



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

## For Immediate Release

# REDEVELOPMENT PLAN FOR 2 PIONEER SECTOR 1

Singapore, 19 March 2020 - SB REIT Management Pte. Ltd. (the “**Manager**”), the Manager of Soilbuild Business Space Real Estate Investment Trust (“**Soilbuild REIT**”), is pleased to announce its proposed redevelopment plan (the “**Proposed Redevelopment**”) at 2 Pioneer Sector 1, Singapore 628414 (“**the Property**”), which will transform the existing facility into a 4-storey ramp-up warehouse facility with open yard space (the “**Warehouse**”).

The existing plot ratio is 0.55. According to the Urban Redevelopment Authority (“**URA**”) Master Plan, the current permitted development plot ratio is 1.00. The Manager has the intention of increasing the plot ratio to 1.32 and has had several discussions with the authorities. The redevelopment is based on plot ratio of 1.00 and upon receipt of approval from JTC Corporation and other relevant authorities, the redevelopment would be based on an increased plot ratio of 1.32. The Proposed Redevelopment will increase the gross floor area of the facility and enhance the asset’s value.

The Manager has commenced marketing the Property and is currently in negotiation with a few potential multi-national anchor users for the Warehouse.

The Property holds a prominent frontage at Pioneer Road and is a short drive to the upcoming Tuas Port which is slated to be the world’s largest fully automated terminal when completed in 2040<sup>1</sup>. The site is accessible to several major expressways including the Ayer Rajah Expressway and Pan Island Expressway and is strategically located at the gateway of Jurong Island and Malaysia via the Tuas Link. Connectivity has also been enhanced with the Tuas West Extension. Four train stations that make up the Tuas West Extension were opened in 2017.

The current value of the Property is S\$48.3 million<sup>2</sup>, based on Colliers’ valuation dated 31 December 2019. With the Proposed Redevelopment, the appraised gross development value is S\$113.0 million (based on plot ratio 1.00) and S\$142.0 million (based on plot ratio 1.32), based on Savills Valuation and Professional Services (S) Pte Ltd.’s valuation dated 6 March 2020 which was prepared on an “as if complete” basis.

The total development cost including construction and other costs is estimated to be S\$81.8

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<sup>1</sup> The Straits Times (3 October 2019).

<sup>2</sup> The carrying value including right-of-use assets is S\$59.0 million.

million based on plot ratio 1.00 and S\$91.1 million based on plot ratio 1.32.

The Manager intends to draw down its existing loan facility and obtain new loan facilities to fully fund the Proposed Redevelopment progressively over the development period. Assuming that Soilbuild REIT had on 31 December 2019 completed, held and operated the Proposed Redevelopment and drawn down debt to finance the Proposed Redevelopment, the aggregate leverage of Soilbuild REIT is expected to increase from 38.2% to 42.2% (based on plot ratio 1.00) and to 42.0%<sup>3</sup> (based on plot ratio 1.32).

Following a process to obtain quotes from several contractors, the consultant quantity surveyor for the exercise has recommended appointing Soil-Build (Pte.) Ltd. (“**SBPL**”) as the Design and Build contractor (“**D&B Contractor**”) for the Proposed Redevelopment. SBPL is an associate of the controlling shareholder of the Manager, and the appointment of SBPL (the “**Proposed Appointment**”) constitutes an interested person transaction.

The Manager has appointed Provenance Capital Pte. Ltd. as the Independent Financial Adviser to advise the independent directors of the Manager, the audit and risk committee of the Manager and the Trustee in relation to the Proposed Appointment.

Mr Roy Teo, Chief Executive Officer of the Manager said, “This development is designed and positioned for the future. It has incorporated the latest warehouse specifications and will strengthen our portfolio for long-term growth.”

#### Summary of the Proposed Redevelopment

|                        |  |  |
|------------------------|--|--|
| Address                | 2 Pioneer Sector 1, Singapore 628414   |  |
| Description            | Ramp-up Warehouse Facility   |  |
| Site Area (sqm)        | 53,189.70 sqm  |  |
| Permissible Plot Ratio | 1.00   | 1.32   |
| Permissible GFA        | 53,190 sqm   | 70,210 sqm   |
| Permissible NLA        | 50,783 sqm   | 67,715 sqm   |
| Open Yard Space        | 11,250 sqm   | 11,250 sqm   |
| Construction Period    | 14 calendar months from date of approval by Soilbuild REIT's Unitholders to appoint the D&B Contractor | 16 calendar months from date of approval by Soilbuild REIT's Unitholders to appoint the D&B Contractor |

<sup>3</sup> Lower projected aggregate leverage for plot ratio of 1.32 as compared to plot ratio of 1.0 as the effect of valuation uplift outweighs the increase in borrowings.

### Artist Impression of the Redevelopment



## **About Soilbuild Business Space REIT**

Soilbuild Business Space REIT (“**Soilbuild REIT**”) is a Singapore and Australia-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. Major tenants of the REIT include Dyson Operations, Ubisoft Singapore, Nestle Singapore and John Wiley & Sons. Its Singapore portfolio of properties include Solaris, a landmark development in one-north, Eightrium @ Changi Business Park, Tuas Connection, West Park BizCentral and Bukit Batok Connection. Its Australia portfolio includes an office building at 14 Mort Street in Canberra, a poultry production and processing facility known as Inghams Burton in Adelaide and a Grade A freehold office building at 25 Grenfell Street in Adelaide. Soilbuild REIT’s portfolio comprises 11 properties in Singapore and 3 properties in Australia with a total net lettable area of 4.30 million square feet and an occupancy rate of 84.0% as at 31 December 2019. Soilbuild REIT was listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 August 2013 (“**Listing Date**”).

For media queries, please contact:  
Mr Lawrence Ang  
Senior Executive, Investor Relations  
DID: +65 6415 7351  
Email: lawrence.ang@soilbuild.com  
Website: www.soilbuildreit.com

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