



## **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**

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#### **RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

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Sabana Real Estate Investment Management Pte. Ltd., as the Manager of Sabana Industrial Real Estate Investment Trust (“**Sabana Industrial REIT**”, and the manager of Sabana Industrial REIT, the “**Manager**”), would like to thank Unitholders of Sabana Industrial REIT (“**Unitholders**”) for submitting their questions by the announced deadline of 14 April 2022, 10.00 a.m. in advance of the Annual General Meeting (“**AGM**”) to be held by way of electronic means on Tuesday 26 April 2022 at 10.00 a.m. The Manager’s responses to the questions can be found in Appendix A to this announcement. For Unitholders’ easy reference, we have grouped and summarised similar questions under relevant topic headers. For Unitholders who were unable to meet the question submission deadline or have additional questions, you are invited to pose the questions “live” at the AGM.

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

19 April 2022

#### **For enquiries, please contact:**

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## Appendix A

### Operations

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- 1. For Charlie Chan: When required to seek a second independent valuation for a property to be acquired from the then sponsor Vibrant, HSBC Trust Services employed the service of two valuers who were already working for the manager at the material time, thereby making a mockery of the entire process. Today, HSBC Trust Services is still Sabana REIT Trustee, can you comment on their level of professionalism.**

As the new Management and refreshed Board that came on board since 2018, we have found HSBC Institutional Trust Services (Singapore) to be supportive, professional and committed to fulfilling its role adequately in accordance to the Trust Deed. We would also wish to assure Unitholders that we typically work with globally recognised valuers that adhere to both Singapore and/or international valuation standards and these valuers ascribe to valuation processes that are rigorous, independent and of integrity.

- 2. Please provide details (type, location, value, lease status, etc) on the list of pipeline assets that the REIT may contemplate acquiring to grow its portfolio. How soon is the REIT looking to start making such acquisitions?**

It would not be appropriate for the Manager to provide forward guidance on such matters. However, we can assure Unitholders that as we pivot to grow, our near-term focus will be on our home base of Singapore; any overseas opportunities would be assessed over the longer term. Our decision to enter any market will be comprehensively evaluated, taking into consideration factors such as risk and return, currency fluctuation, market fundamentals, geopolitical situations, among others. All our decisions will be anchored by our Refreshed Strategy, and guided by the fundamental principle and vision to grow Sabana's value for Unitholders.

### DPU

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- 3. Can we shareholders expect better dividends as progressing?**

While the Manager is unable to provide forward guidance on performance, we are fully committed to maximising long-term value for our Unitholders. We are cautiously optimistic about our performance as we stay focused on executing the **Grow VALUE** phase of our strategy, with continued proactive lease and asset management as well as AElS and rejuvenation of selected assets, underpinned by financial prudence.

- 4. How can Unitholders be assured that Resolution 4, if passed, will not result in diluting their interests especially if issued units do not lead to increase in DPU in an expanded units base? What are the Manager's plans to grow the DPU given the current economic environment? Enhancement of properties may not necessarily lead to increase in DPU, if the increase in management fees outpace the increase in rentals.**

We can assure Unitholders that any form of capital raising would be for the purpose of pursuing yield-accretive opportunities that are beneficial to Unitholders, delivering long-term, sustainable value.

As we embark on this next phase of our journey to **Grow VALUE** for Unitholders, we need all the levers we have to get us to our target portfolio valuation of \$1 billion or more. This “general mandate” to issue units or to make or grant convertible instruments – which is common for REITs and listcos – will give the Board and management the agility and ability to act on value accretive opportunities for Unitholders should they arise. We cannot depend on leverage alone to achieve this.

As a small REIT, we are conscious of the volatile macroeconomic and geopolitical environment and hence we have to be extra cautious in evaluating our investment options, including AEs. That being said, we need all the levers available to ensure we can act quickly when good opportunities arise, to deliver sustainable value for our Unitholders.

Our Management Fee comprises base management fees, property management fees, leasing fees and performance fees. All fees are based on the performance of the REIT (DPU, rental income and NPI), as well as the value of the assets under management. For AEs, we do not charge any project management fee in accordance to the Trust Deed.

– Ends –

## **Sabana Industrial REIT**

Sabana Industrial REIT Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2021, 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\$0.9 billion as at 31 December 2021.

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 Industrial REIT, please visit [www.sabana-reit.com](http://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 SGXST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.