



SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL

Sabana Real Estate Investment Management Pte. Ltd. ("**SREIM**"), as manager of Sabana Industrial Real Estate Investment Trust ("**Sabana Industrial REIT**", and the manager of Sabana Industrial REIT, the "**Manager**"), refers to its announcement today containing (i) the unaudited interim financial information of Sabana Industrial REIT for the period from 1 January 2024 to 30 June 2024 ("**1H 2024 Interim Financial Information**"); and (ii) the independent auditor's review report (the "**Independent Auditor's Review Report**") issued by Sabana Industrial REIT's independent external auditors, Ernst & Young LLP, in relation to the 1H 2024 Interim Financial Information, which is appended to the same.

In accordance with Rule 704(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the Manager wishes to inform that the Independent Auditor's Review Report has included an emphasis of matter in respect of a material uncertainty that may cast significant doubt on the Group's¹ and Sabana Industrial REIT's ability to continue as a going concern depending on the outcome of the internalisation exercise².

The above-mentioned material uncertainty arises because of the potential financial implication to Sabana Industrial REIT arising from the implementation of the Resolutions which could affect Sabana Industrial REIT's ability to remain as a going concern.

Once the removal of SREIM as manager of Sabana Industrial REIT is effected, it would trigger the removal of manager clause that constitutes a review event under Sabana Industrial REIT's existing financing arrangements of unsecured loans with various lenders (the "**Unsecured Facility Agreements**") and the facility agreement (the "**SBLC Facility Agreement**") for the issue by the lenders thereunder of an irrevocable standby letter of credit in favour of Credit

1 "**Group**" means Sabana Industrial REIT and its subsidiary, collectively.

2 During the extraordinary general meeting of Sabana Industrial REIT held on 7 August 2023, unitholders of Sabana Industrial REIT ("**Unitholders**") had voted to, among others, direct HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana Industrial REIT (the "**Trustee**"), to remove Sabana Real Estate Investment Management Pte. Ltd. as the manager of Sabana Industrial REIT as soon as practicable and to "*effect the internalisation of the REIT management function by incorporating a subsidiary wholly owned by the Trustee and appointing such a subsidiary to act as the manager of Sabana Industrial REIT*" (the "**Resolutions**"). For more information on the progress of the internalisation exercise, Unitholders may refer to the various statements that have been made by the Trustee to Unitholders and these statements have been announced and are available via SGXNet.

Since the Audited Financial Statements announced on 25 March 2024, the Manager received, among others, a letter from five Unitholders (the "**Requisitionists**") on 6 June 2024 requesting the Manager to convene an extraordinary general meeting of Unitholders to consider certain resolutions (the "**Requisition Notice**", and the requisitioned extraordinary general meeting of Unitholders, the "**Requisitioned EGM**"). The Manager announced on 1 July 2024 its intention to convene the Requisitioned EGM pursuant to the Requisition Notice for the purposes of considering the resolutions proposed in the Requisition Notice (as amended by the Requisitionists' 28 June 2024 letter) as well as the resolutions proposed by the Trustee pertaining to the Trustee's proposed trust deed amendments as set out in the Trustee's 26 June 2024 letter (collectively, the "**EGM Resolutions**"). The Requisitioned EGM will be held on 6 August 2024 and the Manager has on 15 July 2024 issued the Notice of Extraordinary General Meeting and Unitholders' circular setting out details of the Requisitioned EGM and the EGM Resolutions and the same have been announced and are available via SGXNet.



Guarantee & Investment Facility ("**CGIF**"), as guarantor for Sabana Industrial REIT's five-year senior unsecured sustainability-linked guaranteed bonds due 2029 (the "**Bonds**") (collectively, the Unsecured Facility Agreements and the SBLC Facility Agreement shall be referred to as the "**Existing Facilities**"). If triggered, this may result in mandatory prepayment by Sabana Industrial REIT of its outstanding loans and interest under the Existing Facilities if no satisfactory agreement is reached with the lenders, within a period of not more than 30 days (or such longer period as the lenders of Sabana Industrial REIT may agree), following the review event, and/or the imposition by CGIF of additional conditions as part of its agreement to provide its guarantee for the Bonds. Unitholders should note that there could therefore be serious consequences for Sabana Industrial REIT and its Unitholders arising from its Existing Facilities and/or the Bonds if the Manager is removed.

In this regard, as mentioned in the Interim Financial Information for the period from 1 January 2023 to 30 June 2023 announced on 19 July 2023, the Manager had previously written to the relevant lenders at the material time to seek a waiver from the abovementioned review event under Sabana Industrial REIT's existing financing arrangements, in the event that SREIM is removed as the manager of Sabana Industrial REIT. However, the lenders had then replied that they were unable to grant the relevant waivers at that juncture. The Manager and the Trustee will continue to engage with the lenders following the passing of the Resolutions and will update Unitholders as and when there are material developments.

The Manager would like to highlight that the conclusion in the Independent Auditor's Review Report remains not qualified in respect of the above emphasis of matter.

Unitholders of Sabana Industrial REIT are advised to read this announcement in conjunction with the 1H 2024 Interim Financial Information and the Independent Auditor's Review Report appended thereto, in their entirety.

Cautionary Statement

The Manager will make further announcements on the SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. Unitholders and investors are advised to refrain from taking any action in respect of their units in Sabana Industrial REIT ("**Units**") which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.



By Order of the Board
Sabana Real Estate Investment Management Pte. Ltd.
(Company Registration No: 201005493K, Capital Markets Services Licence No:
CMS100169)
As Manager of Sabana Industrial Real Estate Investment Trust

Han Yong Lee (Donald)
Chief Executive Officer
23 July 2024

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Sabana Industrial REIT

Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2023, Sabana Industrial REIT has a diversified portfolio of 18 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to more than S\$1.0 billion as at 31 December 2023. Sabana Industrial REIT is a constituent of the SGX S-REIT Index and MSCI Singapore Micro Cap Index.

Sabana Industrial REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana Industrial REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended, varied or supplemented from time to time). Sabana Industrial REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana REIT, please visit www.sabana-reit.com

Important Notice

The value of units in Sabana Industrial REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana Industrial REIT, or any of their respective affiliates.

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