

## SOILBUILD BUSINESS SPACE REIT TO ACQUIRE INDUSTRIAL BUILDING IN THE KIAN TECK VICINITY

Soilbuild Business Space REIT (“**Soilbuild REIT**”), through DBS Trustee Limited, as trustee of Soilbuild REIT, has signed a sale and purchase agreement with Speedy-Tech Electronics Ltd (the “**Speedy-Tech**”) on 27 August 2014 to acquire:



### PROPERTY DESCRIPTION

A part 3 / part 6-storey light industrial building located at 20 Kian Teck Lane, off Kian Teck Way. The property is accessible via several major expressways including the Ayer-Rajah Expressway (AYE) and Pan-Island Expressway (PIE).

### SUMMARY OF ACQUISITION AND LEASEBACK

<b>Location:</b>	20 Kian Teck Lane Singapore 627854
<b>Land Area:</b>	3,992.7 sqm or 42,977 sqft
<b>Gross floor area:</b>	8,711 sqm or 93,767 sqft
<b>Land use zoning:</b>	Business 1
<b>Land Tenure:</b>	30 years + 20 years <sup>1</sup> from 1 May 2000
<b>Total cost of the Proposed Transaction:</b>	\$24.4 million (includes purchase consideration of \$22.4 million and other acquisition-related costs including upfront land premium payable to JTC)
<b>Leaseback arrangement:</b>	Speedy-Tech will undertake to commit 100% occupancy of the property on a 10 year triple-net lease arrangement
<b>Expected completion:</b>	4 <sup>th</sup> Quarter of 2014, subject to approval of the relevant authorities
<b>The Vendor / Lessee:</b>	Speedy-Tech is an indirect wholly-owned subsidiary of Integrated Micro-Electronics, Inc. which is listed on the Philippine stock exchange. Speedy-Tech is primarily engaged in providing contract electronics manufacturing services mainly in Singapore and China. The company offers power electronics, which include printed circuit board assemblies and finished products for various electronics applications.

### KEY TRANSACTION RATIONALE

- 1 Aligned with Soilbuild REIT’s growth strategy
- 2 Attractive NPI yield from long term lease with annual rental escalations
- 3 Accretive to Soilbuild REIT’s forecast distributable income per unit
- 4 Extends Soilbuild REIT’s lease expiry profile, diversifies tenant mix and enhances returns to Soilbuild REIT’s unitholders

<sup>1</sup> Subject to certain terms and conditions, all of which have been fulfilled except for the payment of the extended 20 year lease term upfront land premium.