's ability to fulfil its payment obligations under the Securities.

Soilbuild REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments

Soilbuild REIT's investment strategy of investing on a long-term basis, directly or indirectly, in a portfolio of income-producing real estate used primarily for business space purposes in Singapore as well as real estate-related assets will subject Soilbuild REIT to risks inherent in concentrating in real estate, including exposure to the risk of a downturn in the Singapore business space property market. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

Any economic slowdown in Singapore or the region could negatively affect the performance of the Singapore business space property market. This may lead to a corresponding decline in rental income of Soilbuild REIT's properties and/or a decline in the capital value of Soilbuild REIT's portfolio, which will have an adverse impact on the results of operations and the financial condition of Soilbuild REIT.

Soilbuild REIT may not be able to control or exercise any influence over entities in which it has minority interests

Soilbuild REIT may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. Notwithstanding the veto controls over key operational matters which Soilbuild REIT is required to have under paragraph 6.5 of the Property Funds Appendix, there is no assurance that Soilbuild REIT will be able to control such entities or exercise any influence over the assets of such entities or their distributions to Soilbuild REIT. Such entities may develop objectives which are different from those of Soilbuild REIT and may not be able to make any distribution. The management of such entities may make decisions which could adversely affect the operations of Soilbuild REIT and the Issuer's ability to fulfil its payment obligations under the Securities.

Any loss of Master Lessees and/or major tenants or any breach by the Master Lessees and/or major tenants of their obligations under the Master Lease Agreement and lease agreements, respectively, could have an adverse effect on Soilbuild REIT

There is a risk that a major tenant and/or Master Lessee may prematurely terminate its lease or Master Lease or does not renew its lease or Master Lease, respectively, at expiry. It may

be difficult to secure replacement tenants or Master Lessees at short notice or on similar tenancy terms. In addition, the amount of rent and the terms on which the renewal of the leases and/or Master Leases and new leases and/or Master Leases are agreed may be less favourable than those of the current leases and/or Master Leases.

The loss of major tenants or Master Lessees could result in periods of vacancy, which could therefore adversely affect Soilbuild REIT's financial condition and results of operations. Furthermore, in the event that any major tenants and/or Master Lessees are unable to pay their rent or breach their obligations under the lease agreements and Master Leases, the Soilbuild REIT's cash flow may also be adversely affected.

If a large number of Master Lessees and/or tenants in the Properties do not renew their leases at the end of a lease cycle or a significant number of early terminations occur, and replacement tenants cannot be found in a timely manner and on terms acceptable to the Soilbuild REIT Manager, there is likely to be a material adverse effect on the Properties, which could materially and adversely affect the business, financial condition and results of operations of Soilbuild REIT.

Investment considerations relating to Soilbuild REIT's Properties

Planned amenities and transportation infrastructure near the Properties may not be implemented as planned or may be closed, relocated, terminated, delayed or not completed

The proximity of amenities and transportation infrastructures, such as MRT stations and bus interchanges to the Properties provide convenient access to the Properties.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will not be closed, relocated, terminated, delayed or left uncompleted in the future. Such closure, relocation, termination, delay or non-completion may adversely impact the accessibility of the relevant Properties and the attractiveness and marketability of the relevant Properties to tenants and sub-tenants thereby affecting occupancy rates and rental income from the Properties. This may consequently adversely affect the financial condition and results of operations of Soilbuild REIT.

Soilbuild REIT's assets might be adversely affected if the Soilbuild REIT Manager, the Property Manager and the Master Lessees do not provide adequate management and maintenance

As the tenants and sub-tenants rely on the proper functioning of the facilities and infrastructure of the properties of Soilbuild REIT for their business operations, should the Soilbuild REIT Manager, the Property Manager and the Master Lessees fail to provide adequate management and maintenance, the attractiveness of Soilbuild REIT's portfolio of properties to such tenants and sub-tenants would be affected should their business operations be affected. This may adversely affect the value of Soilbuild REIT's assets, and result in a loss of tenants and sub-tenants. The resulting loss of rental income from the Properties may adversely affect the Issuer's ability to fulfil its payment obligations under the Securities.

Soilbuild REIT may suffer material losses in excess of insurance proceeds or Soilbuild REIT and/or the Master Lessees may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as war risk, terrorism and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Soilbuild REIT's insurance policies for the Properties do not cover acts of terrorism, war, outbreak of contagious diseases, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, Soilbuild REIT could be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property as it may not be able to rent out or sell the affected Property. Soilbuild REIT will also be liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

In addition, should Soilbuild REIT and/or the Master Lessees fail to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties, Soilbuild REIT may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in adverse impact on the financial condition of Soilbuild REIT. The capital expenditure for renovation and redevelopment works may be beyond Soilbuild REIT Manager's current estimate and Soilbuild REIT may not be able to secure funding

As the quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties, the Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The business and operations of the Properties may suffer some disruption as a result and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may impose unbudgeted costs on Soilbuild REIT and result in an adverse impact on the financial condition and results of operations of Soilbuild REIT and the Issuer's ability to fulfil its payment obligations under the Securities.

Further, Soilbuild REIT may not be able to fund the capital expenditure for such renovation and redevelopment work solely from cash provided from its operating activities and Soilbuild REIT may not be able to obtain additional equity or debt financing, on favourable terms or at all. If Soilbuild REIT is not able to obtain such financing, the attractiveness of its portfolio of properties to new and existing tenants may be reduced and the marketability of its portfolio of properties may be affected.

The Properties may be affected by contamination and other environmental issues

Soilbuild REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, Soilbuild REIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate contamination, air pollution, noise pollution or dangerous goods may expose Soilbuild REIT to liability or materially adversely affect its ability

to sell or lease the real property or to borrow using the real property as collateral. Accordingly, if the Properties are affected by contamination or other environmental effects not previously identified and/or rectified, Soilbuild REIT risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditure to remedy such issue and the financial position of tenants may be adversely impacted, affecting their ability to trade and to meet their tenancy obligations.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow

Design, construction or other latent property or equipment defects in the Properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties, and costs or liabilities arising from such property or equipment defects may in turn have a material adverse effect on Soilbuild REIT's earnings and cash flows.

The Properties may face increased competition from other properties

The Properties are located in areas where other competing properties are present and new properties may be developed which may compete with the Properties.

The income from and the market value of the Properties will be dependent on the ability of the Properties to compete against other properties for tenants and sub-tenants. If competing properties are more successful in attracting and retaining tenants and sub-tenants, the income from the Properties could be reduced or affected, thereby adversely affecting Soilbuild REIT's cash flow and the Issuer's ability to fulfil its payment obligations under the Securities.

The appraisals of the Properties are based on various assumptions and the price at which Soilbuild REIT is able to sell a Property in the future may be different from the initial acquisition value of the Property

There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. Property valuations generally include a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition. The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future, and the price at which Soilbuild REIT may sell a property may be lower than its purchase price.

The Singapore Land Authority, on behalf of the President of the Republic of Singapore, may as lessor re-enter the Properties upon breach of terms and conditions of the State lease

Each Property is held under a registered State lease issued by the President of the Republic of Singapore as lessor. Each State lease contains terms and conditions commonly found in State leases in Singapore, including the President of the Republic of Singapore's right as lessor to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant State lease.

The head leases of the Properties contain certain provisions that may have an adverse effect on the financial condition and results of operations of Soilbuild REIT

Eighthrium @ Changi Business Park, Solaris, Tuas Connection, West Park BizCentral, NK Ingredients, COS Printers, Tellus Marine, Speedy-Tech and Technics Offshore are held under leases from JTC (which in turn is the lessee of such Properties under the relevant State leases), and Beng Kuang Marine and KTL Offshore are held directly under a State lease from

the President of the Republic of Singapore. These leases are subject to terms and conditions ordinarily found in leases granted by JTC or, as the case may be, the President of the Republic of Singapore, including provisions that require the Soilbuild REIT Trustee to surrender free of cost to the lessor portions of the respective Properties that may be required in the future for certain public uses, such as roads, drainage, railways, rapid transit systems and other public improvements. There have been previous instances in which lessees of land from JTC and the President of the Republic of Singapore have been required to surrender portions of their land for roads, without compensation, pursuant to similar provisions in the relevant land leases. If Soilbuild REIT is required to surrender a portion of one of the Properties, it may have an adverse impact on the gross revenue and the value of the Properties. Such leases also contain terms and conditions that give the right of the lessors to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant lease.

There is no assurance that Soilbuild REIT will be able to renew any JTC lease for an additional term

Eighthrium @ Changi Business Park, Solaris, West Park BizCentral, NK Ingredients, COS Printers, Tellus Marine, Speedy-Tech and Technics Offshore are held under leases from JTC which contain a covenant by JTC to grant a renewal term following the expiration of the current lease term subject to compliance with the terms of the lease (including there being no breaches or non-observances of covenants and conditions by the lessee).

There is no assurance that Soilbuild REIT will be able to renew the relevant leases for a further term because prior to expiry of the current term, there may be a breach of the lease, which would allow JTC to revoke the renewal option. If Soilbuild REIT is not able to extend the lease terms of any of the Properties with a renewal option, Soilbuild REIT will have to surrender such Property to JTC upon expiration of the original lease term. This may in turn have an adverse effect on the net income of Soilbuild REIT.

The Singapore Government has imposed control measures in the Singapore property market

Seller's stamp duty is imposed on industrial properties which are bought or acquired on or after 12 January 2013 and sold or disposed of within three years. The amount of seller's stamp duty payable shall be 15 per cent., 10 per cent. and five per cent. of the sale price or market value, whichever is higher, if the holding period of the property is one year, two years and three years respectively. Although various control measures are intended to promote more balanced property developments in the long-term, these measures could adversely affect the development and sales of industrial properties. In addition, there is no assurance that the Singapore Government will not introduce additional measures from time to time to regulate the property market. The continuation of the existing measures and the introduction of any new measures may materially and adversely affect Soilbuild REIT's business, financial condition and results of operations.

Investment Considerations relating to investing in real estate

Soilbuild REIT is exposed to general risks attached to investments in real estate

Investments in real estate and therefore the income generated from the Properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as an over-supply of business space properties or a reduction in demand for business space properties in Singapore);

- the financial condition of tenants/sub-tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Soilbuild REIT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants/sub-tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants/sub-tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;
- inability of the Property Manager to provide or procure the provision of adequate maintenance and other services;
- defects affecting the Properties which need to be rectified, or other required repair and maintenance of the Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flow for the maintenance of, and improvements to, the Properties;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Soilbuild REIT Manager;
- the attractiveness of Soilbuild REIT's properties to tenants/sub-tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and

- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The capital value of Soilbuild REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Singapore, which may adversely affect the financial condition of Soilbuild REIT.

Soilbuild REIT may be adversely affected by the illiquidity of its real estate investments

The illiquidity of Soilbuild REIT's real estate investment may affect its ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Soilbuild REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale, and may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Soilbuild REIT's financial condition and results of operations, with a consequential adverse effect on the Issuer's ability to fulfil its payment obligations under the Securities.

Soilbuild REIT's properties or any part of them may be acquired compulsorily

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore Land Authority the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes.

In the event that any of Soilbuild REIT's properties is acquired compulsorily, the compensation to be awarded would be:

- the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette); or
- the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

The market value of a property (or part thereof) which is compulsorily acquired by the Singapore Land Authority may be less than the price which Soilbuild REIT paid for the acquisition of the relevant property.

SOILBUILD BUSINESS SPACE REIT

1. HISTORY AND BACKGROUND

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

For the purpose of this Information Memorandum, the term “**business space**” refers to (i) all properties zoned as business park (which includes business space used primarily for office, including any ancillary usage, so long as such usage is permitted under the relevant regulation) and (ii) industrial properties (including, but not limited to, ramp-up facilities, flatted factories and light industrial properties) which are used primarily for, among others, manufacturing, engineering, logistics, warehousing, electronics, marine, oil and gas, research and development and value-added knowledge-based activities.

Soilbuild REIT was constituted on 13 December 2012 by the Soilbuild REIT Trust Deed. Soilbuild REIT was listed on the Main Board of the SGX-ST on 16 August 2013 (the “**Listing Date**”), and has a market capitalisation of S\$684.7 million as at the Latest Practicable Date.

As at the Latest Practicable Date, Soilbuild REIT’s portfolio comprises eleven business space properties located in Singapore — two business park properties and nine industrial properties, namely Solaris, Eightrium @ Changi Business Park, Tuas Connection, West Park BizCentral, NK Ingredients, COS Printers, Beng Kuang Marine, Tellus Marine, KTL Offshore, Speedy-Tech and Technics Offshore (collectively, the “**Properties**”). The Properties have a total asset value of about S\$1,190.7 million, with a total GFA of approximately 3.82 million sq ft and a total net lettable area of approximately 3.53 million sq ft.

Solaris has been leased back to the Sponsor indirectly through its subsidiary, SB (Solaris) Investment Pte. Ltd. (the “**Sponsor Master Lessee**”), pursuant to a master lease agreement (the “**Sponsor Master Lease**”) and NK Ingredients, COS Printers, Beng Kuang Marine, Tellus Marine, KTL Offshore, Speedy-Tech and Technics Offshore have been leased back to NK Ingredients Pte. Ltd. (“**NIPL**”), C.O.S Printers Pte Ltd, PICCO Enterprise Pte. Ltd., Tellus Marine Engineering Pte Ltd, KTL Offshore Pte. Ltd., Speedy-Tech Electronics Ltd. and Technics Offshore Engineering Pte Ltd (the “**Third Party Master Lessees**”) respectively, pursuant to master lease agreements (the “**Third Party Master Leases**”). Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral (the “**Sponsor Multi-tenanted Properties**”) are operated under multi-tenanted lease arrangements.

For the purpose of this Information Memorandum, Solaris, NK Ingredients, COS Printers, Beng Kuang Marine, Tellus Marine, KTL Offshore, Speedy-Tech and Technics Offshore are collectively referred to herein as the “**Master Leased Properties**”. The Sponsor Master Lessee and the Third Party Master Lessees are collectively referred to herein as the “**Master Lessees**”. The Sponsor Master Lease and the Third Party Master Leases are collectively referred to herein as the “**Master Leases**” or the “**Master Lease Agreements**”.

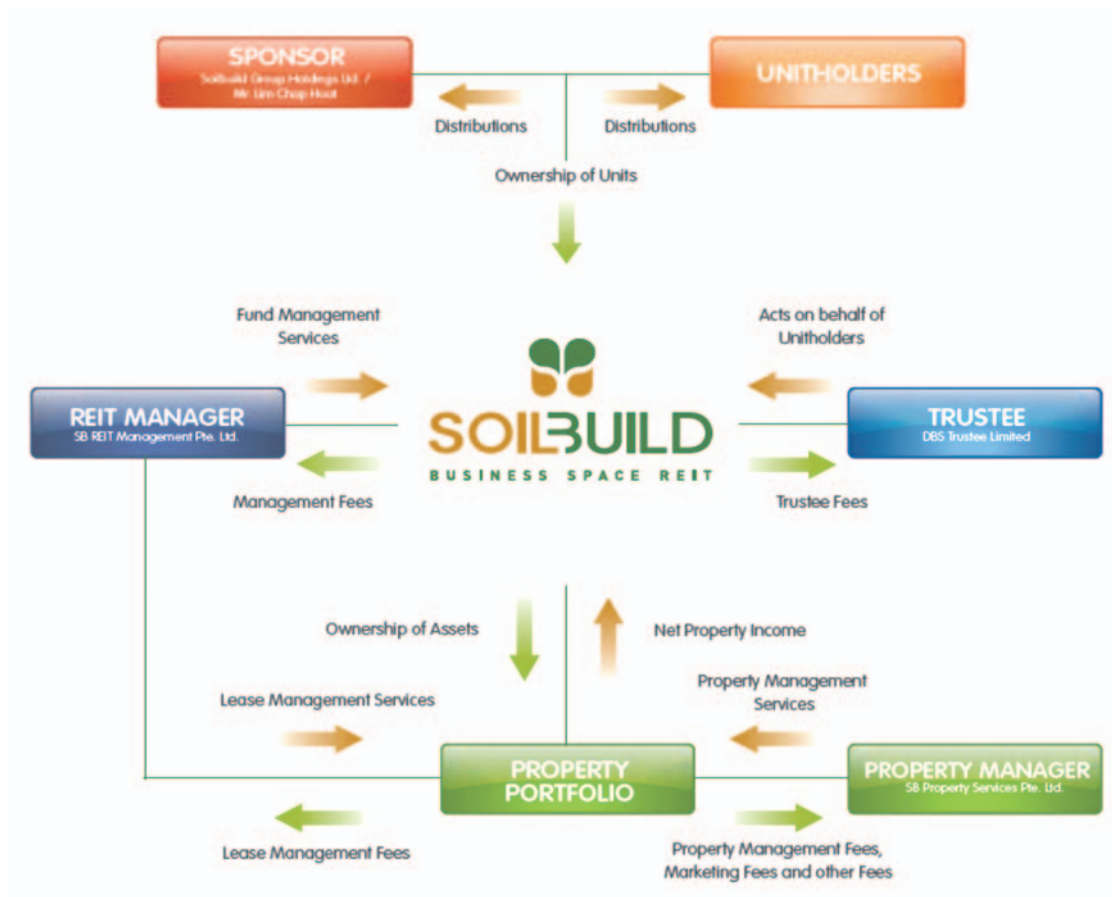
Soilbuild REIT has an issuer rating of Baa3 assigned by Moody’s.

2. STRUCTURE OF SOILBUILD REIT

As the manager of Soilbuild REIT, the Soilbuild REIT Manager has general powers of management over the assets of Soilbuild REIT. The Soilbuild REIT Manager’s main responsibility is to manage Soilbuild REIT’s assets and liabilities for the benefit of the Unitholders. The Soilbuild REIT Manager sets the strategic direction of Soilbuild REIT and gives recommendations to the Soilbuild REIT Trustee on the acquisition, divestment, development and/or enhancement of assets of Soilbuild REIT in accordance with its stated investment strategy. The Soilbuild REIT Manager is also responsible for implementing lease management strategies for Soilbuild REIT’s properties.

SB Property Services Pte. Ltd. is the property manager of Soilbuild REIT, and is, among others, responsible for providing property management, project management, marketing and administration of property tax services and property accounting services for the properties in Soilbuild REIT’s portfolio.

The following diagram illustrates the relationship between Soilbuild REIT, the Soilbuild REIT Manager, the Soilbuild REIT Trustee, the Property Manager and the Unitholders as at the Latest Practicable Date:



3. MANAGER OF SOILBUILD REIT — SB REIT MANAGEMENT PTE. LTD.

The Soilbuild REIT Manager is a wholly-owned subsidiary of the Sponsor. The Soilbuild REIT Manager was incorporated in Singapore under the Companies Act on 5 October 2012 and has a paid-up capital of S\$1,600,000 as at the Latest Practicable Date. Its registered office is located at 25 Changi South Street 1, SB Building, Singapore 486059.

Board of Directors of the Soilbuild REIT Manager

The board of Directors (the “**Board**”) of the Soilbuild REIT Manager is entrusted with the responsibility for the overall management of the Soilbuild REIT Manager. The following table sets forth certain information regarding the Directors:

Name	Position
Mr Chong Kie Cheong	Chairman and Independent Non-Executive Director and Audit & Risk Committee Member
Mr Ng Fook Ai Victor	Independent Non-Executive Director, Chairman of the Audit & Risk Committee and Nominating and Remuneration Committee Member
Mr Michael Ng Seng Tat	Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Audit & Risk Committee Member
Mr Lim Chap Huat	Non-Executive Director
Mr Ho Toon Bah	Non-Executive Director
Ms Lim Cheng Hwa	Non-Executive Director and Nominating and Remuneration Committee Member

Experience and Expertise of the Board of Directors of the Soilbuild REIT Manager

Information on the business and working experience of the Directors is set out below:

Mr Chong Kie Cheong

Chairman and Independent Non-Executive Director and Audit & Risk Committee Member

Mr Chong Kie Cheong is the Chairman and an Independent Non-Executive Director and Audit & Risk Committee Member of the Soilbuild REIT Manager.

Mr Chong has more than 30 years of experience in the financial industry, having held senior appointments in investment banking, international banking and finance and directorships in banks in the region. From June 2007 to December 2011, Mr Chong was the Managing Director and Head of Group Institutional Financial Services at United Overseas Bank Limited and was responsible for the corporate banking business worldwide. Prior to this, from January 2005 to May 2007, he had also served as Senior Executive Vice President of Investment Banking at United Overseas Bank Limited.

Prior to joining United Overseas Bank Limited, Mr Chong held a series of progressively senior positions at DBS Bank Ltd. From March 1981 until November 2004, Mr Chong had served as Assistant Vice President of Investment Planning, Vice President/Assistant Vice President of Corporate Planning, Senior Vice President of International and Planning,

Executive Vice President of International Banking, Managing Director and Head of Institutional Banking, Managing Director and Head of Regional Integration Centre, Finance Director, Managing Director and Joint Head of Investment Banking. In addition, he was an advisor of DBS Bank Ltd., London Branch from January to November 2004, following his retirement from the bank.

From January 1977 to March 1981, Mr Chong served as Manager of Baring Brothers Asia Ltd. and was responsible for the execution of the investment banking mandates. Prior to this, from July 1973 to December 1976, Mr Chong was Assistant Manager of Corporate Finance of DBS Bank Ltd. and was responsible for execution of investment banking mandates. From November 1971 to June 1973, Mr Chong was Economics Officer of DBS Bank Ltd. and was responsible for analysis and collation of economic data.

Mr Chong was a director of Singapore Petroleum Company Limited from 1990 to 1997.

Mr Chong holds a Bachelor of Social Sciences (Economics, Honours) from the University of Singapore.

Mr Ng Fook Ai Victor

Independent Non-Executive Director, Chairman of the Audit & Risk Committee and Nominating and Remuneration Committee Member

Mr Ng Fook Ai Victor is an Independent Non-Executive Director, Chairman of the Audit & Risk Committee and Nominating and Remuneration Committee Member of the Soilbuild REIT Manager.

Mr Ng has more than 30 years of experience as a company director, including directorships in listed companies in Singapore, Hong Kong and Malaysia. He is the chairman of 1 Rockstead GIP Fund Limited.

Mr Ng is a director of SHC Capital Asia Limited (listed on the Catalist Board of Singapore Exchange Limited), Sunshine 100 China Holdings Ltd (listed on the Main Board of the Stock Exchange of Hong Kong Limited) and MY E.G. Services Berhad (listed on the Main Board of Bursa Malaysia Securities Berhad).

Mr Ng holds a Bachelor of Science (Economics, Honours) and Master of Science (Economics) from Birkbeck College, University of London. He was awarded the University of London Convocation Book Prize (First) and the Lord Hailsham Scholarship in 1974.

Mr Michael Ng Seng Tat

Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Audit & Risk Committee Member

Mr Michael Ng Seng Tat is an Independent Non-Executive Director, Chairman of the Nominating and Remuneration Committee and Audit & Risk Committee Member of the Soilbuild REIT Manager.

Mr Ng has been in the real estate industry for 28 years. He joined United Industrial Corporation Limited and Singapore Land Limited in October 2010 and is currently Group General Manager of both and manages the diversified real estate investments and development projects of United Industrial Corporation Limited and its subsidiaries.

Previously, Mr Ng was Managing Director of Savills Singapore from 2005 to 2010. Prior to Savills Singapore, he was the Managing Director of Hamptons International in 2001 where he subsequently led a management buyout of the Singapore office before merging

the operations with Savills Singapore in December 2004. He was also a founding shareholder of Huttons Real Estate, a successful local housing agency. From 1995 to 2001, Michael was Head of the property arm of COSCO Singapore (a China state-owned maritime group) handling real estate development, investments, acquisitions, project management and asset management.

Mr Ng started his career with Richard Ellis (from 1988 to 1995). Mr Ng holds a Bachelor of Science (Honours in Estate Management) degree from the National University of Singapore.

Mr Lim Chap Huat

Non-Executive Director

Mr Lim Chap Huat is a Non-Executive Director of the Soilbuild REIT Manager.

He is a co-founder of the Sponsor with more than 37 years of experience in the construction and property development business. He charts the Sponsor's strategic direction, business planning and development and oversees its operations, management of projects and succession planning. Apart from his role in strategic planning and development of corporate policies, Mr Lim has been involved in all key aspects of the operations and business of the Sponsor to ensure quality at planning, design and implementation levels, including the oversight of the tendering and management processes of construction and development projects. He has also established a network of relationships with developers, customers, consultants and architects within the real estate industry. He has been the Group Managing Director of the Sponsor since 2001, and also serves on the board of all of its subsidiaries, including the Soilbuild REIT Manager.

Mr Lim holds a Technician Diploma (Civil Engineering) from the Singapore Polytechnic. He is active in community service and currently serves as the Chairman of the Chong Pang Community Club Management Committee. In recognition of his contributions to the community, Mr Lim was conferred the Pingat Bakti Masyarakat (Public Service Medal) and the Bintang Bakti Masyarakat (Public Service Star) by the President of the Republic of Singapore in 2003 and 2009 respectively.

Mr Ho Toon Bah

Non-Executive Director

Mr Ho Toon Bah is a Non-Executive Director of the Soilbuild REIT Manager.

Mr Ho has been an executive director of Soilbuild Construction Group Ltd. since January 2013. Prior to that, Mr Ho was an executive director of the Sponsor from June 2009 to May 2013 supporting the strategic growth of the Sponsor's operations and driving the development of its business strategies. Before joining the Sponsor, Mr Ho held various management positions in the banking industry, including Standard Chartered Bank from 2000 to 2009. At Standard Chartered Bank, Mr Ho served as Senior Manager for Branch Banking and Direct Sales from 2000 to 2001, General Manager for Mortgages and Auto from 2001 to 2002, General Manager for Wealth Management from 2002 to 2003, General Manager of Small and Medium Enterprise Banking from 2004 to 2005 and as Head of Consumer Banking in Indonesia from 2006 to 2008. His last appointment was as Head of Consumer Banking in Malaysia with Standard Chartered Bank from 2008 to 2009.

Mr Ho holds a Bachelor of Business Administration from the National University of Singapore. He is also a Chartered Financial Analyst.

Ms Lim Cheng Hwa

Non-Executive Director and Nominating and Remuneration Committee Member

Ms Lim Cheng Hwa is a Non-Executive Director and Nominating and Remuneration Committee Member of the Soilbuild REIT Manager.

Ms Lim joined the Sponsor as the Group Financial Controller in 2007 and was promoted to Director of Capital and Investment Management in 2010. She oversees the Capital and Investment Management Division handling all financial, accounting, tax and treasury matters, business and investment development, corporate communications, human resources and administration, as well as investor relations of the Sponsor. Ms Lim has been an executive director of the Sponsor since 2011, and also serves on the board of certain of its subsidiaries. Ms Lim has more than 19 years of experience, having served in finance departments of various listed companies. Prior to joining the Sponsor, she served as an accountant and senior accountant in L&M Group Investments Limited from 1995 to 1999 and was responsible for, among others, consolidation of the group accounts and periodic reporting of the group's results to the SGX-ST. She served as a financial controller in MTQ Corporation Limited from 1999 to 2007 and was handling all financial, accounting, tax and treasury matters and was also involved in the business development initiatives of the group.

Ms Lim holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University.

Executive Officers of the Soilbuild REIT Manager

The executive officers of the Soilbuild REIT Manager are entrusted with the responsibility for the daily operations of the Soilbuild REIT Manager. The following table sets forth information regarding the executive officers of the Soilbuild REIT Manager:

Name	Position
Mr Roy Teo Seng Wah	Chief Executive Officer
Ms Lim Hui Hua	Chief Financial Officer
Ms Teu Lee Chen	Head, Portfolio Management

Experience and Expertise of the Executive Officers of the Soilbuild REIT Manager

Information on the working experience of the executive officers of the Soilbuild REIT Manager is set out below:

Mr Roy Teo Seng Wah

Chief Executive Officer

Mr Roy Teo Seng Wah is the Chief Executive Officer of the Soilbuild REIT Manager.

Mr Teo has more than 15 years of experience in the real estate industry and various related sectors. Mr Teo was the Acting Chief Executive Officer of the Soilbuild REIT Manager from August 2015 to January 2016 and the Chief Operating Officer of the Soilbuild REIT Manager from December 2012 to January 2016. Prior to joining the Soilbuild REIT Manager, from March 2005 to September 2012, he was first the Co-head of Business Development and Investment and then the Head of Logistics Portfolio of Ascendas Funds Management (S) Limited (formerly known as Ascendas-MGM Funds Management Limited), where he was responsible for the day-to-day operations and strategic review of the logistics portfolio worth S\$1.3 billion (as at March 2012). His

responsibilities include formulating the business plans in relation to the logistics portfolio, with a view to maximising the returns for such properties. Mr Teo also spearheaded approximately S\$250.0 million worth of built-to-suit projects (such as Pioneer Hub, 90 ALPS Avenue and 15 Changi North Way) and investments to meet Ascendas Real Estate Investment Trust's long-term goals and assisted in exploring regional investments in Japan and China. In addition, Mr Teo was also tasked with managing the property managers for the entire portfolio of Ascendas Real Estate Investment Trust to achieve an efficient and effective operation model on the ground so as to maximise the income potential and minimise the operating expense of the properties.

Prior to that, from March 2000 to March 2005, Mr Teo was with Keppel Logistics Pte. Ltd. He was the Assistant Manager of Business Development from January 2004 to March 2005 where he reported to the Chief Executive Officer and Executive Director and was responsible for the regional business development activities of Keppel Logistics Pte. Ltd. and was also tasked with evaluating potential merger and acquisitions opportunities and divestments of certain non-core operations. Prior to his posting as the Assistant Manager of Business Development, he was responsible for all the accounting, finance and taxation activities.

Mr Teo holds a Bachelor in Applied Science from Oxford Brookes University and is an affiliated member of the Association of Chartered Certified Accountants.

Ms Lim Hui Hua
Chief Financial Officer

Ms Lim Hui Hua is the Chief Financial Officer of the Soilbuild REIT Manager.

Ms Lim has more than 12 years of auditing and accounting experience. Prior to joining the Soilbuild REIT Manager, from January 2013 to October 2014, Ms Lim was the Chief Financial Officer of Soilbuild Construction Group Ltd., which was listed on SGX-ST in May 2013, and was responsible for financial, accounting, tax-related matters and corporate affairs. Ms Lim joined the Sponsor in December 2009 as a Finance Manager. Prior to joining the Sponsor, Ms Lim worked with PricewaterhouseCoopers LLP from 2003 to 2009 in various positions, the last being an Audit Manager.

Ms Lim graduated in 2003 and holds a Bachelor of Accountancy from the Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants, as well as a certified internal auditor under the Institute of Internal Auditors.

Ms Teu Lee Chen
Head, Portfolio Management

Ms Teu Lee Chen is the Head of Portfolio Management of the Soilbuild REIT Manager.

Ms Teu has more than 13 years of experience in Asset and Lease Management. Prior to joining the Soilbuild REIT Manager, from December 2014 to June 2015, Ms Teu was the Asset Performance and Project Assistant Director of Rockworth Capital Partners Pte. Ltd.

Prior to that, from July 2000 to August 2013, Ms Teu was the Project and Development Manager, as well as Asset and Lease Manager for Ascendas Services Pte Ltd, and Head of Business & Science Park Property Portfolio for the manager of Ascendas Real Estate Investment Trust.

Ms Teu holds a Bachelor of Science in Building and Master of Science in Project Management from the National University of Singapore and is a member of the Royal Institution of Chartered Surveyors.

Roles and Responsibilities of the Soilbuild REIT Manager

The Soilbuild REIT Manager has general powers of management over the assets of Soilbuild REIT, and its main responsibility is to manage Soilbuild REIT's assets and liabilities for the benefit of Unitholders.

The Soilbuild REIT Manager will set the strategic direction of Soilbuild REIT and give recommendations to the Soilbuild REIT Trustee on the acquisition, divestment, development and/or enhancement of assets of Soilbuild REIT in accordance with its stated investment strategy.

The Soilbuild REIT Manager has covenanted in the Soilbuild REIT Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;
- ensure that Soilbuild REIT's operations are carried on and conducted in a proper and efficient manner; and
- conduct all transactions with or for Soilbuild REIT on an arm's length basis and on normal commercial terms.

Further, the Soilbuild REIT Manager prepares property plans on a regular basis, which may contain proposals and forecasts on gross revenue, property expenses, capital expenditure, leasing targets and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of Soilbuild REIT's properties.

The Soilbuild REIT Manager may require the Soilbuild REIT Trustee to borrow on behalf of Soilbuild REIT (upon such terms and conditions as the Soilbuild REIT Manager deems fit, including the charging or mortgaging of all or any part of the assets of Soilbuild REIT, including the Properties and all the Authorised Investments (as defined in the Soilbuild REIT Trust Deed) of Soilbuild REIT for the time being held or deemed to be held upon the trusts under the Soilbuild REIT Trust Deed (collectively, the "**Deposited Property**") whenever the Soilbuild REIT Manager considers, among others, that such borrowings are necessary or desirable in order to enable Soilbuild REIT to meet any liabilities or to finance the acquisition of any property. However, the Soilbuild REIT Manager must not direct the Soilbuild REIT Trustee to incur a borrowing if to do so would mean that Soilbuild REIT's total borrowings and deferred payments will exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in units representing undivided interests in Soilbuild REIT (the "**Units**")).

In the absence of fraud, gross negligence, wilful default or breach of the Soilbuild REIT Trust Deed by the Soilbuild REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Soilbuild REIT Trust Deed. In addition, the Soilbuild REIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Soilbuild REIT Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Soilbuild REIT Trust Deed by the Soilbuild REIT Manager.

The Soilbuild REIT Manager manages Soilbuild REIT and performs its duties and obligations under the Soilbuild REIT Trust Deed.

Retirement and Removal of the Soilbuild REIT Manager

The Soilbuild REIT Manager shall have the power to retire in favour of a corporation approved by the Soilbuild REIT Trustee to act as the manager of Soilbuild REIT.

Also, the Soilbuild REIT Manager may be removed by notice given in writing by the Soilbuild REIT Trustee if:

- the Soilbuild REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Soilbuild REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Soilbuild REIT Manager;
- the Soilbuild REIT Manager ceases to carry on business;
- the Soilbuild REIT Manager fails or neglects after reasonable notice from the Soilbuild REIT Trustee to carry out or satisfy any material obligation imposed on the Soilbuild REIT Manager by the Soilbuild REIT Trust Deed;
- the Unitholders by a resolution proposed and passed as such by a majority being greater than 50 per cent. of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Soilbuild REIT Trust Deed, with no Unitholder (including the Soilbuild REIT Manager and its related parties) being disenfranchised, vote to remove the Soilbuild REIT Manager;
- for good and sufficient reason, the Soilbuild REIT Trustee is of the opinion, and so states in writing, that a change of the Soilbuild REIT Manager is desirable in the interests of the Unitholders; or
- the MAS directs the Soilbuild REIT Trustee to remove the Soilbuild REIT Manager.

Where the Soilbuild REIT Manager is removed on the basis that a change of the Soilbuild REIT Manager is desirable in the interests of the Unitholders, the Soilbuild REIT Manager has a right under the Soilbuild REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Soilbuild REIT Manager, the Soilbuild REIT Trustee and all Unitholders.

4. TRUSTEE OF SOILBUILD REIT — DBS TRUSTEE LIMITED

DBS Trustee Limited is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore, and is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the Latest Practicable Date, DBS Trustee Limited has a paid-up capital of S\$2,500,000, and has a place of business in Singapore at 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3, Singapore 018982.

The Soilbuild REIT Trustee is independent of the Soilbuild REIT Manager.

Powers, Duties and Obligations of the Soilbuild REIT Trustee

The Soilbuild REIT Trustee's powers, duties and obligations are set out in the Soilbuild REIT Trust Deed. The powers and duties of the Soilbuild REIT Trustee include:

- acting as trustee of Soilbuild REIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of Soilbuild REIT with an interested person or interested

party of the Soilbuild REIT Manager or Soilbuild REIT are conducted on normal commercial terms, are not prejudicial to the interests of Soilbuild REIT and the Unitholders, and in accordance with all applicable requirements under Appendix 6 of the CIS Code and/or the Listing Manual relating to the transaction in question;

- holding the assets of Soilbuild REIT on trust for the benefit of the Unitholders in accordance with the Soilbuild REIT Trust Deed; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Soilbuild REIT.

The Soilbuild REIT Trustee has covenanted in the Soilbuild REIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Soilbuild REIT Trustee may (on the recommendation of the Soilbuild REIT Manager) and subject to the provisions of the Soilbuild REIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Soilbuild REIT Trustee may, subject to the provisions of the Soilbuild REIT Trust Deed, appoint and engage:

- any expert for the purpose of exercising its powers and performing its obligations; and
- on the Soilbuild REIT Manager's recommendation any real estate agents or managers or service providers or such other persons, including a Related Party (as defined in the Soilbuild REIT Trust Deed) of the Soilbuild REIT Manager on an arm's length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any of real estate assets and real estate-related assets.

Subject to the Soilbuild REIT Trust Deed and the Property Funds Appendix, the Soilbuild REIT Manager may direct the Soilbuild REIT Trustee to borrow or raise money or obtain other financial accommodation for the purposes of Soilbuild REIT, both on a secured and unsecured basis.

The Soilbuild REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the Soilbuild REIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers, the approval from IRAS to obtain the tax transparency treatment set out in Section 43(2) of the ITA, any tax rulings and all other relevant laws. It must retain Soilbuild REIT's assets, or cause Soilbuild REIT's assets to be retained, in safe custody and cause Soilbuild REIT's accounts to be audited. Pursuant to the Soilbuild REIT Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian in relation to the whole or any part of the Deposited Property. It can appoint valuers to value the real estate assets and real estate-related assets of Soilbuild REIT.

DBS Trustee Limited is not personally liable to a Unitholder in connection with the office of the Soilbuild REIT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the Soilbuild REIT Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the Soilbuild REIT Trustee shall be limited to the assets of Soilbuild REIT over which DBS Trustee Limited has recourse, provided that DBS Trustee Limited has acted without fraud, gross negligence, wilful default or breach of the

Soilbuild REIT Trust Deed. The Soilbuild REIT Trust Deed contains certain indemnities in favour of DBS Trustee Limited under which it will be indemnified out of the assets of Soilbuild REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the Soilbuild REIT Trustee

DBS Trustee Limited may retire or be replaced under the following circumstances:

- DBS Trustee Limited shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Soilbuild REIT Trust Deed).
- DBS Trustee Limited may be removed by notice in writing to DBS Trustee Limited by the Soilbuild REIT Manager:
 - if DBS Trustee Limited goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Soilbuild REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of DBS Trustee Limited;
 - if DBS Trustee Limited ceases to carry on business;
 - if DBS Trustee Limited fails or neglects after reasonable notice from the Soilbuild REIT Manager to carry out or satisfy any material obligation imposed on DBS Trustee Limited by the Soilbuild REIT Trust Deed;
 - if an extraordinary resolution is passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Soilbuild REIT Trust Deed, and of which not less than 21 days' notice has been given to DBS Trustee Limited and the Soilbuild REIT Manager, shall so decide; or
 - if the MAS directs that DBS Trustee Limited be removed.

5. SPONSOR OF SOILBUILD REIT — SOILBUILD GROUP HOLDINGS LTD.

The Sponsor of Soilbuild REIT is Soilbuild Group Holdings Ltd. which is wholly-owned by Mr Lim Chap Huat. Established in 1976, the Sponsor is a leading integrated property group based in Singapore with operations covering the full spectrum of the real estate value chain, ranging from end-to-end construction, design and development, to project management. With a strong track record for quality and innovation, the Sponsor is one of the few Singapore construction companies graded A1 by the Building and Construction Authority (the “**BCA**”) which allows it to tender for public sector projects without any value limitations.

The Sponsor's experience and track record have been recognised through the various awards and accolades it has received through the years, including being a winner of Heritage Brands, Singapore Prestige Brand Award 2015 and five-time winner of both the Singapore Enterprise 50 Awards and the Singapore SME 5000 and 1000 Awards.

The Sponsor has completed a multitude of purpose-built business spaces occupied by multinational corporations and small and medium enterprises in various sectors, and was the first private developer to partner JTC under the Developer Partnerships Programme in 2005. It has collaborated closely with JTC under the Developer Partnerships Programme and leveraged its expertise in “design, build and lease/sell” schemes to be one of the leading private developers of quality business space.

Various well-received business space projects developed for sale include North Spring Bizhub, Woodlands Bizhub, North Point Bizhub, West Point Bizhub, Tuas Lot, Pioneer Lot and Solstice Business Centre.

As at 31 December 2015, the Sponsor had a consolidated net asset value of S\$570,555,000 consisting of a portfolio of prime properties in both residential and business spaces, housing numerous multinational corporations as well as small and medium enterprises and offering business space for lease, catering to the diverse space requirements of industrialists and businesses.

The Sponsor’s successful business space developments include flagship business parks in Solaris and Eigthrium @ Changi Business Park, industrial properties West Park BizCentral, Tuas Connection, Kranji Linc and Senoko Food Connection as well as centrally located flatted business space properties in Tai Seng, Bendemeer and Kallang Way.

As at the date of this Information Memorandum, the Sponsor and Mr Lim Chap Huat together hold 234,534,444 Units (constituting 24.9 per cent. of the total number of Units). The Sponsor and Mr Lim Chap Huat’s combined unitholding constitutes the largest unitholding in Soilbuild REIT.

The Sponsor is committed to supporting Soilbuild REIT over the long term, and believes that Soilbuild REIT will be able to leverage on the Sponsor’s long track record and expertise across the full spectrum of the real estate value chain. The Sponsor will be able to assist in the design and execution of development projects that are within the development limit. For larger projects that exceed the limit, the Sponsor may be able to warehouse such projects that will then be part of the Right of First Refusal (“**ROFR**”) pipeline for potential injection into Soilbuild REIT at a later stage. The Soilbuild REIT Manager will also be able to tap on the Sponsor’s expertise and track record in procurement and planning, design and execution of construction projects when considering potential acquisitions as well as existing properties that have asset enhancement potential.

6. PROPERTY MANAGER OF SOILBUILD REIT — SB PROPERTY SERVICES PTE. LTD.

SB Property Services Pte. Ltd. has been appointed as property manager of Soilbuild REIT’s properties. The Property Manager is a wholly-owned subsidiary of the Sponsor, and was incorporated in Singapore under the Companies Act on 8 March 2005. Its registered office is located at 25 Changi South Street 1, SB Building, Singapore 486059.

Property Manager’s Services

The services provided by the Property Manager (in relation to property management fees, marketing services commissions and project management services) for each property under its management include the following:

- property management services, which includes recommending third party contracts for provision of property maintenance services, supervising the performance of contractors and ensuring compliance with building and safety regulations;

- marketing services, which includes managing public relations and negotiation of terms of new tenancies; and
- project management services in relation to the development or redevelopment (unless otherwise prohibited by the Property Funds Appendix or any other laws or regulations), the refurbishment, retrofitting and renovation works to a property, including recommendation of project budget and project consultants, and supervision and implementation of the project.

Termination

The Soilbuild REIT Trustee or the Soilbuild REIT Manager may terminate the appointment of the Property Manager in relation to all the properties of Soilbuild REIT under the management of the Property Manager on the occurrence of certain specified events, which include the liquidation or cessation of business of the Property Manager.

The Soilbuild REIT Trustee or the Soilbuild REIT Manager may also terminate the appointment of the Property Manager specifically in relation to a property under its management in the event of the sale of such property, but the property management agreement entered into between the Soilbuild REIT Trustee, the Soilbuild REIT Manager and the Property Manager (the “**Property Management Agreement**”) will continue to apply with respect to the remaining properties managed by the Property Manager under the terms of the Property Management Agreement.

In addition, if the Property Manager or the Soilbuild REIT Trustee or, within 90 days of receipt of written notice, fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the party who is not in breach may terminate the appointment of the Property Manager in relation only to such property in respect of which the breach relates, upon giving 30 days’ written notice to the party in breach and shall be entitled to exercise all rights and remedies available to it at law, in equity, by statute or otherwise, including, without limitation, the right to claim damages.

If upon the annual review of the performance of the Property Manager at the end of each financial year, the Soilbuild REIT Manager is of the view that the Property Manager has not been achieving the key performance indicators set out in the Property Management Agreement in the course of the financial year despite receiving notices in writing from the Soilbuild REIT Manager specifying the key performance indicators which the Property Manager has failed to achieve, then the Soilbuild REIT Trustee or the Soilbuild REIT Manager shall have the right to terminate the Property Management Agreement in relation only to the property in respect of which the breach relates subject to and in accordance with the Property Management Agreement.

On the termination of the appointment of the Property Manager, the Soilbuild REIT Manager shall, as soon as practicable recommend to the Soilbuild REIT Trustee the appointment of a replacement property manager in relation to the affected property.

7. GROWTH STRATEGIES

The principal investment strategy of the Soilbuild REIT Manager is to invest on a long-term basis, directly or indirectly, in a portfolio of income-producing real estate used primarily for business space purposes in Singapore as well as real estate-related assets, through the following strategies:

- **Active asset management strategy** — The Soilbuild REIT Manager will strive to build long-lasting relationships with the Master Lessees, the underlying tenants and

Soilbuild REIT's tenants and will work closely with the Property Manager, to implement pro-active policies and measures to enhance and improve the Properties' operational performance, thereby increasing the yields and mitigating re-leasing risks of the Properties.

- **Acquisition growth strategy** — The Soilbuild REIT Manager will source for and pursue acquisition opportunities of quality income-producing business space properties that provide attractive cash flows and yields to enhance potential for future income and capital growth.
- **Capital and risk management strategy** — The Soilbuild REIT Manager will employ an appropriate mix of debt and equity in financing acquisitions, development projects and asset enhancements, secure diversified funding sources through both capital markets and financial institutions, utilise interest rate hedging strategies to reduce market volatility exposure where appropriate and minimise its weighted average cost of capital while maintaining a strong and robust balance sheet.
- **Development strategy** — Within the limits of the Property Funds Appendix¹, the Soilbuild REIT Manager will selectively undertake development activities which have the potential to enhance the value of Soilbuild REIT's portfolio.
- **Divestment Strategy** — The Soilbuild REIT Manager may consider the divestment of non-performing assets to free up or recycle capital for re-deployment towards higher yielding growth opportunities as and when appropriate.

(I) **Active Asset Management Strategy**

The Soilbuild REIT Manager intends to meet its objective of increasing the yields of the Properties and maximising returns from Soilbuild REIT's property portfolio by continually enhancing and improving the property's operational performance and attractiveness through the following strategies:

Improving rental rates while maintaining high occupancy rates

The Soilbuild REIT Manager intends to work closely with the Property Manager to improve rental rates while maintaining high occupancy rates through:

- identifying and restructuring leases and Master Leases that are about to expire with passing rents which are below market levels;
- advancing renewal negotiations with tenants and Master Lessees prior to lease expiry;
- actively monitoring rental arrears to minimise defaults by tenants and other aspects of tenant performance;
- incorporating contractual periodic rental step-up provisions in the Master Leases and the selected tenancy agreements to provide an additional source of organic growth;

¹ Under the Property Funds Appendix the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the Deposited Property. Subject to certain conditions being met, the Property Funds Appendix provides that the total contract value of property development activities may exceed 10% of the Deposited Property (subject to a maximum of 25% of the Deposited Property).

- searching for new tenants, and in the case of the Master Leased Properties, working with the Master Lessees to attract new sub-tenants, from sectors currently under-represented in the properties to pursue an optimal tenant mix;
- actively marketing current and impending vacancies to minimise void periods;
- monitoring and assessing spaces which remain vacant for long periods and working with the Property Manager and Master Lessees to redevelop / conduct asset enhancement works to respectively suit prospective tenants' and sub-tenants' needs and thereby improving the marketability of such spaces;
- selective asset enhancement works to increase the GFA for assets with under-utilised plot ratios to increase rental income;
- exploring with the Property Manager and the Master Lessees' expansion needs of existing tenants and sub-tenants, respectively; and
- working with the Property Manager and the Master Lessees to initiate the respective tenant and sub-tenant retention programs to further strengthen tenant and sub-tenant relationships in an effort to maintain high tenant and sub-tenant retention, minimise vacancies as well as minimise costs associated with securing new tenants and sub-tenants.

Delivering high quality services to tenants and sub-tenants

The Soilbuild REIT Manager will endeavour to work with the Property Manager, tenants and the Master Lessees to provide high quality services to tenants and sub-tenants respectively through:

- providing high quality asset management services to maintain high retention rates;
- facilitating relocation or expansion of tenants and sub-tenants according to their operational requirements;
- reviewing facility management services on an on-going basis to ensure service standards are met; and
- improving responsiveness to tenants' and sub-tenants' feedback and enquiries.

Leveraging on the Sponsor's relationships with existing and prospective tenants and sub-tenants

The Soilbuild REIT Manager intends to leverage on existing relationships with tenants and sub-tenants within the Sponsor's network to create new leasing opportunities and provide real estate solutions for tenants and sub-tenants, to satisfy the objectives of both Soilbuild REIT and prospective tenants and sub-tenants.

Implementing asset enhancements

The Soilbuild REIT Manager's plans for asset enhancement initiatives include:

- improving exterior signage, lighting, restroom facilities and other aesthetic aspects of the Properties;
- reconfiguring / redeveloping space that is difficult to lease in order to improve leasing potential where there is a demand for such space by existing or new tenants;

- improving surrounding infrastructure, car park and other amenities; and
- increasing leasable area by optimising or maximising any under-utilised plot-ratio.

The Soilbuild REIT Manager will undertake asset enhancement initiatives subject to the improvements satisfying projected levels of feasibility and profitability.

Diversify tenant and sub-tenant base across different trade sectors

The Soilbuild REIT Manager (together with the Property Manager and Master Lessees) intends to diversify the tenant and sub-tenant base through the following:

- monitoring the exposure of total rental income to any one trade sector;
- improving the diversity of the tenant and sub-tenant base so as to not overly expose revenue to certain trade sectors more susceptible to general economic cycles in order to achieve more consistent cash flows; and
- working closely with the respective Master Lessee whenever a new sub-tenant is being considered and provide feedback on potential concentration risk or other exposure as the case may be.

Rationalise operating costs

The Soilbuild REIT Manager intends to rationalise operating costs through the following:

- working closely with the Property Manager, tenants and Master Lessees to manage and reduce the property operating expenses (without reducing the quality of maintenance); and
- exploiting the economies of scale associated with operating a portfolio of properties by, for example, bulk purchasing of supplies and cross implementation of successful cost-saving programmes.

(II) Acquisition Growth Strategy

The Soilbuild REIT Manager will source for and pursue acquisition opportunities of quality income-producing business space properties that provide attractive cash flows and yields to enhance potential for future income and capital growth.

The Sponsor's expertise, experience and knowledge of the business space market

The Soilbuild REIT Manager believes that it will be able to leverage on the Sponsor's network, expertise, experience and knowledge of the business space market in Singapore when sourcing for acquisition opportunities.

Right of First Refusal

To demonstrate its support for the growth of Soilbuild REIT, the Sponsor has granted a ROFR to Soilbuild REIT, subject to certain conditions, which provides Soilbuild REIT with access to future acquisition opportunities of the Sponsor's and its existing and future subsidiaries' income-producing properties located in Singapore which are primarily used for business space purposes.

Acquisition opportunities

The relatively smaller purchase consideration required to acquire business space properties, compared to other types of real estate properties, together with the fragmented ownership of business space assets in Singapore present Soilbuild REIT with greater acquisition opportunities.

Investment criteria

In evaluating acquisition opportunities for Soilbuild REIT, the Soilbuild REIT Manager will focus primarily on the following investment criteria:

- **Impact on distributions** — The Soilbuild REIT Manager will focus on properties with income yields above its weighted average cost of capital, and sustainable long term growth prospects.
- **Location** — The Soilbuild REIT Manager will focus on properties which are located in close proximity to, and have convenient access to, major expressways and roads and established business space precincts.
- **Lease expiry profile** — The Soilbuild REIT Manager will focus on properties with longer leases to extend the weighted average lease expiry of the Properties and/or provide diversification to the lease expiry profile to minimise exposure to lease expiry in any one year.
- **Asset enhancement potential** — The Soilbuild REIT Manager will focus on properties where there is potential to add value to the properties through selective capital expenditure and/or other asset enhancement initiatives, such as infrastructure enhancements and increment of net lettable area (if the maximum allowable plot area has not been fully utilised).
- **Building and facilities specification** — The Soilbuild REIT Manager will focus on properties with quality specifications with due consideration for age and quality of maintenance. These specifications will depend on the type of property and may change over time due to market developments and tenant and sub-tenant demands. The Soilbuild REIT Manager will perform and rely on proper due diligence reports submitted by independent experts relating to structural soundness of the building, maintenance, repairs and capital expenditure requirements and encroachment of site boundaries.
- **Tenant composition** — The Soilbuild REIT Manager will focus on properties which have (i) tenants with good credit quality particularly for master lease/purpose built properties, (ii) diverse sector mix for multi-tenanted properties and (iii) established and reputable tenants.
- **Land lease maturity** — The Soilbuild REIT Manager will focus on properties with longer underlying land lease tenure to extend the underlying land lease maturity profile of its property portfolio.
- **Security Deposits** — To further enhance tenant credit quality, the Soilbuild REIT Manager will seek to obtain appropriate security deposits which are commensurate with the credit worthiness of the tenants and the proposed tenure of the leases.

(III) **Capital and Risk Management Strategy**

Objectives of Capital Management Strategy

The Soilbuild REIT Manager will endeavour to:

- maintain a robust balance sheet;
- employ an optimal mix of debt and equity in financing acquisitions and development projects;
- diversify its funding sources through both financial institutions and capital markets;
- optimise Soilbuild REIT's capital structure and cost of capital within the borrowing limits; and
- adopt appropriate interest rates hedging strategies to minimise exposure to market volatility.

Debt Strategy

As and when appropriate, the Soilbuild REIT Manager may consider diversifying its sources of debt financing in the future by way of accessing the debt capital markets through the issuance of debt securities to further enhance its cost of capital and debt maturity profile of Soilbuild REIT.

Equity Strategy

The Soilbuild REIT Manager will, in the future, consider other opportunities to raise additional equity capital for Soilbuild REIT through the issue of new Units, provided that Soilbuild REIT has an appropriate use for such proceeds.

(IV) **Development Strategy**

The Soilbuild REIT Manager intends to tap on the Sponsor's relevant experience and expertise when undertaking development activities.

Soilbuild REIT will undertake developments on a selective basis to ensure they are value-enhancing to the existing portfolio and such development will be within the limits imposed by the Property Funds Appendix².

In carrying out development activities, the Soilbuild REIT Manager will consider, among other things, development and construction and leasing risks as well as the overall benefits to Unitholders. The Soilbuild REIT Manager will leverage on the capability and successful track record of the Sponsor in carrying out its development activities.

(V) **Divestment Strategy**

The intention is to hold assets on a long-term basis. However, consideration will be given to divesting non-performing assets to free up or recycle capital for re-deployment towards higher yielding growth opportunities as and when appropriate.

² Under the Property Funds Appendix the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the Deposited Property. Subject to certain conditions being met, the Property Funds Appendix provides that the total contract value of property development activities may exceed 10% of the Deposited Property (subject to a maximum of 25% of the Deposited Property).

8. COMPETITIVE STRENGTHS

The Soilbuild REIT Manager believes that Soilbuild REIT has the following competitive strengths:

(I) Strategically located property portfolio with excellent connectivity

The Properties are strategically located near key research and development hubs and enjoy excellent accessibility to established infrastructure, facilities and amenities, including easy access to major expressways and major roads and close proximity to Mass Rapid Transit (“MRT”) stations.



The two business park properties — Solaris and Eightrium @ Changi Business Park, are strategically located in one-north and Changi Business Park respectively. one-north is located in close proximity to the one-north MRT station, while Changi Business Park is located within walking distance to Expo MRT station and other amenities, including Changi City Point and Singapore EXPO Convention and Exhibition Centre. one-north and Changi Business Park also enjoy easy accessibility to road infrastructures, with one-north being located near the Ayer Rajah Expressway and Changi Business Park being located near the Pan Island Expressway and the East Coast Parkway.

Of Soilbuild REIT’s industrial properties, Beng Kuang Marine, COS Printers, NK Ingredients, KTL Offshore, Speedy-Tech, Tuas Connection and West Park BizCentral are located in the key industrial hub in the west region of Singapore where they have good accessibility to major expressways such as the Ayer Rajah Expressway, Pan Island Expressway and Tuas Checkpoint and are situated in close proximity to Pioneer, Boon Lay and Joo Koon MRT stations. These properties also enjoy close proximity to sea ports such as Jurong Port and the planned mega container port at Tuas which is expected to be operational around 2022³. Tellus

³ Source: DTZ Debenham Tie Leung (SEA) Pte. Ltd.

Marine is located in the north region of Singapore and enjoys easy accessibility to major expressways such as the Seletar Expressway and Bukit Timah Expressway. Technics Offshore is located in Loyang Way, within Loyang Industrial Estate. It is well served by major expressways such as Pan Island Expressway and Tampines Expressway.

(II) Well-diversified portfolio

Diversification of the tenant base is a key pillar of the resilience of Soilbuild REIT's property portfolio. Soilbuild REIT's tenant base is well spread across many different trade sectors and, as at the Latest Practicable Date, no single trade sector accounts for more than 12.3% of Soilbuild REIT's portfolio monthly net rental income (after rent rebates and provisions for rent free periods) and service charges ("**Gross Rental Income**"). This reduces portfolio concentration risk and provides greater stability for Soilbuild REIT. The table below provides a breakdown of the different trade sectors by percentage of monthly Gross Rental Income as at the Latest Practicable Date.

Trade Sector	% of Gross Rental Income	Trade Sector	% of Gross Rental Income
Oil & Gas	12.3%	Fabricated Metal Products	4.3%
Precision Engineering, Electrical and Machinery Products	11.9%	Food Products & Beverages	4.0%
Marine Offshore	11.2%	Supply Chain Management, 3rd Party Logistics, Freight Forwarding	3.3%
Information Technology	10.4%	Education & Social Services	2.5%
Electronics	9.6%	Telecommunication & Datacentre	2.3%
Chemicals	9.3%	Financial	1.7%
Others	6.9%	Pharmaceutical & Biological	1.2%
Government Agency	4.6%	Construction	0.1%
Publishing, Printing & Reproduction of Recorded Media	4.4%		

⁵ Based on monthly gross rental and includes underlying tenants at Solaris as at the Latest Practicable Date.

⁶ Source: The Ministry of Trade and Industry press release dated 28 December 2015.

(III) Quality and diverse tenant base

Soilbuild REIT's Gross Rental Income is well-distributed among multinational corporations ("MNCs"), SGX-listed corporations, small and medium enterprises ("SMEs") and government agencies within its portfolio of 113 tenants⁴. The table below provides a breakdown by Gross Rental Income of the tenants in Soilbuild REIT's portfolio as at the Latest Practicable Date.

Type of Tenant ⁽¹⁾	% of Gross Rental Income
MNC	58%
SME	21%
SGX Listed Corporation	17%
Government Agency	4%

Note:

(1) Inclusive of underlying tenants in Solaris.

Some of the top ten tenants in Soilbuild REIT's portfolio include well-established MNCs, government bodies and household names such as SPRING Singapore, Nestle Singapore (Pte) Ltd, Dyson Operations Pte. Ltd. and John Wiley & Sons Singapore Pte. Ltd. (formerly known as John Wiley & Sons (Asia) Ptd Ltd).

As at the Latest Practicable Date, the top 10 tenants (inclusive of the underlying tenants in Solaris as at the Latest Practicable Date) contributed to approximately 42.2%⁵ of the total Gross Rental Income of Soilbuild REIT's portfolio. The table below provides a breakdown of their respective contributions.

No	Tenant	Property	% of Gross Rental Income
1	Technics Offshore Engineering Pte Ltd	Technics Offshore	9.1%
2	NK Ingredients Pte. Ltd.	NK Ingredients	5.7%
3	SPRING Singapore	Solaris	4.4%
4	KTL Offshore Pte. Ltd.	KTL Offshore	4.3%
5	Mediatek Singapore Pte. Ltd.	Solaris	4.0%
6	Autodesk Asia Pte Ltd	Solaris	3.9%
7	Nestle Singapore (Pte) Ltd	Eightrium	3.3%
8	John Wiley & Sons Singapore Pte. Ltd. (formerly known as John Wiley & Sons (Asia) Ptd Ltd)	Solaris	2.8%
9	Dyson Operations Pte. Ltd.	West Park BizCentral	2.4%
10	SB Storage Pte. Ltd.	West Park BizCentral	2.3%
	Total		42.2%

⁴ Based on the 14, 14 and 52 tenants at Eightrium, Tuas Connection and West Park BizCentral respectively, the underlying 26 tenants at Solaris and the 7 single tenant properties (NK Ingredients, COS Printers, Beng Kuang Marine, Tellus Marine, KTL Offshore, Speedy-Tech and Technics Offshore) as at the Latest Practicable Date.

(IV) Long weighted average leasehold term of Properties

As at the Latest Practicable Date, the Properties have a weighted average unexpired land lease term (including the period covered by the relevant options to renew) by valuation of 45.5 years. This compares favourably to new developments on the Industrial Government Land Sales sites which have shorter tenures of between 20 to 30 years as observed in the Launch of First Half 2016 Industrial Government Land Sales Programme by the Ministry of Trade and Industry⁶.

(V) Stable stream of rental income provided by Master Leased Properties

The Master Leased Properties, which comprise 41.5% of the Properties by net lettable area as at the Latest Practicable Date, have been leased back to the respective vendors pursuant to the Master Lease Agreements, which have tenors of 5 to 15 years with locked-in rental escalations. On this basis, the Soilbuild REIT Manager believes that the Master Lease Agreements will provide Soilbuild REIT with a stable stream of rental income with steady and predictable growth and mitigate any risk to income caused by uncertainty and volatility of global economic conditions. The table below provides the list of the Master Leased Properties in Soilbuild REIT's portfolio.

Master Leased Property	Lease Start Date	Lease Term	Locked-in Rental Escalation
NK Ingredients	15 February 2013	15 years	4.5% every 2 years
COS Printers	19 March 2013	10 years	4% every 2 years
Beng Kuang Marine	10 May 2013	7 years	2% per annum
Solaris	16 August 2013	5 years	3% per annum
Tellus Marine	26 May 2014	10 years	2.5% per annum
KTL Offshore	31 October 2014	7 years	2.5% every 2 years
Speedy-Tech	23 December 2014	10 years	2.5% per annum
Technics Offshore	27 May 2015	15 years	2.25% per annum after 2nd year

(VI) Properties with under-utilised land plot ratios provide potential to maximise asset enhancement and redevelopment opportunities

Several of the Properties, in particular NK Ingredients, COS Printers, KTL Offshore and Technics Offshore, have under-utilised plot ratios and have potential for growth through maximising the allowable plot ratios on the land which these properties are located, provided approval is granted to maximise the plot ratios. If these allowable plot ratios are maximised, Soilbuild REIT could potentially realise additional GFA through asset enhancement or redevelopment initiatives to achieve the maximum allowable plot ratios at NK Ingredients, COS Printers and KTL Offshore, which would provide further income and capital growth for Soilbuild REIT.

(VII) High proportion of business park properties in property portfolio to capitalise on increasing demand

As at the Latest Practicable Date, Soilbuild REIT's property portfolio offers a large exposure to the business park segment given its relatively high proportion of business park assets (38.9% by portfolio valuation). The Soilbuild REIT Manager believes that Soilbuild REIT is well positioned to capitalise on the growth in the business park segment in Singapore, as demand for business park space in Singapore has been growing steadily through the years, and rental rates at business parks have been very competitive, relative to traditional office space.

(VIII) Ability to leverage on the capabilities of the Sponsor as an integrated construction, development, property and fund management company with an excellent track record

Please see the section entitled “*Sponsor of Soilbuild REIT — Soilbuild Group Holdings Ltd.*” for more details.

(IX) Potential acquisition opportunities through right of first refusal arrangements with the Sponsor

The Soilbuild REIT Manager believes that there is a clear path of growth for Soilbuild REIT as Soilbuild REIT has been granted a ROFR by the Sponsor over all income producing real estate located in Singapore used primarily for business space purposes for so long as:

- the Soilbuild REIT Manager or any of its related corporations remains the manager of Soilbuild REIT; and
- the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of Soilbuild REIT.

The ROFR currently covers four properties located across Singapore with a maximum GFA of approximately 2.3 million sq ft as at the Latest Practicable Date. If Soilbuild REIT were to acquire all of these properties, Soilbuild REIT’s portfolio GFA could be expected to increase by approximately 61%.

The table below provides selected details of such properties as at the Latest Practicable date:

Properties	Description	Maximum GFA⁽¹⁾ (‘000 sq ft)	Balance of Land Lease
1020, 1022, 1024 & 1026 Tai Seng Avenue	3 blocks of 7-storey flatted factory building and a single-storey amenity centre	1,031	60 years from 26 August 2011
164 & 164A Kallang Way	7-storey light industrial building and a single storey amenity centre	575	40 years from 26 August 2011
171 Kallang Way	5-storey light industrial building	326	40 years from 26 August 2011
Bukit Batok Street 23	9-storey light industrial ramp-up building	404	30 years from 26 November 2012
Total		2,336	

Note:

(1) Based on maximum allowable plot ratio.

Furthermore, the Soilbuild REIT Manager believes the ROFR pipeline will continue to grow as the Sponsor participates in more business space development projects going forward, providing Soilbuild REIT with an expanding pipeline of properties that Soilbuild REIT may acquire to enhance its distribution growth profile.

In addition, given the Sponsor’s familiarity of the business space market in Singapore and its track record and expertise, the Soilbuild REIT Manager believes that Soilbuild REIT will be able to leverage on the Sponsor’s resources to identify potential third party acquisition opportunities in Singapore.

(X) Managed by an experienced and professional REIT management and property management team

The Soilbuild REIT Manager believes that Unitholders will benefit from the experience of key staff members of the Soilbuild REIT Manager in the Singapore business space markets as well as the strengths and experience of the Property Manager in business space property management.

Please see the sections entitled “*Manager of Soilbuild REIT — SB REIT Management Pte. Ltd.*” and “*Property Manager of Soilbuild REIT - SB Property Services Pte. Ltd.*” for more details.

9. THE PROPERTIES

Certain information on the Properties

The table below sets out certain information on the Properties as at the Latest Practicable Date.

Property / Type	Date of Certificate of Statutory Completion (“CSC”) received	Lease Arrangement	Lease Term	Land Area (sq ft)	NLA (sq ft)	GFA (sq ft)	Underlying Land Tenure	Carrying Value as at 31 March 2016 ⁽¹⁾ (\$ million)
Eightrium @ Changi Business Park (Business Park)	25 September 2007	Multi-tenanted	1.7 years ⁽²⁾	85,640	177,286	213,835	30 year leasehold + 30 years from 16 February 2006	102.8
Solaris (Business Park)	29 September 2011	Master Lease	Five years from 16 August 2013	83,258 ⁽³⁾	441,533	551,811	(a) 30 year leasehold + 30 years from 1 June 2008 and (b) 28 year and five months leasehold + 30 years from 1 January 2010	360.0
Tuas Connection (Industrial Property)	14 July 2010	Multi-tenanted	3.4 years ⁽²⁾	741,829	651,072	607,994	43 year leasehold from 1 October 2007	126.0
West Park BizCentral (Industrial Property)	24 September 2012	Multi-tenanted	1.7 years ⁽²⁾	565,790	1,240,583	1,414,600	30 year leasehold + 30 years from 1 August 2008	319.0
NK Ingredients (Industrial Property)	15 July 1991 (Phase 1) 1 August 2007 (Phase 2)	Master Lease	15 years from 15 February 2013	572,529	312,375	312,375	30 year leasehold + 30 years from 1 October 1986	62.0
COS Printers (Industrial Property)	7 January 1997	Master Lease	10 years from 19 March 2013	56,774	58,752	58,752	30 year leasehold + 19 years from 1 August 1993	11.2

Property / Type	Date of Certificate of Statutory Completion ("CSC") received	Lease Arrangement	Lease Term	Land Area (sq ft)	NLA (sq ft)	GFA (sq ft)	Underlying Land Tenure	Carrying Value as at 31 March 2016 ⁽¹⁾ (\$ million)
Beng Kuang Marine (Industrial Property)	4 May 2000	Master Lease	Seven years from 10 May 2013	52,800	73,737	73,737	60 year leasehold from 30 October 1996	16.5
Tellus Marine (Industrial Property)	21 September 1998	Master Lease	10 years from 26 May 2014	69,030	77,162 ⁽⁴⁾	77,162 ⁽⁴⁾	30 year leasehold + 30 years from 16 February 1994	15.7 ⁽⁴⁾
KTL Offshore (Industrial Property)	22 May 2009	Master Lease	6.8 Years from 31 October 2014	279,855	208,057	208,057	60 year leasehold from 19 July 2006	56.0
Speedy-Tech (Industrial Property)	5 January 2004	Master Lease	10 years from 23 December 2014	42,977	93,767	93,767	30 year leasehold + 20 years from 1 May 2000	24.5
Technics Offshore (Industrial Property)	Various dates ⁽⁵⁾	Master Lease	15 years from 27 May 2015	291,598	203,468	203,468	Comprises leases of varying lease tenure from 24 years to 54 years. Land lease of main plot is 54 years. Includes an option for Soilbuild REIT to renew the land lease for a further term of 18 years 5 months and 15 days upon expiry. Land leases collectively expire on 20 March 2038.	97.0
Total				2,842,080	3,537,792	3,815,558		1,190.7

Notes:

- (1) Based on CBRE Pte. Ltd.'s ("**CBRE**") valuation of Soilbuild REIT's Business Park Properties and Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.'s ("**Colliers**") valuation of Soilbuild REIT's Industrial Properties dated 31 December 2015, as per the announcement released by the Soilbuild REIT Manager on 21 January 2016.
- (2) Weighted average lease term to expiry based on Gross Rental Income as at the Latest Practicable Date.
- (3) Excludes 3,014 sq ft of subterranean space.
- (4) Tellus Marine (Phase 1) only.
- (5) CSC of Technics Offshore was received in stages on 24 January 2007, 28 December 2010, 2 August 2011, 19 June 2014 and 19 September 2014.

Business Park Properties

Eightrium @ Changi Business Park

Eightrium @ Changi Business Park is a distinctive business park development suitable for multinational corporations and small and medium enterprises in research development, high-technology and knowledge-intensive industries. It comprises an eight-storey east wing and a five-storey west wing interlinked by a five-storey atrium. Its east wing has a typical floor area of 17,000 sq ft and its west wing has a typical floor area of 9,000 sq ft.

Located within Changi Business Park where facilities and amenities such as banks, food and beverage outlets, clinics, shopping centres, hotels and convenience stores are readily available, it is situated within walking distance from Singapore Expo and is only 4.5 km from Changi Airport and 16.5 km from the Central Business District. It is also served by major arterial roads and transport networks such as the nearby East Coast Parkway, Pan Island Expressway and Expo MRT station.

The table sets out a summary of selected information on Eightrium @ Changi Business Park as at the Latest Practicable Date:

Address	15A Changi Business Park Central 1, Singapore 486035
Acquisition Date	16 August 2013
Term of lease	60 years
Remaining term of lease	50 years
Land Area (sq ft)	85,640
GFA (sq ft)	213,835
NLA (sq ft)	177,286
Occupancy Rate	100%
Number of Tenants	14
FY2015 Gross Rental Revenue	S\$9.0 million
Valuation⁽¹⁾	S\$102.8 million
Purchase Price	S\$91.4 million
Lease Type	Multi-tenanted

Note:

(1) Based on CBRE's valuation dated 31 December 2015.

Trade Sector Analysis

The table below provides a breakdown of the different trade sectors represented in Eightrium @ Changi Business Park (as at the Latest Practicable Date) by percentage of Gross Rental Income.

Eightrium	
Trade Sector	% (by monthly Gross Rental Income)
Food Products & Beverages	33%
Financial	18%
Education & Social Services	18%
Telecommunication & Datacentre	15%
Information Technology	11%
Precision Engineering, Electrical and Machinery Products	5%
Total	100%

Solaris

Solaris is an iconic state-of-the-art business park development designed to house multinational corporations and large corporates from the info-communications, media and science and engineering research and development industries. It comprises a nine-storey north tower and a 15-storey south tower and its unit sizes range from 1,500 sq ft to 25,000 sq ft.

Solaris has won multiple accolades for its integrated green design. The awards won include:

- 2016 — FIABCI World Prix d'Excellence Awards 2016, Sustainable Development category, World Gold Winner
- 2015 — Singapore Property Awards 2015 (Sustainable Development Category)
- 2015 — Highly commended Office Development Singapore, Asia Pacific Property Awards 2015-2016
- 2015 — BCA Green Mark Platinum Award (Renewed)
- 2014 — AIA Merit Award For Open International for Excellent Architectural Design
- 2014 — BEI Asia Awards, Asia Green Building Awards Commercial Building
- 2014 — Landscape Excellence Assessment Framework Award, Existing Developments
- 2013 — Asean Energy Awards, Energy Efficient Building - New and Existing Category, Winner
- 2012 — RIBA International Award, Winner
- 2011 — Pertubuhan Akitek Malaysia Award, Gold Category 10 Overseas
- 2011 — 11th SIA Architectural Design Awards, Industrial, Transport & Infrastructure Category Industrial Buildings
- 2010 — Green Good Design Award
- 2009 — SIA-Nparks Skyrise Greenery Awards, Unbuilt Category, First Prize
- 2009 — BCA Green Mark (New Buildings), Award Platinum

Solaris is located at 1 Fusionopolis Walk in one-north, a business park location which is rapidly developing into a pre-eminent location outside the Central Business District for business tenants. Solaris is located near one-north MRT station and Buona Vista MRT station and has easy accessibility to major expressways such as Ayer Rajah Expressway and Pan Island Expressway. It is also in close proximity to major research clusters and educational institutions such as the National University of Singapore, Nanyang Technological University, Biopolis and Science Park I & II.

The table sets out a summary of selected information on Solaris as at the Latest Practicable Date:

Address	1 Fusionopolis Walk, Singapore 138628
Acquisition Date	16 August 2013
Term of lease	60 years
Remaining term of lease	52 years
Land Area (sq ft)	83,258 (excluding subterranean space of 3,014 sq ft)
GFA (sq ft)	551,811
NLA (sq ft)	441,533
Occupancy Rate	100%
Number of Tenants	26
FY2015 Gross Rental Revenue	S\$17.5 million
Valuation⁽¹⁾	S\$360.0 million
Purchase Price	S\$293.4 million
Lease Type	Master Lease
Master Lessee	SB (Solaris) Investment Pte. Ltd.

Note:

(1) Based on CBRE's valuation dated 31 December 2015.

Master Lessee

Solaris is leased to the Sponsor Master Lessee as the Master Lessee. This was a requirement stipulated by JTC as part of the agreement to the land lease assignment. The initial lease term is five years from the acquisition date. Soilbuild REIT received a cash security deposit amounting to 12 months' prevailing rent from the Sponsor Master Lessee.

The initial annual rent is S\$16.7 million with rental escalation to be calculated at three per cent. per annum with the first escalation having occurred on 1 April 2014 and annually thereafter. As the Master Lease is structured as a triple net lease, the Master Lessee is further responsible for the property-related expenses including the annual land rent (if applicable), property tax, insurance and maintenance costs.

Industrial Properties

Tuas Connection

Tuas Connection is an enclave of two-storey detached and semi-detached modern factory units with dedicated private compounds designed for heavy engineering, offshore oil & gas and marine industries, petrochemical and energy sectors. The functional layout and specifications of the factories feature wide production spaces that span 20 to 30 metres, floor to ceiling height of 12 metres with ample headroom for overhead cranes, a production floor loading capacity of 20.0 KN/m² and electrical provisions of up to 1,500 KVA. The factories also have office space on the second storey and are equipped with their own dedicated driveways and parking facilities.

Tuas Connection is strategically located near key offshore marine, oil & gas and other heavy industrial zones, and is near facilities such as Raffles Marina, Raffles Country Club and Tuas Amenity Centre. Tuas Connection is also served by major arterial roads and transport networks such as the nearby Ayer Rajah Expressway, Pan Island Expressway and Tuas Checkpoint.

The table sets out a summary of selected information on Tuas Connection as at the Latest Practicable Date:

Address	1 to 10, 12, 14, 16, 18 & 20 Tuas Loop, Singapore 637336 to 637350
Acquisition Date	16 August 2013
Term of lease	43 years
Remaining term of lease	35 years
Land Area (sq ft)	741,829
GFA (sq ft)	607,994
NLA (sq ft)	651,072
Occupancy Rate	86.3%
Number of Tenants	14
FY2015 Gross Rental Revenue	S\$10.8 million
Valuation⁽¹⁾	S\$126.0 million
Purchase Price	S\$122.7 million
Lease Type	Multi-tenanted

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Trade Sector Analysis

The table below provides a breakdown of the different trade sectors represented in Tuas Connection (as at the Latest Practicable Date) by percentage of Gross Rental Income.

Tuas Connection	
Trade Sector	% (by monthly Gross Rental Income)
Precision Engineering, Electrical and Machinery Products	35%
Marine Offshore	20%
Oil & Gas	9%
Fabricated Metal Products	19%
Chemicals	10%
Others	7%
Total	100%

West Park BizCentral

West Park BizCentral is a hi-tech ramp-up industrial development home to major marine engineering, hi-tech manufacturing and assembly, energy and petrochemical-related industries. It comprises a six-storey ramp-up factory and an 11-storey air-conditioned hi-tech facility. The flexible layout of the ramp-up factory and the air-conditioned hi-tech facility feature a wide range of unit sizes ranging from 15,000 sq ft to 45,000 sq ft and 1,300 sq ft to 7,200 sq ft, respectively. Each ramp-up factory has direct access to its own dedicated parking lot, facilitating convenient loading and unloading.

West Park BizCentral clinched the World Silver Winner in the industrial category at the FIABCI World Prix d'Excellence Awards 2016, the Best Industrial Development Singapore under the Asia Pacific Property Awards 2015-2016, the Singapore Property Awards 2015 (Industrial Category) and a Gold Award in 2009 from Singapore's BCA under its Green Mark scheme.

West Park BizCentral is located on Pioneer Crescent in an area specifically designed for industrial usage with established infrastructure, facilities and amenities located nearby. It is in close proximity to Pioneer, Boon Lay and Joo Koon MRT stations, and is easily accessible via major expressways including Ayer Rajah Expressway, Pan Island Expressway and Tuas Checkpoint. It is also accessible from both Pioneer Road and Tanjong Kling, the main arterial roads within the Jurong industrial precinct.

The table sets out a summary of selected information on West Park BizCentral as at the Latest Practicable Date:

Address	20, 22, 24, 26, 28, 30, 32 Pioneer Crescent, Singapore 628555 to 628561
Acquisition Date	16 August 2013
Term of lease	60 years
Remaining term of lease	53 years
Land Area (sq ft)	565,790
GFA (sq ft)	1,414,600
NLA (sq ft)	1,240,583
Occupancy Rate	92%
Number of Tenants	52
FY2015 Gross Rental Revenue	S\$23.5 million
Valuation⁽¹⁾	S\$319.0 million
Purchase Price	S\$313.0 million
Lease Type	Multi-tenanted

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Trade Sector Analysis

The table below provides a breakdown of the different trade sectors represented in West Park BizCentral (as at the Latest Practicable Date) by percentage of Gross Rental Income.

West Park BizCentral	
Trade Sector	% (by monthly Gross Rental Income)
Precision Engineering, Electrical and Machinery Products	26%
Marine Offshore	6%
Oil & Gas	9%
Electronics	5%
Fabricated Metal Products	11%
Supply Chain Management, 3rd Party Logistics, Freight Forwarding	13%
Construction	1%
Food Products & Beverages	2%
Chemicals	2%
Others	25%
Total	100%

NK Ingredients

NK Ingredients is a property consisting of seven blocks of office, laboratory, warehouse and production facilities and associated structures. It is an integrated lanolin, lanolin derivative and cholesterol production facility capable of refining 10,000 tonnes wool grease, the raw material for all lanolin products. The entire manufacturing facility is fully automated and coordinated by a state-of-the-art computerised control system.

NK Ingredients holds a prominent frontage at the intersection of Gul Lane, Pioneer Sector 1 and Pioneer Road, and is accessible to several major expressways including the Ayer Rajah Expressway and Pan Island Expressway. It is also strategically located at the gateway of Jurong Island and Malaysia via the Tuas Link.

The table sets out a summary of selected information on NK Ingredients as at the Latest Practicable Date:

Address	2 Pioneer Sector 1, Singapore 628414
Acquisition Date	15 February 2013
Term of lease	60 years
Remaining term of lease	31 years
Land Area (sq ft)	572,529
GFA (sq ft)	312,375
NLA (sq ft)	312,375
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$4.9 million
Valuation⁽¹⁾	S\$62.0 million
Purchase Price	S\$60.0 million
Lease Type	Master Lease
Master Lessee	NK Ingredients Pte. Ltd.

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

NK Ingredients is leased to NIPL as the Master Lessee. The initial lease term is 15 years from the acquisition date. Security deposits in the form of a bank guarantee equivalent to 12 months' prevailing rent is held by Soilbuild REIT.

The initial annual rent is S\$4.68 million with rental escalation to be calculated at 4.5 per cent. every two years over the preceding year's rent. As the Master Lease is structured as a triple net lease, the Master Lessee is further responsible for the following property-related expenses including the annual land rent, property tax, insurance and maintenance costs.

COS Printers

COS Printers is a three-storey factory cum-warehouse building located at 9 Kian Teck Crescent in between Boon Lay Way and Pioneer Road North. The site is accessible to other parts of the island via Pan Island Expressway and Ayer Rajah Expressway.

The table sets out a summary of selected information on COS Printers as at the Latest Practicable Date:

Address	9 Kian Teck Crescent, Singapore 628875
Acquisition Date	19 March 2013
Term of lease	49 years
Remaining term of lease	26 years
Land Area (sq ft)	56,774
GFA (sq ft)	58,752
NLA (sq ft)	58,752
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$0.9 million
Valuation⁽¹⁾	S\$11.2 million
Purchase Price	S\$10.3 million
Lease Type	Master Lease
Master Lessee	C.O.S Printers Pte Ltd

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

COS Printers is leased to C.O.S Printers Pte Ltd as the Master Lessee. The initial lease term is 10 years from the completion date of the sale and purchase. A security deposit in the form of cash equivalent to 12 months' prevailing rent is held by Soilbuild REIT.

The initial annual rent is S\$0.89 million with rental escalation to be calculated at 4.0 per cent. every two years over the preceding year's rent. As the Master Lease is structured as a double net lease, the Master Lessee is further responsible for the following property-related expenses including property tax and maintenance costs.

Beng Kuang Marine

Beng Kuang Marine is a part three / part four-storey warehouse facility with an approved use of workers dormitory on part of the second, third and fourth floors.

Beng Kuang Marine is located along Tuas View Square off Tuas View Link. The surrounding area comprises of both industrial and logistics facilities such as Tuas View Industrial Park, Tradelink Place, Linkpoint Place and Westlink One & Two, and the site is accessible to several major expressways including the Ayer Rajah Expressway and Pan Island Expressway.

The table sets out a summary of selected information on Beng Kuang Marine as at the Latest Practicable Date:

Address	38 Tuas View Square, Singapore 637770
Acquisition Date	10 May 2013
Term of lease	60 years
Remaining term of lease	41 years
Land Area (sq ft)	52,800
GFA (sq ft)	73,737
NLA (sq ft)	73,737
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$1.1 million
Valuation⁽¹⁾	S\$16.5 million
Purchase Price	S\$14.5 million
Lease Type	Master Lease
Master Lessee	PICCO Enterprise Pte. Ltd.

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

Beng Kuang Marine is leased to PICCO Enterprise Pte. Ltd. as the Master Lessee. The initial lease term is seven years from the completion date of the sale and purchase. A security deposit in the form of a bank guarantee and a corporate guarantee equivalent to 12 months and six months, respectively, of the prevailing annual rental is held by Soilbuild REIT.

The initial annual rent is S\$1.06 million with rental escalation calculated at 2.0 per cent. per annum over the preceding year's rent. As the Master Lease is structured as a double net lease, the Master Lessee is further responsible for the following property-related expenses including property tax, insurance and maintenance costs.

Tellus Marine

Tellus Marine (Phase 1) is a four-storey industrial facility which comprises production, warehouse, ancillary administrative area and dormitory accommodation. Tellus Marine (Phase 2) involves the construction of a single level which will complement the use of the existing building. Upon completion, the new facility will be used to service yachts and other marine equipment. Tellus Marine (Phase 2) is expected to be completed in July 2016.

Tellus Marine is located within the Senoko Industrial Estate, at the northern part of Singapore. The surrounding developments are mostly purpose-built factories which are engaged in a variety of manufacturing and related industries. The property is also well served by major roads and expressways including Bukit Timah Expressway, Seletar Expressway, Tampines Expressway and Central Expressway.

The table sets out a summary of selected information on Tellus Marine as at the Latest Practicable Date:

Address	39 Senoko Way, Singapore 758052
Acquisition Date	26 May 2014
Term of lease	60 years
Remaining term of lease	38 years
Land Area (sq ft)	69,030
Land Rent	The upfront land premium paid to JTC on the assignment and/or transfer of the property in lieu of the annual land rental scheme (the “ Land Premium ”) has been paid upfront until 15 February 2024
GFA (sq ft)	Phase 1: 77,162 Phase 2: 18,088
NLA (sq ft)	Phase 1: 77,162 Phase 2: 18,088
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$1.2 million
Valuation	Phase 1: S\$15.7 million ⁽¹⁾ Phase 2: S\$3.5 million ⁽²⁾
Purchase Price	Phase 1: S\$14.6 million Phase 2: S\$3.4 million
Lease Type	Master Lease
Master Lessee	Tellus Marine Engineering Pte Ltd

Notes:

(1) Based on Colliers’ valuation dated 31 December 2015.

(2) Based on CBRE’s valuation dated 7 March 2014 for the purpose of the acquisition of the property.

Master Lessee

Tellus Marine is leased to Tellus Marine Engineering Pte Ltd as the Master Lessee. The lease term is 10 years from the acquisition date or 10 years from the acquisition date plus the number of months temporary occupation permit for Phase 2 is delayed. A security deposit in the form of a bank guarantee, equivalent to 18 months’ prevailing rent is held by Soilbuild REIT.

The initial annual rent is S\$1.21 million and S\$0.28 million for Phase 1 and Phase 2 respectively with rental escalation calculated at 2.5 per cent. per annum over the preceding year’s rent. As the Master Lease is structured as a double net lease, the Master Lessee is further responsible for the following property-related expenses including property tax, insurance and maintenance costs.

KTL Offshore

KTL Offshore comprises two adjacent detached purpose-built factories located along Tuas Bay Drive, off Tuas South Avenue 2. No. 61 Tuas Bay Drive is a three-storey industrial building with ancillary office while No. 71 Tuas Bay Drive is a part two/part three-storey building development with ancillary office. The site is an Urban Redevelopment Authority of Singapore tendered land with land rent paid upfront.

It is located within the Jurong Industrial Estate with the Tuas Checkpoint/Second Link to Malaysia in close proximity. The surrounding developments are primarily industrial buildings, comprising a mix of standard JTC factories, purpose-built warehouse/factory buildings and multiple-user terraced factories. KTL Offshore is also well served by major roads and expressways including Jalan Ahmad Ibrahim, Pan Island Expressway and Ayer Rajah Expressway.

The table sets out a summary of selected information on KTL Offshore as at the Latest Practicable Date:

Address	61 & 71 Tuas Bay Drive, Singapore 637428 & 637430
Acquisition Date	31 October 2014
Term of lease	60 years
Remaining term of lease	50 years
Land Area (sq ft)	279,855
Land Rent	Land Premium paid upfront until 18 July 2066
GFA (sq ft)	208,057
NLA (sq ft)	208,057
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$3.7 million
Valuation⁽¹⁾	S\$56.0 million
Purchase Price	S\$55.0 million
Lease Type	Master Lease
Master Lessee	KTL Offshore Pte. Ltd.

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

KTL Offshore is leased to KTL Offshore Pte. Ltd. as the Master Lessee. The lease term is 6.8 years from the acquisition date. A security deposit in the form of a bank guarantee equivalent to approximately 12 months of the average prevailing annual rental is held by Soilbuild REIT.

The initial annual rent is S\$3.71 million with rental escalation starting from the second year calculated at 2.5 per cent. every two years over the preceding year's rent. As the Master Lease is structured as a double net lease, the Master Lessee is further responsible for the following property-related expenses including property tax and maintenance costs.

Speedy-Tech

Speedy-Tech is a part three/part six-storey light industrial building located along Kian Teck Lane. The building was built in 2002 and has undergone asset enhancement works in 2013 to convert the ground floor warehouse space into a test laboratory.

Speedy-Tech is accessible via several major expressways including Pan Island Expressway and Ayer Rajah Expressway. The surrounding area comprises strata title developments, dormitories, industrial and logistics warehouses and the Jurong West residential estate. Prominent developments nearby include Pioneer Centre, Pioneer Junction and Dawn Logistics Centre.

The table sets out a summary of selected information on Speedy-Tech as at the Latest Practicable Date:

Address	20 Kian Teck Lane, Singapore 627854
Acquisition Date	23 December 2014
Term of lease	50 years
Remaining term of lease	34 years
Land Area (sq ft)	42,977
Land Rent	Land Premium paid upfront until 30 April 2030
GFA (sq ft)	93,767
NLA (sq ft)	93,767
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$1.8 million
Valuation⁽¹⁾	S\$24.5 million
Purchase Price	S\$22.4 million
Lease Type	Master Lease
Master Lessee	Speedy-Tech Electronics Ltd.

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

Speedy-Tech is leased to Speedy-Tech Electronics Ltd. as the Master Lessee. The lease term is ten years from the acquisition date. A security deposit in the form of cash equivalent to six months of the prevailing annual rental and a corporate guarantee from the parent company, Integrated Micro-Electronic Inc., listed on the Philippines Stock Exchange, are held by Soilbuild REIT.

The initial annual rent is S\$1.83 million with rental escalation calculated at 2.5 per cent. per annum over the preceding year's rent. As the Master Lease is structured as a double net lease, the Master Lessee is further responsible for the following property-related expenses including property tax, insurance and maintenance costs.

Technics Offshore

Technics Offshore is a fully integrated facility comprising two blocks of three-storey and four-storey ancillary office, two high ceiling single-storey production facilities, a blasting and spray painting chamber, a 160-person capacity workers' dormitory and a jetty with 142 metres of sea frontage which serves as a fully-integrated offshore supply base approved by the Maritime and Port Authority.

Technics Offshore is well served by major roads and expressways such as Pan Island Expressway and Tampines Expressway, which provide efficient links to Changi International Airport, the city centre and other parts of the island. The surrounding developments are primarily industrial in nature, comprising a mix of standard JTC factories, purpose-built warehouse/factory buildings and multiple-user terraced factory developments. Prominent developments in the vicinity include SIA Supplies Centre, Loyang Offshore Supply Base and Changi Logistics Centre.

The table sets out a summary of selected information on Technics Offshore as at the Latest Practicable Date:

Address	72 Loyang Way, Singapore 508762
Acquisition Date	27 May 2015
Term of lease⁽¹⁾	54 years
Remaining term of lease	22 years
Land Area (sq ft)	291,598
Land Rent	Land Premium paid upfront until 20 March 2038
GFA (sq ft)	203,468
NLA (sq ft)	203,468
Occupancy Rate	100%
Number of Tenants	1
FY2015 Gross Rental Revenue	S\$4.7 million
Valuation⁽¹⁾	S\$97.0 million
Purchase Price	S\$97.0 million
Lease Type	Master Lease
Master Lessee	Technics Offshore Engineering Pte Ltd

Note:

(1) Based on Colliers' valuation dated 31 December 2015.

Master Lessee

Technics Offshore is leased to Technics Offshore Engineering Pte Ltd as the Master Lessee. The lease term is 15 years from the acquisition date. A security deposit in the form of bank guarantee equivalent to 18 months of the prevailing annual rental and a corporate guarantee from Technics Oil & Gas Limited, are held by Soilbuild REIT.

The initial annual rent is S\$7.87 million with rental escalation to be calculated at 2.25 per cent. per annum starting in the third year. As the Master Lease is structured as a triple net lease, the Master Lessee is further responsible for the property-related expenses including the water frontage fee, property tax and maintenance costs.

10. MASTER LEASE AGREEMENTS

The Master Lessees, the initial periods of the respective Master Leases and the underlying land tenure of the Master Leased Properties are set out in the table below:

Property	Master Lessee	Initial Leaseback Period on Master Lease	Underlying Land Tenure
Solaris	SB (Solaris) Investment Pte. Ltd.	Five years from Listing Date	(a) Leasehold of 30 years commencing on 1 June 2008 with a further term of 30 years and (b) leasehold of 28 years and five months commencing on 1 January 2010 with a further term of 30 years.
NK Ingredients	NIPL	15 years from 15 February 2013	Leasehold of 30 years commencing on 1 October 1986 with a further term of 30 years
COS Printers	C.O.S Printers Pte Ltd	10 years from 19 March 2013	Leasehold of 30 years commencing on 1 August 1993 with a further term of 19 years
Beng Kuang Marine	PICCO Enterprise Pte. Ltd.	Seven years from 10 May 2013	Leasehold of 60 years commencing on 30 October 1996
Tellus Marine	Tellus Marine Engineering Pte Ltd	10 years from 26 May 2014	Leasehold of 30 years commencing on 16 February 1994 with a further term of 30 years
KTL Offshore	KTL Offshore Pte. Ltd.	6.8 years from 31 October 2014	Leasehold of 60 years commencing on 19 July 2006
Speedy-Tech	Speedy-Tech Electronics Ltd.	10 years from 23 December 2014	Leasehold of 30 years commencing on 1 May 2000 with a further term of 20 years
Technics Offshore	Technics Offshore Engineering Pte Ltd	15 years from 27 May 2015	Comprises leases of varying lease tenure from 24 years to 54 years. Includes an option for Soilbuild REIT to renew the land lease of the main plot for a further term of 18 years 5 months and 15 days upon expiry. All land leases collectively expire on 20 March 2038.
Average		9.2 years ⁽¹⁾	

Note:

(1) Weighted based on Gross Rental Income.

Lease Management in relation to the Sponsor Multi-tenanted Properties

The lease agreements entered into for the Sponsor Multi-tenanted Properties contain terms and conditions, including those relating to duration of the lease, provision of security deposit, generally found in most lease agreements in Singapore. The Soilbuild REIT Manager believes that the terms are in line with generally accepted market practice and procedures. In certain instances, these terms have been modified to accommodate the specific needs of major tenants, such as right to space expansion, rent-free fitting out period, subletting and assignment rights.

Dialogues and meetings for lease renewal will be held at least three months in advance with tenants whose leases are due to expire. Arrears management procedures will also be enforced to ensure timely payment of rent. The Soilbuild REIT Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help maintain a stable income stream for Soilbuild REIT.

Security Deposits

When a prospective tenant has committed to a lease, a security deposit in the form of cash or banker's guarantee of at least two months' gross rent is typically payable. The tenant will take possession of the premises after it has made the requisite payments and formally executed the lease agreement. Rent and service charge are payable monthly.

Relationship between the Master Lessees and Soilbuild REIT

Each of the Master Leases entered into between the Master Lessees and the Soilbuild REIT Trustee is structured as a double net lease, save for the Master Leases in relation to Solaris, NK Ingredients and Technics Offshore which are structured as triple net leases.

Subject to certain limitations set out in the respective Master Leases, the Master Lessees will have all the rights and liabilities vis-à-vis the sub-tenant(s) (both new and existing), and will be responsible for all the on-going property operating expenses relating to the respective Master Leased Property.

Under the terms of the Master Leases of NK Ingredients, COS Printers, Beng Kuang Marine and KTL Offshore, NIPL, C.O.S Printers Pte Ltd, PICCO Enterprise Pte. Ltd. and KTL Offshore Pte. Ltd., respectively, are granted the option to renew the Master Leases, subject to certain conditions. The notice to renew the Master Leases must be given not later than 12 months before the expiry of the initial lease term. The Master Lessee must enter into the renewed master lease agreement on or before the lease renewal confirmation date.

11. INSURANCES

The Properties are insured in accordance with industry practice in Singapore. Insurance policies taken up include insurance against business interruption, public liability (including personal injury) as well as industrial all risks insurance. There are no significant or unusual excess or deductible amounts required under these policies. In accordance with the double net lease and triple net lease arrangements, the insurance of the Master Leased Properties is paid for by the Master Lessees with Soilbuild REIT and the Master Lessees named as co-insured in the insurance policy. Notwithstanding this, Soilbuild REIT has procured business interruption, public liability and industrial special risk policies in duplicate in the event that the Master Lessee's insurance are void and/or cannot be relied upon and has procured additional insurance to ensure adequate coverage (for example, protection on loss of income). For Solaris, the Soilbuild REIT Manager will procure the insurance relevant for it and claim reimbursement from the Sponsor. Therefore, no additional insurance will be needed.

12. RECENT DEVELOPMENTS

Dispute with the Master Lessee of Technics Offshore

On 18 May 2016, the Issuer filed a Writ of Summons and Statement of Claim against the Technics Tenant and the Technics Guarantor in the High Court of Singapore.

The Issuer is claiming, *inter alia*, (i) a sum of S\$2,189,479.73 for the Technics Tenant's default in payment of rent and other outstanding sums; (ii) continuing arrears in rental until judgment; (iii) continuing amounts due pursuant to the lease agreement dated 27 May 2015 between the Issuer and the Technics Tenant for Technics Offshore (the "**Technics Lease Agreement**"); (iv) the security deposit payable in respect of the second year of the lease (the "**Second Year Security Deposit**") pursuant to the Technics Lease Agreement amounting to the sum of S\$11,805,000; (v) interest at the rate of 8% per annum until the date of full payment in accordance with the Technics Lease Agreement; and (vi) legal and other costs on an indemnity basis as a result of the default by the Technics Tenant.

Pursuant to the Technics Lease Agreement, the Technics Guarantor had issued a corporate guarantee (the "**Corporate Guarantee**") to the Issuer whereby it had unconditionally and irrevocably guaranteed that the Technics Tenant shall punctually pay the rent and all other sums reserved by the Technics Lease Agreement and perform all the covenants, terms and conditions of the Technics Lease Agreement. The Technics Guarantor had also undertaken to pay the rent and all other sums payable under the Technics Lease Agreement in the event that the Technics Tenant defaults on payment of the same (the "**Technics Guarantor Undertaking**").

Apart from the Corporate Guarantee, the Issuer held a bank guarantee (the "**Bank Guarantee**") amounting to S\$11,805,000, equivalent to 18 months' rent, as security deposit in respect of the Technics Lease Agreement, which was to expire on 26 August 2016.

A Writ of Summons and a Summons for Injunction together with supporting affidavits were filed by the Technics Tenant and the Technics Guarantor against the Issuer in the High Court of Singapore on 19 May 2016. The Technics Tenant and the Technics Guarantor are claiming unlawful conspiracy regarding the sale and leaseback transaction of Technics Offshore (the "**Claims**"), and sought injunctions to restrain any call by the Issuer on the Bank Guarantee.

The Issuer and the Soilbuild REIT Manager deny the Claims and intend to vigorously defend against the Claims.

On 24 May 2016, the Summons for Injunction was dismissed by the High Court of Singapore and the Issuer had on 26 May 2016 received in cash, the claim on the Bank Guarantee amounting to S\$11,805,000. By calling on the Bank Guarantee, the Issuer has received the Second Year Security Deposit which the Technics Tenant was to furnish by 27 April 2016. Pursuant to the terms of the Technics Lease Agreement, the Issuer may utilise the Second Year Security Deposit for the rental and late payment interests payable by the Technics Tenant. As of 2 June 2016, rental, late payment interests and other outstanding amounts payable under the Technics Lease Agreement amounting to S\$2,914,461 (which is approximately four months' rent) remain outstanding.

On 31 May 2016, the Technics Guarantor announced that it and the Technics Tenant had filed applications to the High Court of Singapore for an order to place both itself and the Technics Tenant under judicial management (the "**Judicial Management Applications**"). The Judicial Management Applications would constitute an event of default pursuant to the Technics Lease Agreement and the Soilbuild REIT Manager has commenced searching for a new tenant to replace the Technics Tenant.

It should be noted that in light of the Judicial Management Applications, it is uncertain if the Technics Guarantor will be able to fulfil its obligations under the Corporate Guarantee or the Technics Guarantor Undertaking.

The Soilbuild REIT Manager does not expect there to be a financial impact on Soilbuild REIT's distribution per unit and net tangible asset per unit unless the Soilbuild REIT Manager is unable to find a new tenant willing and able to pay at least the same rent under the Technics Lease Agreement prior to the full utilisation of the Second Year Security Deposit.

Please refer to the announcements dated 18 May 2016, 20 May 2016, 26 May 2016 and 2 June 2016 for further details of the dispute.

Corporate Credit Rating Update

On 27 May 2016, the Soilbuild REIT Manager announced that it had requested S&P Global Ratings to withdraw its corporate credit rating on Soilbuild REIT. In connection with the withdrawal of the corporate credit rating, S&P Global Ratings affirmed the final "BBB-" long-term corporate credit rating with a stable outlook and "axA-" long-term ASEAN regional scale rating on Soilbuild REIT.

Following this withdrawal, Soilbuild REIT continues to be rated by Moody's, and is rated "Baa3" with a stable outlook.

Please refer to the announcement dated 27 May 2016 for further details of the corporate credit rating update.

SELECTED FINANCIAL INFORMATION

The following sets out selected financial information of Soilbuild REIT as at 31 December 2014, 31 December 2015, 31 March 2015 and 31 March 2016 and for the financial year/period ended 31 December 2014, 31 December 2015, 31 March 2015 (“1Q FY2015”) and 31 March 2016 (“1Q FY2016”).

Statement of Total Returns

	Financial year ended 31 December 2014 (S\$'000)	Financial year ended 31 December 2015 (S\$'000)	Financial period ended 31 March 2015 (S\$'000)	Financial period ended 31 March 2016 (S\$'000)
Gross Revenue	68,145	79,340	18,615	20,142
Property operating expenses	(10,783)	(11,563)	(2,817)	(2,949)
Net Property Income	57,362	67,777	15,798	17,193
Interest Income	18	643	47	236
Finance expenses	(9,676)	(13,490)	(2,993)	(3,296)
Manager’s management fees	(5,477)	(6,442)	(1,332)	(1,461)
Trustee’s fee	(185)	(196)	(47)	(50)
Other trust expenses	(883)	(1,168)	(447)	(254)
Net Income	41,159	47,124	11,026	12,368
Net change in fair value of investment properties	901	4,535	—	—
Total return before distribution	42,060	51,659	11,026	12,368
Adjustment for the net effect of non-tax deductible items and other adjustments	8,109	6,208	2,299	2,241
Income Available for Distribution	50,169	57,867	13,325	14,609
Earnings per Unit (cents)				
Basic and diluted earnings per Unit based on total return after tax before distribution and excluding net change in fair value of investment properties	5.088	5.283	1.354	1.321
Distribution per Unit (excluding income from the private trust)	6.193	6.487	1.633	1.557

Statement of Financial Position

	31 December 2014 (S\$'000)	31 December 2015 (S\$'000)	31 March 2015 (S\$'000)	31 March 2016 (S\$'000)
Current assets				
Cash and cash equivalents	20,951	16,751	14,346	15,983
Trade and other receivables	816	2,436	4,655	4,033
Derivative financial instruments	—	484	110	174
Other current assets	234	247	4,343	3,579
Deferred expenditure	315	505	365	587
Total current assets	22,316	20,423	23,819	24,356
Non-current assets				
Investment properties	1,030,700	1,190,700	1,087,955	1,190,732
Derivative financial instruments	213	2,405	1,819	247
Deferred expenditure	743	1,002	732	1,011
Total non-current assets	1,031,656	1,194,107	1,090,506	1,191,990
Total Assets	1,053,972	1,214,530	1,114,325	1,216,346
Current liabilities				
Trade and other payables	8,684	10,115	42,720	14,705
Derivative financial instruments	65	—	—	—
Rental deposits	2,510	2,719	3,823	2,281
Borrowings	94,634	—	94,781	—
Total current liabilities	105,893	12,834	141,324	16,986
Non-current liabilities				
Trade and other payables	—	33,009	1,631	2,280
Rental deposits	23,009	24,212	22,977	24,961
Borrowings	274,290	398,502	295,540	428,683
Total non-current liabilities	297,299	455,723	320,148	455,924
Total Liabilities	403,192	468,557	461,472	472,910
Net assets attributable to Unitholders	650,780	745,973	652,853	743,436
Represented by:				
Unitholders' funds	650,780	745,973	652,853	743,436
NAV per Unit (S\$)	0.80	0.80	0.80	0.79

Statements of Cash Flows

	Financial year ended 31 December 2014 (S\$'000)	Financial year ended 31 December 2015 (S\$'000)	Financial period ended 31 March 2015 (S\$'000)	Financial period ended 31 March 2016 (S\$'000)
Operating activities:				
Net income	41,159	47,124	11,026	12,368
Adjustments for				
- Finance expenses	7,583	11,432	2,430	2,913
- Amortised debt arrangement and prepayment fees	2,093	2,058	563	383
- Management fees paid and payable in Units	7,012	8,296	1,762	1,933
Changes in working capital				
- Trade and other receivables	(623)	(1,620)	(3,839)	(1,597)
- Other current assets	(159)	(13)	(3,139)	(3,332)
- Deferred expenditure	(986)	(449)	(39)	(91)
- Trade and other payables	2,408	209	1,963	3,436
- Rental deposits	2,766	1,412	1,281	311
Cash flows from operations	61,253	68,449	12,008	16,324
Finance expense paid	(7,384)	(11,371)	(2,502)	(1,978)
Net cash generated from operating activities	53,869	57,078	9,506	14,346
Investing activities:				
Purchase of investment properties	(94,636)	(98,092)	(970)	—
Capital expenditure on investment properties	(163)	(25,490)	(25,372)	(31,915)
Net cash used in investing activities	(94,799)	(123,582)	(26,342)	(31,915)
Financing activities:				
Proceeds from borrowings	93,500	127,117	23,117	31,883
Repayment of borrowings	—	(95,000)	—	—
Payment of prepayment fees	—	(113)	—	—
Payment of upfront debt arrangement costs	(2,000)	(2,691)	—	—
Proceeds from issuance of new Units (Private Placement)	—	89,999	—	—
Issue expenses	(148)	(1,358)	—	—
Distributions paid	(49,423)	(55,650)	(12,886)	(15,082)
Net cash generated from financing activities	41,929	62,304	10,231	16,801
Net increase/(decrease) in cash and cash equivalents	999	(4,200)	(6,605)	(768)
Cash and cash equivalents at beginning of the financial year/period	19,952	20,951	20,951	16,751
Cash and cash equivalents at end of the financial year/period	20,951	16,751	14,346	15,983

Financial Review

For the purpose of the financial review, FY2015 results are compared against FY2014 results and 1Q FY2016 results are compared against 1Q FY2015 results.

FY2015 versus FY2014

Gross revenue of S\$79.3 million in FY2015 was S\$11.2 million or 16.4% higher than the gross revenue in FY2014 mainly due to additional revenue contributed by the newly acquired properties in FY2014 and FY2015 including Technics Offshore, KTL Offshore, Speedy-Tech and Tellus Marine amounting to S\$4.7 million, S\$3.1 million, S\$1.8 million and S\$0.5 million respectively.

Property operating expenses of S\$11.6 million were S\$0.8 million or 7.2% higher in FY2015 due to higher property tax and lease commissions for West Park BizCentral and property and lease management fees for newly acquired properties.

Soilbuild REIT's net property income was S\$67.8 million for FY2015. This was 18.2% higher than its net property income of S\$57.4 million in FY2014 as a result of higher revenue and partially offset by higher property operating expenses.

Net income of S\$47.1 million was S\$6.0 million or 14.5% higher than FY2014 mainly due to the higher net property income, partially offset by the following:

- (a) higher finance expenses mainly due to the increase in borrowings to finance the acquisition of 4 new properties in FY2014 and FY2015;
- (b) higher Soilbuild REIT Manager's management fees due to the increase in annual distributable income and Distribution per Unit which resulted in higher manager's base and performance fees; and
- (c) higher other trust expenses mainly due to establishment of the Programme.

Net change in fair value of investment properties for FY2015 amounting to S\$4.5 million includes mainly revaluation gains for Solaris, Beng Kuang Marine, Eightrium and Tellus Marine amounting to S\$2.8 million, S\$1.2 million, S\$0.8 million and S\$0.7 million respectively and is partially offset by revaluation loss on Technics Offshore amounting to S\$1.1 million.

Non-tax deductible items consist mainly of the Soilbuild REIT Manager's management fees paid / payable in Units, property management fees and lease management fees paid / payable in Units, fees paid / payable to the Soilbuild REIT Trustee, amortisation of debt arrangement fees, non-tax deductible financing related expenses and partially offset by the net change in fair value of investment properties and rent-free income adjustment.

Total return before distribution amounting to S\$51.7 million was S\$9.6 million higher than FY2015 mainly due to higher net property income and net change in fair value of investment properties amounting to S\$10.4 million and S\$3.6 million respectively and partially offset by higher finance expenses and the Soilbuild REIT Manager's management fees amounting to S\$3.8 million and S\$1.0 million respectively.

The income available for distribution for FY2015 was S\$57.9 million which was 15.3% above the income available for distribution of S\$50.2 million in FY2014. This equates to Distribution per Unit of 6.487 cents, representing 100% of distributable income and was also 4.7% higher than the FY2014 Distribution per Unit of 6.193 cents. This outperformance was due to the net property income contributed by properties acquired in FY2014 and FY2015 and partially offset by higher finance expenses, the Soilbuild REIT Manager's management fees and other trust expenses.

1Q FY2016 versus 1Q FY2015

Gross revenue was S\$20.1 million in 1Q FY2016 which was S\$1.5 million or 8.2% higher than the gross revenue in 1Q FY2015. This was mainly due to additional rental revenue from Technics Offshore and Solaris amounting to S\$2.0 million and S\$0.1 million respectively and partially offset by a reduction in revenue from Tuas Connection and West Park BizCentral amounting to S\$0.4 million and S\$0.3 million respectively.

Property operating expenses were S\$2.9 million in 1Q FY2016 which was S\$0.1 million or 4.7% higher than 1Q FY2015 mainly due to higher property operating expenses incurred on West Park BizCentral.

Net property income was 8.8% higher at S\$17.2 million in 1Q FY2016 from S\$15.8 million in 1Q FY2015 mainly due to the above reasons.

The increase in the Soilbuild REIT Manager's management fees of S\$0.1 million was due to higher annual distributable income which resulted in higher base fee. The increase in finance expenses is mainly due to notional interest expense on the S\$55 million interest-free loan and S\$9 million increase in third party borrowings since 1Q FY2015. Other trust expenses were lower in 1Q FY2016 as other trust expenses in 1Q FY2015 included the Programme establishment cost amounting to S\$0.2 million.

Non-tax deductible items consist mainly of the Soilbuild REIT Manager's management fees paid / payable in Units, property management fees and lease management fees paid / payable in Units, fees paid / payable to the Soilbuild REIT Trustee, amortisation of debt arrangement fees and partially offset by rent-free adjustment.

Total return before distribution amounting to S\$12.4 million was S\$1.3 million higher than 1Q FY2015 mainly due to higher net property income and interest income amounting to S\$1.4 million and S\$0.2 million respectively and partially offset by higher finance expenses amounting to S\$0.3 million.

Income available for distribution was S\$14.6 million in 1Q FY2016, 9.6% higher than 1Q FY2015 mainly due to higher total return before distribution and partially offset by lower non-tax deductible items.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for (a) the purpose of (1) refinancing the existing borrowings of the Group, (2) financing or refinancing the acquisitions and/or investments of Soilbuild REIT and any development and asset enhancement works initiated by Soilbuild REIT, (3) financing general working capital purposes and capital expenditure requirements of the Group or (b) such other purpose as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or Global Certificate for persons holding the Securities in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Securities and Futures Act, Chapter 289 of Singapore to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between

their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through, or maintain a custodial relationship with, a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the relevant authorities in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, purchase, holding or disposal of the Securities, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Soilbuild REIT Manager, the Arranger, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

1. Taxation Relating to Payments on the Notes

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Soilbuild REIT Manager, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Soilbuild REIT Manager, Qualifying Income derived from such Relevant Notes held by:

(I) any related party of the Issuer or the Soilbuild REIT Manager; or

(II) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer or the Soilbuild REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

- “prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
- “redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

- “break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

- are issued during the period from 16 February 2008 to 31 December 2018;
- have an original maturity of not less than 10 years;
- cannot have their tenure shortened to less than 10 years from the date of their issue, except where —
 - the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the Issuer included in any offering document for such QDS; and
 - the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Soilbuild REIT Manager, Qualifying Income from such Relevant Notes derived by:

- any related party of the Issuer or the Soilbuild REIT Manager; or
- any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer or the Soilbuild REIT Manager,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. **Taxation Relating to Payments on the Perpetual Securities**

In the event that any tranche of the Perpetual Securities (the “**Relevant Tranche of Perpetual Securities**”) is characterised as equity securities for Singapore income tax purposes and payments of Distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts (if applicable) in respect of the Relevant Tranche of Perpetual Securities are regarded as distributions on units of Soilbuild REIT, Perpetual Securityholders may be subject to income tax on such distributions in whole or in part, currently at the rate of 17.0% or 10.0% (unless exempt from tax). The Issuer may also be obliged to withhold or deduct tax from the payment of such distributions, in whole or part, at the rate of 10.0% or 17.0% to certain Perpetual Securityholders and for this purpose, Perpetual Securityholders may, as in the case of holders of the units of Soilbuild REIT, be required to declare certain information relating to their status to the Soilbuild REIT Manager and/or the Issuer prior to the making of each Distribution, Optional Distribution, Arrears of Distribution or Additional Distribution Amount (if applicable).

The Soilbuild REIT Manager may, at its discretion, seek an advance tax ruling from the IRAS to confirm whether the IRAS would regard a Relevant Tranche of Perpetual Securities as equity securities, and distributions thereon as capital distributions or distributions out of tax-exempt income of Soilbuild REIT. There is, however, no assurance that the IRAS will issue a favourable ruling. In the event that the IRAS issues a tax ruling to confirm the aforesaid tax treatment, payment of Distributions (including Optional Distributions) in respect of such Relevant Tranche of Perpetual Securities which are regarded as capital distributions or distributions out of tax-exempt income of Soilbuild REIT may not be subject to withholding of tax, and the amount of such Distributions (including Optional Distributions) treated as a return of capital in the hands of Perpetual Securityholders should then be applied to reduce the cost of their investment in such Relevant Tranche of Perpetual Securities for Singapore income tax purposes. Where the Perpetual Securityholders, based on their own circumstances, are subject to Singapore income tax on gains from the disposal of such Relevant Tranche of Perpetual Securities, the reduced cost of their investment in such Relevant Tranche of Perpetual Securities should then be used for the purposes of computing such gains.

In the event that the Relevant Tranche of Perpetual Securities are regarded as “debt securities” for Singapore tax purposes, payment of Distributions (including Optional Distributions) in respect of the Relevant Tranche of Perpetual Securities should be regarded as interest payments and the disclosure above under “1. Taxation Relating to Payments under the Notes” summarises the income tax treatment that may then be applicable on such Distributions (including Optional Distributions). In such case, notwithstanding that the Issuer may be permitted to make payments of interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Relevant Tranche of Perpetual Securities without deduction or withholding of tax under Section 45 and Section 45A of the ITA, where such interest, discount income, prepayment fee, redemption premium and break cost is derived from the Relevant Tranche of Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Tranche of Perpetual Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium and break cost derived from the Relevant Tranche of Perpetual Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

3. **Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (“**FRS 39**”), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

4. **Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition & Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

5. **Estate Duty**

Singapore estate duty has been abolished for deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including without limitation, rebates to private bank investors in the Securities). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer that is not participating in the offering of such Securities may violate the registration requirements of the Securities Act.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under

that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer acknowledges that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any other document or any Pricing Supplement. Other persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Information Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional adviser(s) and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

**APPENDIX I
GENERAL AND OTHER INFORMATION**

ISSUED UNITS

1. As at the date of this Information Memorandum, there is only one class of Units in Soilbuild REIT. The rights and privileges attached to the Units are stated in the Soilbuild REIT Trust Deed.
2. As at the date of this Information Memorandum, there are 940,678,444 Units of Soilbuild REIT issued and outstanding.

BORROWINGS

3. Save as disclosed in Appendix III and IV to this Information Memorandum, as at 31 December 2015, Soilbuild REIT had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

4. The Directors of the Soilbuild REIT Manager are of the opinion that, after taking into account the net proceeds of the issue of the Securities, Soilbuild REIT will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

5. There has been no significant change in the accounting policies of Soilbuild REIT since its audited financial accounts for the financial year ended 31 December 2015.

LITIGATION

6. There are no legal or arbitration proceedings pending or threatened against the Issuer, the Soilbuild REIT Manager, Soilbuild REIT or any of the subsidiaries of Soilbuild REIT the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, Soilbuild REIT or the Group.

MATERIAL ADVERSE CHANGE

7. There has been no material adverse change in the financial condition or business of the Issuer, Soilbuild REIT or the subsidiaries of Soilbuild REIT since 31 December 2015.

DOCUMENTS AVAILABLE FOR INSPECTION

8. Copies of the following documents may be inspected at the registered office of the Soilbuild REIT Manager at 25 Changi South Street 1, Singapore 486059 during normal business hours for a period of six months from the date of this Information Memorandum:
 - (a) the Constitution of the Soilbuild REIT Manager;
 - (b) the Soilbuild REIT Trust Deed;
 - (c) the Trust Deed;

- (d) the audited financial statements of Soilbuild REIT for the financial year ended 31 December 2014 and the financial year ended 31 December 2015; and
- (e) the unaudited financial statements of Soilbuild REIT for the financial period ended 31 March 2016.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

- 9. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**AUDITED FINANCIAL STATEMENTS OF SOILBUILD BUSINESS
SPACE REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The information in this Appendix II has been extracted and reproduced from the audited consolidated financial statements of Soilbuild Business Space REIT for the financial year ended 31 December 2014 and has not been specifically prepared for inclusion in this Information Memorandum.

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REPORT OF THE TRUSTEE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of SB REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 13 December 2012 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Soilbuild REIT, during the financial year covered by these financial statements, set out on pages 83 to 131, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Jane Lim
Director

Singapore, 24 March 2015

STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

In the opinion of the directors of SB REIT Management Pte. Ltd. (the "Manager"), the accompanying financial statements set out on pages 83 to 131 comprising the Balance Sheet, Statement of Total Return, Statement of Distribution, Statement of Portfolio, Statement of Movements in Unitholders' Funds, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") as at 31 December 2014, and the total return, distributable income, movements in Unitholders' funds and cash flows of Soilbuild REIT for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that Soilbuild REIT will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
SB REIT Management Pte. Ltd.

Chong Kie Cheong
Chairman

Singapore, 24 March 2015

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INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

To the Unitholders of Soilbuild Business Space REIT

We have audited the accompanying financial statements of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") set out on pages 83 to 131, which comprise the Balance Sheet and Statement of Portfolio as at 31 December 2014, and the Statement of Total Return, Statement of Distribution, Statement of Movements in Unitholders' Funds and Statement of Cash Flows of Soilbuild REIT for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

SB REIT Management Pte. Ltd. (the "Manager") of Soilbuild REIT is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and portfolio of Soilbuild REIT as at 31 December 2014, and the total return, distributable income, movements in Unitholders' funds and cash flows of Soilbuild REIT for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2015

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Non-current assets			
Investment properties	4	1,030,700	935,000
Derivative financial instruments	5	213	–
Deferred expenditure		743	47
		<u>1,031,656</u>	<u>935,047</u>
Current assets			
Trade and other receivables	6	816	194
Deferred expenditure		315	25
Other current assets	7	234	75
Cash and cash equivalents	8	20,951	20,176
		<u>22,316</u>	<u>20,470</u>
Total assets		<u>1,053,972</u>	<u>955,517</u>
Current liabilities			
Trade and other payables	9	6,569	4,767
Accrued operating expenses		2,115	3,767
Rental deposit		2,510	818
Derivative financial instruments	5	65	26
Borrowings	10	94,634	–
Provision for taxation		–	367
		<u>105,893</u>	<u>9,745</u>
Non-current liabilities			
Derivative financial instruments	5	–	1,579
Rental deposits		23,009	21,935
Borrowings	10	274,290	275,331
		<u>297,299</u>	<u>298,845</u>
Total liabilities		<u>403,192</u>	<u>308,590</u>
Net assets		<u>650,780</u>	<u>646,927</u>
Represented by:			
Unitholders' funds		650,780	646,927
Units in issue ('000)	11	812,993	804,541
Net asset value per Unit (\$)	12	0.80	0.80

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF TOTAL RETURN

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Gross revenue	13	68,145	27,549
Property operating expenses	14	(10,783)	(3,962)
Net property income		57,362	23,587
Other income	15	367	–
Interest Income		18	–
Finance expenses	16	(9,676)	(4,050)
Manager's management fees	17	(5,477)	(1,976)
Trustee's fee		(185)	(70)
Other trust expenses	18	(879)	(339)
Net income		41,530	17,152
Net change in fair value of investment properties	4	901	29,748
Total return before tax		42,431	46,900
Income tax expense	19	–	(367)
Total return after tax before distribution		42,431	46,533
Earnings per Unit (cents)			
Basic and diluted earnings per Unit based on total return after tax before distribution	20	5.25	5.79
Basic and diluted earnings per Unit based on total return after tax before distribution and excluding net change in fair value of investment properties	20	5.13	2.09

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF DISTRIBUTION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Total return after tax before distribution		42,431	46,533
Adjustment for net effect of non-tax deductible/ (chargeable) items (Note A)		7,742	(26,470)
Income tax expense	19	–	367
Income available for distribution to Unitholders		50,173	20,430
Distributions to Unitholders:			
Distributions for the financial period from 13 December 2012 to 15 August 2013 to private trust Unitholders		–	(2,169)
Distribution of 0.760 cents per Unit for the financial period from 16 August 2013 to 30 September 2013 (Note B)		–	(6,106)
Distribution of 1.510 cents per Unit for the financial period from 01 October 2013 to 31 December 2013		(12,149)	–
Distribution of 1.562 cents per Unit for the financial period from 01 January 2014 to 31 March 2014		(12,603)	–
Distribution of 1.500 cents per Unit for the financial period from 01 April 2014 to 30 June 2014		(12,134)	–
Distribution of 1.546 cents per Unit for the financial period from 01 July 2014 to 30 September 2014		(12,537)	–
Total Unitholders' distribution paid in the financial year/period		(49,423)	(8,275)
Income available for distribution to Unitholders at end of the financial year/period (Note C)		12,899	12,155
Number of units issued at end of the financial year/period in '000		812,993	804,541
Total distribution per unit at end of financial year/period (excluding income from the private trust)		6.193 cents	2.270 cents

Note A – Adjustment for net effect of non-tax deductible/(chargeable) items comprise*:

Non-tax deductible/(chargeable) items:			
– Manager's management fees paid or payable in Units	17	5,477	1,976
– Trustee's fees		185	64
– Amortisation of debt arrangement fee	16	2,093	675
– Rent-free income		(588)	14
– Property management fee	14	1,022	366
– Lease management fee	14	511	183
– Other income	15	(367)	–
– Net change in fair value of investment properties	4	(901)	(29,748)
– Other non-tax deductible items		310	–
Adjustment for net effect of non-tax deductible/(chargeable) items		7,742	(26,470)

* Adjustment for non-tax deductible/(chargeable) items was not applicable prior to Listing Date of 16 August 2013.

Note B – Soilbuild REIT was established on 13 December 2012 and was a private trust with one Unitholder until it was publicly listed on 16 August 2013. The first distribution income to public trust Unitholders was for the financial period from 16 August 2013 to 30 September 2013.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF DISTRIBUTION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Note C – Income available for distribution to Unitholders at end of the financial year/period:

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Non-tax deductible/(chargeable) items:	50,173	20,430
Distributions for the financial period from 13 December 2012 to 15 August 2013 to private trust Unitholders	–	(2,169)
Distribution of 0.760 cents per Unit for the financial period from 16 August 2013 to 30 September 2013	–	(6,106)
Distribution of 1.562 cents per Unit for the financial period from 01 January 2014 to 31 March 2014	(12,603)	–
Distribution of 1.500 cents per Unit for the financial period from 01 April 2014 to 30 June 2014	(12,134)	–
Distribution of 1.546 cents per Unit for the financial period from 01 July 2014 to 30 September 2014	(12,537)	–
Income available for distribution to Unitholders at end of the financial year/period	<u>12,899</u>	<u>12,155</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2014

Description of property	Acquisition date	Tenure of land	Term of lease	Remaining term of lease	Acquired from	Location	Latest Valuation \$'000	Valuation Date	Carrying value 2014 \$'000	Percentage of net assets 2014 %
Investment properties in Singapore – by asset type										
Business park:										
Eightinium @ Changi Business Park	16 Aug 2013	Leasehold	60 years ⁽¹⁾	51 years	Soilbuild Group Holdings Ltd.	15A Changi Business Park Central 1	102,000	31 Dec 2014	102,000	15.7
Solaris	16 Aug 2013	Leasehold	60 years ⁽¹⁾	53 years	Soilbuild Group Holdings Ltd.	1 Fusionopolis Walk	300,000	31 Dec 2014	300,000	46.1
Industrial property:										
Tuas Connection	16 Aug 2013	Leasehold	43 years	36 years	Soilbuild Group Holdings Ltd.	1 – 20 Tuas Loop	126,000	31 Dec 2014	126,000	19.4
West Park BizCentral	16 Aug 2013	Leasehold	60 years ⁽¹⁾	54 years	Soilbuild Group Holdings Ltd.	20 – 32 Pioneer Crescent	319,000	31 Dec 2014	319,000	49.0
NK Ingredients	15 Feb 2013	Leasehold	60 years ⁽¹⁾	32 years	NK Ingredients Pte. Ltd.	2 Pioneer Sector 1	62,000	31 Dec 2014	62,000	9.5
COS Printers	19 Mar 2013	Leasehold	49 years ⁽²⁾	28 years	C.O.S. Printers Pte. Ltd.	9 Kian Teck Crescent	11,200	31 Dec 2014	11,200	1.7
Beng Kuang Marine	10 May 2013	Leasehold	60 years	42 years	PICCO Enterprise Pte. Ltd.	38 Tuas View Square	15,300	31 Dec 2014	15,300	2.4
Tellus Marine	26 May 2014	Leasehold	60 years ⁽¹⁾	39 years	Tellus Marine Engineering Pte. Ltd.	39 Senoko Way	15,000	31 Dec 2014	15,000	2.3
KTL Offshore	21 Oct 2014	Leasehold	60 years	52 years	Provident Properties (I) Pte. Ltd.	61 & 71 Tuas Bay Drive	56,000	07 Oct 2014	56,000	8.6
Speedy-Tech	23 Dec 2014	Leasehold	50 years ⁽³⁾	35 years	Speedy-Tech Electronics Ltd.	20 Kian Teck Lane	24,200	15 Aug 2014	24,200	3.7
Investment properties, at valuation:							1,030,700		1,030,700	158.4
Other assets and liabilities (net)							(379,920)		(379,920)	(58.4)
Net assets							650,780		650,780	100.0

Notes:

- (1) Includes an option for the Trust to renew the land lease for a further term of 30 years upon expiry.
- (2) Includes an option for the Trust to renew the land lease for a further term of 19 years upon expiry.
- (3) Includes an option for the Trust to renew the land lease for a further term of 20 years upon expiry.

The carrying amounts of the investment properties acquired prior to FY2014 and Tellus Marine were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Valuation and Professional Services (S) Pte. Ltd. as at 31 December 2014. The independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, investment method and discounted cash flow analysis.

The new investment properties that were acquired in the second half of FY2014 were based on the valuations as at 7 October 2014 for KTL Offshore and 15 August 2014 for Speedy-Tech undertaken by the independent property valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and DTZ Debenham Tie Leung (SEA) Pte. Ltd., respectively commissioned by the trustee. Both independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, investment method and discounted cash flow analysis.

The net change in fair value of the investment properties has been recognised in profit or loss.

The investment properties comprise business space properties that are mainly leased to third party tenants. Generally, these leases contain an initial non-cancellable period of between 6 months and 15 years. Subsequent renewals are negotiated with individual lessees.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
Net assets attributable to Unitholders as at 1 January 2014		610,274	(1,605)	38,258	646,927
Operations					
Total return for the financial year		–	–	42,431	42,431
Net increase in assets resulting from operations		–	–	42,431	42,431
Unitholders' transactions					
Issuance of Units in lieu of management fees	11	6,589	–	–	6,589
Establishment and issuance costs	21	2,503	–	–	2,503
Distributions to public trust Unitholders		–	–	(49,423)	(49,423)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		9,092	–	(49,423)	(40,331)
Other transactions					
Effective portion of changes in fair value of financial derivatives	22	–	1,753	–	1,753
Net increase in net assets resulting from hedging transactions		–	1,753	–	1,753
Net assets attributable to Unitholders as at 31 December 2014		619,366	148	31,266	650,780

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
Net assets attributable to Unitholders as at 13 December 2012 (date of constitution)		-	-	-	-
Operations					
Total return for the financial period		-	-	46,533	46,533
Net increase in assets resulting from operations		-	-	46,533	46,533
Unitholders' transactions					
Issuance of new Units on listing	11	626,706	-	-	626,706
Issuance of Units in lieu of management fees	11	795	-	-	795
Establishment and issuance costs	21	(17,227)	-	-	(17,227)
Distributions to private trust Unitholders		-	-	(2,169)	(2,169)
Distributions to public trust Unitholders		-	-	(6,106)	(6,106)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		610,274	-	(8,275)	601,999
Other transactions					
Effective portion of changes in fair value of financial derivatives	22	-	(1,605)	-	(1,605)
Net decrease in net assets resulting from hedging transactions		-	(1,605)	-	(1,605)
Net assets attributable to Unitholders as at 31 December 2013		610,274	(1,605)	38,258	646,927

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Operating activities:			
Net income		41,530	17,152
Adjustments for:			
Other income	15	(367)	–
Finance expenses	16	7,583	3,375
Amortisation of debt arrangement fee	16	2,093	675
Management fees paid and payable in Units (Note A)		7,012	2,524
Operating cash flows before changes in working capital		57,851	23,726
Changes in working capital			
Increase in trade and other receivables		(622)	(194)
Increase in other current assets		(159)	(75)
Increase in deferred expenditure		(986)	(72)
Increase in trade and other payables, and accrued operating expenses		2,179	2,892
Increase in rental deposits		2,766	636
Total change in working capital		3,178	3,187
Cash flows from operations		61,029	26,913
Interest paid		(7,384)	(2,533)
Net cash flows generated from operating activities		53,645	24,380
Investing activity:			
Purchase of investment properties	4	(94,636)	(883,135)
Capital expenditure on investment properties	4	(163)	–
Net cash flows used in investing activities		(94,799)	(883,135)
Financing activities:			
Drawdown of private trust debt		–	83,906
Proceeds from borrowings	10	93,500	280,000
Proceeds from issuance of new Units	11	–	626,706
Repayment of private trust debt		–	(83,906)
Establishment and issuance costs		(148)	(14,156)
Payment of upfront debt arrangement costs		(2,000)	(5,344)
Distributions to private trust Unitholder		–	(2,169)
Distributions to public trust Unitholders		(49,423)	(6,106)
Net cash flows generated from financing activities		41,929	878,931
Net increase in cash and cash equivalents		775	20,176
Cash and cash equivalents at beginning of the year/date of constitution		20,176	–
Cash and cash equivalents at end of the financial year/period	8	20,951	20,176

Note A – Management fees paid and payable in Units

6,168,014 (2013: 1,071,716) Units were issued as payment of base fee, property management fee and lease management fees to the manager and the property manager amounting to \$4,860,000 (2013: \$795,000) for the period ended 30 September 2014. Both the manager and the property manager have elected to receive 100% of the base fee, property management, lease management fee for the fourth quarter ended 31 December 2014 and the performance fee for the financial year ended 31 December 2014 amounting to \$2,152,000 (2013: \$1,729,000) in the form of Units.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

These notes form an integral part of the financial statements.

1. General

Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 13 December 2012 (as amended) (the "Trust Deed") between SB REIT Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of Units in the Trust (the "Units"). The address of the manager's registered office and principal place of business is 25 Changi South Street 1, Singapore 486059.

Soilbuild REIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 16 August 2013 (the "Listing Date") and was included in the Central Provident Fund Investment Scheme on 10 June 2013. The principal activity of Soilbuild REIT is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for business space purposes in Singapore with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth.

Soilbuild REIT has entered into several service agreements in relation to the management of its property operations. The fee structures of these services are as follows:

1.1 Trustee's fees

As stipulated in the Trust Deed, the trustee is entitled to a trustee fee on a scaled basis not exceeding the rate of 0.1% per annum of the Value of the Deposited Property (as defined in the Trust Deed), which is subject to a minimum amount of S\$15,000 per month and shall be payable out of the Deposited Property monthly in arrear.

The actual fee payable will be determined between the Manager and the Trustee from time to time, and is presently charged on a scaled basis of up to 0.02% per annum of the Deposited Property. Any increase in the maximum permitted amount or any change in the structure of the Trustee's fee must be approved by an Extraordinary Resolution at a meeting of holders of the Units duly convened and held in accordance with the provisions of the Trust Deed.

1.2 Manager's management fees

The Manager is entitled to receive for its own account out of the Deposited Property the following management fees, as stipulated in the Trust Deed:

- (i) Base fee, being a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the annual distributable income of the Trust;
- (ii) Performance fee, being a fee equal to a rate of 25.0% of the difference in distribution per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. For the period ended 31 December 2014, the difference in DPU shall be the difference in actual annualised DPU with the projected annualised DPU as set out in the Profit Forecast and Profit Projection in the Prospectus;
- (iii) Acquisition fee, being 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price of any real estate purchased, or the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, or the acquisition price of any approved investment purchased by the Trust, whichever is applicable;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. General (cont'd)

1.2 Manager's management fees (cont'd)

- (iv) Divestment fee, being 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price of any real estate sold or divested, or the underlying value of any real estate which is taken into account when computing the sale price receivable for the equity interests of any vehicle holding directly or indirectly the real estate, or the sale price of any approved investment sold or divested by the Trust, whichever is applicable; and
- (v) Development fee, being 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager on behalf of the Trust.

The Manager's base management fees are payable quarterly in arrears.

Any increase in the maximum permitted rate or any change in the structure of the Manager's management fees must be approved by an Extraordinary Resolution at a meeting of holders of the Units duly convened and held in accordance with the provisions of the Trust Deed.

1.3 Lease management fees and lease renewal commission

Under the lease management agreement with Soilbuild REIT, the Manager will provide lease management services in relation to the Properties and is entitled to receive the following remuneration:

- (i) Lease management fees, being 1.0% per annum of the gross revenue of such relevant properties; and
- (ii) Lease renewal commission, payable in the form of cash, being:
 - (a) 0.5 month of the secured gross rent inclusive of service charge, for securing a tenancy of three years;
 - (b) an amount pro-rated based on a tenancy for three years as per (a) above, for securing a tenancy of six months or more but less than three years;
 - (c) one month of the secured gross rent inclusive of service charge, for securing a tenancy of five years;
 - (d) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than three years but less than five years; and
 - (e) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than five years (with the terms of the lease subject to the prior approval of the Manager) provided always that the commission payable shall not exceed a sum of 1.5 months of the secured gross rent inclusive of service charge.

The Manager will not receive a fee for securing a tenancy of less than six months. The Manager may elect to receive the lease renewal commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine).

The lease renewal commissions are payable when an existing tenant extends its lease beyond its initial lease term whereas the marketing services commission which is payable to the Property Manager (as described below) is payable for the securing of new leases.

For as long as Solaris is leased back to Soilbuild Group Holdings Ltd. (the "Sponsor") and/or its relevant subsidiaries under a master lease arrangement, no lease management fee or lease renewal commissions will be payable in relation to such property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. General (cont'd)

1.4 Fees under the property management agreement

Property management fees

The Property Manager is entitled to, on each property of the Trust located in Singapore under its management, a property management fee of 2.0% per annum of gross revenue of each property.

Notwithstanding that the master leased properties will be leased under either a triple net lease and double net lease structures whereby the management of such properties are undertaken by the lessees, in line with market practice, the property management fee is still payable to the Property Manager given that the Property Manager would still be required to regularly inspect the properties under their purview to ensure the properties are maintained and managed in accordance with the lessees' obligations which are stipulated in the master lease agreements.

The Manager may elect to pay the property management fee in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine). For as long as Solaris is leased back to the Sponsor under a master lease arrangement, no property management fee will be payable in relation to Solaris.

Marketing services commissions for new leases

The Property Manager is entitled to the following marketing services commissions:

- (a) one month's gross rent inclusive of service charge, for securing a tenancy of three years;
- (b) an amount pro-rated based on a tenancy for three years as per (a) above, for securing a tenancy of six months or more but less than three years;
- (c) two month's gross rent inclusive of service charge, for securing a tenancy of five years;
- (d) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than three years but less than five years; and
- (e) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than five years (with the terms of the lease subject to the prior approval of the Manager) provided always that the commission payable shall not exceed a sum of three month's gross rent inclusive of service charge.

The Property Manager will not receive a fee for securing a tenancy of less than six months.

If a third party agent secures a tenancy, the Manager shall pay the marketing services commission to the Property Manager, and the Property Manager shall then pay all of such marketing services commission to the third party agent. The Property Manager shall only be entitled to an administrative charge of 20.0% of the marketing services commissions payable to such third party agent over and above what was paid to the third party agent. The Property Manager shall not, without the consent of the Manager, pay the third party agent a market services commission which is lower than what the Property Manager receives. For the avoidance of doubt, in the event that the Property Manager agrees to pay the third party agent a market services commission that exceeds the marketing services commission it receives, the Property Manager is not entitled to any additional market services commission.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. General (cont'd)

1.4 Fees under the property management agreement (cont'd)

Marketing services commissions for new leases (cont'd)

The Manager may elect to pay the marketing services commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine). For as long as Solaris is leased back to the Sponsor and/or its subsidiary under a master lease arrangement, no marketing services commissions for new leases will be payable in relation to Solaris.

In respect of the project management services to be provided by the Property Manager for a property of the Trust (if not prohibited by the Property Funds Appendix or if otherwise permitted by the MAS), the Property Manager is entitled to a project management fee based on the following for any development, redevelopment, refurbishment, retrofitting, addition and alteration or renovation works to the relevant property:

- (i) where the construction costs are S\$2.0 million or less, a fee of 3.0% of the construction costs;
- (ii) where the construction costs exceed S\$2.0 million but do not exceed S\$12.0 million, a fee of 2.15% of the construction costs or S\$60,000, whichever is the higher;
- (iii) where the construction costs exceed S\$12.0 million but do not exceed S\$40.0 million, a fee of 1.45% of the construction costs or S\$258,000, whichever is the higher;
- (iv) where the construction costs exceed S\$40.0 million but do not exceed S\$70.0 million, a fee of 1.4% of the construction or S\$580,000, whichever is the higher;
- (v) where the construction costs exceed S\$70.0 million but do not exceed S\$100.0 million, a fee of 1.35% of the construction costs or S\$980,000, whichever is the higher; and
- (vi) where the construction costs exceed S\$100.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

1.5 Reimbursable amounts

In addition to its fees, the Property Manager will be fully reimbursed for certain costs as set out below.

Reimbursable amount

In addition to its fees, the Property Manager will be reimbursed for each property under its management for the following:

(i) Reimbursable employment costs

The Trustee shall reimburse the salary of the employees of the Property Manager (approved by the Manager) engaged solely for site supervision of the properties (such costs are part of the annual business plan and budget approved by the Trustee on the recommendation of the Manager or otherwise agreed between the Trustee and the Manager).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. General (cont'd)

1.5 Reimbursable amounts (cont'd)

Reimbursable amount (cont'd)

(ii) Reimbursable advertising costs

The Trustee shall reimburse the Property Manager for the cost of advertising incurred by the Property Manager in relation to the promotion of leasing for the property provided that prior approval of the Manager for such cost incurred has been obtained.

(iii) Reimbursable customer care costs

The Trustee shall reimburse the Property Manager for the cost of customer care incurred by the Property Manager in relation to tenants of the property provided that prior approval of the Manager for such cost incurred has been obtained.

(iv) Project management expenses

In connection with the provision of project management services, the Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for certain costs, including overseas traveling and accommodation expenses, provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

(v) West Park BizCentral – Maintenance Fee

In relation to West Park BizCentral, the Property Manager shall provide a comprehensive operational and maintenance service and is entitled to a fixed monthly maintenance fee of S\$75,000 with an annual increase of 3.0% per annum on 1 April of each year with the first escalation occurring on 1 April 2014. This arrangement will be in force for a fixed term of five years, after which it will cease and the same arrangement applicable to the other Properties would then apply to West Park BizCentral. For the avoidance of doubt, the Property Manager will pay for all operational and maintenance expenses in relation to West Park BizCentral and shall not claim any operational expenses or claim any of the above reimbursements or expenses for West Park BizCentral from the Trust for the period of five years while this arrangement is in force.

(vi) West Park BizCentral – Car park Management Services

In relation to West Park BizCentral, the Property Manager shall operate and maintain the car park and pay the Trustee a monthly licence fee of S\$40,000, with an annual increase of 5.0% per annum on 1 April of each year with the first escalation occurring on 1 April 2014. This arrangement will be in force for a fixed term of five years, after which it will cease and the arrangement applicable to the other properties would then apply to West Park BizCentral. For the avoidance of doubt, any car park income accrued from West Park BizCentral shall belong to the Property Manager for the period of five years while this arrangement is in force.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. General (cont'd)

1.6 Distribution policy

The Trust's distribution policy is to distribute 100% of the Trust's annual distributable income for the period from the Listing Date to 31 December 2014. Thereafter, the Trust will distribute at least 90% of its annual distributable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses, as well as interest income from the placement of periodic cash surpluses in bank deposits. The actual level of distribution will be determined at the Manager's discretion. The actual proportion of annual distributable income distributed to Unitholders beyond 31 December 2014 may be greater than 90% to the extent that the Manager believes it to be appropriate, having regard to the Trust's funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in Singapore dollars.

Contemporaneously with the listing of the Units on the SGX-ST, the Trust made a distribution of an aggregate amount based on the Manager's best estimate of the Trust's remaining net income (net of tax payable thereon by the Trust) for the period from the date of the constitution of the Trust to the day immediately preceding the Listing Date (the "Private Trust Distribution"), to the Sponsor, being the sole existing Unitholder of the Trust prior to Listing Date. For the avoidance of doubt, the private trust distribution represents the retained earnings pertaining to rental income received by the properties held by the Trust acquired prior to the Listing Date less applicable expenses incurred prior to the Listing Date and is not funded with the proceeds from the offering.

The Sponsor has agreed with each of the Trustee and the Manager that the private trust distribution will constitute full and final settlement of its distribution entitlement for the period from the date of the constitution of the Trust to the day immediately preceding the Listing Date. Conversely, the Trustee and the Manager have agreed with the Sponsor that they will not seek reimbursement from the Sponsor if the actual net income of the Trust for this period is subsequently determined to be a lesser amount than that estimated by the Manager. Accordingly, the Trust will benefit from the surplus if the Trust's actual net income for the period is more than the amount estimated by the Manager, or bear the deficit if its actual net income for the period is less than the amount estimated by the Manager. The Sponsor has provided an undertaking to the Manager and the Trustee that the Sponsor will be responsible for and pay promptly any income tax liability of the Trust which is attributable to the period commencing from the date of constitution of the Trust up to and including the date one day before the Units are listed on the SGX-ST and any Singapore stamp duty (including late payment penalties (if any)) which may be payable on any of the sale and purchase agreements, or any other document in relation to the third party master leased properties.

Upon the Trust being admitted to the Main Board of the SGX-ST, it will make distributions to Unitholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

In the event that there are gains arising from disposals of its assets, and only if such gains are surplus to the business requirements and needs of the Trust and its taxability or otherwise confirmed by the Inland Revenue Authority of Singapore "IRAS", the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. The Trust's primary sources of liquidity for the funding of distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditure will be the receipts of rental income and borrowings.

Under the Property Funds Appendix, if the Manager declares a distribution that is in excess of profits, the Manager should certify, in consultation with the Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, the Trust will be able to fulfil, from the Deposited Property, the liabilities of the Trust as they fall due. The certification by the Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Deposited Property. The certification should be made at the time the distribution is declared.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars ("SGD") and all values in the table are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Trust has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Trust.

2.3 Standards issued but not yet effective

The Trust has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(c) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
Improvements to FRSs (November 2014)	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

The Manager expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of significant accounting policies (cont'd)

2.4 Functional currency

The Trust's financial statements are presented in Singapore Dollars, which is also the Trust's functional currency.

Transactions in foreign currencies are measured in the functional currency of the Trust and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Investment properties

Investment properties are properties that are owned by the Trust that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially recorded at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. The Manager determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Trust.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

- (i) Financial assets at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

- (ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. The Manager determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit or loss.

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2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(b) *Financial liabilities (cont'd)*

Subsequent measurement (cont'd)

- (ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.7 Impairment of financial assets

The Manager assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Manager first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Manager determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.7 Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Manager considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

2.9 Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 Transfers between the levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event of change in circumstances that caused the transfers.

2.11 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.12 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) *As lessee*

Leases where substantially all risks and rewards of ownership of the asset are retained by the lessors are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

(ii) *As lessor*

Leases where the Trust retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.13(i). Contingent rents, if any, are recognised as revenue in the periods in which they are earned.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Trust has assessed its revenue arrangements to determine if it is acting as a principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) *Carpark income*

Carpark income is recognised when the Trust's right to receive payment is established.

(iii) *Interest income*

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.14 Expenses

(i) **Property operating expenses**

Property expenses are recognised on an accrual basis. Included in property operating expenses are property management fees which are based on the applicable formula stipulated in Note 1.4.

(ii) **Manager's management fees**

Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.2.

(iii) **Trust expenses**

Trust expenses are recognised on an accrual basis.

2.15 Taxation

(i) **Current income tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.

(ii) **Deferred tax**

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which those assets and liabilities are expected to be realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

(iii) **Tax transparency**

The Trust has been granted the tax transparency treatment under Section 43(2) of the Income Tax Act (the "Tax Transparency Treatment") subject to the Trust meeting all the terms and conditions set out in the joint undertaking that the Trustee and the Manager have given for the purposes of applying for the Tax Transparency Treatment.

Under the Tax Transparency Treatment, the Trust will not be assessed to tax on the portion of its taxable income that is distributed to Unitholders subject to the Trust making a distribution of at least 90% of the taxable income of the Trust. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate.

In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the amount distributed for the next distribution following the agreement with the IRAS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.15 Taxation (cont'd)

(iii) Tax transparency (cont'd)

Under the Tax Transparency Treatment, the distributions made by the Trust out of its taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. The Trust is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust except:

- (a) where the beneficial owners are individuals or qualifying Unitholders, the Trust will make the distributions to such Unitholders without withholding any income tax; and
- (b) where the beneficial owners are foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the Trust will withhold tax at a reduced rate of 10% from the distributions.

A qualifying Unitholder is a Unitholder who is:

- (a) A tax resident Singapore-incorporated company;
- (b) A non-corporate Singapore-constituted or registered entity (e.g. registered charities, town councils, statutory boards, registered co-operative societies and registered trade unions);
- (c) A Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a specific waiver from tax deducted at source in respect of distributions from the Trust;
- (d) An agent bank or a Supplementary Retirement Scheme ("SRS") operator which acts as nominee for individuals who have purchased Units in the Trust under the CPF Investment Scheme or the SRS respectively; or
- (e) A nominee who can demonstrate that the Units are held for beneficial owners who are individuals and who fall within the classes of Unitholders listed in (a) to (c) above.

A foreign non-individual investor is a Unitholder who:

- (a) does not have any permanent establishment in Singapore; or
- (b) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used to acquire the Units in the Trust are not obtained from that operation in Singapore.

The Tax Transparency Treatment does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trust. Where the gains are capital gains, the Trust will not be assessed to tax and may distribute the capital gains to Unitholders without having to deduct tax at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

The income tax concession for REITs has been extended for five years until 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.15 Taxation (cont'd)

(iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where the receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the balance sheet.

2.16 Unit capital and issuance expenses

Proceeds from issuance of Units are recognised as Units in Unitholders' funds. Incidental costs directly attributable to the issuance of Units are deducted against Unitholders' funds.

2.17 Portfolio reporting

For management purposes, the Trust is organised into operating segments based on individual investment properties within the Trust's investment portfolio, and prepares financial information on an individual property basis. The properties are independently managed by property managers who are responsible for the performance of the respective properties under their charge. Discrete financial information is provided to the Board on an individual property basis. The Board regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

2.18 Hedge accounting

The Trust applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk);
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Trust formally designates and documents the hedging relationship to which the Trust wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.18 Hedge accounting (cont'd)

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve in Unitholders' funds, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in hedging reserve in Unitholders' funds are transferred to profit or loss when the hedge transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds is transferred to profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds remains in Unitholders' funds until the forecast transaction or firm commitment affects profit or loss.

The Trust uses interest rate swaps to hedge its exposure to interest rate risk on bank loans with floating interest rates. Details of interest rate swaps are disclosed in Note 5.

2.19 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Trust if that person:
 - (i) has control or joint control over the Trust;
 - (ii) has significant influence over the Trust; or
 - (iii) is a member of the key management personnel of the Trust's Manager or of the sponsor of the Trust.
- (b) An entity is related to the Trust if any of the following conditions applies:
 - (i) The entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Trust's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of lease classification

The Trust has entered into business space property leases on its investment properties. The Manager has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the investment property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Revaluation of investment properties

Investment properties are stated at fair value, with changes in fair values being recognised in profit or loss. The Trust engaged independent professional valuers to determine fair value as at 31 December 2014.

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methodologies.

The determination of the fair value of the investment properties requires the use of estimates such as future cash flow from assets (such as lettings, tenants' profiles, future revenue streams, any environmental matters and the overall repair and conditions of the investment properties) and discount rates applicable to these assets. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions to determine the fair value of the investment properties are explained in Note 25(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. Investment properties

	2014 \$'000	2013 \$'000
Balance sheet:		
Beginning of financial year/period	935,000	–
Purchase of investment properties	94,636	905,252
Capital expenditure on investment properties	163	–
Net change in fair value of investment properties	901	29,748
At 31 December	1,030,700	935,000
Statement of total return:		
Rental income from investment properties:		
– Minimum lease payments	66,401	27,052
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	10,783	3,920
– Non-rental generating properties	–	42
	10,783	3,962

The Trust has no contractual obligations to purchase, construct or develop investment property.

Valuation of investment properties

The carrying amounts of the investment properties acquired prior to FY2014 and Tellus Marine were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and Savills Valuation and Professional Services (S) Pte. Ltd. as at 31 December 2014. The independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, investment method and discounted cash flow analysis.

The new investment properties that were acquired in the second half of FY2014 were based on the valuations as at 7 October 2014 for KTL Offshore and 15 August 2014 for Speedy-Tech undertaken by the independent property valuers, Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. and DTZ Debenham Tie Leung (SEA) Pte. Ltd., respectively commissioned by the trustee. Both independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, investment method and discounted cash flow analysis. Details of valuation techniques and inputs used are disclosed in Note 25. Changes in the fair value of investment properties will not be assessed for tax.

Properties pledged as security

The Trust has mortgaged certain investment properties of up to an aggregate principal amount of \$909.0 million (2013: \$590.0 million) as security for bank loans granted (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. Derivatives

		2014	
	Maturity	Contract nominal amount \$'000	Assets/ (Liabilities) \$'000
Current:			
Interest rate swaps	2015	70,000	(65)
Non-current:			
Interest rate swaps	2016-2018	236,000	213
Total financial assets at fair value through profit or loss		306,000	148

		2013	
	Maturity	Contract nominal amount \$'000	Assets/ (Liabilities) \$'000
Current:			
Interest rate swaps	2014	70,000	(26)
Non-current:			
Interest rate swaps	2015-2017	210,000	(1,579)
Total financial liabilities at fair value through profit or loss		280,000	(1,605)

Interest rate swaps

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank loans. Under the interest rate swaps, the Trust pays fixed rates of interest ranging from 0.565% to 1.380% per annum (2013: 0.295% to 1.380% per annum) for terms of one to four years (2013: one to four years).

The Trust designates these interest rate swaps as cash flow hedges which were assessed to be effective. An unrealised gain of \$148,000 (2013: unrealised loss of \$1,605,000) was included in hedging reserve in Unitholders' funds in respect of these contracts. There are no fair value changes relating to the ineffective portion recognised in the profit or loss.

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6. Trade and other receivables

	Note	2014 \$'000	2013 \$'000
Trade receivables		253	163
Unbilled receivables		577	15
Other receivables		6	16
Amounts due from a related party (non-trade)		2	–
		838	194
Less: Allowance for impairment of trade receivables		(22)	–
		816	194
Trade and other receivables		816	194
Add: Deposits	7	206	58
Add: Cash and cash equivalents	8	20,951	20,176
Total loans and receivables		21,973	20,428

Trade receivables

Trade receivables are recognised at their original invoices amounts which represent their fair values on initial recognition and the credit terms are not more than 30 days. All trade receivables are denominated in SGD.

The trade receivables are charged or assigned by way of security for credit facilities granted to the Trust (Note 10).

Receivables that are past due but not impaired

The Trust has trade receivables amounting to \$253,000 (2013: \$163,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2014 \$'000	2013 \$'000
Trade receivables past due but not impaired:		
Less than 30 days	175	156
30 – 60 days	38	4
60 – 90 days	14	–
More than 90 days	26	3
	253	163

Receivables that are impaired

The Trust has trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	2014 \$'000	2013 \$'000
Trade receivables – nominal amounts	53	–
Less: Allowance for impairment	(22)	–
	31	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments.

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7. Other current assets

	2014 \$'000	2013 \$'000
Prepayment	28	17
Deposits	206	58
	<u>234</u>	<u>75</u>

Deposits are non-interest bearing, unsecured and short-term in nature.

8. Cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash at bank	<u>20,951</u>	<u>20,176</u>

Cash and cash equivalents are denominated in SGD.

9. Trade and other payables

	Note	2014 \$'000	2013 \$'000
Trade payables		240	76
Other payables		2,256	1,549
Amounts due to related parties (trade)		2,874	2,300
Amounts due to related parties (non-trade)		73	–
Interest payable		1,126	842
		<u>6,569</u>	<u>4,767</u>
Trade and other payables		6,569	4,767
Add: Rental deposits		25,519	22,753
Add: Borrowings	10	368,924	275,331
Less: Sales tax payables		(758)	(752)
Total financial liabilities carried at amortised cost		<u>400,254</u>	<u>302,099</u>

Trade payable/other payables

The amounts are non-interest bearing, unsecured and are normally settled on 30 to 90 days term. All amounts are denominated in SGD.

Amounts due to related parties (trade)

Included in amounts due to related parties are amounts due to the Property Manager of \$558,000 (2013: \$279,000) and the Manager of \$2,315,000 (2013: \$2,021,000). Amounts due to related parties are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash and/or Units.

Amounts due to related parties (non-trade)

Included in amounts due to non-related parties are amounts due to the property manager of \$29,000 (2013: Nil) and the manager of \$44,000 (2013: Nil). Amounts due to related parties are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash and/or Units.

Transactions with related parties are made at terms equivalent to those prevailing in arm's length transactions with third parties.

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10. Borrowings

	Maturity	2014 \$'000	2013 \$'000
Current:			
Bank loans at SOR – \$285 million facility			
– Facility A	2015	95,000	–
Less: Unamortised upfront debt arrangement fee		(366)	–
		<u>94,634</u>	<u>–</u>
Non-current:			
Bank loans at SOR – \$285 million facility			
– Facility A	2015	–	95,000
– Facility B	2016	95,000	95,000
– Facility C	2017	90,000	90,000
Bank loans at SOR – \$100 million facility			
– Facility A	2018	15,000	–
– Facility B	2018	78,500	–
		<u>278,500</u>	<u>280,000</u>
Less: Unamortised upfront debt arrangement fee		<u>(4,210)</u>	<u>(4,669)</u>
		<u>274,290</u>	<u>275,331</u>
Total borrowings		<u>368,924</u>	<u>275,331</u>

\$285 million facility

The borrowings are secured term loan facilities of \$285 million provided by six financial institutions with staggered maturities of two, three and four year terms from the date of the facility agreements. The loans bear floating interest equal to SGD swap-offer rate ("SOR").

The loans are repayable upon maturity. The Trust has entered into interest rate swaps (Note 5) to partially hedge the bank loans that are on floating interest rates.

The bank loans are secured by the following:

- A first legal mortgage over certain investment properties;
- A first legal charge over relevant bank accounts of the Trust;
- A first legal assignment of all rights, titles, benefits and interest under each of the lease agreements and sales agreements in respect of certain investment properties;
- An assignment of the guarantee from Soilbuild Group Holdings Ltd. to the banks for all obligations, liabilities and undertaking of SB (Solaris) Investment Pte. Ltd. in connection with the master lease agreements for Solaris;
- A first legal assignment of all rights, titles and benefits arising from all insurance policies relating to certain investment properties; and
- A debenture incorporating a fixed and floating charge over all the Trust's assets in connection with the secured properties.

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10. Borrowings (cont'd)

\$100 million facility

The borrowings are secured term loan facilities of \$100 million provided by four financial institutions which mature in May 2018. The loans bear floating interest equal to SOR.

The loans are repayable upon maturity. The Trust has entered into interest rate swaps (Note 5) to partially hedge the bank loans that are on floating interest rates.

The bank loans are secured by the following:

- A first legal mortgage over West Park BizCentral;
- A first legal charge over the relevant bank account of the Trust;
- A first legal assignment of all rights, titles, benefits and interest under each of the lease agreements and sales agreement in respect of West Park BizCentral;
- A first legal assignment of all rights, titles and benefits arising from all insurance policies relating to West Park BizCentral; and
- A debenture incorporating a fixed and floating charge over all the Trust's assets in connection with the secured property.

11. Units in issue

	2014		2013	
	No. of shares '000	\$'000	No. of shares '000	\$'000

Issued and fully paid ordinary shares:

Beginning of the financial year/period	804,541	627,501	–	–
Issuance of Units upon public listing	–	–	803,469	626,706
Units issued in lieu of Manager's management fees	8,452	6,589	1,072	795
At 31 December	812,993	634,090	804,541	627,501

On 16 August 2013, the Trust issued 803,469,000 new Units at the issue price of \$0.78. In addition, on 13 November 2013, 1,071,716 new Units were issued to the Manager and the Property Manager at an issue price of \$0.74 per Unit as payment of the base fee, lease management fee and property management fee. On 20 February 2014, 2,284,454 new Units were issued to the manager and the property manager at an issue price of \$0.76 per Unit as payment of the base fee, property management fee, lease management fee and performance fee for the financial year ended 31 December 2013.

On 16 May 2014, 2,117,642 new Units were issued to the Manager and the Property Manager at an issue price of \$0.77 per Unit.

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11. Units in issue (cont'd)

On 15 August 2014, 1,990,142 new Units were issued to the Manager and the Property Manager at an issue price of \$0.80 per Unit.

On 12 November 2014, 2,060,230 new Units were issued to the Manager and Property Manager at an issue price of \$0.79 per Unit.

The new Units issued on 16 May 2014, 15 August 2014 and 12 November 2014 were payment of the base fee, lease management fee and property management fee.

The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective date of issue of the Units.

Under the Trust Deed, every Unit carries the same voting rights.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of holders of the Units are contained in the Trust Deed and include the rights to:

- (i) receive income and other distributions attributable to the Units held; and
- (ii) participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a holder of the Units does not have the right to require any assets (or part thereof) of the Trust be returned to him;

The restrictions of a holder of the Units include the following:

- (i) a holder of the right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- (ii) a holder of the Units has no right to request to redeem his Units while his Units are listed on SGX-ST.

The liability of a holder of the Units is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no holders of the Units will be personally liable to indemnify the Trustee or any creditor of the Trust in the event that the liabilities of the Trust exceed its assets.

12. Net asset value per Unit

		2014 \$'000	2013 \$'000
Net assets		650,780	646,927
	Note	'000	'000
Total issued and issuable Units at the end of the financial year/period	11	812,993	804,541
Net asset value per Unit		\$0.80	\$0.80

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13. Gross revenue

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Rental income	66,401	27,052
Car park income	899	321
Others	845	176
	<u>68,145</u>	<u>27,549</u>

14. Property operating expenses

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Land rent	2,216	829
Property tax	4,209	1,563
Property management fee	1,022	366
Lease management fee	511	183
Other property expenses	2,825	1,021
	<u>10,783</u>	<u>3,962</u>

15. Other income

Included in other income is the reimbursement from the private trust unitholder for income tax expenses in relation to the private trust.

16. Finance expenses

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Interest expense		
– Loan from related company	–	744
– Bank loans	5,830	2,018
Financing fee of interest rate swap	1,753	613
	<u>7,583</u>	<u>3,375</u>
Amortisation of debt arrangement fee	2,093	675
	<u>9,676</u>	<u>4,050</u>

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17. Manager's management fees

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Base fee	5,017	1,827
Performance fee	460	149
	<u>5,477</u>	<u>1,976</u>

18. Other trust expenses

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Auditors' remuneration	100	67
Valuation fee	42	38
Professional fees	388	217
Other trust expenses	349	17
	<u>879</u>	<u>339</u>

19. Income tax expense

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year/period ended 31 December 2014 and 31 December 2013 are as follows:

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Total return before tax	42,431	46,900
Tax using Singapore tax rate of 17%	7,213	7,973
Adjustments:		
Non-tax deductible items	1,632	556
Income not subject to taxation	(163)	-
Net change in fair value of investment properties	(153)	(5,057)
Tax transparency	(8,529)	(3,105)
Income tax expense recognised in profit or loss	<u>-</u>	<u>367</u>

The income tax liabilities refer to income tax provision based on taxable income earned when the Trust was a taxable private trust before public listing.

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20. Earnings per Unit

The basic earnings per Unit is calculated by dividing total return after tax attributable to Unitholders against weighted average number of Units outstanding during the financial year/period.

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Total return after tax before distribution	42,431	46,533
Total return after tax and excluding net change in fair value of investment properties	41,530	16,785
	'000	'000
Weighted average number of Units in issue during the financial year	808,887	803,842
Basic and diluted earnings per Unit based on:		
Total return after tax before distribution	5.25 cents	5.79 cents
Total return after tax and excluding net change in fair value of investment properties	5.13 cents	2.09 cents

Diluted earnings per Unit is the same as the basic earnings per Unit as there are no dilutive instruments in issue during the financial period.

21. Establishment and issuance costs

Establishment and issuance costs comprise professional, advisory and other fees, listing and perusal fees and other miscellaneous expenses incurred for the establishment of Soilbuild REIT. These expenses are deducted directly against the Unitholders' funds or added back to Unitholders' funds to reverse over-accrual of establishment and issuance costs in prior year.

22. Hedging reserves

	2014 \$'000	2013 \$'000
Beginning of the financial year/period	(1,605)	–
Effective portion of changes in fair value of financial derivatives	1,753	(1,605)
At 31 December	148	(1,605)

Hedging reserves contain the effective portion of the cash flow hedge relationships incurred as at the reporting date. \$148,000 (2013: \$1,605,000) is made up of the net movements in cash flow hedges and the effective portion of the interest rate swaps.

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23. Related party transactions

During the financial year/period, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions which took place at terms agreed between the parties:

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Income:		
Carpark management licence income received from the Property Manager	498	181
Master lease and other rental income received from related companies	20,578	6,819
Expenses:		
Manager's management fees paid/payable to the Manager	5,477	1,976
Lease management fees and commissions paid/payable to the Manager	738	239
Acquisition fees paid/payable to the Manager	920	–
Trustee's fees paid/payable to the Trustee	185	64
Property management fees, marketing services commissions and reimbursable expenses paid/payable to the Property Manager	2,083	429
Comprehensive operational and maintenance service fees paid/payable to the Property Manager	920	339
Others:		
Purchase of investment properties from related companies	–	820,452
Recharge of property tax to a related company	12	–

24. Commitments and contingencies

(a) Operating lease commitments – as lessee

The Trust has entered into land leases in respect of certain investment properties. All leases include a clause to enable upward revision of the rental charge on annual basis. These leases have tenures of between 20 to 37 years with no contingent rent provision included in the contract.

Minimum lease payment recognised as an expense in profit or loss for the financial year/period ended 31 December 2014 and 31 December 2013 amounted to \$2,216,000 (2013: \$829,000).

Future minimum rental payables under non-cancellable operating leases at the end of the reporting period are as follows:

	2014 \$'000	2013 \$'000
Not later than one year	2,164	2,192
Later than one year but not later than five years	17,749	9,945
Later than five years	176,494	100,443
	<u>196,407</u>	<u>112,580</u>

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24. Commitments and contingencies (cont'd)

(b) Operating lease commitments – as lessor

The Trust entered into business space property leases on its investment properties. The business space property lease consists of master lease arrangements and multi-tenanted lease arrangements.

These master leases have tenures of five to fifteen years with an option to renew for five to fifteen years included in the agreements. Multi-tenanted lease arrangements have average tenures of one to five years, with an option to renew the lease after that date. Lease payments are usually revised annually and/or at each renewal date to reflect the market rate.

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	2014 \$'000	2013 \$'000
Not later than one year	68,884	58,373
Later than one year but not later than five years	147,109	131,505
Later than five years	80,872	58,630
	<u>296,865</u>	<u>248,508</u>

Commitment with related parties

The Trust has entered into various lease agreements with tenures ranging from three to five years with SB (Solaris) Investment Pte. Ltd. and SB Storage Pte. Ltd.. Future rental receivable under the lease agreement is expected to be \$71,294,000 (2013: \$86,651,000).

25. Fair value of assets and liabilities

(a) Fair value hierarchy

The Manager categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Manager can access at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- (iii) Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Note	2014 \$'000 Fair value measurement at the end of the reporting period using Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset:			
Derivatives			
– Interest rate swap	5	148	–
As at 31 December 2014		148	–
Non-financial asset:			
Investment properties	4	–	1,030,700
As at 31 December 2014		–	1,030,700

	Note	2013 \$'000 Fair value measurement at the end of the reporting period using Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)
Non-financial asset:			
Investment properties	4	–	935,000
As at 31 December 2013		–	935,000
Financial liability:			
Derivatives			
– Interest rate swap	5	(1,605)	–
As at 31 December 2013		(1,605)	–

There have been no transfers between the respective levels during the financial year ended 31 December 2014 and 31 December 2013.

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25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and/or liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, interest rate curves and forward rate curves.

Level 3 fair value measurements

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements.

Description	Fair value at 31 December 2014	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurement:				
Investment properties	1,030,700	The fair value is determined using a combination of discounted cash flow, capitalisation approach and direct comparison approach	Capitalisation Rate ("Cap Rate") adjustments based on management's assumptions*	Cap Rates: 5.75% to 7.25%

Description	Fair value at 31 December 2013	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurement:				
Investment properties	935,000	The fair value is determined using a combination of discounted cash flow, capitalisation approach and direct comparison approach	Capitalisation Rate ("Cap Rate") adjustments based on management's assumptions*	Cap Rates: 5.75% to 6.50%

* The Cap Rate adjustments are made for any difference in the nature, location or condition of the specific property.

The estimated fair value would increase/decrease if the capitalisation rate adopted in the valuations is lower/higher.

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25. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

Level 3 fair value measurements (cont'd)

(ii) Movement in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	2014 \$'000	2013 \$'000
Investment properties		
Opening balance	935,000	–
Purchase of investment properties	94,636	905,252
Capital expenditure on investment properties	163	–
Total gains or losses for the financial year/period included in profit or loss	901	29,748
Closing balance	1,030,700	935,000
Total gains or losses for the financial year/period included in profit or loss:		
– Net gain from fair value adjustment of investment properties	901	29,748

(iii) Valuation policies and procedures

The Chief Financial Officer (“CFO”) oversees the Trust’s financial reporting valuation process and is responsible for setting and documenting valuation policies and procedures. In this regard, the CFO reports to the Audit & Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Trust’s policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Trust with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The CFO documents and reports her analysis and results of the external valuations to the Audit & Risk Committee. The Audit & Risk Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the board of directors for approval.

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25. Fair value of assets and liabilities (cont'd)

- (c) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation fair value are as follows:

	2014		2013	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial liabilities:				
Rental deposits (non-current)	23,009	22,298	21,935	21,271

Determination of fair value

The fair value as disclosed in the table above is estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

26. Financial risk management objectives and policies

The Trust is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the CFO. The Audit & Risk Committee provides independent oversight to the effectiveness of the risk management process. It is the Trust's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalent, the Trust minimises credit risk by dealing exclusively with high credit rating counterparties.

The Trust's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit evaluations are performed by the Manager before lease agreements are entered into with lessees. In addition, the Trust requires lessees to provide tenancy rental deposits. Cash and cash equivalents are placed with financial institutions which are regulated.

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26. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Trust's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Trust's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Trust to manage risk concentrations at both the relationship and industry levels.

Exposure to credit risk

At the end of the reporting period, the Trust's maximum exposure to credit risk is represented by the carrying amount of financial assets recognised on the balance sheet.

Credit risk concentration profile

At the end of the reporting period, the Trust has no significant concentration of credit risk. All trade receivables of the Trust were due from customers located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Trust. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade and other receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Trust's objective is to maintain a balance between continuity and flexibility through the use of stand-by credit facilities.

The Manager monitors the liquidity of the Trust to ensure the Trust complies with the aggregate leverage limit set in the CIS Code issued by the MAS. The CIS Code requires total borrowings and deferred payments for the Trust to not exceed 60% of the value of the Trust's total assets based on the latest valuation. At the end of the reporting period, the amount of the Trust's total borrowings and deferred payments is approximately 35.4% (2013: 29.3%) of the value of the Trust's total assets.

The Manager assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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26. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Trust's financial assets and liabilities at the reporting period based on contractual undiscounted repayment obligations.

	One year or less \$'000	One to five years \$'000	Total \$'000
2014			
Financial assets:			
Trade and other receivables	816	–	816
Derivative financial instruments	–	213	213
Deposits	206	–	206
Cash and cash equivalents	20,951	–	20,951
Total undiscounted financial assets	21,973	213	22,186
Financial liabilities:			
Trade and other payables	5,811	–	5,811
Accrued operating expenses	2,115	–	2,115
Derivative financial instruments	65	–	65
Rental deposits	2,510	23,009	25,519
Interest-bearing borrowings	104,112	290,764	394,876
Total undiscounted financial liabilities	114,613	313,773	428,386
Total net undiscounted financial liabilities	(92,640)	(313,560)	(406,200)
2013			
Financial assets:			
Trade and other receivables	194	–	194
Deposits	58	–	58
Cash and cash equivalents	20,176	–	20,176
Total undiscounted financial assets	20,428	–	20,428
Financial liabilities:			
Trade and other payables	4,015	–	4,015
Accrued operating expenses	3,767	–	3,767
Derivative financial instruments	26	1,579	1,605
Rental deposits	818	21,935	22,753
Interest-bearing borrowings	7,438	292,905	300,343
Total undiscounted financial liabilities	16,064	316,419	332,483
Total net undiscounted financial assets/(liabilities)	4,364	(316,419)	(312,055)

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26. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate because of the changes in market interest rates.

The Trust's exposure to changes in interest rates relates primarily to floating-rate bank borrowings. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to net interest expense which can be affected by adverse movements in interest rates through the use of interest rate swaps.

During the financial period, the Trust has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps, with notional contract amounts of \$306.0 million (2013: \$280.0 million) whereby it receives variable rates equal to the Singapore swap offer rate on the notional amounts and pays fixed interest rates ranging from 0.565% to 1.380% (2013: 0.295% to 1.380%) per annum as at 31 December 2014.

Sensitivity analysis

At the end of the reporting period, if interest rates had been 75 basis points lower/higher with all other variables held constant, the Trust's total return for the financial year/period would have been \$506,000 (2013: Nil) higher/lower arising as a result of lower/higher interest rates on floating rate borrowings. Hedging reserve in other comprehensive income would have been \$2,295,000 (2013: \$2,100,000) lower as a result of lower fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings. The assumed movement in basis points of interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

The Trust's investment strategy is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate, used primarily for business space purposes in Singapore, as well as real estate-related assets. As such, the Trust's exposure to currency risk is insignificant.

27. Capital management

The primary objective of the Trust's capital management is to ensure that it maintains a healthy credit rating and aggregate leverage ratio.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage may exceed 35% of the Trust's Deposited Property (up to a maximum of 60%) if a credit rating of the Trust from Fitch Inc., Moody's Investor Services or Standard & Poor's ("S&P") is obtained and disclosed to the public.

As at 22 January 2014, the Trust had obtained a credit rating of BBB – from Standard & Poor's ("S&P") Rating Services. As at 31 December 2014, the Trust's aggregate leverage stood at 35.4% (2013: 29.3%) of its Deposited Property, which is within the limit set in the Property Funds Appendix. There are no deferred payments as at 31 December 2014.

There was no substantial change in the Trust's approach to capital management since the date of constitution.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28. Financial ratios

	2014 %	2013 %
Expenses ratio ⁽¹⁾		
– including performance-related fee payable to the Manager	1.01	0.94
– excluding performance-related fee payable to the Manager	0.94	0.88
Turnover ratio ⁽²⁾	14.59	–

⁽¹⁾ The annualised expense ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The total operating expenses used in the computation relate to the trust expenses, excluding property expenses and borrowing costs. The average net asset value is based on the month-end balances.

⁽²⁾ The portfolio turnover ratio is calculated in accordance with the formula stated in CIS Code. The calculation of annualised portfolio turnover ratio is computed based on the total value of purchases or sales of the underlying investment properties expressed as a percentage of average net asset value.

29. Operating segments

Business segment

For management purposes, the Trust is organised into operating segments based on their property types.

Segment revenue comprises mainly of income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessment of segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, performance fees, trust expenses, finance income, finance costs and related assets and liabilities.

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29. Operating segments (cont'd)

Business segment (cont'd)

The reportable segments for the financial year ended 31 December 2014 are as follows:

	Business Park \$'000	Industrial \$'000	Total \$'000
2014			
Gross revenue	26,057	42,088	68,145
Property operating expenses	(3,626)	(7,157)	(10,783)
Segment net property income	22,431	34,931	57,362
Interest income			18
Other income			367
Finance expenses			(9,676)
Manager's management fees			(5,477)
Trustee's fees			(185)
Other trust expenses			(879)
Net income before tax and fair value changes			41,530
Fair value change in investment properties	(18)	919	901
Total return before income tax			42,431
Income tax expense			-
Total return after income tax			42,431
Segment assets	402,614	630,173	1,032,787
Unallocated assets			21,185
Total assets			1,053,972
Segment liabilities	18,137	9,154	27,591
Unallocated liabilities			375,901
Total liabilities			403,192

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

29. Operating segments (cont'd)

Business segment (cont'd)

	Business Park \$'000	Industrial \$'000	Total \$'000
2013			
Gross revenue	9,661	17,888	27,549
Property operating expenses	(1,361)	(2,601)	(3,962)
Segment net property income	8,300	15,287	23,587
Finance expenses			(4,050)
Manager's management fees			(1,976)
Trustee's fees			(70)
Other trust expenses			(339)
Net income before tax and fair value changes			17,152
Fair value change in investment properties	17,186	12,562	29,748
Total return before income tax			46,900
Income tax expense			(367)
Total return after income tax			46,533
Segment assets	402,030	533,134	935,164
Unallocated assets			20,353
Total assets			955,517
Segment liabilities	17,451	5,252	22,703
Unallocated liabilities			285,887
Total liabilities			308,590

Geographical segment

No geographical information is presented as the Trust operates in Singapore only.

Information about a major customer

Revenue from a major customer amounts to \$17,025,000 (2013: \$6,266,000) arising from the revenue generated from the business park segment.

30. Comparative figures

The comparative figures cover the period from 13 December 2012 (date of constitution) to 31 December 2013.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. Events occurring after the reporting period

(a) Distribution to Unitholders

Subsequent to the financial period ending 31 December 2014, the Manager declared a distribution of \$12.9 million at 1.585 cents per Unit for the financial period from 1 October 2014 to 31 December 2014.

(b) Issuance of new Units in lieu of management fees

Subsequent to the quarter ended 31 December 2014, the Trust issued 2,757,712 Units at an issue price of \$0.78 per Unit as payment of the fees to the Manager and the Property Manager, amounting to \$2,152,000.

(c) Agreement with Jurong Town Corporation ("JTC") on Rent Payable for Solaris

Soilbuild REIT had entered into Sale & Purchase Agreement with SB (Solaris) Investment Pte Ltd ("SB Solaris") on 30 July 2013 in relation to the acquisition of Solaris (the "Property"). The Property was acquired by Soilbuild REIT on 16 August 2013 (the "Completion Date") and the rent payable to JTC comprised (i) land rent of S\$405.10 per square metre ("psm") per annum and (ii) subterranean rent of S\$23.48 psm per annum (collectively, the "Applicable Rates"). In April 2014, JTC wrote to DBS Trustee Limited, in its capacity as trustee of Soilbuild REIT (the "Trustee"), to inform the Trustee that there was an error on the rent charged and alleging that the correct rent should be S\$855.00 psm per annum for the land rent and S\$70.00 psm per annum for the subterranean rent (collectively, the "Revised Rates"). Consequently, JTC sought to (i) adopt the Revised Rates and (ii) claim back payment to make up for the difference between the Revised Rates and the Applicable Rates with effect from the Completion Date.

On 17 March 2015, the Manager, the Trustee, SB Solaris, the Sponsor and JTC have entered into an agreement (the "Agreement") to agree on the conversion of the annual land rental payment scheme under the lease of the Property to an upfront land premium payment scheme subject to the terms and conditions set out in the Agreement. The upfront land premium payment scheme will provide for the payment of an upfront land premium in the amount of S\$74 million (the "Upfront Land Premium") to JTC in respect of the lease of the Property for the period from 16 August 2013 to 31 May 2038. 50% of the Upfront Land Premium was paid on the date of the Agreement (the "Payment Date") and the remaining 50% shall be paid on the date falling one year after the Payment Date. The actual amount payable has taken into account the annual land rent paid by the Trustee for the period from 16 August 2013 to 28 February 2015 to JTC for the lease of the Property, which was deducted against the Upfront Land Premium.

Pursuant to a master lease agreement dated 16 August 2013, the Property is leased by the Trustee to SB Solaris for a term of five years from 16 August 2013 on a triple net lease basis, under which SB Solaris is liable for the payment of all the land rent payable to JTC. SB Solaris has agreed in a separate agreement with the Trustee to bear S\$19 million of the Upfront Land Premium, and Soilbuild REIT will bear the remainder of the Upfront Land Premium, being the sum of S\$55 million.

On 17 March 2015, the Trustee, in its capacity as Trustee of Soilbuild REIT, has entered into a loan agreement with SB Solaris, in which SB Solaris will extend an interest-free loan of S\$55 million to Soilbuild REIT for the purpose of paying its share of the Upfront Land Premium. The loan shall be repaid on the expiry of the Master Lease Agreement on 15 August 2018.

In the event that the land premium payment arrangement is adopted in accordance with the Agreement, the valuation of the Property will increase from S\$300 million to S\$355 million, based on a valuation conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

32. Authorisation of financial statements

The financial statements of the Trust for the financial year ended 31 December 2014 were authorised for issue by the Manager and the Trustee on 24 March 2015.

SUPPLEMENTARY INFORMATION

AS AT 31 DECEMBER 2014

BALANCE SHEET FOR PRIVATE TRUST

	2014 \$'000	2013 \$'000
Current assets		
Trade and other receivables	-	1
Cash and cash equivalents	-	224
	-	225
Total assets	-	225
Current liabilities		
Trade and other payables	-	204
Accrued operating expenses	-	25
Provision for taxation	-	367
	-	596
Net liabilities	-	(371)
Represented by:		
Unitholders' funds	-	(371)

STATEMENT OF TOTAL RETURN FOR PRIVATE TRUST

	Year ended 31.12.2014 \$'000	Period from 13.12.2012 to 31.12.2013 \$'000
Gross revenue	-	2,984
Property operating expenses	-	(2)
Net property income	-	2,982
Other income	367	-
Finance expenses	-	(743)
Trustee's fee	-	(6)
Other trust income/(expenses)	4	(68)
Total return before tax	371	2,165
Income tax expense	-	(367)
Total return after tax before distribution	371	1,798

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**AUDITED FINANCIAL STATEMENTS OF SOILBUILD BUSINESS SPACE REIT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The information in this Appendix III has been extracted and reproduced from the audited consolidated financial statements of Soilbuild Business Space REIT for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Information Memorandum.

Soilbuild Business Space REIT

Financial Statements
31 December 2015

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

FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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Soilbuild Business Space REIT

Report of the Trustee For the financial year ended 31 December 2015

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of SB REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 13 December 2012 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Soilbuild REIT, during the financial year covered by these financial statements, set out on pages 5 to 67, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Soh Ee Fong
Director
Singapore, 17 March 2016

Soilbuild Business Space REIT

Statement by the Manager For the financial year ended 31 December 2015

In the opinion of the directors of SB REIT Management Pte. Ltd. (the "Manager"), the accompanying financial statements set out on pages 5 to 67 comprising the Statement of Financial Position, Statement of Total Return, Statement of Distribution, Statement of Portfolio, Statement of Movements in Unitholders' Funds, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") as at 31 December 2015, and the total return, distributable income, movements in Unitholders' funds and cash flows of Soilbuild REIT for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that Soilbuild REIT will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
SB REIT Management Pte. Ltd.

Chong Kie Cheong
Chairman

Singapore, 17 March 2016

Soilbuild Business Space REIT

Independent Auditors' Report to the Unitholders of Soilbuild Business Space REIT For the financial year ended 31 December 2015

To the Unitholders of Soilbuild Business Space REIT

We have audited the accompanying financial statements of Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") set out on pages 5 to 67, which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2015, and the Statement of Total Return, Statement of Distribution, Statement of Movements in Unitholders' Funds and Statement of Cash Flows of Soilbuild REIT for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

SB REIT Management Pte. Ltd. (the "Manager") of Soilbuild REIT is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Soilbuild Business Space REIT

**Independent Auditors' Report to the Unitholders of Soilbuild Business Space REIT
For the financial year ended 31 December 2015**

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and portfolio of Soilbuild REIT as at 31 December 2015, and the total return, distributable income, movements in Unitholders' funds and cash flows of Soilbuild REIT for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
17 March 2016

Soilbuild Business Space REIT

**Statement of Financial Position
As at 31 December 2015**

	Note	2015 \$'000	2014 \$'000
Non-current assets			
Investment properties	4	1,190,700	1,030,700
Derivative financial instruments	5	2,405	213
Deferred expenditure		1,002	743
		<u>1,194,107</u>	<u>1,031,656</u>
Current assets			
Trade and other receivables	6	2,436	816
Derivative financial instruments	5	484	–
Deferred expenditure		505	315
Other current assets	7	247	234
Cash and cash equivalents	8	16,751	20,951
		<u>20,423</u>	<u>22,316</u>
Total assets		<u>1,214,530</u>	<u>1,053,972</u>
Current liabilities			
Trade and other payables	9	7,557	6,569
Accrued operating expenses		2,558	2,115
Rental deposit		2,719	2,510
Derivative financial instruments	5	–	65
Borrowings	10	–	94,634
		<u>12,834</u>	<u>105,893</u>
Non-current liabilities			
Trade and other payables	9	33,009	–
Rental deposits		24,212	23,009
Borrowings	10	398,502	274,290
		<u>455,723</u>	<u>297,299</u>
Total liabilities		<u>468,557</u>	<u>403,192</u>
Net assets		<u>745,973</u>	<u>650,780</u>
Represented by:			
Unitholders' funds		<u>745,973</u>	<u>650,780</u>
Units in issue ('000)	11	<u>934,442</u>	<u>812,993</u>
Net asset value per Unit (\$)	12	<u>0.80</u>	<u>0.80</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

**Statement of Total Return
For the financial year ended 31 December 2015**

	Note	2015 \$'000	2014 \$'000
Gross revenue	13	79,340	68,145
Property operating expenses	14	(11,563)	(10,783)
Net property income		67,777	57,362
Other income	15	–	367
Interest Income		643	18
Finance expenses	16	(13,490)	(9,676)
Manager's management fees	17	(6,442)	(5,477)
Trustee's fee		(196)	(185)
Other trust expenses	18	(1,168)	(879)
Net income		47,124	41,530
Net change in fair value of investment properties	4	4,535	901
Total return before tax		51,659	42,431
Income tax expense	19	–	–
Total return after tax before distribution		51,659	42,431
Earnings per Unit (cents)			
Basic and diluted earnings per Unit based on total return after tax before distribution	20	5.79	5.25
Basic and diluted earnings per Unit based on total return after tax before distribution and excluding net change in fair value of investment properties	20	5.28	5.13

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

**Statement of Distribution
For the financial year ended 31 December 2015**

	Note	2015 \$'000	2014 \$'000
Total return after tax before distribution		51,659	42,431
Adjustment for net effect of non-tax deductible items (Note A)		6,208	7,742
Income available for distribution to Unitholders		<u>57,867</u>	<u>50,173</u>
Distributions to Unitholders:			
Distribution of 1.510 cents per Unit for the financial period from 01 October 2013 to 31 December 2013		–	(12,149)
Distribution of 1.562 cents per Unit for the financial period from 01 January 2014 to 31 March 2014		–	(12,603)
Distribution of 1.500 cents per Unit for the financial period from 01 April 2014 to 30 June 2014		–	(12,134)
Distribution of 1.546 cents per Unit for the financial period from 01 July 2014 to 30 September 2014		–	(12,537)
Distribution of 1.585 cents per Unit for the financial period from 01 October 2014 to 31 December 2014		(12,886)	–
Distribution of 1.633 cents per Unit for the financial period from 01 January 2015 to 31 March 2015		(13,321)	–
Distribution of 0.628 cents per Unit for the financial period from 01 April 2015 to 04 May 2015		(5,123)	–
Distribution of 0.987 cents per Unit for the financial period from 05 May 2015 to 30 June 2015		(9,176)	–
Distribution of 1.625 cents per Unit for the financial period from 01 July 2015 to 30 September 2015		(15,144)	–
Total Unitholders' distribution paid in the financial year		<u>(55,650)</u>	<u>(49,423)</u>
Income available for distribution to Unitholders at end of the financial year (Note B)		<u>15,103</u>	<u>12,899</u>
Number of units issued at end of the financial year in '000		<u>934,442</u>	<u>812,993</u>
Total distribution per unit at end of financial year (excluding income from the private trust)		<u>6.487 cents</u>	<u>6.193 cents</u>

Soilbuild Business Space REIT

Statement of Distribution For the financial year ended 31 December 2015

Note A – Adjustment for net effect of non-tax deductible items comprise:

	Note	2015 \$'000	2014 \$'000
- Manager's management fees paid or payable in Units	17	6,442	5,477
- Trustee's fees		196	185
- Amortisation of debt arrangement and prepayment fee	16	2,058	2,093
- Non-tax deductible re-financing related expenses		305	–
- Rent-free income		(262)	(588)
- Property management fee	14	1,236	1,022
- Lease management fee	14	618	511
- Other income	15	–	(367)
- Net change in fair value of investment properties	4	(4,535)	(901)
- Other non-tax deductible items		150	310
Adjustment for net effect of non-tax deductible items		<u>6,208</u>	<u>7,742</u>

Note B – Income available for distribution to Unitholders at end of the financial year:

	2015 \$'000	2014 \$'000
Income available for distribution to Unitholders	57,867	50,173
Distribution of 1.562 cents per Unit for the financial period from 01 January 2014 to 31 March 2014	–	(12,603)
Distribution of 1.500 cents per Unit for the financial period from 01 April 2014 to 30 June 2014	–	(12,134)
Distribution of 1.546 cents per Unit for the financial period from 01 July 2014 to 30 September 2014	–	(12,537)
Distribution of 1.633 cents per Unit for the financial period from 01 January 2015 to 31 March 2015	(13,321)	–
Distribution of 0.628 cents per Unit for the financial period from 01 April 2015 to 04 May 2015	(5,123)	–
Distribution of 0.987 cents per Unit for the financial period from 05 May 2015 to 30 June 2015	(9,176)	–
Distribution of 1.625 cents per Unit for the financial period from 01 July 2015 to 30 September 2015	(15,144)	–
Income available for distribution to Unitholders at end of the financial year	<u>15,103</u>	<u>12,899</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

Statement of Portfolio As at 31 December 2015

Description of property	Acquisition date	Tenure of land	Term of lease	Remaining term of lease	Acquired from	Location	Latest Valuation \$'000	Valuation Date	Carrying value 2015 \$'000	Percentage of net assets 2015 %
Investment properties in Singapore – by asset type										
Business park:										
Eightrium @ Changi Business Park Solaris	16 Aug 2013	Leasehold	60 years ⁽¹⁾	50 years	Soilbuild Group Holdings Ltd.	15A Changi Business Park Central 1	102,800	31 Dec 2015	102,800	13.8
	16 Aug 2013	Leasehold	60 years ⁽¹⁾	52 years	Soilbuild Group Holdings Ltd.	1 Fusionopolis Walk	360,000	31 Dec 2015	360,000	48.3
Industrial property:										
Tuas Connection	16 Aug 2013	Leasehold	43 years	35 years	Soilbuild Group Holdings Ltd.	1 to 10, 12, 14, 16, 18 & 20 Tuas Loop	126,000	31 Dec 2015	126,000	16.9
West Park BizCentral	16 Aug 2013	Leasehold	60 years ⁽¹⁾	53 years	Soilbuild Group Holdings Ltd.	20, 22, 24, 26, 28, 30 & 32 Pioneer Crescent	319,000	31 Dec 2015	319,000	42.7
NK Ingredients	15 Feb 2013	Leasehold	60 years ⁽¹⁾	31 years	NK Ingredients Pte. Ltd.	2 Pioneer Sector 1	62,000	31 Dec 2015	62,000	8.3
COS Printers	19 Mar 2013	Leasehold	49 years ⁽²⁾	27 years	C.O.S. Printers Pte. Ltd.	9 Kian Teck Crescent	11,200	31 Dec 2015	11,200	1.5
Beng Kuang Marine	10 May 2013	Leasehold	60 years	41 years	PICCO Enterprise Pte. Ltd.	38 Tuas View Square	16,500	31 Dec 2015	16,500	2.2
Tellus Marine	26 May 2014	Leasehold	60 years ⁽¹⁾	38 years	Tellus Marine Engineering Pte. Ltd.	39 Senoko Way	15,700	31 Dec 2015	15,700	2.1
KTL Offshore	31 Oct 2014	Leasehold	60 years	51 years	Provident Properties (I) Pte. Ltd.	61 & 71 Tuas Bay Drive	56,000	31 Dec 2015	56,000	7.5
Speedy-Tech	23 Dec 2014	Leasehold	50 years ⁽³⁾	34 years	Speedy-Tech Electronics Ltd.	20 Kian Teck Lane	24,500	31 Dec 2015	24,500	3.3
Technics Offshore	27 May 2015	Leasehold	54 years ⁽⁴⁾	22 years	Technics Oil & Gas Limited	72 Loyang Way	97,000	31 Dec 2015	97,000	13.0
Investment properties, at valuation :							<u>1,190,700</u>		<u>1,190,700</u>	<u>159.6</u>
Other assets and liabilities (net)									(444,727)	(59.6)
Net assets									<u>745,973</u>	<u>100.0</u>

Soilbuild Business Space REIT

Statement of Portfolio As at 31 December 2015

Notes:

- (1) Includes an option for the Trust to renew the land lease for a further term of 30 years upon expiry.
- (2) Includes an option for the Trust to renew the land lease for a further term of 19 years upon expiry.
- (3) Includes an option for the Trust to renew the land lease for a further term of 20 years upon expiry.
- (4) Comprises leases of varying land lease tenure from 24 years to 54 years. Land lease of main plot is 54 years. Includes an option for the Trust to renew the land lease for a further term of 18 years 5 months and 15 days upon expiry. Land leases collectively expire on 20 March 2038.

The carrying amounts of the investment properties were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and CBRE Pte. Ltd. as at 31 December 2015. The independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, investment method and discounted cash flow analysis.

The net change in fair value of the investment properties has been recognised in profit or loss.

The investment properties comprise business space properties that are mainly leased to third party tenants. Generally, these leases contain an initial non-cancellable period of between 6 months and 15 years. Subsequent renewals are negotiated with individual lessees.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

**Statement of Movements in Unitholders' Funds
For the financial year ended 31 December 2015**

	Note	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
Net assets attributable to Unitholders as at 1 January 2015		619,366	148	31,266	650,780
Operations					
Total return for the financial year		–	–	51,659	51,659
Net increase in assets resulting from operations		–	–	51,659	51,659
Unitholders' transactions					
Issuance of Units in lieu of management fees	11	7,802	–	–	7,802
Issuance of new Units under Private Placement	11	89,999	–	–	89,999
Establishment and issuance costs	21	(1,358)	–	–	(1,358)
Distributions to public trust Unitholders		–	–	(55,650)	(55,650)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		96,443	–	(55,650)	40,793
Other transactions					
Effective portion of changes in fair value of derivatives	22	–	2,741	–	2,741
Net increase in net assets resulting from hedging transactions		–	2,741	–	2,741
Net assets attributable to Unitholders as at 31 December 2015		715,809	2,889	27,275	745,973

Soilbuild Business Space REIT

**Statement of Movements in Unitholders' Funds
For the financial year ended 31 December 2015**

	Note	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
Net assets attributable to Unitholders as at 1 January 2014		610,274	(1,605)	38,258	646,927
Operations					
Total return for the financial year		–	–	42,431	42,431
Net increase in assets resulting from operations		–	–	42,431	42,431
Unitholders' transactions					
Issuance of Units in lieu of management fees	11	6,589	–	–	6,589
Establishment and issuance costs	21	2,503	–	–	2,503
Distributions to public trust Unitholders		–	–	(49,423)	(49,423)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		9,092	–	(49,423)	(40,331)
Other transactions					
Effective portion of changes in fair value of financial derivatives	22	–	1,753	–	1,753
Net increase in net assets resulting from hedging transactions		–	1,753	–	1,753
Net assets attributable to Unitholders as at 31 December 2014		619,366	148	31,266	650,780

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

Statement of Cash Flows For the financial year ended 31 December 2015

	Note	2015 \$'000	2014 \$'000
Operating activities:			
Net income		47,124	41,530
Adjustments for :			
Other income	15	–	(367)
Finance expenses	16	11,432	7,583
Amortisation of debt arrangement and prepayment fee	16	2,058	2,093
Management fees paid and payable in Units (Note A)		8,296	7,012
Operating cash flows before changes in working capital		68,910	57,851
Changes in working capital			
Increase in trade and other receivables		(1,620)	(622)
Increase in other current assets		(13)	(159)
Increase in deferred expenditure		(449)	(986)
Increase in trade and other payables and accrued operating expenses		209	2,179
Increase in rental deposits		1,412	2,766
Total change in working capital		(461)	3,178
Cash flows from operations		68,449	61,029
Interest paid		(11,371)	(7,384)
Net cash flows generated from operating activities		57,078	53,645
Investing activities:			
Purchase of investment properties	4	(98,092)	(94,636)
Capital expenditure on investment properties		(25,490)	(163)
Net cash flows used in investing activities		(123,582)	(94,799)
Financing activities:			
Proceeds from borrowings		127,117	93,500
Repayment of borrowings		(95,000)	–
Proceeds from issuance of new Units (Private Placement)	11	89,999	–
Payment of prepayment fees		(113)	–
Establishment and issuance costs		(1,358)	(148)
Payment of upfront debt arrangement costs		(2,691)	(2,000)
Distributions to public trust Unitholders		(55,650)	(49,423)
Net cash flows generated from financing activities		62,304	41,929
Net (decrease)/increase in cash and cash equivalents		(4,200)	775
Cash and cash equivalents at beginning of the year		20,951	20,176
Cash and cash equivalents at end of the financial year	8	16,751	20,951

Soilbuild Business Space REIT

**Statement of Cash Flows
For the financial year ended 31 December 2015**

Note A – Management fees paid and payable in Units

6,890,794 (2014: 6,168,014) Units were issued as payment of base fee, property management fee and lease management fees to the Manager and the Property Manager amounting to \$5,651,000 (2014: \$4,860,000) for the period ended 30 September 2015. Both the Manager and the Property Manager have elected to receive 100% of the base fee, property management fee, lease management fee for the fourth quarter ended 31 December 2015 and the performance fee for the financial year ended 31 December 2015 amounting to \$2,645,000 (2014: \$2,152,000) in the form of Units.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

These notes form an integral part of the financial statements.

1. General

Soilbuild Business Space REIT ("Soilbuild REIT" or the "Trust") is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 13 December 2012 (as amended) (the "Trust Deed") between SB REIT Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of Units in the Trust (the "Units"). The address of the Manager's registered office and principal place of business is 25 Changi South Street 1, Singapore 486059.

Soilbuild REIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 16 August 2013 (the "Listing Date") and was included in the Central Provident Fund Investment Scheme on 10 June 2013. The principal activity of Soilbuild REIT is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for business space purposes in Singapore with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth.

Soilbuild REIT has entered into several service agreements in relation to the management of its property operations. The fee structures of these services are as follows:

1.1 *Trustee's fees*

As stipulated in the Trust Deed, the Trustee is entitled to a trustee fee on a scaled basis not exceeding the rate of 0.1% per annum of the Value of the Deposited Property (as defined in the Trust Deed), which is subject to a minimum amount of \$15,000 per month and shall be payable out of the Deposited Property monthly in arrear.

The actual fee payable will be determined between the Manager and the Trustee from time to time, and is presently charged on a scaled basis of up to 0.02% per annum of the Deposited Property. Any increase in the maximum permitted amount or any change in the structure of the Trustee's fee must be approved by an Extraordinary Resolution at a meeting of holders of the Units duly convened and held in accordance with the provisions of the Trust Deed.

1.2 *Manager's management fees*

The Manager is entitled to receive for its own account out of the Deposited Property the following management fees, as stipulated in the Trust Deed:

- (i) Base fee, being a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the annual distributable income of the Trust;

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.2 *Manager's management fees (cont'd)*

- (ii) The performance fee, which is based on and commensurate with the amount of DPU growth, aligns the interests of the Manager with Unitholders as the Manager is motivated to grow DPU holistically on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives and prudent capital management. In accordance with Clause 15.1.2 of the Trust Deed, the Manager shall be entitled to receive for its own account out of the Deposited Property the performance fee, being a fee equal to a rate of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. In accordance with Clause 15.1.2 of the Trust Deed, the performance fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of Cash and/or Units (as the Manager may elect) out of the Deposited Property. In accordance with Clause 15.1.4 of the Trust Deed, payment of the performance fee is on an annual basis. This basis of computation aligns the interests of the Manager and the unitholders by incentivising the Manager to act in a manner that maximises the distribution to the unitholders year on year. If there is no growth in DPU from the preceding financial year, no performance fee will be payable to the Manager. Therefore, in order to achieve sustainability in the level of DPU growth and continuing payment of the performance fee, the Manager is discouraged from taking on excessive short-term risks such as deferring asset enhancement initiatives or taking on shorter leases with higher rents;
- (iii) Acquisition fee, being 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price of any real estate purchased, or the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, or the acquisition price of any approved investment purchased by the Trust, whichever is applicable;
- (iv) Divestment fee, being 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price of any real estate sold or divested, or the underlying value of any real estate which is taken into account when computing the sale price receivable for the equity interests of any vehicle holding directly or indirectly the real estate, or the sale price of any approved investment sold or divested by the Trust, whichever is applicable; and
- (v) Development management fee, being 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager on behalf of the Trust.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.2 *Manager's management fees (cont'd)*

The rationale of the Manager charging fees is as follows:

- (i) In accordance with Clause 15.1.1 of the Trust Deed, the Base fee computed based on 10.0% of distributable income is recurring and enables the Manager to cover operational and administrative overhead incurred in the management of the portfolio. By pegging the base fee to the distributable income instead of assets under management, the Manager is incentivized to continually grow distributable income, which aligns its interest with the interests of Unitholders, consistent with the performance fee. In accordance with Clause 15.1.1 of the Trust Deed, the base fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of cash and/or Units (as the Manager may elect) out of the Deposited Property. In accordance with Clause 15.1.4 of the Trust Deed, the base fee is charged on a quarterly basis (if base fee is payable in the form of Units) and/or monthly basis (if base fee is payable in the form of cash) in arrears.
- (ii) In accordance with Clause 15.2.1 of the Trust Deed, the acquisition fee computed based on 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price of any real estate purchased is necessary to incentivise the Manager to seek DPU accretive investments and to compensate the Manager for the substantial resources it typically deploys for the evaluation of potential investments. In accordance with Clause 15.2.1 of the Trust Deed, the acquisition fee shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect, such election to be made prior to the payment of the acquisition fee). The acquisition fee is payable as soon as practicable after completion of the acquisition.
- (iii) In accordance with Clause 15.2.1 of the Trust Deed, the divestment fee computed based on 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the sale price of any real estate sold is necessary to incentivise the Manager to seek the best possible price for the divestment. Divestment fee is lower than acquisition fee to ensure fees are commensurate with the resources utilised to complete the transaction. The acquisition process is generally more time consuming than the divestment process as there are many considerations in an acquisition process such as property specifications, price, underlying tenancies and financial strength of the master lessee which are more complex than carrying out a divestment. In accordance with Clause 15.2.1 of the Trust Deed, the divestment fee shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect, such election to be made prior to the payment of the divestment fee). The divestment fee is payable as soon as practicable after completion of the sale or disposal.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.2 *Manager's management fees (cont'd)*

- (iv) In accordance with Clause 15.6.1 of the Trust Deed, the development management fee computed based on 3.0% of the total project costs incurred in a development project undertaken and managed by the Manager is necessary to allow the Manager to recover the cost of providing resources to manage development projects, which is outside the scope of the usual operations of the Manager. This incentivises the Manager to undertake development projects that will improve the quality and yield of the assets in the portfolio, thereby aligning the Manager's interests with the interests of the Unitholders. For the avoidance of doubt, in accordance with Clause 15.6.5, no acquisition fee shall be paid when the Manager receives the development management fee for a development project.

In accordance with Clause 15.6.4 of the Trust Deed, the development management fee is payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs are finalised.

Any increase in the maximum permitted rate or any change in the structure of the Manager's management fees must be approved by an Extraordinary Resolution at a meeting of holders of the Units duly convened and held in accordance with the provisions of the Trust Deed.

1.3 *Lease management fees and lease renewal commission*

Under the lease management agreement with Soilbuild REIT ("Lease Management Agreement"), the Manager will provide lease management services in relation to the Properties and is entitled to receive the following remuneration:

- (i) Lease management fees, being 1.0% per annum of the gross revenue of such relevant properties; and
- (ii) Lease renewal commission, being:
- (a) 0.5 month of the secured gross rent inclusive of service charge, for securing a tenancy of three years;
 - (b) an amount pro-rated based on a tenancy for three years as per (a) above, for securing a tenancy of six months or more but less than three years;
 - (c) one month of the secured gross rent inclusive of service charge, for securing a tenancy of five years;
 - (d) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than three years but less than five years; and
 - (e) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than five years (with the terms of the lease subject to the prior approval of the Manager) provided always that the commission payable shall not exceed a sum of 1.5 months of the secured gross rent inclusive of service charge.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.3 *Lease management fees and lease renewal commission (cont'd)*

The Manager will not receive a fee for securing a tenancy of less than six months. The Manager may elect to receive the lease renewal commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine).

The lease renewal commissions are payable when an existing tenant extends its lease beyond its initial lease term whereas the marketing services commission which is payable to the Property Manager (as described below) is payable for the securing of new leases.

For as long as Solaris is leased back to Soilbuild Group Holdings Ltd. (the "Sponsor") and/or its relevant subsidiaries under a master lease arrangement, no lease management fee or lease renewal commissions will be payable in relation to such property.

The rationale of the Manager charging the lease management fees and lease renewal commission is as follows:

- (i) The lease management fee is charged for the Manager to recover the cost of employing asset managers and analysts to fulfil the services and duties of the Manager in accordance with the Lease Management Agreement. The duties of the Manager include (i) regularly updating all operating and financial data and accurately uploading them onto the relevant system to enable the Trustee to perform its duties and obligations (ii) providing a projection of occupancy rates, average rental rates and average tenancy periods for the purposes of the Annual Business Plan and Budget and (iii) attending to tenants' queries and requests.
- (ii) The lease renewal commission is charged to compensate the Manager for the time, effort and costs associated with engaging the tenants to ensure renewal of leases. Lease commissions are charged on a tiered basis to incentivise the Manager to promote the signing of longer term leases which is to the benefit of the Unitholders.

In accordance with Clause 15.7 of the Trust Deed, the Manager may elect to receive the lease management fee and lease renewal commissions in cash and/or Units (as the Manager may in its sole discretion determine).

In accordance with Clause 15.8 of the Trust Deed, (i) where the lease management fee and the lease renewal commission are payable in the form of Units, such payment shall be made quarterly in arrears and (ii) where the lease management fee and the lease renewal commission are payable in cash, such payment shall be made monthly in arrears.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.4 Fees under the property management agreement

Property management fees

The Property Manager is entitled to, on each property of the Trust located in Singapore under its management, a property management fee of 2.0% per annum of gross revenue of each property.

Notwithstanding that the master leased properties will be leased under either a triple net lease and double net lease structures whereby the management of such properties are undertaken by the lessees, in line with market practice, the property management fee is still payable to the Property Manager given that the Property Manager would still be required to regularly inspect the properties under their purview to ensure the properties are maintained and managed in accordance with the lessees' obligations which are stipulated in the master lease agreements.

The Manager may elect to pay the property management fee in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine). For as long as Solaris is leased back to the Sponsor under a master lease arrangement, no property management fee will be payable in relation to Solaris.

Marketing services commissions for new leases

The Property Manager is entitled to the following marketing services commissions:

- (a) one month's gross rent inclusive of service charge, for securing a tenancy of three years;
- (b) an amount pro-rated based on a tenancy for three years as per (a) above, for securing a tenancy of six months or more but less than three years;
- (c) two month's gross rent inclusive of service charge, for securing a tenancy of five years;
- (d) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than three years but less than five years; and
- (e) an amount pro-rated based on a tenancy for five years as per (c) above, for securing a tenancy of more than five years (with the terms of the lease subject to the prior approval of the Manager) provided always that the commission payable shall not exceed a sum of three month's gross rent inclusive of service charge.

The Property Manager will not receive a fee for securing a tenancy of less than six months.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.4 Fees under the property management agreement (cont'd)

Marketing services commissions for new leases (cont'd)

If a third party agent secures a tenancy, the Manager shall pay the marketing services commission to the Property Manager, and the Property Manager shall then pay all of such marketing services commission to the third party agent. The Property Manager shall only be entitled to an administrative charge of 20.0% of the marketing services commissions payable to such third party agent over and above what was paid to the third party agent. The Property Manager shall not, without the consent of the Manager, pay the third party agent a market services commission which is lower than what the Property Manager receives. For the avoidance of doubt, in the event that the Property Manager agrees to pay the third party agent a market services commission that exceeds the marketing services commission it receives, the Property Manager is not entitled to any additional market services commission.

The Manager may elect to pay the marketing services commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine). For as long as Solaris is leased back to the Sponsor and/or its subsidiary under a master lease arrangement, no marketing services commissions for new leases will be payable in relation to Solaris.

In respect of the project management services to be provided by the Property Manager for a property of the Trust (if not prohibited by the Property Funds Appendix or if otherwise permitted by the MAS), the Property Manager is entitled to a project management fee based on the following for any development, redevelopment, refurbishment, retrofitting, addition and alteration or renovation works to the relevant property:

- (i) where the construction costs are \$2.0 million or less, a fee of 3.0% of the construction costs;
- (ii) where the construction costs exceed \$2.0 million but do not exceed \$12.0 million, a fee of 2.15% of the construction costs or \$60,000, whichever is the higher;
- (iii) where the construction costs exceed \$12.0 million but do not exceed \$40.0 million, a fee of 1.45% of the construction costs or \$258,000, whichever is the higher;
- (iv) where the construction costs exceed \$40.0 million but do not exceed \$70.0 million, a fee of 1.4% of the construction or \$580,000, whichever is the higher;
- (v) where the construction costs exceed \$70.0 million but do not exceed \$100.0 million, a fee of 1.35% of the construction costs or \$980,000, whichever is the higher; and
- (vi) where the construction costs exceed \$100.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.5 *Reimbursable amounts*

In addition to its fees, the Property Manager will be fully reimbursed for certain costs as set out below.

Reimbursable amount

In addition to its fees, the Property Manager will be reimbursed for each property under its management for the following:

(i) Reimbursable employment costs

The Trustee shall reimburse the salary of the employees of the Property Manager (approved by the Manager) engaged solely for site supervision of the properties (such costs are part of the annual business plan and budget approved by the Trustee on the recommendation of the Manager or otherwise agreed between the Trustee and the Manager).

(ii) Reimbursable advertising costs

The Trustee shall reimburse the Property Manager for the cost of advertising incurred by the Property Manager in relation to the promotion of leasing for the property provided that prior approval of the Manager for such cost incurred has been obtained.

(iii) Reimbursable customer care costs

The Trustee shall reimburse the Property Manager for the cost of customer care incurred by the Property Manager in relation to tenants of the property provided that prior approval of the Manager for such cost incurred has been obtained.

(iv) Project management expenses

In connection with the provision of project management services, the Trustee, on the recommendation of the Manager, shall reimburse the Property Manager for certain costs, including overseas travel and accommodation expenses, provided that such costs shall have been pre-approved by the Trustee, on the recommendation of the Manager and shall be supported, where available, by vouchers, receipts and other documentary evidence, and provided further, that such costs shall be in accordance with the budget (if any) which may have been approved by the Trustee for the project in connection with or arising from which the costs were incurred.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.5 *Reimbursable amounts (cont'd)*

(v) West Park BizCentral – Maintenance Fee

In relation to West Park BizCentral, the Property Manager shall provide a comprehensive operational and maintenance service and is entitled to a fixed monthly maintenance fee of \$75,000 with an annual increase of 3.0% per annum on 1 April of each year with the first escalation occurring on 1 April 2014. This arrangement will be in force for a fixed term of five years, after which it will cease and the same arrangement applicable to the other Properties would then apply to West Park BizCentral. For the avoidance of doubt, the Property Manager will pay for all operational and maintenance expenses in relation to West Park BizCentral and shall not claim any operational expenses or claim any of the above reimbursements or expenses for West Park BizCentral from the Trust for the period of five years while this arrangement is in force.

(vi) West Park BizCentral – Car park Management Services

In relation to West Park BizCentral, the Property Manager shall operate and maintain the car park and pay the Trustee a monthly licence fee of \$40,000, with an annual increase of 5.0% per annum on 1 April of each year with the first escalation occurring on 1 April 2014. This arrangement will be in force for a fixed term of five years, after which it will cease and the arrangement applicable to the other properties would then apply to West Park BizCentral. For the avoidance of doubt, any car park income accrued from West Park BizCentral shall belong to the Property Manager for the period of five years while this arrangement is in force.

1.6 *Distribution policy*

The Trust's distribution policy is to distribute 100% of the Trust's annual distributable income for the period from the Listing Date to 31 December 2014. Thereafter, the Trust will distribute at least 90% of its annual distributable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses, as well as interest income from the placement of periodic cash surpluses in bank deposits. The actual level of distribution will be determined at the Manager's discretion. The actual proportion of annual distributable income distributed to Unitholders beyond 31 December 2014 may be greater than 90% to the extent that the Manager believes it to be appropriate, having regard to the Trust's funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in Singapore dollars.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.6 *Distribution policy (cont'd)*

Contemporaneously with the listing of the Units on the SGX-ST, the Trust made a distribution of an aggregate amount based on the Manager's best estimate of the Trust's remaining net income (net of tax payable thereon by the Trust) for the period from the date of the constitution of the Trust to the day immediately preceding the Listing Date (the "Private Trust Distribution"), to the Sponsor, being the sole existing Unitholder of the Trust prior to Listing Date. For the avoidance of doubt, the private trust distribution represents the retained earnings pertaining to rental income received by the properties held by the Trust acquired prior to the Listing Date less applicable expenses incurred prior to the Listing Date and is not funded with the proceeds from the offering.

The Sponsor has agreed with each of the Trustee and the Manager that the private trust distribution will constitute full and final settlement of its distribution entitlement for the period from the date of the constitution of the Trust to the day immediately preceding the Listing Date. Conversely, the Trustee and the Manager have agreed with the Sponsor that they will not seek reimbursement from the Sponsor if the actual net income of the Trust for this period is subsequently determined to be a lesser amount than that estimated by the Manager. Accordingly, the Trust will benefit from the surplus if the Trust's actual net income for the period is more than the amount estimated by the Manager, or bear the deficit if its actual net income for the period is less than the amount estimated by the Manager. The Sponsor has provided an undertaking to the Manager and the Trustee that the Sponsor will be responsible for and pay promptly any income tax liability of the Trust which is attributable to the period commencing from the date of constitution of the Trust up to and including the date one day before the Units are listed on the SGX-ST and any Singapore stamp duty (including late payment penalties (if any) which may be payable on any of the sale and purchase agreements, or any other document in relation to the third party master leased properties.

Upon the Trust being admitted to the Main Board of the SGX-ST, it will make distributions to Unitholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

In the event that there are gains arising from disposals of its assets, and only if such gains are surplus to the business requirements and needs of the Trust and its taxability or otherwise confirmed by the Inland Revenue Authority of Singapore "IRAS", the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. The Trust's primary sources of liquidity for the funding of distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditure will be the receipts of rental income and borrowings.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

1. General (cont'd)

1.6 *Distribution policy (cont'd)*

Under the Property Funds Appendix, if the Manager declares a distribution that is in excess of profits, the Manager should certify, in consultation with the Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, the Trust will be able to fulfil, from the Deposited Property, the liabilities of the Trust as they fall due. The certification by the Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Deposited Property. The certification should be made at the time the distribution is declared.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2012) "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars ("SGD") and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Trust has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Trust.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Trust has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Improvements to FRS:	
Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
Amendments to FRS 1 Disclosure Initiative	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 is described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Trust to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Manager is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 *Functional currency*

The financial statements are presented in Singapore Dollars, which is also the Trust's functional currency.

Transactions in foreign currencies are measured in the functional currency of the Trust and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.5 *Investment properties*

Investment properties are properties that are owned by the Trust that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially recorded at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.6 *Impairment of non-financial assets*

The Manager assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Manger makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.7 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. The Manager determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Trust.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *Financial instruments (cont'd)*

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. The Manager determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Trust that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 Impairment of financial assets

The Manager assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Manager first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Manager determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Manager considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.9 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks.

2.10 *Provisions*

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds.

2.12 *Leases*

(i) *As lessee*

Leases where substantially all risks and rewards of ownership of the asset are retained by the lessors are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

(ii) *As lessor*

Leases in which the Trust does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.13(i). Contingent rents, if any, are recognised as revenue in the periods in which they are earned.

2. Summary of significant accounting policies (cont'd)

2.13 **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) *Carpark income*

Carpark income is recognised when the Trust's right to receive payment is established.

(iii) *Interest income*

Interest income is recognised using the effective interest method.

2.14 **Expenses**

(i) *Property operating expenses*

Property expenses are recognised on an accrual basis. Included in property operating expenses are property management fees which are based on the applicable formula stipulated in Note 1.4.

(ii) *Manager's management fees*

Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.2.

(iii) *Trust expenses*

Trust expenses are recognised on an accrual basis.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.15 Taxation

(i) Current income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which those assets and liabilities are expected to be realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

(iii) Tax transparency

The Trust has been granted the tax transparency treatment under Section 43(2) of the Income Tax Act (the "Tax Transparency Treatment") subject to the Trust meeting all the terms and conditions set out in the joint undertaking that the Trustee and the Manager have given for the purposes of applying for the Tax Transparency Treatment.

Under the Tax Transparency Treatment, the Trust will not be assessed to tax on the portion of its taxable income that is distributed to Unitholders subject to the Trust making a distribution of at least 90% of the taxable income of the Trust. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate.

In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the amount distributed for the next distribution following the agreement with the IRAS.

Under the Tax Transparency Treatment, the distributions made by the Trust out of its taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. The Trust is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust except:

- (a) where the beneficial owners are individuals or qualifying Unitholders, the Trust will make the distributions to such Unitholders without withholding any income tax; and
- (b) where the beneficial owners are foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the Trust will withhold tax at a reduced rate of 10% from the distributions.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.15 Taxation (cont'd)

(iii) Tax transparency (cont'd)

A qualifying Unitholder is a Unitholder who is:

- (a) A tax resident Singapore-incorporated company;
- (b) A non-corporate Singapore-constituted or registered entity (e.g. registered charities, town councils, statutory boards, registered co-operative societies and registered trade unions);
- (c) A Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a specific waiver from tax deducted at source in respect of distributions from the Trust;
- (d) An agent bank or a Supplementary Retirement Scheme ("SRS") operator which acts as nominee for individuals who have purchased Units in the Trust under the CPF Investment Scheme or the SRS respectively; or
- (e) A nominee who can demonstrate that the Units are held for beneficial owners who are individuals and who fall within the classes of Unitholders listed in (a) to (c) above.

A foreign non-individual investor is a Unitholder who:

- (a) does not have any permanent establishment in Singapore; or
- (b) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used to acquire the Units in the Trust are not obtained from that operation in Singapore.

The Tax Transparency Treatment does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trust. Where the gains are capital gains, the Trust will not be assessed to tax and may distribute the capital gains to Unitholders without having to deduct tax at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

The income tax concession for REITs has been extended for five years until 31 March 2020.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

2. Summary of significant accounting policies (cont'd)

2.15 *Taxation (cont'd)*

(iv) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where the receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the statement of financial position.

2.16 *Unit capital and issuance expenses*

Proceeds from issuance of Units are recognised as Units in Unitholders' funds. Incidental costs directly attributable to the issuance of Units are deducted against Unitholders' funds.

2.17 *Portfolio reporting*

For management purposes, the Trust is organised into operating segments based on individual investment properties within the Trust's investment portfolio, and prepares financial information on an individual property basis. The properties are independently managed by property managers who are responsible for the performance of the respective properties under their charge. Discrete financial information is provided to the Board on an individual property basis. The Board regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

2. Summary of significant accounting policies (cont'd)

2.18 Hedge accounting

The Trust applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk);
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Trust formally designates and documents the hedging relationship to which the Trust wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve in Unitholders' funds, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in hedging reserve in Unitholders' funds are transferred to profit or loss when the hedge transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds is transferred to profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds remains in Unitholders' funds until the forecast transaction or firm commitment affects profit or loss.

The Trust uses interest rate swaps to hedge its exposure to interest rate risk on bank loans with floating interest rates. Details of interest rate swaps are disclosed in Note 5.

3. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Trust's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of lease classification

The Trust has entered into business space property leases on its investment properties. The Manager has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the investment property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Revaluation of investment properties

Investment properties are stated at fair value, with changes in fair values being recognised in profit or loss. The Trust engaged independent professional valuers to determine fair value as at 31 December 2015.

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methodologies.

The determination of the fair value of the investment properties requires the use of estimates such as future cash flow from assets (such as lettings, tenants' profiles, future revenue streams, any environmental matters and the overall repair and conditions of the investment properties) and discount rates applicable to these assets. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions to determine the fair value of the investment properties are explained in Note 25(b).

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

4. Investment properties

	2015	2014
	\$'000	\$'000
Statement of financial position:		
Beginning of financial year	1,030,700	935,000
Purchase of investment properties	98,092	94,636
Capital expenditure on investment properties	57,373	163
Net change in fair value of investment properties	4,535	901
	<hr/>	<hr/>
At 31 December	1,190,700	1,030,700
	<hr/>	<hr/>
Statement of total return:		
Rental income from investment properties:		
- Minimum lease payments	77,470	66,401
	<hr/>	<hr/>
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	11,563	10,783
	<hr/>	<hr/>

The Trust has a contractual obligation to purchase the Tellus Marine Annex from the vendor for \$3,418,000 upon the completion of the Annex.

Valuation of investment properties

The carrying amounts of the investment properties were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and CBRE Pte. Ltd. as at 31 December 2015. The independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations are made on the basis of open market value which is determined based on the direct comparison method, capitalisation method and discounted cash flow analysis.

Details of valuation techniques and inputs used are disclosed in Note 25. Changes in the fair value of investment properties will not be assessed for tax.

Properties pledged as security

The Trust has mortgaged certain investment properties of up to an aggregate principal amount of \$679.0 million (2014: \$909.0 million) as security for bank loans granted (Note 10).

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

6. Trade and other receivables	Note	2015 \$'000	2014 \$'000
Trade receivables		1,396	253
Unbilled receivables		844	577
Other receivables		149	6
Amounts due from a related party (trade)		47	-
Amounts due from a related party (non-trade)		-	2
		<hr/> 2,436	<hr/> 838
Less: Allowance for impairment of trade receivables		-	(22)
		<hr/> 2,436	<hr/> 816
Trade and other receivables		2,436	816
Add: Deposits	7	219	206
Add: Cash and cash equivalents	8	16,751	20,951
		<hr/> 19,406	<hr/> 21,973

Trade receivables

Trade receivables are recognised at their original invoices amounts which represent their fair values on initial recognition and the credit terms are not more than 30 days. All trade receivables are denominated in SGD.

The trade receivables are charged or assigned by way of security for credit facilities granted to the Trust (Note 10).

Amounts due from a related party (trade)

Amounts due from a related party are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash.

Receivables that are past due but not impaired

The Trust has trade receivables amounting to \$1,396,000 (2014: \$253,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2015 \$'000	2014 \$'000
Trade receivables past due but not impaired:		
Less than 30 days	835	175
30 - 60 days	425	38
60 - 90 days	21	14
More than 90 days	115	26
	<hr/> 1,396	<hr/> 253

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

6. Trade and other receivables (cont'd)

Receivables that are impaired

In 2014, the Trust had trade receivables that were impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2015	2014
	\$'000	\$'000
Trade receivables – nominal amounts	–	53
Less: Allowance for impairment	–	(22)
	<hr/>	<hr/>
	–	31
	<hr/>	<hr/>

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

7. Other current assets

	2015	2014
	\$'000	\$'000
Prepayment	28	28
Deposits	219	206
	<hr/>	<hr/>
	247	234
	<hr/>	<hr/>

Deposits are non-interest bearing, unsecured and short-term in nature.

8. Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Cash at bank	16,751	20,951
	<hr/>	<hr/>

Cash and cash equivalents are denominated in SGD.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

9. Trade and other payables

	Note	2015 \$'000	2014 \$'000
Current:			
Trade payables		145	240
Other payables		2,235	2,223
Amount due to Trustee		36	33
Amounts due to related parties (trade)		3,279	2,874
Amounts due to related parties (non-trade)		8	73
Deferred amortisation of interest cost on interest-free related party loan		667	–
Interest payable		1,187	1,126
		<u>7,557</u>	<u>6,569</u>
Non-Current:			
Other payables		31,883	–
Deferred amortisation of interest cost on interest-free related party loan		1,126	–
		<u>33,009</u>	<u>–</u>
Trade and other payables		40,566	6,569
Add: Rental deposits		26,931	25,519
Add: Borrowings	10	398,502	368,924
Add: Accrued operating expenses		2,558	2,115
Less: Sales tax payables		(1,108)	(758)
Total financial liabilities carried at amortised cost		<u>467,449</u>	<u>402,369</u>

Trade payable / other payables

The amounts are non-interest bearing, unsecured and are normally settled on 30 to 90 days terms. All amounts are denominated in SGD.

Amounts due to related parties (trade)

Included in amounts due to related parties are trade in nature amounts due to the Property Manager of \$602,000 (2014: \$558,000) and the Manager of \$2,666,000 (2014: \$2,315,000). Amounts due to related parties are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash and/or Units.

Amounts due to related parties (non-trade)

Included in amounts due to related parties are non-trade amounts due to the Property Manager of nil (2014: \$29,000) and the Manager of \$8,000(2014: \$44,000). Amounts due to related parties are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash and/or Units.

Transactions with related parties are made at terms equivalent to those prevailing in arm's length transactions with third parties.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

10. Borrowings

	Maturity	2015 \$'000	2014 \$'000
Interest bearing - Current:			
SGD Bank loans at SOR - \$285 million facility			
- Facility A	2015	-	95,000
Less: Unamortised upfront debt arrangement fee		-	(366)
		-	94,634
Interest bearing - Non-current:			
SGD Bank loans at SOR - \$285 million facility			
- Facility B	2016	-	95,000
- Facility C	2017	-	90,000
SGD Bank loans at SOR - \$100 million facility			
- Facility A	2018	15,000	15,000
- Facility B	2018	82,500	78,500
SGD Bank loans at SOR - \$185 million facility	2020	185,000	-
\$100 million SGD Medium Term Notes ("MTN")	2018	100,000	-
		382,500	278,500
Less: Unamortised upfront debt arrangement and prepayment fee		(5,322)	(4,210)
Interest free loan from related party	2018	377,178	274,290
Less: Deferred amortisation		23,117	-
		(1,793)	-
		398,502	274,290
Total borrowings		398,502	368,924

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

10. Borrowings (cont'd)

\$285 million facility

The borrowings are secured term loan facilities of \$285 million provided by six financial institutions with staggered maturities of two, three and four year terms from the date of the facility agreements. The loans bear floating interest equal to the SGD swap-offer rate ("SOR").

The loans are repayable upon maturity. The Trust entered into interest rate swaps (Note 5) to partially hedge the bank loans that are on floating interest rates.

The bank loans are secured by the following:

- A first legal mortgage over certain investment properties;
- A first legal charge over relevant bank accounts of the Trust;
- A first legal assignment of all rights, titles, benefits and interest under each of the lease agreements and sales agreements in respect of certain investment properties;
- An assignment of the guarantee from Soilbuild Group Holdings Ltd. to the banks for all obligations, liabilities and undertaking of SB (Solaris) Investment Pte. Ltd. in connection with the master lease agreements for Solaris;
- A first legal assignment of all rights, titles and benefits arising from all insurance policies relating to certain investment properties; and
- A debenture incorporating a fixed and floating charge over all the Trust's assets in connection with the secured properties.

In May 2015, the first tranche amounting to \$95.0 million was repaid with the MTN proceeds.

In September 2015, the remaining tranches of \$95.0 million and \$90.0 million which are repayable in August 2016 and August 2017 respectively were refinanced with the proceeds of the \$185 million facility.

\$100 million facility

The borrowings are secured term loan facilities of \$100 million provided by four financial institutions which mature in May 2018. The loans bear floating interest equal to SOR.

The loans are repayable upon maturity. The Trust has entered into interest rate swaps (Note 5) to partially hedge the bank loans that are on floating interest rates.

The bank loans are secured by the following:

- A first legal mortgage over West Park BizCentral;
- A first legal charge over the relevant bank account of the Trust;
- A first legal assignment of all rights, titles, benefits and interest under each of the lease agreements and sales agreement in respect of West Park BizCentral;
- A first legal assignment of all rights, titles and benefits arising from all insurance policies relating to West Park BizCentral; and
- A debenture incorporating a fixed and floating charge over all the Trust's assets in connection with the secured property.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

10. Borrowings (cont'd)

\$185 million facility

The borrowings are secured term loan facilities of \$185 million provided by six financial institutions which will mature in March 2020. The loans bear floating interest equal to SOR.

The loans are repayable upon maturity. The bank loans that are on floating interest rates were hedged by interest rate swaps (Note 5) previously entered to hedge the second and third tranches of the \$285 million facility.

The bank loans are secured by the following:

- A first legal mortgage over Solaris;
- A first legal charge over the relevant bank account of the Trust;
- A first legal assignment of all rights, titles, benefits and interest under each of the lease agreements and sales agreements in respect of Solaris;
- A first legal assignment of all rights, titles and benefits arising from all insurance policies relating to Solaris; and
- A debenture incorporating a fixed and floating charge over all the Trust's assets in connection with the secured property.

\$100 million MTN facility

In April 2015, Soilbuild REIT established an \$500,000,000 Multicurrency Debt Issuance Programme, under which it may from time to time issue notes and perpetual securities in series or tranches denominated in Singapore dollars or any other currency agreed between the Issuer and the relevant dealer(s) on the same or different issue dates.

On 21 May 2015, Soilbuild REIT issued \$100.0 million of unsecured notes which bear interest at 3.45% p.a. and mature on 21 May 2018.

Interest-free loan from SB Solaris

On 17 March 2015, the Manager announced that an agreement had been entered into whereby the Trustee in its capacity as Trustee of Soilbuild REIT and JTC had agreed to the conversion of the annual land rental payment scheme under the Solaris land lease to an upfront land premium payment scheme. On the same date, the Trustee entered into an interest-free loan agreement with SB Solaris amounting to \$55 million to fund the payment of this Solaris upfront land premium. Repayment of this loan will be required when the Solaris master lease expires in August 2018.

SB Solaris has extended the first tranche of the loan amounting to \$23.1 million to Soilbuild REIT on 17 March 2015 and will extend the balance \$31.9 million to Soilbuild REIT on 18 March 2016.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

11. Units in issue

	2015		2014	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Beginning of the financial year	812,993	634,090	804,541	627,501
Units issued pursuant to the Private Placement	111,800	89,999	–	–
Units issued in lieu of Manager's management fees	9,649	7,802	8,452	6,589
At 31 December	934,442	731,891	812,993	634,090

During the financial year, 9,648,506 new units (2014: 8,452,468) at the issue price range of \$0.78 to \$0.85 (2014: \$0.76 to \$0.80) per unit, in respect of the payment of base fee, lease management fee, property management fee and performance fees for the period from 1 October 2014 to 30 September 2015 (2014: 1 October 2013 to 30 September 2014) were issued.

During the financial year, 111,800,000 new units (2014: Nil) at the issue price at \$0.805 per unit were issued in pursuant to the Private Placement.

The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective date of issue of the Units.

Under the Trust Deed, every Unit carries the same voting rights.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of holders of the Units are contained in the Trust Deed and include the rights to:

- (i) receive income and other distributions attributable to the Units held; and
- (ii) participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a holder of the Units does not have the right to require any assets (or part thereof) of the Trust be returned to him.

The restrictions of a holder of the Units include the following:

- (i) a holder of the right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- (ii) a holder of the Units has no right to request to redeem his Units while his Units are listed on SGX-ST.

The liability of a holder of the Units is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no holders of the Units will be personally liable to indemnify the Trustee or any creditor of the Trust in the event that the liabilities of the Trust exceed its assets.

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

12. Net asset value per Unit

	Note	2015 \$'000	2014 \$'000
Net assets		745,973	650,780
		'000	'000
Total issued and issuable Units at the end of the financial year	11	934,442	812,993
Net asset value per Unit		\$0.80	\$0.80

13. Gross revenue

	2015 \$'000	2014 \$'000
Rental income	77,470	66,401
Car park income	926	899
Others	944	845
	79,340	68,145

14. Property operating expenses

	2015 \$'000	2014 \$'000
Land rent	2,146	2,216
Property tax	4,278	4,209
Property management fee	1,236	1,022
Lease management fee	618	511
Other property expenses	3,285	2,825
	11,563	10,783

15. Other income

Included in other income is the reimbursement from the private trust unitholder for income tax expenses in relation to the private trust.

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

16. Finance expenses	2015	2014
	\$'000	\$'000
Interest expense		
- Loan from related company (notional interest expense)	515	–
- Bank loans	8,249	5,830
- MTN	2,127	–
Financing fee of interest rate swap	541	1,753
	11,432	7,583
Amortisation of debt arrangement and prepayment fees	2,058	2,093
	13,490	9,676
17. Manager's management fees	2015	2014
	\$'000	\$'000
Base fee	5,787	5,017
Performance fee	655	460
	6,442	5,477
18. Other trust expenses	2015	2014
	\$'000	\$'000
Auditors' remuneration	105	100
Valuation fee	109	42
Professional fees	445	388
Other trust expenses	509	349
	1,168	879

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

19. Income tax expense

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2015 and 31 December 2014 are as follows:

	2015	2014
	\$'000	\$'000
Total return before tax	51,659	42,431
Tax using Singapore tax rate of 17%	8,782	7,213
Adjustments:		
Non-tax deductible items	1,871	1,632
Income not subject to taxation	(45)	(163)
Net change in fair value of investment properties	(771)	(153)
Tax transparency	(9,837)	(8,529)
Income tax expense recognised in profit or loss	–	–

20. Earnings per Unit

The basic earnings per Unit is calculated by dividing total return after tax attributable to Unitholders against weighted average number of Units outstanding during the financial year.

	2015	2014
	\$'000	\$'000
Total return after tax before distribution	51,659	42,431
Total return after tax and excluding net change in fair value of investment properties	47,124	41,530
Weighted average number of Units in issue during the financial year	891,846	808,887
Basic and diluted earnings per Unit based on:		
Total return after tax before distribution	5.79 cents	5.25 cents
Total return after tax and excluding net change in fair value of investment properties	5.28 cents	5.13 cents

Diluted earnings per Unit is the same as the basic earnings per Unit as there are no dilutive instruments in issue during the financial year.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

21. Establishment and issuance costs

Establishment and issuance costs comprise professional, advisory and other fees, listing and perusal fees and other miscellaneous expenses incurred for the establishment of Soilbuild REIT and the private placement on 5 May 2015. These expenses are deducted directly against the Unitholders' funds or added back to Unitholders' funds to reverse over-accrual of establishment and issuance costs in prior year.

22. Hedging reserve

	2015	2014
	\$'000	\$'000
Beginning of the financial year	148	(1,605)
Effective portion of changes in fair value of financial derivatives	2,741	1,753
At 31 December	2,889	148

Hedging reserve contain the effective portion of the cash flow hedge relationships incurred as at the reporting date. \$2,889,000 (2014: \$148,000) is made up of the net movement in cash flow hedges and the effective portion of the interest rate swaps.

23. Related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions which took place at terms agreed between the parties:

	2015	2014
	\$'000	\$'000
Income:		
Carpark management licence income received from the Property Manager	523	498
Master lease and other rental income received from related companies	20,354	20,578
Expenses:		
Manager's management fees paid/payable to the Manager	6,442	5,477
Lease management fees and commissions paid/payable to the Manager	1,055	738
Acquisition fees paid/payable to the Manager	970	920
Trustee's fees paid/payable to the Trustee	196	185
Property management fees, marketing services commissions and reimbursable expenses paid/payable to the Property Manager	1,760	2,083
Comprehensive operational and maintenance service fees paid/payable to the Property Manager	948	920
Repair and replacement work fees paid/payable to a related company	5	-
Others:		
Recharge of property tax to a related company	19	12
Recharge of equipment hire to a related company	1	-

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

24. Commitments and contingencies

(a) *Operating lease commitments – as lessee*

The Trust has entered into land leases in respect of certain investment properties. All leases include a clause to enable upward revision of the rental charge on annual basis. These leases have tenures of between 20 to 37 years with no contingent rent provision included in the contract.

Minimum lease payment recognised as an expense in profit or loss for the financial year ended 31 December 2015 and 31 December 2014 amounted to \$2,146,000 (2014: \$2,216,000).

Future minimum rental payables under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2014
	\$'000	\$'000
Not later than one year	2,093	2,164
Later than one year but not later than five years	8,374	17,749
Later than five years	51,420	176,494
	<hr/>	<hr/>
	61,887	196,407
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(b) *Operating lease commitments – as lessor*

The Trust entered into business space property leases on its investment properties. The business space property lease consists of master lease arrangements and multi-tenanted lease arrangements.

These master leases have tenures of five to fifteen years with an option to renew for five to fifteen years included in the agreements. Multi-tenanted lease arrangements have average tenures of one to nine years, with an option to renew the lease after that date. Lease payments are usually revised annually and/or at each renewal date to reflect the market rate.

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	2015	2014
	\$'000	\$'000
Not later than one year	74,081	68,884
Later than one year but not later than five years	168,551	147,109
Later than five years	154,964	80,872
	<hr/>	<hr/>
	397,596	296,865
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Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

24. Commitments and contingencies (cont'd)

(b) *Operating lease commitments – as lessor (cont'd)*

Commitment with related parties

The Trust has entered into various lease agreements with tenures ranging from three to five years with SB (Solaris) Investment Pte. Ltd. and SB Storage Pte. Ltd. Future rental receivable under the lease agreement is expected to be \$49,385,000 (2014: \$71,294,000).

(c) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2015	2014
	\$'000	\$'000
Capital commitment in respect of investment property	3,418	3,418

25. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Manager categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Manager can access at the measurement date,
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- (iii) Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Soilbuild Business Space REIT

Notes to the financial statements
For the financial year ended 31 December 2015

25. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		2015 \$'000	
		Fair value measurement at the end of the reporting period using	
		Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)
Note			
Financial asset:			
	Derivatives		
	- Interest rate swap	2,889	-
	As at 31 December 2015	2,889	-
Non-financial asset:			
	Investment properties	-	1,190,700
	As at 31 December 2015	-	1,190,700
		2014 \$'000	
		Fair value measurement at the end of the reporting period using	
		Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)
Note			
Financial asset:			
	Derivatives		
	- Interest rate swap	148	-
	As at 31 December 2014	148	-
Non-financial asset:			
	Investment properties	-	1,030,700
	As at 31 December 2014	-	1,030,700

There have been no transfers between the respective levels during the financial years ended 31 December 2015 and 31 December 2014.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

25. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and/or liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, interest rate curves and forward rate curves.

Level 3 fair value measurements

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements.

Description	Fair value at 31 December 2015 \$'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurement:				
Investment properties	1,190,700	The fair value is determined using a combination of discounted cash flow, capitalisation approach and direct comparison approach	Capitalisation Rate* and Discount Rate*	Capitalisation rate: 5.50% to 6.75% Discount rate: 7.75% to 8.00%

Description	Fair value at 31 December 2014 \$'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurement:				
Investment properties	1,030,700	The fair value is determined using a combination of discounted cash flow, capitalisation approach and direct comparison approach	Capitalisation Rate* and Discount Rate*	Capitalisation rate: 5.75% to 7.25% Discount rate: 7.75% to 8.50%

* Adjustments are made for any difference in the nature, location or condition of the specific property.

The estimated fair value would increase/decrease if the capitalisation rate/discount rate adopted in the valuations is lower/higher.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

25. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(ii) Movement in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	2015	2014
	\$'000	\$'000
Investment properties		
Opening balance	1,030,700	935,000
Purchase of investment properties	98,092	94,636
Capital expenditure on investment properties	57,373	163
Total gains or losses for the financial year included in profit or loss	4,535	901
Closing balance	<u>1,190,700</u>	<u>1,030,700</u>
Total gains or losses for the financial year included in profit or loss :		
- Net gain from fair value adjustment of investment properties	<u>4,535</u>	<u>901</u>

(iii) Valuation policies and procedures

The Chief Financial Officer ("CFO") oversees the Trust's financial reporting valuation process and is responsible for setting and documenting valuation policies and procedures. In this regard, the CFO reports to the Audit & Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Trust's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Trust with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

25. Fair value of assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures (cont'd)

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The CFO documents and reports her analysis and results of the external valuations to the Audit & Risk Committee. The Audit & Risk Committee performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the board of directors for approval.

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial liabilities:				
Rental deposits (non-current)	24,212	23,459	23,009	22,298

Determination of fair value

The fair value as disclosed in the table above is estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

26. Financial risk management objectives and policies

The Trust is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, and foreign currency risk. The board of directors reviews and approves policies and procedures for the management of these risks, which are executed by the CFO. The Audit & Risk Committee provides independent oversight to the effectiveness of the risk management process. It is the Trust's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks, which is the outcome of review by the Board and Audit and Risk Committee of the above-mentioned financial risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Trust minimises credit risk by dealing exclusively with high credit rating counterparties.

The Trust's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit evaluations are performed by the Manager before lease agreements are entered into with lessees. In addition, the Trust requires lessees to provide tenancy rental deposits. Cash and cash equivalents are placed with financial institutions which are regulated.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Trust's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Trust's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Trust to manage risk concentrations at both the relationship and industry levels.

Exposure to credit risk

At the end of the reporting period, the Trust's maximum exposure to credit risk is represented by the carrying amount of financial assets recognised on the statement of financial position.

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

26. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

At the end of the reporting period, the Trust has no significant concentration of credit risk. All trade receivables of the Trust were due from customers located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Trust. Cash and cash equivalents are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade and other receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Trust's objective is to maintain a balance between continuity and flexibility through the use of stand-by credit facilities.

The Manager monitors the liquidity of the Trust to ensure the Trust complies with the aggregate leverage limit set in the CIS Code issued by the MAS. The CIS Code requires total borrowings for the Trust to not exceed 45% of the value of the Trust's total assets based on the latest valuation. At the end of the reporting period, the amount of the Trust's total borrowings is approximately 36.0% (2014: 35.4%) of the value of the Trust's total assets.

The Manager assessed the concentration of risk with respect to refinancing its debt and concluded the risk to be low.

Soilbuild Business Space REIT

Notes to the financial statements
For the financial year ended 31 December 2015

26. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Trust's financial assets and liabilities at the reporting period based on contractual undiscounted repayment obligations.

	One year or less	One to five years	Total
	\$'000	\$'000	\$'000
2015			
<i>Financial assets:</i>			
Trade and other receivables	2,436	–	2,436
Derivative financial instruments	484	2,405	2,889
Deposits	219	–	219
Cash and cash equivalents	16,751	–	16,751
Total undiscounted financial assets	19,890	2,405	22,295
<i>Financial liabilities:</i>			
Trade and other payables	6,449	33,009	39,458
Accrued operating expenses	2,558	–	2,558
Rental deposits	2,719	24,212	26,931
Borrowings	11,158	432,341	443,499
Total undiscounted financial liabilities	22,884	489,562	512,446
Total net undiscounted financial liabilities	(2,994)	(487,157)	(490,151)

Soilbuild Business Space REIT

Notes to the financial statements
For the financial year ended 31 December 2015

26. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

	One year or less \$'000	One to five years \$'000	Total \$'000
2014			
<i>Financial assets:</i>			
Trade and other receivables	816	–	816
Derivative financial instruments	–	213	213
Deposits	206	–	206
Cash and cash equivalents	20,951	–	20,951
Total undiscounted financial assets	21,973	213	22,186
<i>Financial liabilities:</i>			
Trade and other payables	5,811	–	5,811
Accrued operating expenses	2,115	–	2,115
Derivative financial instruments	65	–	65
Rental deposits	2,510	23,009	25,519
Borrowings	104,112	290,764	394,876
Total undiscounted financial liabilities	114,613	313,773	428,386
Total net undiscounted financial liabilities	(92,640)	(313,560)	(406,200)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate because of the changes in market interest rates.

The Trust's exposure to changes in interest rates relates primarily to floating-rate bank borrowings. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to net interest expense which can be affected by adverse movements in interest rates through the use of interest rate swaps.

During the financial period, the Trust has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps, with notional contract amounts of \$274.5 million (2014: \$306.0 million) whereby it receives variable rates equal to the Singapore swap offer rate on the notional amounts and pays fixed interest rates ranging from 0.565% to 1.450% (2014: 0.565% to 1.380%) per annum as at 31 December 2015.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

26. Financial risk management objectives and policies (cont'd)

(c) *Interest rate risk (cont'd)*

Sensitivity analysis

At the end of the reporting period, if interest rates had been 75 basis points lower/higher with all other variables held constant, the Trust's total return for the financial year would have been \$60,000 (2014: \$506,000) higher or lower, arising as a result of lower/higher interest rates on floating rate borrowings. Hedging reserve in other comprehensive income would have been \$2,059,000 (2014: \$2,295,000) lower as a result of lower fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings. The assumed movement in basis points of interest rate sensitivity analysis is based on the currently observable market environment.

(d) *Foreign currency risk*

The Trust's investment strategy is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate, used primarily for business space purposes in Singapore, as well as real estate-related assets. As such, the Trust's exposure to currency risk is insignificant.

27. Capital management

The primary objective of the Trust's capital management is to ensure that it maintains a healthy credit rating and aggregate leverage ratio.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 45% of the Trust's Deposited Property.

As at 22 January 2014, the Trust had obtained a credit rating of BBB - from Standard & Poor's Rating Services. As at 31 December 2015, the Trust's aggregate leverage stood at 36.0% (2014: 35.4%) of its Deposited Property, which is within the limit set in the Property Funds Appendix. As at 31 December 2015, the aggregate leverage computation included deferred payment amounting to \$31,883,000 pertaining to the second instalment of the Solaris upfront land premium due to JTC Corporation.

There was no substantial change in the Trust's approach to capital management since the date of constitution.

Soilbuild Business Space REIT

Notes to the financial statements For the financial year ended 31 December 2015

28. Financial ratios

	2015	2014
	%	%
Expenses ratio ⁽¹⁾		
<u>Excluding property operating expenses</u>		
- including performance-related fee payable to the Manager	1.10	1.01
- excluding performance-related fee payable to the Manager	1.01	0.94
Expenses ratio ⁽²⁾		
<u>Including property operating expenses</u>		
- including performance-related fee payable to the Manager	2.73	2.67
- excluding performance-related fee payable to the Manager	2.63	2.60
Turnover ratio ⁽³⁾	13.81	14.59

(1) The annualised expense ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The total operating expenses used in the computation relate to the trust expenses, excluding property expenses and borrowing costs. The average net asset value is based on the month-end balances.

(2) The total operating expenses used in the computation relate to the property operating expenses and trust expenses, excluding borrowing costs. The average net asset value is based on the month-end balances.

(3) The portfolio turnover ratio is calculated in accordance with the formula stated in CIS Code. The calculation of annualised portfolio turnover ratio is computed based on the total value of purchases or sales of the underlying investment properties expressed as a percentage of the average net asset value.

29. Operating segments

Business segment

For management purposes, the Trust is organised into operating segments based on their property types.

Segment revenue comprises mainly of income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessing of segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, performance fees, trust expenses, finance income, finance costs and related assets and liabilities.

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

29. Operating segments (cont'd)

Business segment (cont'd)

The reportable segments for the financial year ended 31 December 2015 are as follows:

	Business Park	Industrial	Total
	\$'000	\$'000	\$'000
2015			
Gross revenue	26,574	52,766	79,340
Property operating expenses	(3,596)	(7,967)	(11,563)
Segment net property income	22,978	44,799	67,777
Interest income			643
Finance expenses			(13,490)
Manager's management fees			(6,442)
Trustee's fees			(196)
Other trust expenses			(1,168)
Net income before tax and fair value changes			47,124
Fair value change in investment properties			4,535
Total return before distribution			51,659
Segment assets	464,143	734,755	1,198,898
Unallocated assets			15,632
Total assets			1,214,530
Segment liabilities	74,193	9,733	83,926
Unallocated liabilities			384,631
Total liabilities			468,557

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

29. Operating segments (cont'd)

Business segment (cont'd)

	Business Park	Industrial	Total
	\$'000	\$'000	\$'000
2014			
Gross revenue	26,057	42,088	68,145
Property operating expenses	(3,626)	(7,157)	(10,783)
Segment net property income	22,431	34,931	57,362
Interest income			18
Other income			367
Finance expenses			(9,676)
Manager's management fees			(5,477)
Trustee's fees			(185)
Other trust expenses			(879)
Net income before tax and fair value changes			41,530
Fair value change in investment properties	(18)	919	901
Total return before income tax			42,431
Income tax expense			-
Total return after income tax			42,431
Segment assets	402,614	630,173	1,032,787
Unallocated assets			21,185
Total assets			1,053,972
Segment liabilities	18,137	9,154	27,291
Unallocated liabilities			375,901
Total liabilities			403,192

Geographical segment

No geographical information is presented as the Trust operates in Singapore only.

Information about a major customer

Revenue from a major customer amounts to \$17,535,000 (2014: \$17,025,000) arising from the revenue generated from the business park segment.

Soilbuild Business Space REIT

**Notes to the financial statements
For the financial year ended 31 December 2015**

30. Events occurring after the reporting period

(a) ***Distribution to Unitholders***

Subsequent to the financial period ended 31 December 2015, the Manager declared a distribution of \$15.1 million at 1.614 cents per Unit for the financial period from 1 October 2015 to 31 December 2015.

(b) ***Issuance of new Units in lieu of management fees***

Subsequent to the quarter ended 31 December 2015, the Trust issued 3,568,710 Units at an issue price of \$0.74 per Unit as payment of the fees to the Manager and the Property Manager, amounting to \$2,645,000.

31. Authorisation of financial statements

The financial statements of the Trust for the financial year ended 31 December 2015 were authorised for issue by the Manager and the Trustee on 17 March 2016.

Supplementary information

Soilbuild Business Space REIT

**Statement of Total Return for Private Trust
For the financial year ended 31 December 2015**

	2015	2014
	\$'000	\$'000
Other income	–	367
Other trust income	–	4
	<hr/>	
Total return before distribution	–	371
	<hr/> <hr/>	

The Statement of Financial Positions as at 31 December 2015 and 31 December 2014 are not presented as the Private Trust accounts have been finalised in the financial year ended 31 December 2014.

**UNAUDITED FINANCIAL STATEMENTS OF
SOILBUILD BUSINESS SPACE REIT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2016 TO 31 MARCH 2016**

The information in this Appendix IV has been extracted and reproduced from the unaudited financial statements of Soilbuild Business Space REIT for the financial period from 1 January 2016 to 31 March 2016 and has not been specifically prepared for inclusion in this Information Memorandum.

(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 FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

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

	1Q FY2016¹	1Q FY2015²	Variance (%)
Gross revenue (S\$'000)	20,142	18,615	8.2
Net property income (S\$'000)	17,193	15,798	8.8
Distributable income (S\$'000)	14,609	13,325	9.6
DPU (cents)	1.557	1.633	(4.7)

Footnotes:

- 1 Financial period from 1 January 2016 to 31 March 2016, hereinafter referred to as 1Q FY2016.
- 2 Financial period from 1 January 2016 to 31 March 2015, hereinafter referred to as 1Q FY2015.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

Introduction

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

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

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

On 26 May 2014, 31 October 2014, 23 December 2014 and 27 May 2015, Soilbuild REIT completed the acquisitions of Tellus Marine, KTL Offshore, Speedy-Tech and Technics respectively.

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) Tellus Marine;
- (9) KTL Offshore;
- (10) Speedy-Tech; and
- (11) Technics

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 FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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

	1Q FY2016	1Q FY2015	Variance
	S\$'000	S\$'000	%
Gross revenue	20,142	18,615	8.2
Property operating expenses	(2,949)	(2,817)	(4.7)
Net property income	17,193	15,798	8.8
Interest Income	236	47	402.1
<u>Expenses:</u>			
Finance expenses	(3,296)	(2,993)	(10.1)
Manager's management fees	(1,461)	(1,332)	(9.7)
Trustee's fees	(50)	(47)	(6.4)
Other trust expenses	(254)	(447)	43.2
Total return before distribution	12,368	11,026	12.2

Distribution Statement	1Q FY2016	1Q FY2015	Variance
	S\$'000	S\$'000	(%)
Total return before distribution	12,368	11,026	12.2
Net effect of non-tax deductible items ¹	2,241	2,299	(2.5)
Income available for distribution to Unitholders	14,609	13,325	9.6

Footnotes:

- 1 Non-tax deductible items comprise the Manager's management fees, property management fees and lease management fees paid or payable in Units, rent free amortisation, the Trustee's fees, amortisation of debt arrangement and prepayment fees and bank commitment fees.

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL
PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)**

1(b)(i) Statement of Financial Position

	Notes	31 March 2016 (S\$'000)	31 Dec 2015 (S\$'000)
Current assets			
Cash and cash equivalents	a	15,983	16,751
Trade and other receivables	b	4,033	2,436
Derivative financial instruments	c	174	484
Other current assets	d	3,579	247
Deferred expenditure	e	587	505
Total current assets		24,356	20,423
Non-current assets			
Investment properties	f	1,190,732	1,190,700
Derivative financial instruments	c	247	2,405
Deferred expenditure	e	1,011	1,002
Total non-current assets		1,191,990	1,194,107
Total Assets		1,216,346	1,214,530
Current liabilities			
Trade and other payables	g	14,705	10,115
Rental deposits	h	2,281	2,719
Total current liabilities		16,986	12,834
Non-current liabilities			
Trade and other payables	g	2,280	33,009
Rental deposits	h	24,961	24,212
Borrowings	i	428,683	398,502
Total non-current liabilities		455,924	455,723
Total Liabilities		472,910	468,557
Net assets attributable to Unitholders		743,436	745,973
Represented by:			
Unitholders' funds		743,436	745,973
NAV per Unit (S\$)		0.79	0.80

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

Notes:

- (a) Cash and cash equivalents as at 31 March 2016 were S\$0.8 million lower than the balance as at 31 December 2015 mainly due to higher distribution for the fourth quarter of FY2015 paid as compared to net cash generated from operating activities in 1Q FY2016.
- (b) Trade and other receivables comprised mainly trade receivables, unbilled debtors and other debtors amounting to S\$2.5 million, S\$1.0 million and S\$0.5 million respectively. The increase in trade and other receivables of S\$1.6 million is mainly due to S\$1.0 million higher trade debtors and S\$0.4 million higher other receivables.
- (c) Derivative financial instruments as at 31 March 2016 represented the fair value of interest rate swaps entered into to hedge interest rate risks on floating rate loans.
- (d) Other current assets as at 31 March 2016 comprised mainly prepayment of property tax and security deposits paid to vendors.
- (e) Deferred expenditure relates to the unamortised portion of marketing commissions paid to the Property Manager and Manager for securing new leases and renewing expiring leases. The increase in deferred expenditure was due to the increase in new and renewed leases.
- (f) Investment properties as at 31 March 2016 were accounted for at fair value based on the valuations undertaken by independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”) and CBRE Pte Ltd as at 31 December 2015¹. The increase in investment properties amounting to S\$32k is due to capital expenditure for Eightrium @ Changi Business Park and West Park BizCentral.
- (g) Trade and other payables as at 31 March 2016 comprised trade creditors, interest payable, advance rental received, fees payable to Manager/Trustee and accrual of professional fees. The decrease in trade and other payables of S\$26.1 million was mainly attributed to the payment of the second tranche for the Solaris upfront land premium amounting to S\$31.9 million and partially offset by S\$3.6 million higher accrued operating expenses (comprising mainly property tax payable) and S\$0.9 million higher accrued interest payable.
- (h) Rental deposits as at 31 March 2016 were higher than 31 December 2015 by S\$0.3 million mainly due to higher rental deposits collected from tenants.
- (i) Borrowings are made up of loan facilities drawn down of S\$282.5 million less unamortised debt arrangement fees, S\$100 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..

Footnotes:

¹ The business park properties were valued by CBRE Pte Ltd whereas the industrial properties were valued by Colliers.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

1(b)(ii) Aggregate Amount of Borrowings

	31 March 2016 (S\$'000)	31 Dec 2015 (S\$'000)
<u>Interest-bearing borrowings</u>		
Amount repayable within one year	-	-
Less: Debt arrangement fees ¹	-	-
	-	-
<u>Interest-bearing borrowings</u>		
Amount repayable after one year	382,500	382,500
Less: Debt arrangement fees ¹	(4,837)	(5,215)
Less: Prepayment fees ¹	(101)	(107)
	377,562	377,178
<u>Interest-free borrowings</u>		
Amount repayable after one year	55,000	23,117
Less: Deferred amortisation ²	(3,879)	(1,793)
	51,121	21,324
Total borrowings repayable after one year	428,683	398,502
Total borrowings	428,683	398,502

Footnotes:

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

Details of borrowings

- Senior Term Loan Facility of S\$100.0 Million

On 20 May 2014, Soilbuild REIT entered into a senior term loan facility amounting to S\$100.0 million ("TLF 1") obtained from DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.

S\$15.0 million, S\$55.0 million, S\$23.5 million and S\$4.0 million of the TLF 1 was drawn down to finance the acquisition of Tellus Marine, KTL Offshore, Speedy-Tech and Technics on May 2014, October 2014, December 2014 and May 2015 ("TLF 1 Drawdown") respectively.

TLF 1 Drawdown has a four year maturity term from the date of the facility agreement.

The remaining S\$2.5 million loan facility will be used to finance future acquisitions. TLF 1 is secured against West Park BizCentral.

- Senior Term Loan Facility of S\$185.0 Million

On 25 September 2015, Soilbuild REIT entered into a senior term loan facility amounting to S\$185.0 million ("TLF 2") obtained from DBS Bank Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, the Bank of East Asia, Limited, Singapore Branch and RHB Bank Berhad, Singapore Branch.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

TLF 2 was fully drawn down in September 2015 to refinance the loan drawn down from the original S\$285 million facility on Listing Date.

TLF 2 is secured against Solaris and is repayable in March 2020.

- MTN of S\$100.0 Million issued

On 21 May 2015, Soilbuild REIT issued S\$100.0 million of unsecured MTN which bear interest at 3.45% p.a. and mature on 21 May 2018.

As at 31 March 2016, 97.9% of the interest-bearing loans are either fixed rate borrowings or swapped to fixed rates with interest rate swaps.

- Interest-free loan from SB Solaris

On 17 March 2015, the Manager announced that an agreement had been entered into whereby the Trustee in its capacity as Trustee of Soilbuild REIT and JTC had agreed to the conversion of the annual land rental payment scheme under the Solaris land lease to an upfront land premium payment scheme. On the same date, the Trustee entered into an interest-free loan agreement with SB Solaris amounting to S\$55 million to fund the payment of this Solaris upfront land premium. The loan matures in August 2018.

SB Solaris extended the first and second tranche of the loan amounting to S\$23.1 million and S\$31.9 million to Soilbuild REIT on 17 March 2015 and 18 March 2016 respectively.

- MTN of S\$100.0 Million issued after 1Q FY2016

On 8 April 2016, Soilbuild REIT issued S\$100.0 million of unsecured MTN which bear interest at 3.60% and mature on 8 April 2021 for the purpose of refinancing TLF 1.

Post-refinancing of TLF 1, 100% of the interest-bearing loans are either fixed rate borrowings or swapped to fixed rates with interest rate swaps.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

1(c) Statement of Cash Flows

	1Q FY2016	1Q FY2015
	(S\$'000)	(S\$'000)
Operating activities:		
Net income	12,368	11,026
Adjustments for		
- Amortised debt arrangement and prepayment fees	383	563
- Finance expenses	2,911	2,425
- Loan facility commitment fees	2	5
- Management fees paid and payable in Units	1,933	1,762
Changes in working capital		
- Trade and other receivables	(1,597)	(3,839)
- Other current assets	(3,332)	(3,139)
- Deferred expenditure	(91)	(39)
- Trade and other payables	3,436	1,963
- Rental deposits	311	1,281
Cash flows from operations	16,324	12,008
Finance expense paid	(1,978)	(2,502)
Net cash generated from operating activities	14,346	9,506
Investing activities:		
Deposit paid for an investment property	-	(970)
Capital expenditure on investment properties	(31,915)	(25,372)
Net cash used in investing activities	(31,915)	(26,342)
Financing activities:		
Proceeds from borrowings	31,883	23,117
Distributions paid	(15,082)	(12,886)
Net cash generated from financing activities	16,801	10,231
Net decrease in cash and cash equivalents	(768)	(6,605)
Cash and cash equivalents at beginning of the financial period	16,751	20,951
Cash and cash equivalents at end of the financial period	15,983	14,346

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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

FY2016	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 31 December 2015	27,275	715,809	2,889	745,973
Total return for the financial period	12,368	-	-	12,368
Distribution to Unitholders	(15,082)	-	-	(15,082)
Movement in hedging reserve	-	-	(2,468)	(2,468)
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	2,645	-	2,645
Balance as at 31 March 2016	24,561	718,454	421	743,436

FY2015	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 31 December 2014	31,266	619,366	148	650,780
Total return for the financial period	11,026	-	-	11,026
Distribution to Unitholders	(12,886)	-	-	(12,886)
Movement in hedging reserve	-	-	1,781	1,781
Issue of Units in lieu of Manager's management fees, property management fees and lease management fees	-	2,152	-	2,152
Balance as at 31 March 2015	29,406	621,518	1,929	652,853

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

	1Q FY2016 ('000)	1Q FY2015 ('000)
Balance as at beginning of financial period	934,442	812,993
Movements during the financial period		
- Units issued in lieu of Manager's management fees, property management fees and lease management fees	3,568	2,758
Total issued Units as at end of financial period	938,010	815,751

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 2016, Soilbuild REIT had 938,010,400 Units (31 December 2015: 934,441,690 units).

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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 2015.

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

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

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

	1Q FY2016	1Q FY2015
Weighted average number of Units	936,167,220	814,310,758
EPU – Basic and Diluted¹ Based on the weighted average number of Units in issue (cents)	1.321	1.354
- Basic and diluted Number of Units in issue at end of the financial period	938,010,400	815,750,896
DPU Based on the number of Units in issue at end of each distribution period (cents)	1.557	1.633

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.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER ("1Q FY2016") AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 ("YTD FY2016")

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

	31 March 2016	31 Dec 2015
NAV per Unit ¹ (S\$)	0.79	0.80

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 1Q FY2016 compared to 1Q FY2015

Gross revenue was S\$20.1 million in 1Q FY2016, S\$1.5 million or 8.2% higher than the gross revenue in 1Q FY2015. This was mainly due to additional rental revenue from Technics and Solaris amounting to S\$2.0 million and S\$0.1 million respectively and partially offset by a reduction in revenue from Tuas Connection and West Park BizCentral amounting to S\$0.4 million and S\$0.3 million respectively.

Property operating expenses were S\$2.9 million in 1Q FY2016 which was S\$0.1 million higher than 1Q FY2015 mainly due to higher property operating expenses incurred on West Park Biz Central.

Net property income was 8.8% higher at S\$17.2 million in 1Q FY2016 from S\$15.8 million in 1Q FY2015 mainly due to the above reasons.

The increase in Manager's management fees of S\$0.1 million was due to higher annual distributable income which resulted in higher base fee. The increase in finance expenses is mainly due to notional interest expense on the S\$55 million interest-free loan and S\$9 million increase in third party borrowings since 1Q FY2015. Other trust expenses are lower in 1Q FY2016 as other trust expenses in 1Q FY2015 included Multicurrency Debt Issuance Programme establishment cost amounting to S\$0.2 million.

Total return before distribution amounting to S\$12.4 million is S\$1.3 million higher than 1Q FY2015 mainly due to higher net property income and interest income amounting to S\$1.4 million and S\$0.2 million respectively and partially offset by higher finance expenses amounting to S\$0.3 million.

Income available for distribution was S\$14.6 million in 1Q FY2016, 9.6% higher than 1Q FY2015 mainly due to higher total return before distribution and partially offset by lower non-tax deductible items.

9. Variance from Prospect Statement

No financial forecast has been disclosed to the market.

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

Ministry of Trade and Industry ("MTI") reported that based on advance estimates, the Singapore economy grew by 1.8% on a year-on-year ("y-o-y") basis in the first quarter of 2016, unchanged from the previous quarter. Growth was flat on a quarter-on-quarter ("q-o-

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

q”) seasonally-adjusted basis, in contrast to the 6.2% expansion in the preceding quarter. The manufacturing sector contracted by 2.0% on a y-o-y basis in the first quarter, following the 6.7% decline in the previous quarter. On a q-o-q seasonally-adjusted annualised basis, the manufacturing sector rebounded to post growth of 18.2%, compared to the 4.9% contraction in the preceding quarter.¹

The purchasing managers’ index for March 2016 rose to 49.4 from 48.5 in the preceding month, registering the highest reading since December 2015. Factory activity continues to contract over nine consecutive months although new orders, exports, factory output and manufacturing employment have improved.²

With the slowdown in the manufacturing sector, rentals of all industrial properties softened by 1.1% in 4Q 2015 over the preceding quarter. While business park rental index remained flat, indices for multi-user and single-user factories both contracted 1.2% quarter-on-quarter, and warehouse contracted 1.5% over the previous quarter.³

In spite of the soft market conditions in 1Q FY2016, the Manager secured over 280,000 sq ft of renewals and new leases as at 31 March 2016. The challenge ahead is to re-let the vacant space and renew the remaining 7.2% or 250,000 sq ft of leases that are expiring for the rest of the year.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 12th distribution for the financial period from 1 January 2016 to 31 March 2016

Distribution type: Income

Distribution rate: 1.557 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%.

¹ Source: Ministry of Trade and Industry’s press release dated 14 March 2016.

² Source: Singapore Institute of Purchasing & Materials Management publication.

³ Source: JTC quarterly rental index for industrial space.

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

Books closure date: The Transfer Books and Register of Unitholders of Soilbuild REIT will be closed at 5.00 p.m. on Friday, 22 April 2016 for the purposes of determining each Unitholder’s entitlement to Soilbuild REIT’s distribution. The ex-dividend date will be on Wednesday, 20 April 2016.

Date Payable: Monday, 16 May 2016

(b) Corresponding period of the preceding financial period

Name of distribution: 7th distribution for the financial period from 1 January 2015 to 31 March 2015

Distribution type: Income

Distribution rate: 1.633 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: Tuesday, 21 April 2015

Date Payable: Thursday, 14 May 2015

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

Not applicable.

13. Segmented Revenue and Results

	1Q FY2016		1Q FY2015	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Business Park	6,730	33%	6,540	35%
Industrial	13,412	67%	12,075	65%
	20,142	100%	18,615	100%

SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)

	1Q FY2016		1Q FY2015	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Business Park	5,853	34%	5,640	36%
Industrial	11,340	66%	10,158	64%
	17,193	100%	15,798	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 percentage contribution from industrial properties is mainly due to the acquisition of Technics in May 2015.

- 14. 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.

- 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.

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

Mr Ng Fook Ai Victor
Director

Mr Chong Kie Cheong
Director

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

**SOILBUILD BUSINESS SPACE REIT UNAUDITED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT FOR THE FIRST QUARTER (“1Q FY2016”) AND FINANCIAL
PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016 (“YTD FY2016”)**

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

Mr. Roy Teo
Chief Executive Officer

14 April 2016