

Soilbuild Business Space REIT

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

Managed by

SB REIT Management Pte. Ltd.

(Company Registration No.: 201224644N)

Clay Holdings III Limited

(Company Registration No.: 367645)
(Incorporated in Cayman Islands)

JOINT ANNOUNCEMENT

**EXTRAORDINARY GENERAL MEETING AND TRUST SCHEME MEETING
TO BE HELD ON 11 MARCH 2021
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

1. INTRODUCTION

The respective boards of directors of SB REIT Management Pte. Ltd., as manager of Soilbuild Business Space REIT ("**SB REIT**", and the manager of SB REIT, the "**SB Manager**"), and Clay Holdings III Limited (the "**Offeror**") refer to the scheme document (the "**Scheme Document**") despatched by electronic means from the SB Manager to the holders of the issued units in SB REIT (the "**SB Units**" and the holders of SB Units, the "**SB Unitholders**") on 17 February 2021, in relation to (a) the proposed amendments to the SB Trust Deed to facilitate a trust scheme of arrangement; (b) the proposed disposal of all the issued and paid-up units in Soilbuild Australia Trust to Clay SG Holdings II Pte. Ltd. and Clay SG Holdings III Pte. Ltd.; and (c) the proposed acquisition (the "**Acquisition**") of all the 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 Takeovers and Mergers.

An electronic copy of the Scheme Document is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

Unless otherwise defined, all capitalised terms used herein shall have the same meanings given to them in the Scheme Document.

2. RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The SB Manager and the Offeror would like to thank all SB Unitholders for submitting their questions in advance of the Extraordinary General Meeting and the Trust Scheme Meeting. Both meetings will be held by way of electronic means on Thursday, 11 March 2021 at 2.00 p.m. and 2.30 p.m.¹ (Singapore time), respectively.

The SB Manager and the Offeror have compiled further questions submitted by SB Unitholders received to date.

Please refer to the Appendix of this Joint Announcement for our responses to the substantial and relevant questions raised by SB Unitholders in relation to the Trust Scheme.

¹ Or as soon thereafter following the conclusion of the Extraordinary General Meeting, whichever is later.

3. RESPONSIBILITY STATEMENTS

3.1 SB Manager

The directors of the SB Manager (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement which relate to SB REIT and/or the SB Manager (excluding information relating to the Offeror, Offeror HoldCo, Blackstone SPV, the Blackstone Purchasers and/or Blackstone (collectively, the "**Offeror Group**") or any response provided by the Offeror Group) 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 Joint 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 the Offeror Group, Ernst & Young LLP, the IFA and 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 Joint Announcement. The directors of the SB Manager do not accept any responsibility for any information relating to the Offeror Group and/or any response provided or any opinion or rationale expressed by the Offeror Group, Ernst & Young LLP, the IFA and/or the Independent Valuers.

3.2 Offeror

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement which relate to the Offeror Group (excluding information relating to the SB Group, the SB Manager and/or the SB Independent Directors or any response provided by the SB Group and the SB Manager) are fair and accurate and that, where appropriate, no material facts which relate to the Offeror Group have been omitted from this Joint Announcement, and the directors of the Offeror 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 the SB Group, the SB Manager, the SB Independent Directors, Ernst & Young LLP, the IFA and the Independent Valuers), the sole responsibility of the directors of the Offeror 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 Joint Announcement. The directors of the Offeror do not accept any responsibility for any information relating to the SB Group, the SB Manager and/or the SB Independent Directors and/or any response provided or any opinion or rationale expressed by the SB Group, the SB Manager, the SB Independent Directors, Ernst & Young LLP, the IFA and/or the Independent Valuers.

4 March 2021

By order of the board of directors

By order of the board of directors

SB REIT MANAGEMENT PTE. LTD.
as manager of
SOILBUILD BUSINESS SPACE REIT
(Company Registration No.: 201224644N)

CLAY HOLDINGS III LIMITED
(Company Registration No.: 367645)

Any queries relating to this Joint Announcement, the Acquisition or the Trust Scheme should be directed during office hours to the following:

DBS Bank Ltd.
as Financial Adviser to the SB Manager
Tel: +65 6878 6347

Citigroup Global Markets Singapore Pte. Ltd.
as Financial Adviser to the Offeror
Tel: +65 6657 5300

IMPORTANT NOTICE

The value of the SB Units and the income derived from them may fall as well as rise. The SB Units are not obligations of, deposits in, or guaranteed by, the SB Manager, the SB Trustee or any of its affiliates.

An investment in the SB Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the SB Manager or the Offeror redeems or purchases its SB Units while the SB Units are listed. It is intended that SB Unitholders may only deal in their SB Units through trading on the SGX-ST. Listing of the SB Units on the SGX-ST does not guarantee a liquid market for the SB Units.

This Joint Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for SB Units.

The past performances of SB REIT and the SB Manager are not necessarily indicative of their respective future performances.

This Joint Announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of SB REIT, the SB Manager, the Offeror, their respective affiliates or any of their respective directors, officers, partners, employees, agents, representatives, advisers or legal advisers assumes any responsibility to amend, modify, revise or update publicly any forward-looking statements.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the view of the SB Manager and/or the Offeror of future events.

Appendix

Question 1:

I hold SB Units under SRS which is under custodian of a local bank. The custodian bank has told me that they are only given one proxy vote for voting on the Trust Scheme. Certainly there are many more persons who hold SB Units through the custodian bank. The bank has already confirmed this situation in writing to me. Apparently the bank is just a taker of the situation because only one vote is given to them. I have to approach you to seek clarification on how this situation arose. Could the bank be allowed to submit votes according to the instruction of all eligible voters and not restricting to just one proxy vote?

Response:

From SB REIT Management Pte. Ltd., the SB Manager

As stated in the Scheme Document, in order for the Trust Scheme Resolution to be passed at the Trust Scheme Meeting, (a) more than 50.0% of the total number of SB Unitholders (including nominee companies and custodians or in this case, the SRS Agent Bank) present and voting by proxy at the Trust Scheme Meeting (the "**Headcount Condition**"), and (b) at least 75.0% of the value of the SB Units which are voted by SB Unitholders (including relevant intermediaries) present and voting by proxy at the Trust Scheme Meeting, have to approve the Trust Scheme.

The voting procedures have already been put in place and are clearly set out in the Scheme Document and the accompanying Proxy Form B (Trust Scheme Meeting). The voting procedures adopted for the Trust Scheme Meeting are usual and proper and are consistent with those adopted in all trust scheme of arrangements to date. They apply equally to all SB Unitholders in that SB Unitholders (including nominee companies and custodians) are only allowed to appoint one proxy and SB Unitholders can only vote their SB Units in one direction only. Requiring SB Unitholders (including nominee companies and custodians) to appoint only one proxy and to cast all the votes they use at the Trust Scheme Meeting in one way for the Trust Scheme Meeting ensures that each proxy submitted will count as only one vote for the purposes of the Headcount Condition. This enables the SB Manager to determine clearly if such SB Unitholder is voting for or against the Trust Scheme for the purposes of the Headcount Condition.

How a nominee company or custodian intends to vote on the Trust Scheme would depend on the rules of such nominee company or custodian. The SB Manager is not privy to and has no control over the internal processes which nominee companies and custodians have in place to determine how votes are to be cast. As such, the SB Manager is not in a position to comment on the practices of such nominee companies or custodians.

Question 2:

If the Trust Scheme is approved, what will be the schedule for payment of the Adjusted Scheme Consideration to SB Unitholders?

Response:

From SB REIT Management Pte. Ltd., the SB Manager

As set out in the "Expected Timetable" on Page 19 of the Scheme Document, in the event the Trust Scheme becomes effective in accordance with its terms, the Adjusted Scheme Consideration is expected to be paid to SB Unitholders in cash on 12 April 2021.

Question 3:

What is the rationale behind the Scheme Consideration?

Response:

From SB REIT Management Pte. Ltd., the SB Manager

Please refer to the SB Manager's response to Question 2 in the joint announcement titled "Extraordinary General Meeting and Trust Scheme Meeting to be held on 11 March 2021 – Responses to Substantial and Relevant Questions" dated 1 March 2021.

From Clay Holdings III Limited, the Offeror

Please refer to the Offeror's response to Question 2 in the joint announcement titled "Extraordinary General Meeting and Trust Scheme Meeting to be held on 11 March 2021 – Responses to Substantial and Relevant Questions" dated 1 March 2021.

Question 4:

What is the expected impact in terms of a percentage variance on DPU over the next three years if the Trust Scheme is not approved, assuming no additional borrowings are undertaken for acquisition or asset enhancement initiatives?

Response:

From SB REIT Management Pte. Ltd., the SB Manager

In light of the uncertain operating environment caused by COVID-19, the SB Manager is unable to provide an earnings guidance.

In the event the Trust Scheme is not approved at the Trust Scheme Meeting, SB REIT will remain listed and the SB Units will continue to be traded on the Main Board of the SGX-ST. The SB Manager will continue its efforts to deliver value for the SB Unitholders and will continue to focus on building a more resilient portfolio through asset enhancements and tenant mix restructuring. However, given the current macroeconomic uncertainties and challenging business environment, the SB Manager believes the pace of growth and expansion will remain slow. This is especially because it will take time for the industrial manufacturing activities to achieve pre-COVID levels.

Question 5:

Can SB Unitholders expect any more dividends for the financial period from 1 January 2021 up to the date SB REIT is delisted?

From SB REIT Management Pte. Ltd., the SB Manager

The SB REIT Manager is unable to comment on whether there will be distributions declared, made or paid, or provide any forecast of future distributions.

However, SB Unitholders may wish to note that in the event any distribution other than the Permitted Distributions are declared, made or paid by the SB Manager on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Scheme Consideration to the extent of any such distribution (including any Ordinary Course Distributions in respect of the financial period for the first quarter from 1 January 2021 to 31 March 2021) declared, made or paid.