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

PROPOSED ACQUISITION OF 72 LOYANG WAY, SINGAPORE 508762

1. INTRODUCTION

SB REIT Management Pte. Ltd., as manager of Soilbuild Business Space REIT ("**Soilbuild REIT**", and the manager of Soilbuild REIT, the "**Manager**"), is pleased to announce that DBS Trustee Limited, in its capacity as trustee of Soilbuild REIT (the "**Trustee**"), has on 12 March 2015 entered into a conditional sale and purchase agreement ("**SPA**") with Technics Offshore Engineering Pte Ltd (the "**Vendor**") pursuant to which the Trustee has agreed to buy and the Vendor has agreed to sell the property located at 72 Loyang Way, Singapore 508762 (the "**Property**"), together with the plant and equipment at of the Property (the "**Proposed Acquisition**").

On completion of the Proposed Acquisition, the Trustee will lease the Property back to the Vendor (the "**Lease**", and together with the Proposed Acquisition, the "**Proposed Transaction**").

2. INFORMATION ON THE PROPERTY

The Property is an integrated facility comprising two blocks of 3-storey and 4-storey ancillary office, two high ceiling single-storey production facilities, a blasting and spray painting chamber, a 200 worker dormitory and a jetty with 142 metres of sea frontage which serves as a fully-integrated offshore supply base approved by Maritime and Port Authority. The Property is situated within the Loyang Industrial Estate, approximately 20 kilometres from the city centre, with a total combined gross floor area of 203,459 square feet.

The Property is situated on a number of JTC leasehold estate land titles which collectively expire on 20th March 2038. The remaining tenure is approximately 23.0 years.

The Property was independently valued by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. on 11 March 2015 at S$97.0 million (the "**Independent Valuation**") using the discounted cash flow method and the income capitalisation approach. The Independent Valuation takes into account that land premium imposed by JTC will be paid upfront by the Vendor.

Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint global coordinators, issue managers, bookrunners & underwriters of the initial public offering of Soilbuild Business Space REIT.

3. DETAILS OF THE PROPOSED ACQUISITION AND PROPOSED TRANSACTION

a. Purchase Consideration and Valuation

The purchase consideration for the Property is S$97.0 million and was negotiated on a willing-buyer and willing-seller basis, taking into account the Independent Valuation.

b. Estimated Total Acquisition Cost

The estimated total cost of the Proposed Acquisition (the "**Total Acquisition Cost**") is approximately S$98.12 million, comprising:

i. the purchase consideration of S$97.0 million[1];

ii. the acquisition fee payable to the Manager of S$0.97 million (being 1.0% of the total purchase consideration for the Property); and

iii. the estimated professional and other transaction fees and expenses incurred by Soilbuild REIT (inclusive of due diligence and valuation costs) of approximately S$0.15 million.

c. Certain Terms and Conditions of the SPA

The Proposed Acquisition is subject to the fulfilment of certain conditions precedent including, but not limited to, the following:

i. the Vendor and the Trustee having received the relevant regulatory approvals, including the approvals from head lessor, JTC, for the Proposed Transaction;

ii. the Trustee having received satisfactory replies to legal requisitions; and

iii. such other consents or approvals as may be required to be obtained by the Trustee or the Vendor from any third party or any relevant authority in relation to the Proposed Transaction.

d. Certain Terms and Conditions of the Lease Agreement

Pursuant to the Lease, the Trustee will lease the Property for a term of 15 years from the date of completion of the Proposed Acquisition (the "Term") to the Vendor. The rental payable for the first year is S$7.87 million. The lease will be on a triple net[2] basis and subject to a rental escalation of up to 2.25% every year starting from year three. On commencement of the Term, the Vendor shall provide a security deposit equivalent to 18 months' rent and a corporate guarantee from Technics Oil & Gas Limited ("TOGL") (being the immediate holding company of the Vendor).

[1] Inclusive of JTC upfront land premium

[2] "Triple net rent" refers to the Tenant's obligation to pay rental to Soilbuild REIT as well as undertaking to pay property related expenses such as (i) property tax, (ii) land rent, if any, and (ii) day-to-day maintenance including cleaning, security, utilities, servicing of lifts and other mechanical and electrical items by the tenant.

Prior to the expiry of the Term, the Vendor (as lessee) shall be entitled to request the Trustee to grant an option to TOGL to purchase the Property at the purchase price which is the higher of the market value and the book value of the Property at that time.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The Manager believes that the Proposed Transaction will bring the following benefits to Soilbuild REIT Unitholders ("**Unitholders**"):

a. Aligned with Soilbuild REIT's Growth Strategy

The Proposed Transaction is in line with the Manager's aim to invest in income-producing real estate and real estate-related assets used for business space purposes in Singapore, which will provide Unitholders with stable and growing returns. The attractive initial net property income also provides an additional growth driver and complements the organic growth profile of its existing portfolio.

b. Merits of the Property

The Property is suitable for a wide range of end users in the marine & offshore, oil & gas industry as well as other heavy industrialists who require heavy floor loading and waterfront jetty for loading / unloading of oversize and overweight cargo. It is a fully integrated facility consisting of office, production space, dormitory, open yard and jetty. The jetty and waterfront facility are the only alternative to the Loyang Offshore Supply Base, along the Loyang Industrial Estate.

c. Income Diversification

The Proposed Transaction is expected to benefit Unitholders by improving asset and tenant diversification to reduce the reliance of Soilbuild REIT's income stream on any single asset or lessee. It will also increase the weighted average lease expiry of Soilbuild REIT's portfolio from 4.1 years to 5.4 years, and reduce lease expiry concentration in 2015.

5. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE ACQUISITION

a. Method of Financing

The Manager intends to fund the Transaction with a combination of equity and/or debt to provide DPU accretion to Unitholders based on an optimal capital structure. The Manager will make further announcement when the method of financing is finalised and the Proposed Acquisition is completed.

Standard & Poor's has on 31 July 2014, re-affirmed its long term corporate credit rating of BBB- with a stable outlook for Soilbuild REIT.

b. Disclosure Requirements

The relative figures for the Acquisition computed based on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are set out below:

	As at the latest practicable date of 11 March 2015
Rule 1006 (a): Net asset value of the asset to be disposed of compared with Soilbuild REIT's net asset value	Not applicable
Rule 1006 (b): Net profits attributable to the asset acquired compared to Soilbuild REIT's net profits	13.3%[1]
Rule 1006 (c): Purchase consideration against market capitalisation of Soilbuild REIT	14.8%[2]
Rule 1006 (d): Number of Consideration Units to be issued to partly satisfy the Purchase Consideration against the number of units previously in issue	Not applicable
Rule 1006 (e): The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

Notes:

(1) Based on net property income ("NPI") which is a proxy to net profits for real estate investment trusts. The NPI of Soilbuild REIT is derived from the unaudited financial statements for the financial period from 1 January 2014 to 31 December 2014 ("FY2014").

(2) The market capitalisation of Soilbuild REIT is calculated at the close of business on 11 March 2015, being the market day preceding the date of the SPA.

Based on the relative figures computed under Rule 1006 (b) and (c), the Proposed Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual.

c. Financial Effects

i. Assumptions

The pro forma financial effects of the Proposed Acquisition on the distribution per unit ("**DPU**") and the net asset value ("**NAV**") per unit presented below were prepared based on the financial statements of

Soilbuild REIT for the year ended 31 December 2014[3], assuming that the Proposed Acquisition will be funded fully by debt.

The pro forma financial effects are strictly for illustrative purposes and do not represent Soilbuild REIT's DPU and NAV per unit following the completion of the Proposed Acquisition.

ii. Pro Forma Financial Effects for FY2014

- **Pro Forma DPU**

FOR ILLUSTRATIVE PURPOSES ONLY: the pro forma financial effects of the Proposed Acquisition on the DPU for FY2014, as if Soilbuild REIT had completed the Proposed Acquisition on 1 January 2014 and held the Property through to 31 December 2014, are as follows:

	Pro Forma Effects for the period from 1 January 2014 to 31 December 2014	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net Property Income (S$'000)	57,362	64,980
Distributable Income (S$'000)	50,169	54,875(1)
No. of Units ('000)	812,993(2)	813,866
DPU (cents)	6.193	6.743

Notes:

(1) Includes (i) pro forma gross rental revenue from the Property and (ii) deduction of additional borrowing costs, REIT Manager's base fees, insurance premium and other property expenses for the period.

(2) Number of issued units as at 31 December 2014.

- **Pro Forma NAV per unit**

FOR ILLUSTRATIVE PURPOSES ONLY: the pro forma financial effects of the Proposed Acquisition on the NAV per unit as at 31 December 2014, as if the Proposed Acquisition was completed on 31 December 2014, are as follows:

	Pro Forma Effects as at 31 December 2014	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
NAV (S$'000)	650,780	650,780
No. of Units ('000)	812,993	812,993
NAV per unit (cents)	0.80	0.80

[3] Rule 1010(9) of the Listing Manual requires that the issuer discloses the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the transaction on the distribution per Unit is disclosed instead as it is a more appropriate measure for a real estate investment trust.

6. INTEREST OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Manager (the "**Directors**") collectively hold an aggregate direct and indirect interest in 222,871,896 units in Soilbuild REIT ("**Units**) and Mr Lim Chap Huat holds 100.0% of the Manager.

Save as disclosed above, and based on the information available to the Manager, none of the directors of the Manager or the controlling Unitholders has any interest, direct or indirect, in the Proposed Acquisition. No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the valuation report and the SPA are available for inspection during business hours at the registered office of the Manager at 25 Changi South Street 1, SB Building, Singapore 486059, for a period of three months commencing from the date of this Announcement.

BY ORDER OF THE BOARD
SB REIT Management Pte Ltd
As Manager of Soilbuild Business Space REIT
(Company Registration No. 201224644N)

Shane Hagan
Chief Executive Officer
12 March 2015

About Soilbuild Business Space REIT

Soilbuild Business Space REIT (Soilbuild REIT) is a Singapore-focused real estate investment trust (REIT) with a portfolio of business parks and industrial properties used by industries engaging in manufacturing, engineering, logistic, warehousing, electronics, marine, oil & gas, research and development and value-added knowledge-based activities. Its portfolio of properties includes Solaris, a landmark development in one-north, Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral. Soilbuild REIT's portfolio has a net lettable area of 3,334,324 square feet and an occupancy rate of 100% as at 31 December 2014.

For media queries, please contact:

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IMPORTANT NOTICE

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Soilbuild REIT) or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of the Manager is not indicative of the future performance of the Manager.