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

## **LAUNCH OF PLACEMENT OF NEW UNITS IN SOILBUILD BUSINESS SPACE REIT TO RAISE GROSS PROCEEDS OF UP TO S\$90.0 MILLION (INCLUDING THE UPSIZE OPTION)**

### **1. INTRODUCTION**

SB REIT Management Pte. Ltd. (the “**Manager**”), the manager of Soilbuild Business Space REIT (“**Soilbuild REIT**”), wishes to announce that the Manager proposes to issue between 74,535,000 and 75,472,000 new units (“**New Units**”) in Soilbuild REIT pursuant to a private placement of New Units (the “**Private Placement**”) at an issue price of between S\$0.795 (“**Minimum Issue Price**”) and S\$0.805 per New Unit (both figures inclusive) (the “**Issue Price Range**”) to raise gross proceeds of approximately S\$60.0 million<sup>1</sup>. The Managers may, together with the Joint Lead Managers and Underwriters (as defined herein), decide to increase the size of the Private Placement so as to raise additional gross proceeds of up to S\$30.0 million (“**Upsize Option**”) such that the total gross proceeds of the Private Placement will amount to up to S\$90.0 million.

### **2. DETAILS OF THE PRIVATE PLACEMENT**

The Manager has today entered into a placement agreement (the “**Placement Agreement**”) with DBS Bank Ltd. and Religare Capital Markets (Singapore) Pte. Limited (the “**Joint Lead Managers and Underwriters**”) in relation to the Private Placement pursuant to which the Joint Lead Managers and Underwriters have been appointed to procure subscribers for the New Units at the issue price per New Unit (the “**Issue Price**”) to be determined, on the terms and subject to the conditions of the Placement Agreement. The Private Placement is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the

<sup>1</sup> Calculated based on 75,472,000 Units being issued at the Minimum Issue Price of S\$0.795 per New Unit.

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.

conditions of the Placement Agreement.

The Issue Price Range of between S\$0.795 and S\$0.805 per New Unit (both figures inclusive) represents a discount of between:

- (i) 2.8% and 4.0% to the volume weighted average price (“**VWAP**”) of S\$0.8279 per unit in Soilbuild REIT (“**Unit**”) of trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day<sup>1</sup> on 22 April 2015; and
- (ii) (for illustrative purposes only) 2.1% and 3.3% to the adjusted VWAP<sup>2</sup> (“**Adjusted VWAP**”) of S\$0.8219 per Unit.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters following an accelerated book-building process, and will be announced by the Manager thereafter via SGXNET.

The Private Placement shall be subject to certain conditions precedents more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

### 3. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of up to S\$90.0 million (including the Upsize Option) from the Private Placement in the following manner:

- (i) approximately S\$88.4 million (which is equivalent to 98.2% of the gross proceeds of the Private Placement) to partially fund the acquisition of the property located at 72 Loyang Way, Singapore 508762 (the “**Property**”), together with the plant and equipment at the Property (the “**Acquisition**”) and associated costs in connection with the Acquisition<sup>3</sup>; and
- (ii) approximately S\$1.6 million (which is equivalent to 1.8% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Soilbuild REIT in connection with the Private Placement.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether

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1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The Adjusted VWAP is computed based on the VWAP of trades in the Units done on the SGX-ST for the full Market Day on 22 April 2015 and subtracting the Advanced Distribution (as defined herein). The Advanced Distribution stated herein is an estimate only based on information currently available to the Manager and the Manager’s estimate of Soilbuild REIT’s revenue and expenses, and the actual Advanced Distribution may differ.

3 Includes the acquisition fee payable to the Manager pursuant to the trust deed constituting Soilbuild REIT dated 13 December 2012 (as amended and restated) in relation to the Acquisition which will be fully paid in the form of cash.

such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

#### **4. RATIONALE FOR THE PRIVATE PLACEMENT**

The Manager believes that the Private Placement will have the following benefits for unitholders of Soilbuild REIT (“**Unitholders**”):

##### **4.1 Finance the acquisition of 72 Loyang Way to grow Soilbuild REIT’s existing portfolio**

The Manager intends to use proceeds from the Private Placement to partially fund the Acquisition and associated costs. The Property is a fully integrated facility comprising two blocks of 3-storey and 4-storey ancillary offices, 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 the Maritime and Port Authority. It 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.

The Acquisition 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.

Upon completion of the Acquisition, Soilbuild REIT’s portfolio size is also expected to increase by 9.0% from S\$1,088.0 million to S\$1,186.1 million.

##### **4.2 Increase financial flexibility and improved aggregate leverage**

Given the current market conditions, the Manager believes the Private Placement is an efficient and overall beneficial method of raising funds to finance the Acquisition and to allow Soilbuild REIT to maintain a prudent aggregate leverage for future acquisition opportunities. After the Acquisition and Private Placement (including the Upsize Option), the aggregate leverage on a pro forma basis (based on Soilbuild REIT’s unaudited financial results as at 31 March 2015) will be reduced from 38.5% to approximately 36.1%.

##### **4.3 Expected increase in the trading liquidity of the Units**

The successful completion of the Private Placement will increase the number of Units in issue by 75,472,000 Units<sup>1</sup>, which is an increase of approximately 9.3% from a total of 815,750,896 Units in issue as at 31 March 2015. The Manager believes that the increase in the total number of Units in issue has the potential to enhance the trading liquidity of the Units and raise Soilbuild REIT’s profile among investors.

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<sup>1</sup> Based on gross proceeds of approximately S\$60.0 million being raised at the Minimum Issue Price of S\$0.795 per New Unit.

## 5. AUTHORITY TO ISSUE NEW UNITS

The Manager is relying on the general mandate (the “**General Mandate**”) given by Unitholders to the Manager in the annual general meeting held on 21 April 2015 which allows the Manager to issue new Units and/or convertible securities or other instruments (including but not limited to warrants) which may be convertible into Units (“**Convertible Securities**”) such that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the number of Units in issue as at 21 April 2015 (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

As at 21 April 2015, the number of Units in issue was 815,750,896.

The number of Units that can be issued under the General Mandate is 407,875,448 Units, of which no more than 163,150,179 Units may be issued for a non *pro rata* placement. The Manager has not issued any Units since 21 April 2015.

75,472,000 New Units constitutes 9.3% of the Base Figure, which is within the 20.0% limit for issues of Units on a non *pro rata* basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

## 6. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of New Units under the Private Placement will be made to institutional and accredited investors.

The New Units have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

The Manager, along with the Joint Lead Managers and Underwriters, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

## 7. ADVANCED DISTRIBUTION

Soilbuild REIT’s policy is to distribute its distributable income on a quarterly basis to Unitholders.

In connection with the Private Placement, the Manager however intends to declare in respect of the Units in issue immediately prior to the issue of the New Units (“**Existing Units**”), a distribution of the distributable income for the period from 1 April 2015 to 4 May 2015 (the “**Advanced Distribution**”).

The next distribution thereafter will comprise Soilbuild REIT’s distributable income for the period from 5 May 2015 to 30 June 2015. Quarterly distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by Soilbuild REIT up to the day immediately preceding the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the

Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The current expectation of the Manager is that the quantum of the distribution per Unit (“DPU”) under the Advanced Distribution is estimated to be 0.6 Singapore cents per Unit<sup>1</sup>. The actual quantum of the DPU under the Advanced Distribution will be announced on a later date after the management accounts of Soilbuild REIT for the relevant period have been finalised.

(Please see the announcement dated 22 April 2015 issued by the Manager in relation to the notification of the time and date on which the transfer books and register of Unitholders will be closed to determine Unitholders’ entitlement to the Advanced Distribution.)

## **8. STATUS OF NEW UNITS**

The New Units are expected to be issued on or around 5 May 2015. Other than the Advanced Distribution to which the New Units will not be entitled, the New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to any distributions which may be paid for the period from the day the New Units are issued pursuant to the Private Placement to 30 June 2015, as well as all distributions thereafter.

## **9. APPLICATION TO THE SGX-ST FOR APPROVAL IN-PRINCIPLE**

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

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

Mr Shane Hagan  
Chief Executive Officer  
22 April 2015

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<sup>1</sup> This estimated distribution for the period from 1 April 2015 to 4 May 2015 is based on the Manager’s pro-rated estimate of Soilbuild REIT’S revenue and expenses for the quarter ending 30 June 2015. This amount is an estimate only based on information currently available to the Manager and the Manager’s estimate of Soilbuild REIT’s revenue and expenses, and the actual Advanced Distribution may differ.

### **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 March 2015.

### **For media queries, please contact:**

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