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

PRICING OF S$65,000,000 6.00 PER CENT. SUBORDINATED PERPETUAL SECURITIES TO BE ISSUED PURSUANT TO THE S$500,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME OF DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF SOILBUILD BUSINESS SPACE REIT) ("SOILBUILD REIT") – INTERESTED PERSON TRANSACTION

1. ALLOCATION OF PERPETUAL SECURITIES TO INTERESTED PERSON

1.1 SB REIT Management Pte. Ltd., as manager of Soilbuild REIT (the "**Manager**") refers to its announcement dated 20 September 2018 (the "**Pricing Announcement**") on the pricing of the S$65,000,000 in aggregate principal amount of 6% subordinated perpetual securities (the "**Perpetual Securities**") to be issued by DBS Trustee Limited (in its capacity as Trustee for Soilbuild REIT) (the "**Issuer**"), under the Issuer's S$500,000,000 Multicurrency Debt Issuance Programme (the "**Programme**"). The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") is the sole lead manager and bookrunner for the offering of the Perpetual Securities (the "**Offering**").

1.2 The Manager wishes to announce that Mr Lim Chap Huat has agreed to subscribe for S$30,000,000 in aggregate principal amount of Perpetual Securities (the "**Relevant Perpetual Securities**"). Mr Lim Chap Huat holds 96,287,276 shares of the Issuer (representing approximately 9.096% of all the issued shares of the Issuer). In addition, Mr Lim Chap Huat wholly-owns Soilbuild Group Holdings Ltd. ("**SBGH**") and through SBGH, holds 100.0% of the issued shares of the Manager. Mr Lim Chap Huat is therefore regarded as a "controlling shareholder" of the Manager under Appendix 6 of the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**") and is (for the purposes of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**" and the Listing Manual, the "**Listing Manual**")) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Soilbuild REIT.

1.3 As such, Mr Lim Chap Huat's proposed subscription of the Relevant Perpetual Securities is considered an interested person transaction, for the purposes of Chapter 9 of the Listing Manual.

2. AMOUNT AT RISK

2.1 Under Rule 905 of the Listing Manual, an announcement must be made if any interested person transaction is of a value equal to, or more than 3% of the latest audited net tangible assets of the Issuer and its subsidiaries (collectively, the "**Group**"). Based on the audited consolidated financial statements of the Group as at 31 December 2017, the latest audited consolidated net tangible assets of the Group is approximately S$668.6 million (the "**Group's FY2017 NTA**").

2.2 Under Rule 909 of the Listing Manual, the value of an interested person transaction is the amount at risk to the Issuer. The Relevant Perpetual Securities are perpetual securities and have no fixed redemption date. The Manager has determined the possible methods of calculations for determining the amount at risk in respect of the Relevant Perpetual Securities (the "**Amount at Risk**") which are set out as follows:

(a) *Principal Amount*

As the Perpetual Securities to be offered have no fixed redemption date, the Amount at Risk in respect of the Relevant Perpetual Securities to determine the principal amount of the Relevant Perpetual Securities which Mr Lim Chap Huat will subscribe for may be used as the basis of calculation.

Given that (i) the issue size of the Perpetual Securities is S$65,000,000, and (ii) Mr Lim Chap Huat will subscribe for a principal amount of S$30,000,000 of the Perpetual Securities, the Amount at Risk is S$30,000,000. This represents approximately 4.5% of the Group's FY2017 NTA.

(b) Net Present Value of Distributions Payable

An alternative calculation method for the Amount at Risk is to determine the net present value of the distributions payable under the Relevant Perpetual Securities in perpetuity (the "**Net Present Value**"), calculated on the basis of a discount rate which is equivalent to the Issuer's weighted average cost of capital as at 20 September 2018.

Based on the following:

(i) the issue size of the Perpetual Securities is S$65,000,000;

(ii) the principal amount of the Relevant Perpetual Securities is S$30,000,000;

(iii) the Relevant Perpetual Securities are not redeemed by the Issuer in accordance with the definitive terms and conditions of the Perpetual Securities (the "**Conditions**");

(iv) the distribution rate of the Perpetual Securities is 6% per annum, the initial spread is 3.79% and there is no step-up margin;

(v) no change of control margin is applied towards the determination of the distribution rate of the Perpetual Securities; and

(vi) there is no change in the three (3)-year S$ Swap Offer Rate upon reset of the distribution rate in accordance with the Conditions,

and taking into account the Issuer's weighted average cost of capital as at 20 September 2018 (being 6.64%), the Net Present Value is S$27.1 million.

On the above basis, the Amount at Risk is approximately S$27.1 million, which represents approximately 4.1% of the Group's FY2017 NTA.

2.3 Illustrations of Possible Fluctuations in the Distribution Rate of the Perpetual Securities

The Perpetual Securities will have no fixed final redemption date and will confer a right to receive distributions as follows:

(a) in respect of the period from (and including) the issue date of the Perpetual Securities to (but excluding) 27 September 2021 (the "**First Call Date**") at a rate of 6% per annum;

(b) in respect of the period from (and including) the First Call Date and the date falling every three (3) years after the First Call Date (each, a "**Reset Date**") to (but excluding) the immediately following Reset Date, the sum of the then prevailing three (3)-year S$ Swap Offer Rate plus an initial spread of 3.79%.

From September 2013 to September 2018, the three (3)-year S$ Swap Offer Rate has ranged from 0.728% to 2.305%. The three (3)-year S$ Swap Offer Rate may continue to change over time. For illustrative purposes only, a range of interest rates are set out in the left column and their corresponding distribution rate for the Perpetual Securities on the First Call Date is set out below on the right column to illustrate the relationship between the three (3)-year S$ Swap Offer Rate and the distribution rate of the Perpetual Securities, assuming that no change of control margin is applied.

Three (3)-Year S$ Swap Offer Rate applicable to the First Call Date:	**Rate of distribution at First Call Date:**
0.73%	4.52%
1.00%	4.79%
1.30%	5.09%
1.60%	5.39%
1.90%	5.69%
2.20%	5.99%
2.31%	6.10%

3. RATIONALE AND BENEFIT

The Company intends to issue the Perpetual Securities to, *inter alia*, diversify its funding sources and to fund the proposed acquisitions of two Australian properties referred to in the Issuer's announcement dated 7 September 2018.

4. RELEVANT TERMS OF THE INTERESTED PERSON TRANSACTION

The salient terms of the Perpetual Securities are disclosed in the Pricing Announcement. The final terms of the Perpetual Securities were determined following the launch of a book-building exercise undertaken by HSBC on 20 September 2018. HSBC engaged with a range of third party investors to negotiate the detailed terms that will clear the market with respect to the Offering. Neither Mr Lim Chap Huat nor any of its representatives were directly involved in that process. Mr Lim Chap Huat will acquire the Relevant Perpetual Securities on the same terms and at the same price as other investors under the Offering.

5. AUDIT AND RISK COMMITTEE ("ARC") STATEMENT

The ARC of the Manager is of the view that the transaction and the issue of the Relevant Perpetual Securities to Mr Lim Chap Huat is on normal commercial terms and is not prejudicial to the interests of the Issuer and its minority unitholders.

6. OTHER INTERESTED PERSON TRANSACTIONS

6.1 The Issuer has entered into interested person transactions with Soil-Build (Pte.) Ltd. ("**SBPL**") amounting to S$241,000 during the course of the current financial year up to the date of this announcement. This does not include the fees paid to the Manager and the property manager as these form part of the Exempted Agreements as disclosed on page 169 of the Issuer's IPO prospectus dated 7 August 2013 and are therefore not subject to aggregation pursuant to Rule 905 and 906 of the Listing Manual as well as interested person transactions that were previously approved by the Issuer's unitholders at extraordinary general meetings. SBPL is a

wholly-owned subsidiary of Soilbuild Construction Group Ltd. in which Mr Lim Chap Huat is a director and controlling shareholder.

6.2 The current total value of interested person transactions for the current financial year (including Mr Lim Chap Huat's subscription of the Relevant Perpetual Securities), other than those that form part of Exempted Agreements and which have been approved by the Issuer's unitholders at extraordinary general meetings is approximately S$30.2 million, which is less than 5.0% of the Group's FY2017 NTA.

6.3 The current total of all interested person transactions for FY2018 is approximately S$110.0 million, which represents approximately 16.5% of the Group's FY2017 NTA.

7. ISSUE OF PERPETUAL SECURITIES

7.1 The Perpetual Securities are expected to be issued on 27 September 2018. The Manager will submit an application to the SGX-ST for the listing and quotation of the Perpetual Securities on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Perpetual Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Manager, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or the Perpetual Securities.

7.2 As previously announced in the Pricing Announcement, the net proceeds arising from the issue of the Perpetual Securities (after deducting issue expenses) will be used for general corporate purposes, including but not limited to the proposed acquisitions of two Australian properties referred to in the Issuer's announcement dated 7 September 2018.

By Order of the Board
SB REIT Management Pte. Ltd.
(UEN/Company Registration No. 201224644N)
As Manager of Soilbuild Business Space REIT

Roy Teo
Chief Executive Officer
21 September 2018

About 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, West Park BizCentral and Bukit Batok Connection. Soilbuild REIT's portfolio has a net lettable area of 3.69 million square feet and an occupancy rate of 87.6% as at 30 June 2018.

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