



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

THE PROPOSED DISPOSAL OF ALL THE ISSUED AND PAID-UP UNITS IN SOILBUILD AUSTRALIA TRUST

1. INTRODUCTION

1.1. The Australian Asset Disposal

The board of directors ("**Board**") of SB REIT Management Pte. Ltd., as manager of Soilbuild Business Space REIT ("**SB REIT**", and the manager of SB REIT, the "**SB Manager**") wishes to announce that DBS Trustee Limited (in its capacity as trustee of SB REIT, the "**SB Trustee**") and a wholly-owned subsidiary of SB REIT, Soilbuild Business Space Holdings Pte. Ltd. ("**SBSH**" and together with the SB Trustee, the "**Sellers**"), have today entered into a unit sale agreement (the "**Australian Asset Disposal Agreement**") with Clay SG Holdings II Pte. Ltd. ("**CSH2**") and Clay SG Holdings III Pte. Ltd. ("**CSH3**" and collectively with CSH2, the "**Blackstone Purchasers**") for the disposal of 104,100,000 units ("**Sale Units**") in Soilbuild Australia Trust (the "**Target**"), representing 100% of the entire issued and paid-up units of the Target ("**SBAT Units**") to the Blackstone Purchasers, for a total cash consideration of A\$232,300,000 (approximately S\$226,767,000)¹ less the Inter-Entity Loan Amount (as defined in **paragraph 5.2** below) (the "**Consideration**") and subject to certain post-Completion adjustments based on the actual consolidated current assets and current liabilities of the Target Group (as defined in **paragraph 3.2** below) as at the Completion Date (as defined in **paragraph 5.5** below), upon the terms and subject to the conditions of the Australian Asset Disposal Agreement (the "**Australian Asset Disposal**").

1.2. The Scheme Acquisition and the Trust Scheme

The SB Manager and Clay Holdings III Limited (the "**Offeror**") have today also announced the proposed acquisition (the "**Scheme Acquisition**") of all the issued units in SB REIT ("**SB Units**") by the Offeror to be effected by way of a trust scheme of arrangement (the "**Trust Scheme**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**") (the "**Joint Announcement**"). In connection with the Scheme Acquisition, the SB Manager, the SB Trustee and the Offeror have today entered into an implementation agreement (the "**Implementation**").

¹ Unless otherwise stated, the S\$ equivalent of the A\$ figures in this announcement (the "**Australian Asset Disposal Announcement**") have been arrived at based on the exchange rate of A\$1.00:S\$0.9762 as at 30 September 2020.

Agreement") setting out the terms and conditions on which the Scheme Acquisition and Trust Scheme are to be implemented.

Further details on the Scheme Acquisition and the Trust Scheme are contained in the Joint Announcement, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com. References to the Scheme Acquisition and the Trust Scheme and its terms and conditions in this Australian Asset Disposal Announcement should be read together with, and are subject to, the Joint Announcement.

This Australian Asset Disposal Announcement should be read in conjunction with the Joint Announcement. Capitalised terms used in this Australian Asset Disposal Announcement which are undefined shall have the meanings ascribed to them in the Joint Announcement.

2. INFORMATION ON THE BLACKSTONE GROUP AND THE BLACKSTONE PURCHASERS

Based on information provided by the Offeror in the Joint Announcement:

2.1. The Blackstone Group

Blackstone is a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has US\$174 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single family housing, office, hospitality and retail. Our opportunistic funds seek to acquire undermanaged, well-located assets across the world. Blackstone's Core+ strategy invests in substantially stabilised real estate globally through regional open-ended funds focused on high-quality assets and Blackstone Real Estate Income Trust, Inc. (BREIT), a non-listed REIT that invests in U.S. income-generating assets. Blackstone Real Estate also operates one of the leading global real estate debt businesses, providing comprehensive financing solutions across the capital structure and risk spectrum, including management of Blackstone Mortgage Trust (NYSE: BXMT).

Blackstone Real Estate has completed 38 public company transactions, including public-to-private and/or complex, cross-jurisdictional transactions globally totalling US\$170 billion of total enterprise value, of which US\$5.5 billion was transacted in Asia. In 2017, Blackstone Real Estate privatised Croesus Retail Trust, a Singapore-listed trust that owned a portfolio of 11 retail properties in Japan.

2.2. The Blackstone Purchasers

Each of the Blackstone Purchasers are related corporations of Blackstone and are newly-incorporated entities formed for the purposes of acquiring the Australian Assets (as defined in **paragraph 3.3** of this Australian Asset Disposal Announcement). As at the date of this Australian Asset Disposal Announcement:

- (a) CSH2 has an issued and paid-up share capital of US\$1.00 comprising one (1) ordinary share, held by Clay Holdings I Limited; and
- (b) CSH3 has an issued and paid-up share capital of US\$1.00 comprising one (1) ordinary share, held by CSH2.

3. INFORMATION RELATING TO THE TARGET GROUP

- 3.1. The Target is a trust constituted in Australia pursuant to a trust deed dated 14 August 2018. As at the date of this Australian Asset Disposal Announcement, the Target has 104,100,000 SBAT Units in issue. The unitholders of the Target are the SB Trustee and SBSH, holding 103,059,000 SBAT Units and 1,041,000 SBAT Units, representing 99% and 1% of the total SBAT Units in issue, respectively.
- 3.2. The Target has three sub-trusts constituted in Australia, namely, Soilbuild Australia Sub-Trust No. 1, Soilbuild Australia Sub-Trust No. 2 and Soilbuild Australia Sub-Trust No. 3 (together with the Target, the "**Target Group**").
- 3.3. The Target Group holds the properties located at:
- (a) 14 Mort Street, Canberra, Australian Capital Territory, 2601 ("**14 Mort Street**");
 - (b) 25 Grenfell Street, Adelaide, South Australia 5000 ("**25 Grenfell Street**"); and
 - (c) Inghams Burton, 1118, 1120, 1122 – 1136 & 1138 – 1146 Port Wakefield Road, Burton, South Australia 5110 ("**Inghams Burton**"),
- (collectively, the "**Australian Assets**").

Based on the unaudited consolidated management accounts of the Target for the nine-month period ended 30 September 2020 ("**9M2020**"), the book value and the net tangible asset value of the Target Group were approximately A\$105,239,000 (approximately S\$102,733,000) respectively. The net property income attributable to the Target Group, based on the unaudited consolidated management accounts of the Target for 9M2020, is approximately A\$10,544,000 (approximately S\$9,912,000²).

4. RATIONALE FOR THE AUSTRALIAN ASSET DISPOSAL

The Australian Asset Disposal is intended to effect the Scheme Acquisition in an optimal and efficient manner, and is inter-conditional with the Trust Scheme and will complete on the same date as the Effective Date (as defined in the Joint Announcement) but immediately prior to the Trust Scheme becoming effective in accordance with its terms.

The Australian Asset Disposal provides the unitholders of SB REIT (the "**SB Unitholders**") with greater certainty on the timing for obtaining the relevant regulatory approvals required for the disposal of the Australian Assets in connection with the Trust Scheme and to ensure that the SB Unitholders receive the Scheme Consideration (as defined in the Joint Announcement) in the most time-efficient manner.

² Based on an average exchange rate from 1 January 2020 to 30 September 2020 of A\$1.00:S\$0.9400.

5. PRINCIPAL TERMS OF THE AUSTRALIAN ASSET DISPOSAL AGREEMENT

5.1. Sale Units

The Australian Asset Disposal involves the disposal of the Sale Units, free from any encumbrance and with all rights, including any rights to distributions, attaching or accruing to them on and from the completion of the sale and purchase of the Sale Units ("**Completion**"). Pursuant to the terms of the Australian Asset Disposal Agreement, the Sellers will sell, and the Blackstone Purchasers will acquire, the Sale Units in the following manner:

- (a) the SB Trustee will sell 103,059,000 SBAT Units, representing 99% of the Sale Units, to CSH2; and
- (b) SBSH will sell 1,041,000 SBAT Units, representing 1% of the Sale Units, to CSH3.

5.2. Inter-Entity Loans

In addition, at Completion, the SB Trustee will assign each of the following loans to CSH2 in the form set out in the Australian Asset Disposal Agreement:

- (a) the loan agreement dated 2 October 2018 between the SB Trustee (as lender) and the Target (as borrower). As at the date of this Australian Asset Disposal Announcement, the amount of principal drawn down under the loan is A\$70,000,000 (approximately S\$68,333,000); and
- (b) the loan agreement dated 29 October 2019 between the SB Trustee (as lender) and the Target (as borrower). As at the date of this Australian Asset Disposal Announcement, the amount of principal drawn down under the loan is A\$85,000,000 (approximately S\$82,975,000),

(collectively, the "**Inter-Entity Loans**" and each, an "**Inter-Entity Loan**").

Each Inter-Entity Loan must be transferred free from any encumbrance and with all rights attaching or accruing to each Inter-Entity Loan on and from Completion, and in consideration, CSH2 shall pay the SB Trustee the aggregate amount of all outstanding principal and accrued and unpaid interest under each Inter-Entity Loan as at the Completion Date (the "**Inter-Entity Loan Amount**").

5.3. Consideration

The Consideration, subject to post-Completion adjustments and any withholding amount required by law to be withheld by the Blackstone Purchasers, shall be fully satisfied in cash by the Blackstone Purchasers on Completion in the following manner:

- (a) in respect of the sale of 103,059,000 SBAT Units, representing 99% of the Sale Units from the SB Trustee to CSH2, CSH2 shall pay to the SB Trustee an amount equal to 99% of the Consideration; and
- (b) in respect of the sale of 1,041,000 SBAT Units, representing 1% of the Sale Units from SBSH to CSH3, CSH3 shall pay to SBSH an amount equal to 1% of the Consideration,

in each case, without counter-claim or set-off and by way of cashier's order or electronic transfer of cleared funds to such bank account(s) as directed in writing by each of the Sellers ("**Sellers' Payment Notices**"). Payment by each of the Blackstone Purchasers shall only be deemed to have been effected (i) in the case of cashier's order, on receipt of that order, or (ii) in the case of electronic transfer, when such payment is received in the amounts and in each bank account as designated in the Sellers' Payment Notices.

The Consideration was arrived at after negotiations on an arm's length basis and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*:

- (i) the valuation of SB REIT implied by the Scheme Consideration, which considers the historical market price of the SB Units, and the carrying value of SB REIT's investment properties;
- (ii) the proportionate contribution of the Australian Assets to the total carrying value of SB REIT's investment properties as at 30 September 2020; and
- (iii) adjustments to the Consideration to account for the capital structure of the Target, which holds the Australian Assets.

The Consideration represents a deficit of approximately A\$26,074,000 (or approximately S\$25,453,000³) over the book value of the Target Group as at 30 September 2020.

For the avoidance of doubt, the Australian Asset Disposal will not reduce the Scheme Consideration. Assuming that the Trust Scheme becomes effective in accordance with its terms, there will be no economic effect to the SB Unitholders as a result of the Australian Asset Disposal. The Scheme Consideration to be paid to the SB Unitholders upon the Trust Scheme becoming effective in accordance with its terms takes into account the value of the Australian Assets.

5.4. Conditions Precedent

(a) Conditions Precedent

The Australian Asset Disposal is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions precedent ("**Conditions Precedent**" and each, a "**Condition Precedent**"), including but not limited to:

- (i) each Blackstone Purchaser having received a written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) of Australia by, or on behalf of, the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth of Australia does not object to the transactions contemplated by the Australian Asset Disposal Agreement, including the acquisition of the Sale Units, either unconditionally or conditionally and where conditionally, in the sole discretion of each Blackstone Purchaser;

³ Computed based on the value ascribed to the Target Group's investment properties of A\$232,300,000 less the carrying value of the Target Group's investment properties as at 30 September 2020 of A\$258,374,000.

- (ii) no later than 20 Business Days⁴ before the Completion Date, The Trust Company (Australia) Limited (ACN 000 000 993), as trustee of Soilbuild Australia Sub-Trust No. 2, having given a duly executed notice substantially in the form in the Australian Asset Disposal Agreement to:
 - (1) Inghams Property Management Pty Ltd (ACN 168 279 703) in respect of the change of control in the Target under the lease between the two parties dated 29 October 2014; and
 - (2) Inghams Enterprises Pty Ltd (ACN 008 447 345) in respect of the change of control in the Target under the lease between the two parties which commenced on 23 December 2017;
 - (iii) approval by the SB Unitholders for the Australian Asset Disposal at an extraordinary general meeting ("**EGM**") to be convened in accordance with the terms of the Implementation Agreement, as set out in **paragraph 1(ii) of Schedule 3** to the Joint Announcement; and
 - (iv) the sanction of the Trust Scheme by the High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore under Order 80 of the Rules of Court, Chapter 322 of Singapore in accordance with the terms of the Implementation Agreement, as set out in **paragraph 3(v) of Schedule 3** to the Joint Announcement.
- (b) **Obligation of Parties in relation to the Conditions Precedent**
- (i) Each Blackstone Purchaser must use reasonable endeavours to ensure that the Condition Precedent in **paragraph 5.4(a)(i)** of this Australian Asset Disposal Announcement is satisfied as soon as practicable after the date of the Australian Asset Disposal Agreement.
 - (ii) Each Seller must use reasonable endeavours to ensure and procure that, among others, the Conditions Precedent in **paragraphs 5.4(a)(ii), 5.4(a)(iii) and 5.4(a)(iv)** of this Australian Asset Disposal Announcement are satisfied as soon as practicable after the date of the Australian Asset Disposal Agreement.
 - (iii) Each Blackstone Purchaser and Seller (collectively, the "**Parties**" and each, a "**Party**") must co-operate with each other and comply with all reasonable requests by each other Party for the purposes of procuring the satisfaction of any Condition Precedent and must not knowingly take any action which will hinder or prevent the satisfaction of any Condition Precedent.

⁴ "Business Day" refers to a day other than a Saturday, Sunday or bank or public holiday in Sydney, New South Wales or Singapore.

(c) **Waiver of Conditions Precedent**

- (i) The Conditions Precedent set out in **paragraphs 5.4(a)(i) and 5.4(a)(iv)** of this Australian Asset Disposal Announcement are for the benefit of both the Blackstone Purchasers and the Sellers and may not be waived by any Party.
- (ii) The Condition Precedent set out in **paragraph 5.4(a)(ii)** of this Australian Asset Disposal Announcement is for the benefit of the Blackstone Purchasers and may only be waived by a Blackstone Purchaser giving notice in writing to the other Parties.
- (iii) The Conditions Precedent set out in **paragraph 5.4(a)(iii)** of this Australian Asset Disposal Announcement is for the benefit of both the Blackstone Purchasers and the Sellers and may only be waived by mutual agreement in writing of the Blackstone Purchasers and the Sellers.

5.5. Completion

Completion is to take place on the Business Day which is 4 Business Days after satisfaction of the Condition Precedent set out in **paragraph 5.4(a)(iv)** of this Australian Asset Disposal Announcement (the "**Completion Date**"). For the avoidance of doubt, it is the intention of the Parties that the Completion Date and the Effective Date are to occur on the same day in accordance with, and in the sequence set out in, the Implementation Agreement.

5.6. Rescission

If, at any time before Completion, the Implementation Agreement is terminated or rescinded, the Australian Asset Disposal Agreement shall be rescinded *ab initio* and, as a result:

- (a) no Party shall have any liability to any other Party arising under or in respect of the Australian Asset Disposal Agreement, whether arising before or after the date on which the Australian Asset Disposal Agreement is rescinded, including any right to monetary damages or specific performance or any other remedy whether arising under common law, equity, statute or otherwise; and
- (b) each Party releases each other Party and must not bring any claim in respect of anything done or required to be done before or after the date on which the Australian Asset Disposal Agreement is rescinded,

save where such termination of the Implementation Agreement is as a result of the exercise of the Switch Option (as defined in the Joint Announcement) and in which case certain provisions under the Australian Asset Disposal Agreement shall apply.

6. USE OF SALE PROCEEDS

The net proceeds from the Australian Asset Disposal are approximately A\$79,165,000⁵ (or approximately S\$77,280,000), resulting in an estimated net loss from the Australian Asset Disposal

⁵ Computed based on the value ascribed to the Target Group's investment properties of A\$232,300,000 less the unitholder loan of A\$155,000,000 plus net current assets of the Target Group as at 30 September 2020 of A\$1,865,000.

of approximately A\$31,200,000⁶ (or approximately S\$30,457,000). The net proceeds of the Australian Asset Disposal will be deposited into the bank account of SB REIT and may be used for general corporate and working capital requirements.

Under the terms of the Implementation Agreement, the SB Manager has agreed that it shall not declare, make or pay any distributions in respect of all or any part of the proceeds received from the Australian Asset Disposal.

7. CHAPTER 10 OF THE LISTING MANUAL

Relative Figures under Rule 1006 of the Listing Manual of the SGX-ST

The relative figures in respect of the Australian Asset Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

| Rule 1006 | Bases | Relative Figures (%) |
|-----------|--|-------------------------------|
| (a) | The net asset value of the assets to be disposed of, compared with SB REIT's net asset value ⁽¹⁾ | 13.7% |
| (b) | The net profits attributable to the assets to be disposed of, compared with SB REIT's net profits ⁽²⁾ | 18.6% |
| (c) | The aggregate value of the consideration given for the Australian Asset Disposal, compared with SB REIT's market capitalisation ⁽³⁾⁽⁴⁾ | 35.4% |
| (d) | The number of equity securities to be issued by SB REIT as consideration for an acquisition, compared with the number of equity securities previously in issue | Not applicable ⁽⁵⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves | Not applicable ⁽⁶⁾ |

Notes:

- (1) "Net assets" means total assets less total liabilities. Based on the net asset value of the Target Group of approximately A\$105,239,000 (or approximately S\$102,733,000 based on an exchange rate of A\$1.00 to S\$0.97618 as at 30 September 2020) and the unaudited net asset value of the SB Group (excluding amounts attributable to perpetual securities holders) of approximately S\$750,100,000 as at 30 September 2020.
- (2) Based on the unaudited net property income attributable to the Target Group of approximately S\$9,912,000 for 9M2020 and the unaudited consolidated net property income of the SB Group of approximately S\$53,275,000 for 9M2020. In the case of a real estate investment trust, net property income is a close proxy to the net profits attributable to its assets.
- (3) SB REIT's market capitalisation of approximately S\$645.3 million is based on its total number of issued SB Units of 1,273,196,273 and the volume weighted average price of S\$0.5068 per SB Unit on 8 December 2020, being the last traded market day prior to the signing of the Australian Asset Disposal Agreement.

⁶ Computed based on the value ascribed to the Target Group's investment properties of A\$232,300,000 less the valuation of the Target Group's investment properties as at 30 November 2020 of A\$263,500,000.

- (4) Paragraph 3.2(b)(iii) of Practice Note 10.1 of the Listing Manual of the SGX-ST states that, *inter alia*, any additional liabilities (whether actual or contingent) to be assumed by the purchaser under the terms of the transaction shall be included in computing the aggregate value of consideration. Accordingly, for the purposes of Rule 1006(c), the aggregate value of the consideration given for the Australian Asset Disposal shall be approximately A\$234,165,000 (or approximately S\$228,588,000), which is inclusive of the amounts under the Inter-Entity Loans to be assigned by the SB Trustee in favour of the CSH2 on Completion and adjusted for post-Completion adjustments, assuming that the current assets and current liabilities of the Target Group remain unchanged from 30 September 2020 to the Completion Date.
- (5) Not applicable as the Australian Asset Disposal is not an acquisition.
- (6) Not applicable as SB REIT is not a mineral, oil and gas company.

Rule 1014(3) of the Listing Manual states that in the case of real estate investment trusts, a disposal of properties is considered to be in the ordinary course of business provided that the relative figures as computed on the bases set out in Rule 1006 do not exceed 50% based on the aggregate value of all disposals in the last 12 months. Notwithstanding that the relative figures for the Australian Asset Disposal as computed on the bases set out in Rule 1006 of the Listing Manual do not exceed 50%, the SB Manager will nonetheless be convening an EGM to obtain the approval of the SB Unitholders for the Australian Asset Disposal. Please refer to **paragraph 10** of this Australian Asset Disposal Announcement for further details on the EGM to be convened.

8. FINANCIAL EFFECTS OF THE AUSTRALIAN ASSET DISPOSAL

The pro forma financial effects of the Australian Asset Disposal on SB REIT and its subsidiaries (the "**Group**") as set out below are purely for illustration purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Group after the completion of the Australian Asset Disposal. **For the avoidance of doubt, the Australian Asset Disposal will not reduce the Scheme Consideration. Assuming that the Trust Scheme becomes effective in accordance with its terms, there will be no economic effect to the SB Unitholders as a result of the Australian Asset Disposal.**

The pro forma financial effects of the Australian Asset Disposal set out below have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2019 ("**FY2019**") as well as the following bases and assumptions:

- (a) the pro forma financial effects on the net asset value ("**NAV**") per SB Unit is computed based on the assumption that the Australian Asset Disposal had been completed on 31 December 2019; and
- (b) the financial effects on the distribution per SB Unit ("**DPU**") of SB REIT is computed based on the assumption that the Australian Asset Disposal had been completed on 1 January 2019.

8.1. Pro Forma NAV

| As at 31 December 2019 | Before the Australian Asset Disposal | After the Australian Asset Disposal |
|------------------------------|--------------------------------------|-------------------------------------|
| NAV ⁽¹⁾ (S\$'000) | 746,836 | 725,400 ⁽²⁾ |
| Issued SB Units ('000) | 1,261,711 | 1,261,711 |
| NAV per SB Unit (cents) | 0.59 | 0.57 |

Notes:

- (1) NAV means total assets less the sum of total liabilities and amounts attributable to perpetual securities holders.
- (2) Computed based on the NAV before the Australian Asset Disposal less the NAV of the Target Group as at 31 December 2019 of S\$98,717,000 and inclusive of the net proceeds from the Australian Asset Disposal of approximately A\$79,165,000 (or approximately S\$77,280,000).

8.2. Pro Forma DPU

| For the financial year ended 31 December 2019 | Before the Australian Asset Disposal | After the Australian Asset Disposal |
|--|--------------------------------------|-------------------------------------|
| Amount available for distribution to the SB Unitholders for FY2019 (S\$'000) | 48,553 | 46,477 ⁽¹⁾ |
| Weighted average number of SB Units ('000) | 1,121,750 | 1,121,682 |
| DPU (cents) | 4.220 | 4.047 |

Note:

- (1) For illustrative purposes to calculate the pro forma DPU, it has been assumed that the proceeds from the Australian Asset Disposal and the repayment of the Inter-Entity Loans of approximately A\$234,165,000 (or approximately S\$228,588,000) were utilised for the following purposes: (a) redemption of perpetual securities amounting to S\$65,000,000; (b) repayment of a A\$50,000,000 (approximately S\$48,809,000) bank loan drawn down for the acquisition of 14 Mort Street and Inghams Burton; (c) repayment of a S\$30,000,000 bank loan drawn down to partially fund the acquisition of 25 Grenfell Street; and (d) partial redemption of 3.60% 5-year medium-term notes due on 8 April 2021.

9. DIRECTORS' AND CONTROLLING SB UNITHOLDERS' INTERESTS

As at the date of this Australian Asset Disposal Announcement, save for the unitholding interests in SB REIT held by certain Directors of the SB Manager and the controlling SB Unitholders and as disclosed in the Joint Announcement, none of the Directors or the controlling SB Unitholders has any interest, direct or indirect, in the Australian Asset Disposal.

10. EXTRAORDINARY GENERAL MEETING AND DOCUMENT TO SB UNITHOLDERS

The SB Manager will convene an EGM to, *inter alia*, seek the approval of the SB Unitholders for the Australian Asset Disposal (the "**Australian Asset Disposal Resolution**"). Further information on the Australian Asset Disposal will be set out in the document to be issued by the SB Manager on behalf of SB REIT to all the SB Unitholders which will contain, *inter alia*, details of the Australian Asset Disposal. Such document to be issued by the SB Manager, which will also contain copies of

the notice of the EGM in relation to the Australian Asset Disposal, will be despatched to the SB Unitholders in due course.

SB Unitholders are advised to refrain from taking any action in respect of their SB Units which may be prejudicial to their interests, and for SB Unitholders and potential investors to exercise caution when trading in the SB Units. SB Unitholders are advised to read this Australian Asset Disposal Announcement and any further announcements by the SB Manager carefully. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

11. ABSTENTION FROM VOTING ON THE AUSTRALIAN ASSET DISPOSAL RESOLUTION

No party is required to abstain from voting on the Australian Asset Disposal Resolution. Nevertheless, Mr. Lim Chap Huat, his three sons (being Mr. Lim Han Feng, Mr. Lim Han Qin and Mr. Lim Han Ren), Ms. Lim Cheng Hwa, SBGH and the SB Manager will voluntarily abstain from voting on the Australian Asset Disposal Resolution.

12. SERVICE CONTRACTS

As at the date of this Australian Asset Disposal Announcement, no person is proposed to be appointed as a director of the SB Manager in connection with the Australian Asset Disposal. Accordingly, no service contract is proposed to be entered into between the SB Manager and any such person.

13. PROPERTY VALUATION

The SB Manager has commissioned Knight Frank Valuation & Advisory Canberra, Knight Frank Valuation & Advisory South Australia and Savills Valuations Pty Ltd (collectively, the "**Independent Valuers**") to conduct an independent valuation on the Australian Assets as at 30 November 2020 (collectively, the "**Valuation Reports**"). The valuations were based on a combination of methods, namely discounted cash flow method, capitalisation approach and the comparable market value method. Based on the Valuation Reports, the aggregate open market value of the Australian Assets as at 30 November 2020 is A\$263,500,000 (approximately S\$257,224,000).

The revaluation gains of the investment properties held by the Target Group based on valuations as at 30 November 2020 have not been factored into the book value as at 30 September 2020.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Australian Asset Disposal Agreement and the Valuation Reports will be made available for inspection during normal business hours at the registered office of the SB Manager⁷ at 23 Defu South Street 1, Soilbuild Prefab Innovation Hub, Singapore 533847 from the date of this Australian Asset Disposal Announcement up to (and including) the Effective Date.

⁷ Prior appointment is required in light of the COVID-19 situation.

15. RESPONSIBILITY STATEMENT

The directors of the SB Manager (including any who may have delegated detailed supervision of the preparation of this Australian Asset Disposal Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Australian Asset Disposal Announcement (excluding information relating to Blackstone, the Offeror and/or the Blackstone Purchasers or any opinion expressed by Blackstone, the Offeror, the Blackstone Purchasers or the Independent Valuers) are fair and accurate and that, where appropriate, no material facts which relate to SB REIT or the SB Manager have been omitted from this Australian Asset Disposal Announcement, and the directors of the SB Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including Blackstone, the Offeror, the Blackstone Purchasers and/or the Independent Valuers), the sole responsibility of the directors of the SB Manager has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Australian Asset Disposal Announcement. The directors of the SB Manager do not accept any responsibility for any information relating to Blackstone, the Offeror, the Blackstone Purchasers or any opinion expressed by Blackstone, the Offeror, the Blackstone Purchasers and/or the Independent Valuers.

By Order of the Board

SB REIT MANGEMENT PTE. LTD.

(Company Registration No. 201224644N)

As Manager of Soilbuild Business Space REIT

Mr Roy Teo

Chief Executive Officer

14 December 2020