



ANNUAL REPORT  
2024





# CONTENTS

**4**

Letter to  
Unitholders

**8**

Board of  
Directors

**12**

Significant  
Events 2024

**53**

Sustainability  
Report

**3**

Corporate Profile

**9**

Management Team

**10**

Our Trust Structure

**11**

Corporate Information

**14**

Manager's Review for  
FY 2024

**21**

Financial Highlights

**22**

Unit Price Performance

**24**

Independent Market  
Review

**50**

Investor Relations

**53**

Sustainability Report

**90**

Corporate Governance  
Report

**117**

Financial Contents

**174**

Additional Information

**175**

Statistics of Unitholdings

**177**

Notification of Notice of  
AGM and Proxy Form



## Cover Rationale

Taking centre stage on the cover is Sabana@1TA4, which received its Temporary Occupation Permit on 9 July 2024 following the completion of its asset enhancement initiative which took slightly over 15 months. Comprising 156,139 square feet of warehouse, production and ancillary office space, the property is BCA Green Mark Super Low Energy certified under BCA's Green Mark 2021 standards.



# CORPORATE PROFILE

## ABOUT SABANA INDUSTRIAL REIT

Sabana Industrial Real Estate Investment Trust ("**Sabana Industrial REIT**")'s investment mandate is to invest primarily in income producing real estate used for industrial purposes in Asia, as well as real estate-related assets. It was listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 26 November 2010. It was renamed Sabana Industrial REIT with effect from 21 October 2021 following the removal of the requirement for Shari'ah compliance and for the REIT's business to be managed in compliance with Shari'ah investment principles and procedures (including investing in Shari'ah compliant real estate and real estate-related assets).

Sabana Industrial REIT has a diversified portfolio of 18 properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. Its total assets amount to more than \$1.0 billion as at 31 December 2024.

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 constituting the REIT dated 29 October 2010 (as amended, varied or supplemented from time to time) (the "**Trust Deed**").

At the Extraordinary General Meeting held on 7 August 2023 (the "**2023 EGM**"), Unitholders passed a resolution for the Manager to be removed as soon as practicable and for an internalised manager to be appointed in its place. Accordingly, the Manager is now an interim manager. Since the 2023 EGM, the Trustee has progressed work required for the internalisation of the REIT management function of Sabana Industrial REIT (the "**Internalisation**"). Updates on the progress of the Internalisation have been provided by the Trustee and announced via SGXNet.



## Vision

To be a prominent industrial real estate investment trust with an outstanding portfolio of assets in Singapore and beyond.



## Mission

To seek yield-accretive initiatives to strengthen and grow the REIT's portfolio and to satisfy our Unitholders by delivering attractive distribution per Unit ("**DPU**").



## Core Values

We are guided by our core values. They define our culture and shape our personality and decision-making process.

- **UNITHOLDERS' INTERESTS FIRST**  
We strive to build a portfolio of quality assets for our Unitholders.
- **FOCUS ON VALUE CREATION**  
We promise to create value for Unitholders by creating success factors and direction for the future.
- **INTEGRITY**  
We are committed to the values of responsibility, transparency and professionalism.
- **FAIRNESS AND EQUALITY**  
We ensure that our business activities are consistent with the principles of fairness, partnerships and equality.
- **PEOPLE**  
We recognise that our people are our greatest assets. By creating and maintaining a conducive working environment, our people will grow professionally and make a positive impact to both the organisation and society.

# LETTER TO UNITHOLDERS

## Dear Unitholders,

As we reflect on our Sabana Industrial REIT's ("REIT") journey, we take pride in the milestones achieved in 2024, even amidst the uncertainties faced during the REIT's internalisation process. The year 2024 marked the fourth successive year since 2021 that the REIT has achieved an outstanding record of driving positive rental reversions. This consistent performance has not only underpinned the improvement in portfolio valuation, but also contributed towards the increase in net property income ("NPI") and an increase in distribution per unit ("DPU") year-on-year ("y-o-y").

In 2024, concerns on growing geopolitical tensions continued to linger. This has prompted a cautious business climate compounded by uncertainties around interest rates. At the REIT level, we had also faced considerable uncertainties. In connection with the ongoing internalisation, Sabana Industrial REIT received multiple requisition notices to convene extraordinary general meetings ("EGMs"). Three EGMs were convened in March, August and October 2024 pursuant to these requisition notices where various resolutions (including resolutions proposed by the Trustee) to effect the internalisation were tabled for voting by Unitholders. The Trustee also regularly updated Unitholders on the progress of the internalisation. As at end-2024, the REIT continued to navigate the transition to an internalised management model.

Despite a grim macro-economic landscape and the challenges of the implementation of the internalisation, the Manager's efforts in strengthening the REIT's resilience have been borne out in the 2024 performance. The directors and the management team remain committed to continue to enhance the REIT's performance in 2025.

### DRIVING RESILIENCE & STABILITY

For the financial year ended 31 December 2024 ("FY 2024"), the REIT attained an all-time high gross revenue of \$113.3 million since its initial public offering on 26 November 2010, which was 1.3% higher y-o-y. Additionally, the REIT recorded



a new high in NPI of \$57.5 million since 2016 despite a smaller portfolio, comprising 18 properties, compared to 21 properties in 2016.

Total income available for distribution in FY 2024 was 5.5% higher y-o-y at \$35.6 million, while total income available for distribution per unit increased by 3.3% y-o-y to 3.15 cents in FY 2024. Total distribution amount declared in FY 2024 increased by 5.4% y-o-y to \$32.2 million, even after the retention of approximately 10% of distributable income for prudent capital management, to fund costs incurred and to be incurred in connection with the internalisation. Consequently, the REIT declared a DPU of 2.86 cents for FY 2024.

Overall portfolio occupancy in FY 2024 stood at 85.0%, following the repossession of two master properties at 33, 33A & 35 Penjuru Lane and 30 & 32 Tuas Avenue 8 in March and June 2024 respectively. Despite being hampered by the two repossessions in March and June 2024, we pressed on to market these properties which totalled 445,038 square feet ("sq ft") in gross floor area. To reduce concentration risks of potential non-performance of master tenants, we have evolved our leasing strategy from focusing on master tenancy to multi-anchor tenancies and have since filled approximately 74% of the net lettable area at 33, 33A & 35 Penjuru Lane with two anchor tenants as at 31 December 2024. As for 30 & 32 Tuas Avenue 8, reconfiguration initiatives are underway to allow for maximum leasing flexibility from the second half of 2025. Notably, the occupancy rate of 151 Lorong Chuan ("New Tech Park") was 82.3% as at 31 December 2024, above the average of 77.9% for Business Parks<sup>1</sup>.

<sup>1</sup> Quarterly Market Report for 4Q 2024, JTC, 23 January 2025

Notably, we attained four consecutive years of double-digit positive rental reversions for the REIT, on the back of the exemplary positive rental reversion of 20.6% attained in FY 2024. This is also the highest ever achieved over this four-year period. The top three major leases renewed during the year demonstrated exceptional positive rental reversions of between 18.9% and 88.6%. This achievement was made possible through the proactive leasing efforts of our leasing and asset management teams to which we extend our heartfelt gratitude.

Our hard work has also contributed to a 1.3% y-o-y increase in portfolio valuation to \$915.9 million. The REIT's strong positive rental reversion track record has also helped to stabilise our portfolio value, notwithstanding a drop in net asset value ("**NAV**") to 50 cents (from 52 cents at end-2023). The NAV decline was largely due to the average shorter remaining land tenure of the portfolio properties, the change in valuation firms at end-2024 and dilution impact from the new units issued pursuant to the application of the Distribution Reinvestment Plan to the distribution for the period from 1 July 2023 to 31 December 2023.

In particular, we will continue to capitalise on our competitive advantage, supported by our team's tenant engagement and retention efforts, which have been instrumental in the REIT's achievement of an outstanding 87.9% overall tenant retention rate in FY 2024. We will also continue to focus on sectors where we have deep expertise in, such as logistics and high-tech industrial sectors, which would enable us to compete more effectively in the market.

The resolution authorising the Manager to issue new units and to make or grant convertible instruments was not approved by Unitholders at the Annual General Meeting ("**AGM**") in April 2024. This decision limited potential avenues for fund raising should a liquidity need arise.

To maintain a prudent capital structure, the REIT completed the refinancing of expiring loans with a drawdown in May 2024 of the sustainability-linked term and revolving facilities (the "**Facility Agreement**") of up to \$100.0 million from United Overseas Bank Limited (the "**Lender**"). The REIT had entered into the Facility Agreement with the Lender in June 2023. Additionally, the REIT successfully issued \$100.0 million in aggregate principal amount of 5-year 4.15% senior unsecured Sustainability-Linked Guaranteed Bonds due 2029 (the "**Bonds**"). These Bonds, which were issued in June 2024, represented the first Singapore dollar-denominated Credit Guarantee and Investment Facility-guaranteed sustainability-linked bonds in Asia. The Bonds received a long-term issue rating of 'AA' from S&P Global Ratings.

As at 31 December 2024, aggregate leverage remained healthy at 37.4% with a weighted average debt maturity at 2.9 years. 73.7% of the REIT's total borrowings was hedged to fixed rates with an average term of 2.3 years. Interest coverage ratio as at 31 December 2024 was 3.0 times.

Looking back at 2024, our prudent capital management, coupled with our resilient financial and operational results, has been exceptional. For this, we extend our heartfelt gratitude to our business partners for their support and goodwill amidst the ongoing internalisation process. This underscores the strong relationships that the management team and board of directors have diligently cultivated over many years, and we deeply value these relationships.

### **ONGOING INTERNALISATION OF THE REIT MANAGEMENT FUNCTION**

In accordance with the resolutions passed at the EGM on 7 August 2023 for the internalisation of the REIT management function, the Trustee has been working closely with its appointed advisers to carry out the implementation of the resolutions in a compliant and prudent manner to protect the interests of all Unitholders. During the year, the Manager received multiple EGM requisition notices, underscoring the complexities involved in navigating this transition.

Following the conclusion of the EGM held in October 2024, certain director candidates were approved by Unitholders to be appointed as directors of the board of the internalised manager of Sabana Industrial REIT. Currently, the appointments of these director candidates together with the application for the capital markets services licence for the internalised manager are still subject to the approval of the Monetary Authority of Singapore.

Undeterred by these multiple workstreams, we pressed on in our efforts to stabilise the REIT's operations in our current capacity as the interim Manager. While challenges have risen in the past, and will continue to rise in the journey ahead, the Manager will always remain committed to acting in the best long-term interests of Unitholders.

### **FUTURE-PROOFING WITH SUSTAINABLE IMPACT**

Poised to become one of Singapore's first carbon neutral industrial REITs by 2040, we are relentlessly future-proofing our property portfolio through impactful Asset Enhancement Initiatives ("**AEI**"). Our partnership with Keppel's Energy-as-a-Service arm, Keppel EaaS ("**Keppel EaaS**") has advanced with the completion of the installation of rooftop solar panels at nine of our properties. As at 31 December 2024, all solar panels have been fully activated, enabling the properties to collectively produce a capacity of 7.6 Megawatt peak that is above the original target of 7.1 Megawatt peak, potentially generating more than 9,000 Megawatt hours per year. Equally notable is the REIT's solar power generation to gross floor area ratio, which ranks among the highest within the Singapore industrial REIT sector. Despite our relatively small size, our contribution to renewable energy generation is significant. Furthermore, in aligning these sustainability efforts with our capital management, the majority of the



# LETTER TO UNITHOLDERS

REIT's financing facilities, including the Bonds, were sustainability-linked as at 31 December 2024.

Our second major AEI at 1 Tuas Avenue 4 (subsequently renamed Sabana@1TA4) received its Temporary Occupation Permit ("**TOP**") on 9 July 2024 and achieved the Building and Construction Authority Green Mark Super Low Energy certification, positioning it to be a net positive energy building based on current specifications. Shortly after, a new tenant was onboarded, occupying approximately 64% of the total lettable area.

In addition to our achievements for Sabana@1TA4, we made progress on the environmental front by achieving of Water Efficient Building certifications from the Public Utilities Board ("**PUB**") for 12 of our multi-tenanted properties.

We continue to enhance properties in the REIT's portfolio. At New Tech Park, these enhancements include the upgrading of existing amenities and mechanical and electrical ("**M&E**") equipment. We are also exploring further enhancements to better support our expansionary tenants. At NTP+, our retail mall at New Tech Park, we refreshed its tenant mix in 2024 to deepen our niche as a destination mall, serving a captive market comprising offices, schools and nearby residential enclaves. In revitalising the tenant mix after three successful years of operation of the retail mall, we welcomed new tenants, including Kopi & Tarts, Sando and BURGER KING®, among others, bringing a distinctive and new niche of consumers to the mall. These additions, along with new tenant promotions and diverse offerings, enhance footfall and provide complementary F&B options with a variety of cuisines.

On the community outreach front, we continued our partnership with Children's Wishing Well, a charity organisation focused on the holistic education of children and youth from disadvantaged backgrounds. Through this partnership, we engaged with tenants and visitors of New Tech Park to support the charity's beneficiaries during the 2024 year-end holiday season.

## GOOD CORPORATE GOVERNANCE

Another cornerstone of our commitment is good governance and transparency. Since 2018, the Manager has demonstrated a firm commitment to effective stewardship and corporate governance. This commitment serves as the bedrock of our stakeholders' trust in us, and we continue to be recognised for our high standards of governance and responsible business practices.

In 2024, we made further good progress in our environmental, social, and governance ("**ESG**") commitments. The REIT sustainability efforts have been recognised with accolades

and rankings on global indices and benchmarks, including the 2024 Global Real Estate Sustainability Benchmark ("**GRESB**") Assessment, as well as the Singapore Governance & Transparency Index ("**SGTI**") (REITs & Business Trusts Category). The REIT was awarded an "A" by GRESB Public Disclosure for the 2024 assessment year, achieving a higher overall score and an improved ranking among industry peers. The REIT also improved its SGTI ranking in 2024, advancing six positions to the 24th place with an overall score of 85.8, up from 84.2 in 2023.

Our GRESB and SGTI performances in 2024 are further milestones in our continual improvements in corporate governance since 2018, building on the improvement reported in the latest Governance Index for Trusts ("**GIFT**") study where our overall GIFT score improved to 71.5 points in 2022 from 54 points in 2021. Our 17.5-point improvement was the largest among all the REITs and business trusts covered in the study. Our ranking improved from 38th to 14th position, which was an improvement of 24 positions in a single leap. The GIFT report noted that the REIT was the most improved REIT amongst all trusts included in the study.

These credentials were built on past successes, including the achievement of consecutive "Highest Returns to Shareholders Over Three Years" award in the REITS sector with market capitalisation of under \$1 billion<sup>2</sup> in 2022 and 2023.

We are proud of the resilience of our portfolio properties, which has enabled us to effectively navigate uncertainties in recent years. This resilience, combined with our commitment to prudent capital management, continues to propel us as we work towards creating lasting value for our Unitholders.

## OUR APPRECIATION

Rising up to counter the uncertainties is never easy, especially given the current operating environment, but we are deeply grateful for the unwavering commitment of our board of directors and management team, who continue to push on for the REIT. We would also like to express our gratitude to our business partners for their invaluable support throughout this journey.

To our Unitholders, thank you for your unwavering faith and support. We will continue to do our best for you.

### Mr Tan Cheong Hin

Chairman of the Board of Directors

### Mr Han Yong Lee (Donald)

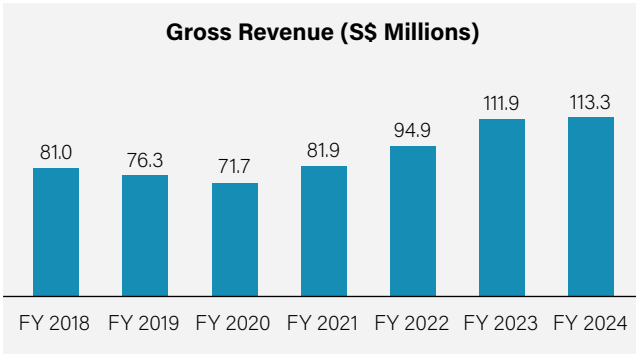
Chief Executive Officer

<sup>2</sup> Data according to The Edge Singapore, 14 November 2022 and 13 November 2023, over the periods of 31 March 2019 to 31 March 2022 and 31 March 2020 to 31 March 2023 respectively, audited by Ernst and Young LLP

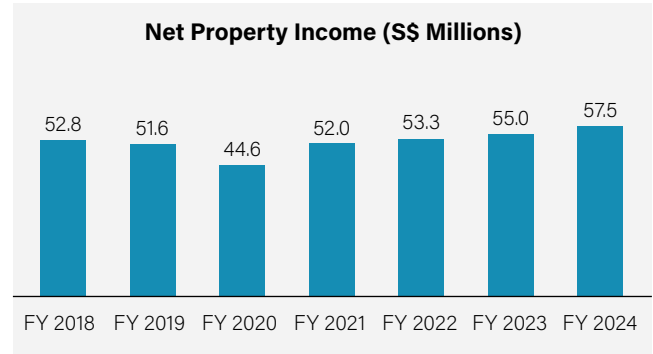


## Recap of the REIT's Strong Operational and Governance Track Record

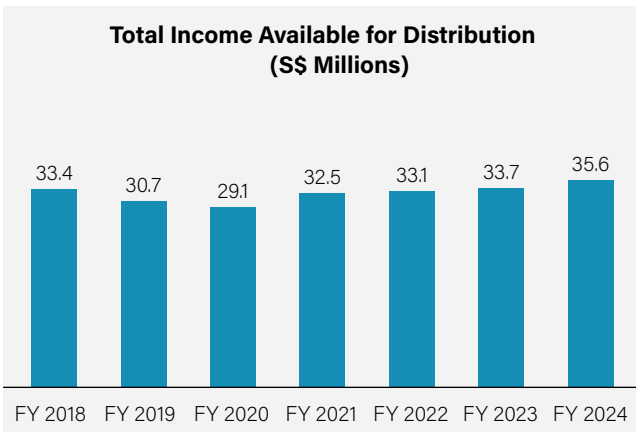
1. Gross Revenue was at an all-time high in FY 2024



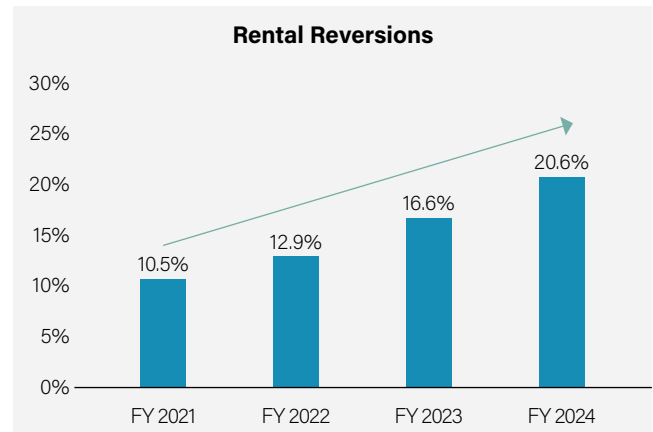
2. Net Property Income increased steadily over the past five years, reaching \$575 million in FY 2024, the highest since 2016



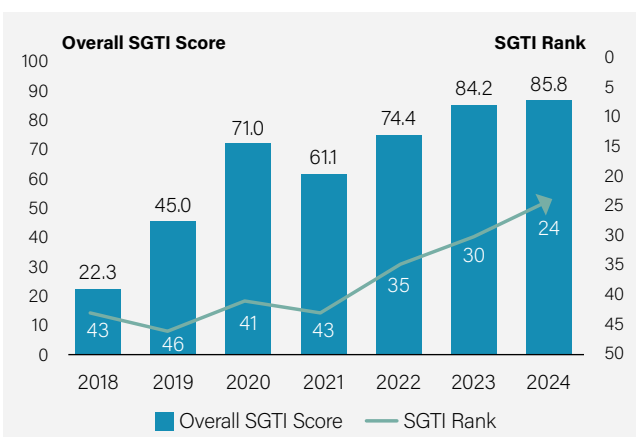
3. Delivered resilient Total Income Available for Distribution after the year 2020 pandemic



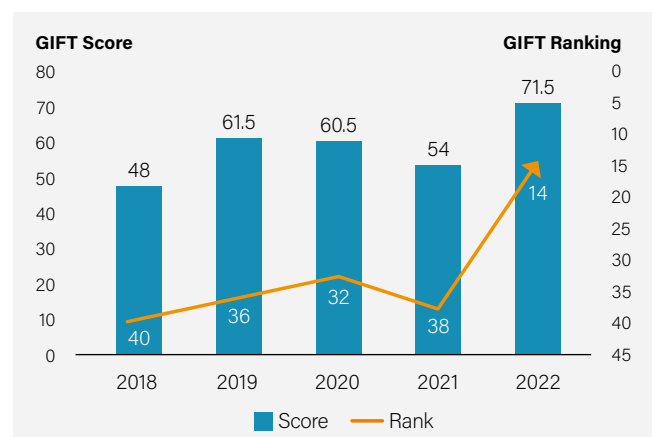
4. The REIT achieved strong positive rental reversions for four consecutive years



5. The SGTI ranking of Sabana Industrial REIT steadily improved from 43rd place in 2018<sup>3</sup> to 24<sup>th</sup> place in 2024<sup>4</sup>



6. The REIT's GIFT<sup>5</sup> ranking jumped to 14<sup>th</sup> place in 2022 from 38<sup>th</sup> position in 2021



<sup>3</sup> Singapore Governance and Transparency Index 2018 - REIT and Business Trust Category <http://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/7/2018/10/CGIO-SGTI-REITs-and-BTs-Ranking-Results-by-Scores-2018.pdf>

<sup>4</sup> Singapore Governance and Transparency Index 2024- REIT and Business Trust Category <https://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/7/2024/08/CGS-SGTI-2024-REIT-and-Business-Trust-Category-Ranking-Results-by-Scores.pdf>

<sup>5</sup> The Governance Index for Trusts ("GIFT"), which first launched in 2017 and is supported by the Singapore Exchange (SGX), has been on pause for the past two years in 2023 and 2024.

# BOARD OF DIRECTORS

## MR TAN CHEONG HIN

*Chairman and Independent Non-Executive Director*

Mr Tan Cheong Hin was appointed as an Independent Non-Executive Director on 25 January 2018, and as the Chairman of the Board of Directors on 1 November 2019.

He is also a member of the Audit and Risk Committee and the Chairman of the Nominating and Remuneration Committee. Mr Tan has more than 30 years of experience in various roles across finance, asset management and property sectors. His past positions include Director (Europe) of Mapletree Investments, where he set up and headed its London office, and Chief Investment Officer of Cityspring Infrastructure Trust.

He has also held various senior investment and business development roles across different industries, including at Temasek Holdings, The Islamic Bank of Asia and Raffles Medical Group.

Mr Tan holds a Bachelor in Business Administration (First Class Honours) and a Master of Science (Management) from the National University of Singapore. He was a CFA charterholder and has also attended INSEAD's Advanced Management Programme.

### Board committees served on:

- Chairman of the Nominating and Remuneration Committee
- Member of the Audit and Risk Committee

### Present principal commitments:

- Nil

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## MR WONG HENG TEW

*Independent Non-Executive Director*

Mr Wong Heng Tew was appointed as an Independent Non-Executive Director of the Manager on 27 August 2019.

He is also the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee.

He is currently an Advisory Director with Temasek International Advisors.

Mr Wong joined Temasek Holdings in 1980 and over the next 28 years of his career, his responsibilities included investments (direct, funds, listed and private equity), divestments, mergers and acquisitions, restructuring of companies, and corporate governance. He retired from Temasek in 2008 as Managing Director (Investments) and Temasek's Chief Representative in Vietnam.

He holds directorships in local and overseas companies such as Astrea V and ASEAN Bintulu Fertilizer. Mr Wong graduated with a Bachelor of Engineering degree from the University of Singapore and has completed the Programme for Management Development at Harvard Business School.

### Board committees served on:

- Chairman of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

### Present principal commitments:

- Advisory Director, Temasek International Advisors
- Astrea V Pte. Ltd.

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## MS LEE KIA JONG ELAINE (MRS ELAINE LIM)

*Non-Independent Non-Executive Director*

Mrs Elaine Lim was appointed as an Independent Non-Executive Director on 6 July 2022 and redesignated<sup>1</sup> Non-Independent Non-Executive Director on 25 April 2023. She is also a member of the Audit and Risk Committee and the Nominating and Remuneration Committee.

An advocate for corporate governance, Mrs Lim had provided thought-leadership and training to advance good corporate governance practices. She served as a member of the review panels for the corporate governance e-guide first produced by the Singapore Institute of Directors and a board appointment guide for charities published by the Council for Board Diversity. She was an adjunct lecturer for the Singapore Institute of Directors' Listed Entity Director programme and the Singapore Management University.

She continues to be active on the corporate governance front, serving as Honorary Advisor to the Securities Investors Association Singapore (SIAS) and co-chairing/serving on judging panels for two of its Investors' Choice Awards.

With a strong track record in capital market transactions, stakeholder relations, crisis management and financial restructuring, she had served on diverse boards across the public sector, non-profit organisations and SGX-listed companies, including Singapore Land Authority, Singapore Institute of Directors, the Diversity Action Committee, National Youth Council, National Council of Social Service, Community Chest of Singapore, Singapore Dance Theatre, SATA, M1 Limited, Chemical Industries (FE) Limited and HSR Global Limited. She is currently also an independent non-executive director of SGX-listed Combine Will International Holdings Limited and Del Monte Pacific Limited.

Mrs Lim is a graduate of the University of Chicago Booth Graduate School of Business and Fellow of the Singapore Institute of Directors.

### Board committees served on:

- Member of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

### Present directorships in other listed companies:

- Combine Will International Holdings Limited
- Del Monte Pacific Limited

### Present principal commitments:

- Nil

<sup>1</sup> Please refer to footnote 1 of the "Corporate Governance Report" of this Annual Report.

# MANAGEMENT TEAM

## **MR DONALD HAN**

*Chief Executive Officer*

Mr Donald Han was appointed as Chief Executive Officer on 25 January 2018. A real estate veteran, Donald is an accomplished and respected consultant across most sectors of the property market, including industrial, having spent more than 30 years in various senior management and advisory positions. His experience ranges from residential agency to collective en bloc, office investment sales to retail leasing, regional hospitality and hotel disposition to international project marketing.

Donald started his career at Richard Ellis Pte. Ltd., where he built experience in industrial property and investment sales. He set up Cushman & Wakefield Singapore Pte Ltd ("**C&W**") and was appointed Managing Director of the Singapore office in 1997. He was subsequently promoted to C&W's Asia Pacific Capital Markets Managing Director in 2008.

Donald left C&W whilst at the helm as Vice Chairman of C&W Singapore and an advisory Asia Pacific Board member with a team of over 100 personnel under him. He eventually acquired a stake in U.K.-owned Chestertons Singapore's operations in 2013, leading a team of over 100 personnel.

Donald holds a Bachelor of Science in Estate Management from the National University of Singapore and is a member of the Singapore Institute of Surveyors and Valuers.

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## **MR LIM WEI HUANG**

*Chief Financial Officer*

Mr Lim Wei Huang was appointed Chief Financial Officer on 1 November 2021. He oversees all finance functions including accounting, taxation, treasury, capital management and financial reporting of the REIT and its subsidiaries and the Manager. Working closely with the Chief Executive Officer and Board, Wei Huang plays a critical role in delivering on the REIT's strategic plans and strengthening the REIT's balance sheet.

Wei Huang has more than a decade's experience across finance, audit, accounting, corporate finance and treasury functions. Prior to joining the Manager, Wei Huang was with ESR Singapore as Regional Controller, overseeing the real estate fund manager and asset manager financials across offices in Singapore, Japan, India and Australia. He was also actively involved in merger and acquisition activities and new markets.

Prior to that, Wei Huang was an Audit Assistant Manager with PwC Singapore primarily responsible for auditing Singapore and MNC companies across various industries.

Wei Huang holds a Bachelor in Accountancy from University of Malaya and is a Fellow member of the Association of Chartered Certified Accountants and Chartered Accountant with the Institute of Singapore Chartered Accountants.

## **MS JESSICA YAP**

*Head of Real Estate*

Ms Jessica Yap was appointed Head of Real Estate on 1 November 2021. She oversees asset management, leasing and property management of the entire portfolio of assets of the REIT. In assisting the CEO to deliver on the REIT's strategic plans, Jessica manages the operational and asset performance of the REIT including rejuvenation projects and AEs. Prior to her current appointment, Jessica served at the Manager as Vice President, Asset Management, for over three years. During that period, she led the leasing team and oversaw the AEI of New Tech Park at 151 Lorong Chuan and spearheaded the leasing efforts of the retail mall, NTP+. Jessica also co-led the project management team for the AEI of 1 Tuas Avenue 4, which was successfully completed in July 2024.

Jessica is an established real estate professional with over 20 years of experience in industrial and commercial real estate leasing and investment sales, both for Singapore and international properties. Prior to joining the Manager, Jessica held several senior management positions including Director of Business Development and Investment at Soilbuild Group, where she led the Group's overseas development initiative. She also served in various property consultancy firms and was Director of Investment Sales and Leasing at U.K.-based Chestertons and Director of Leasing and Capital Markets at U.S.-based Cushman and Wakefield.

Jessica holds a Bachelor of Science in Estate Management (Honours) from the National University of Singapore. She started her real estate career with Edmund Tie and Company in 1995, with a focus on commercial leasing and project marketing.

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## **MS LOW HOOI HOON**

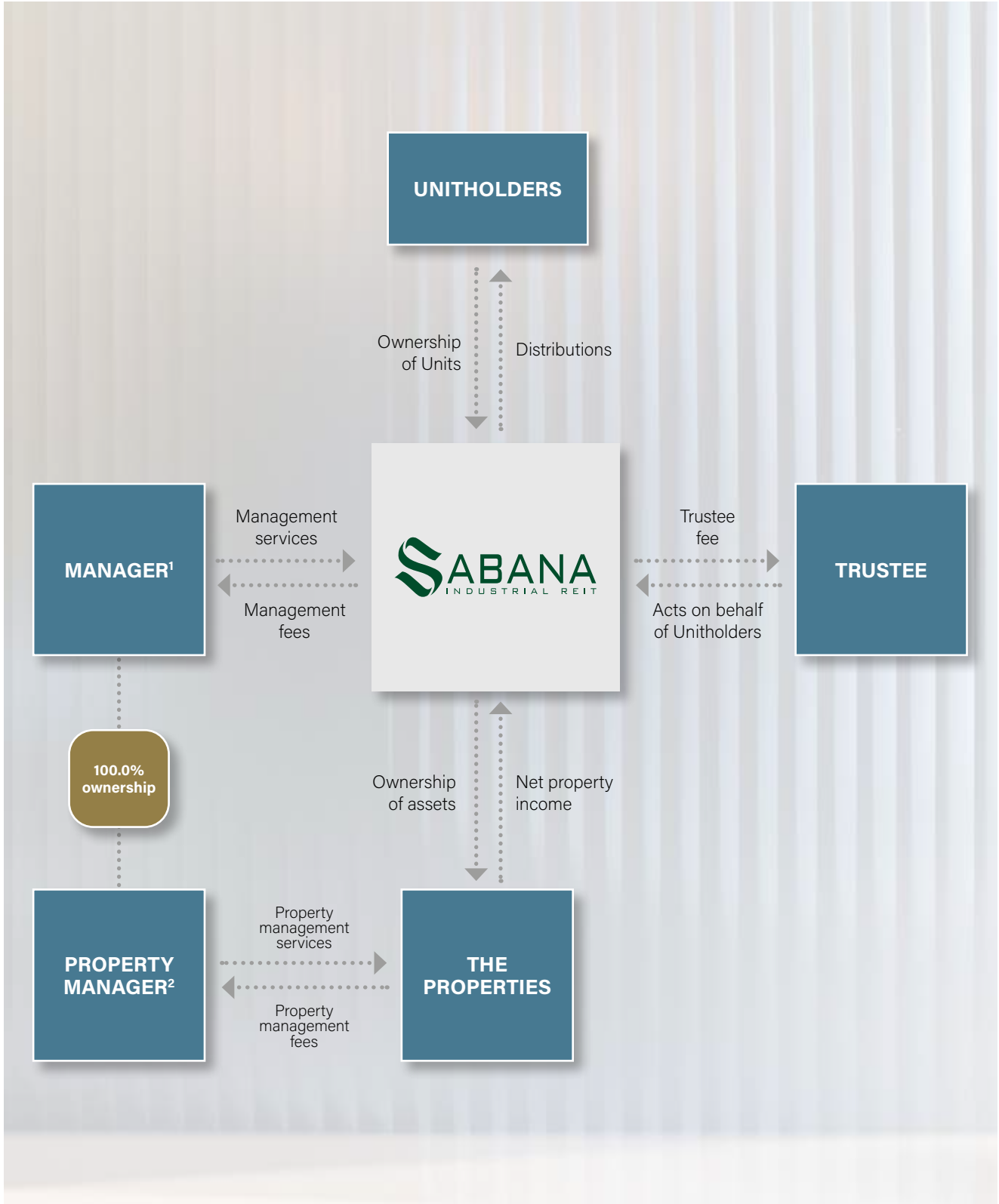
*Investor Relations and Corporate Communications Manager*

Ms Low Hooi Hoon joined the Manager in April 2021 where she facilitates and supports communications with investors, analysts, unitholders and tenants. She has more than 20 years of experience in investor relations, corporate communications, financial writing, media and equity research.

Prior to her current appointment, Hooi Hoon served at or worked with public relations and investor relations agencies, private enterprises and government-linked firms across a broad spectrum of sectors. She specialises in corporate and financial practice, handling a variety of responsibilities including developing and implementing communications plans and building sustained engagement with stakeholders.

She graduated from the National University of Singapore with a Bachelor of Business Administration (Honours).

# OUR TRUST STRUCTURE



<sup>1</sup> The Manager is wholly-owned by Sabana Investment Partners Pte. Ltd. ("SIP"). SIP is effectively wholly-owned by Perpetual Asia (Limited), acting in its capacity as trustee of Blackwood Trust.

<sup>2</sup> The Property Manager, Sabana Property Management Pte. Ltd. is 100.0% owned by SIP, indirectly through the Manager.



# CORPORATE INFORMATION

## SABANA INDUSTRIAL REIT

### THE TRUSTEE

#### REGISTERED ADDRESS

**HSBC Institutional Trust Services (Singapore) Limited**

10 Marina Boulevard  
#48-01 Marina Bay Financial Centre Tower 2  
Singapore 018983

### EXTERNAL AUDITORS

#### Ernst & Young LLP

One Raffles Quay  
North Tower Level 18  
Singapore 048583  
Phone: (65) 6535 7777  
Fax: (65) 6532 7662  
www.ey.com/en\_sg

Partner-in-charge: Nelson Chen  
(Appointed since financial year ended 31 December 2023)

### INTERNAL AUDITORS

#### BDO Advisory Pte. Ltd.

600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778  
Phone: (65) 6828 9118  
Fax: (65) 6828 9111  
www.bdo.com.sg

### UNIT REGISTRAR

#### Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
Phone: (65) 6536 5355  
Fax: (65) 6536 1360  
www.boardroomlimited.com

### BANKERS

Bank of Communications Co., Ltd (Singapore Branch)  
Chang Hwa Commercial Bank Ltd (Singapore Branch)  
CIMB Bank Berhad (Singapore Branch)  
First Commercial Bank Ltd (Singapore Branch)  
Hua Nan Commercial Bank Ltd (Singapore Branch)  
Malayan Banking Berhad (Singapore Branch)  
Taishin International Bank Co., Ltd (Singapore Branch)  
The Hongkong and Shanghai Banking Corporation Limited  
United Overseas Bank Limited

### STOCK QUOTES

STI – M1GU

### WEBSITE

www.sabana-reit.com.sg

## THE MANAGER

### REGISTERED ADDRESS

**Sabana Real Estate Investment Management Pte. Ltd.**

#### Company registration number:

201005493K

#### Capital markets services licence number:

CMS100169

151 Lorong Chuan  
#02-03 New Tech Park  
Singapore 556741  
Phone: (65) 6580 7750  
Fax: (65) 6280 4700  
www.sabana-reit.com.sg

### THE PROPERTY MANAGER

#### REGISTERED ADDRESS

**Sabana Property Management Pte. Ltd.**

#### Company registration number:

201016988Z

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#02-03 New Tech Park  
Singapore 556741  
Phone: (65) 6580 7750  
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www.sabana-reit.com.sg

### BOARD OF DIRECTORS

#### Mr Tan Cheong Hin

Chairman and Independent Non-Executive Director

#### Mr Wong Heng Tew

Independent Non-Executive Director

#### Mrs Elaine Lim

Non-Independent Non-Executive Director

### AUDIT AND RISK COMMITTEE ("ARC")

**Mr Wong Heng Tew** (Chairman)

**Mr Tan Cheong Hin** (Member)

**Mrs Elaine Lim** (Member)

### NOMINATING AND REMUNERATION COMMITTEE ("NRC")

**Mr Tan Cheong Hin** (Chairman)

**Mr Wong Heng Tew** (Member)

**Mrs Elaine Lim** (Member)

### COMPANY SECRETARY OF THE MANAGER

#### Mr Cho Form Po

#### Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
Phone: (65) 6536 5355  
Fax: (65) 6536 1360  
www.boardroomlimited.com

### UNITHOLDERS' ENQUIRIES

Investor Relations

Phone: (65) 6580 7857

Email: dl\_ir@sabana.com.sg

### UNITHOLDER DEPOSITORY

#### The Central Depository (Pte) Limited.

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#01-19/20 The Metropolis  
Singapore 138588  
Phone: (65) 6535 7511  
Email: asksgx@sgx.com

# SIGNIFICANT EVENTS 2024

## JANUARY

- Announced the receipt of a letter from several unitholders of Sabana Industrial REIT (having an aggregate unitholding in Sabana Industrial REIT of more than 10%) (the "**Requisitionists**") and deposited at the registered office of the Manager on 11 January 2024 (the "**Jan Requisition Letter**"), requesting the Manager to convene an extraordinary general meeting ("**EGM**") of Sabana Industrial REIT in relation to the Internalisation.
- Released financial results for 2H 2023 and FY 2023, reporting a 2H 2023 DPU of 1.15 cents. The full year DPU for FY 2023 was 2.76 cents. Announced the application of the REIT's Distribution Reinvestment Plan ("**DRP**") to the 2H 2023 Distribution. Announced that 10% of distributable income for FY 2023 was retained for prudent capital management in view of additional costs incurred and to be incurred in connection with the Internalisation, and that further retention of distributable income may be required for FY 2024 and FY 2025.
- Announced the filing of an originating application by the Trustee, by way of HC/OA 19/2024, with the High Court under Order 32 of the Rules of Court 2021 of Singapore to seek, among others, certain declarations concerning the process of the Internalisation.

## FEBRUARY

- Announced that the High Court had, on 28 February 2024, granted an order that Kleio One-Solution Pte. Ltd. ("**Kleio**"), being the master lessee for the premises located at 33 & 35 Penjuru Lane Singapore 609200/609202 (since renamed as 33, 33A & 35 Penjuru Lane Singapore 609200/609758/609202) (the "**Penjuru Lane Premises**"), delivers possession of the Penjuru Lane Premises to the Trustee on 8 March 2024. The order was granted pursuant to the originating claim filed by the Trustee against Kleio in HC/OC 788/2023 ("**OC 788**"), seeking, among others, a court order for possession of the Penjuru Lane Premises and payment of the arrears in rent and other payments owed to the REIT.

## MARCH

- Conducted the 8 March 2024 EGM pursuant to the Jan Requisition Letter, during which all resolutions except for resolutions 2 and 9, were duly passed at the EGM as more than 50% of votes were cast in favour of these resolutions (being ordinary resolutions).
- Announced the receipt of a letter from the Requisitionists deposited at the registered office of the Manager on 25 March 2024 (the "**Mar Requisition Letter**") requesting the Manager to convene another EGM of Sabana Industrial REIT relating to the Internalisation.

## APRIL

- Released 1Q 2024 Interim Business Update, announcing a positive 23.7% rental reversion, sustaining the positive quarterly rental reversion track record since 1Q 2021.
- Announced that the REIT successfully obtained summary judgment on 5 April 2024 against Kleio on the REIT's claim for outstanding rent and other payments due under the lease for the Penjuru Lane Premises and an order for Kleio's counterclaim in OC 788 to be dismissed in its entirety. The High Court also ordered Kleio to pay the REIT its legal costs arising out of the applications.

## MAY

- Announced the application filed by ESR Group Limited, e-Shang Jupiter Cayman Limited and e-Shang Infinity Cayman Limited in the High Court, seeking, among other things, an order that the EGM scheduled to be held on 24 May 2024 pursuant to the Mar Requisition Letter is to be held in abeyance until the final disposal of HC/OA 19/2024 and any appeals arising therefrom (the "**EGM Abeyance Application**").
- At the hearing of the EGM Abeyance Application on 23 May 2024, the High Court ordered that subject to any order made by the Court, the EGM scheduled for 24 May 2024 shall not proceed, and that the Manager shall issue a notice for the postponed EGM by 6 June 2024, unless the Requisitionists withdrew their notice calling for the EGM. The EGM scheduled for 24 May 2024 was postponed accordingly.
- Announced the receipt of a letter from the Requisitionists (the "**May Requisition Letter**") requesting to modify the resolutions proposed in the Mar Requisition Letter.

## JUNE

- Announced the receipt of a notice that the tenant of 30 & 32 Tuas Avenue 8, Singapore 639246 and 639247 (the "**Tuas Avenue Premises**"), GDMC Pte. Ltd., had been placed in provisional liquidation. Subsequently announced that the Manager had, on 14 June 2024, exercised its right of re-entry under the lease agreement in respect of the Tuas Avenue Premises, and has taken possession of the Tuas Avenue Premises.
- Announced that the May Requisition Letter amounted to a withdrawal of the Mar Requisition Letter, and that the Manager would not be issuing a notice of postponed meeting further to the Mar Requisition Letter.
- Announced the receipt of a letter from the Requisitionists and deposited at the registered office of the Manager on 6 June 2024 (the "**Jun Requisition Letter**"), requesting the Manager to convene another EGM of Sabana Industrial REIT relating to the Internalisation.
- Announced the issue of S\$100.0 million in aggregate principal amount of 5-year 4.15 per. cent Sustainability-Linked Guaranteed Bonds due 2029, unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank.

## JULY

- Released financial results for 1H 2024, highlighting consistent achievement of positive rental reversions for 14 consecutive quarters. Declared DPU of 1.34 cents.
- Announced that the REIT had obtained Temporary Occupation Permit for its asset enhancement initiative works at 1 Tuas Avenue 4, officially named Sabana@1TA4.

## AUGUST

- Conducted the 6 August 2024 EGM pursuant to the Jun Requisition Letter. As more than 75% of votes were cast in favour of Resolution 1 (being an extraordinary resolution) and more than 50% of votes were cast in favour of Resolutions 2, 3 and 4 (being ordinary resolutions), these resolutions were duly passed at the EGM. As less than 75% of votes were cast in favour of Resolutions 5(A) to 5(E) (being extraordinary resolutions), these resolutions were not passed.
- Announced the receipt of a letter from the Requisitionists deposited at the registered office of the Manager on 12 August 2024 (the "**Aug Requisition Letter**"), requesting the Manager to convene another EGM of Sabana Industrial REIT relating to the Internalisation.
- Announced that the Appellate Division of the High Court of Singapore ("**Appellate Division**") had dismissed Kleio's appeal and upheld the orders made by the High Court on 21 May 2024, that summary judgment be granted against Kleio on the REIT's claims for outstanding rent and other payments due under the lease for the Penjuru Lane Premises and the amendments proposed by Kleio to its defence and counterclaim be disallowed. There were no further avenues for Kleio to appeal the Appellate Division's decision.

## SEPTEMBER

- Announced that the Manager received a notice that Kleio had commenced the processes necessary to enter into creditors' voluntary liquidation.
- Announced the signing up of the first tenant at Sabana@1TA4.
- Announced the receipt of a letter from the Requisitionists on 2 September 2024 (the "**Sep Requisition Letter**") purporting to amend the resolutions proposed in the Aug Requisition Letter.

## OCTOBER

- Released 3Q 2024 Interim Business Update, reporting improved portfolio occupancy from 1H 2024 and positive rental reversion for 3Q 2024.
- Conducted the 18 October 2024 EGM pursuant to the Sep Requisition Letter, during which resolutions 1, 2, 3, 4, 5 and 6 (being ordinary resolutions) were duly passed at the EGM as more than 50% of votes were cast in favour of these resolutions. As less than 50% of votes were cast in favour of resolutions 7(A), 7(B) and 7(C) (being ordinary resolutions), these resolutions were not carried at the EGM.

## IMPROVEMENT IN CORPORATE GOVERNANCE RANKING

### Singapore Governance and Transparency Index ("SGTI")

Ranked 24<sup>th</sup> of 43 Singapore-listed REITs and Business Trusts in the SGTI in 2024, with an overall achievement score of 85.8. The 2024 ranking reflects an improvement of six positions and 1.6 points compared to Sabana Industrial REIT's performance in 2023.

# MANAGER'S REVIEW FOR FY 2024

## FINANCIAL PERFORMANCE

\$ '000	FY 2024	FY 2023	Variance %
Gross Revenue	113,308	111,875	1.3
Net Property Income ("NPI")	57,452	54,974	4.5
Total income available for distribution to Unitholders before retention	35,584	33,714	5.5
Income available for distribution per unit (cents)	3.15	3.05	3.3
Total distribution amount declared to Unitholders	32,177	30,530	5.4
Distribution amount declared per unit ("DPU") (cents)	2.86	2.76	3.6

### GROSS REVENUE

Gross revenue rose by 1.3% year-on-year ("y-o-y") to a total of \$113.3 million as compared to FY 2023, on the back of strong positive rental reversions.

NPI increased by 4.5% y-o-y to \$57.5 million mainly due to higher gross revenue and lower overall property expenses.

### TOTAL INCOME AVAILABLE FOR DISTRIBUTION TO UNITHOLDERS

Total income available for distribution to Unitholders increased by 5.5% y-o-y to \$35.6 million, mainly due to higher NPI recorded and partially offset by increased finance costs.

Accordingly, income available for distribution per unit rose 3.3% y-o-y to 3.15 cents.

Breakdown of income available for distribution per unit for FY 2024 and FY 2023 are as follows:

	1H (cents)	2H (cents)	Total (cents)
2024	1.47	1.68	3.15
2023	1.61	1.44	3.05

### TOTAL DISTRIBUTION AMOUNT DECLARED TO UNITHOLDERS

Total distribution amount declared to Unitholders increased by 5.4% y-o-y to \$32.2 million, after approximately 10% of the total income available for distribution was retained for prudent capital management in view of additional costs incurred and to be incurred in connection with the internalisation.

Accordingly, the declared DPU was 2.86 cents in FY 2024, an increase of 3.6% y-o-y from 2.76 cents. This comprised the payout of 1H 2024 DPU of 1.34 cents and 2H 2024 DPU of 1.52 cents.

	As at 31 December 2024 (\$ '000)	As at 31 December 2023 (\$ '000)	Variance (%)
Total assets	1,024,577	1,006,091	1.8
Total liabilities	459,677	429,553	7.0
Total borrowings	348,994	315,370	10.7
Net assets attributable to Unitholders	564,900	576,538	(2.0)
Net Asset Value ("NAV") per Unit (\$)	0.50	0.52	(3.8)

As at 31 December 2024, Sabana Industrial REIT's total assets amounted to \$1.02 billion, reflecting a 1.8% y-o-y increase from \$1.01 billion as at 31 December 2023. This growth was primarily due to the increase in portfolio value, of which its increase was mainly due to capital expenditure on the properties incurred during the year and the payment of upfront land premium for 10 Changi South Street 2.

Total liabilities increased by \$30.1 million, or 7.0%, from \$429.6 million as at 31 December 2023. This increase was primarily

due to higher borrowings, which were largely driven by capital expenditure incurred for AELs carried out at 1 Tuas Avenue 4, rejuvenation works at various properties, and the payment of an upfront land premium of \$7.98 million for the extension of 27 years land tenure for 10 Changi South Street 2 during the year.

NAV per unit declined to \$0.50 as at 31 December 2024 primarily due to fair valuation loss on investment properties and dilution impact from the new units issued pursuant to the DRP.



## PRUDENT CAPITAL AND RISK MANAGEMENT

The REIT has an interest coverage ratio of 3.0 times and an aggregate leverage of 37.4% as at 31 December 2024. Average all-in financing cost was 4.42%. The leverage ratio of 37.4% as at 31 December 2024 is below the aggregate leverage limit of 50% as defined in Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**"). The interest coverage ratio of 3.0 times is above the minimum interest coverage ratio of 1.5 times as defined in the Property Funds Appendix.

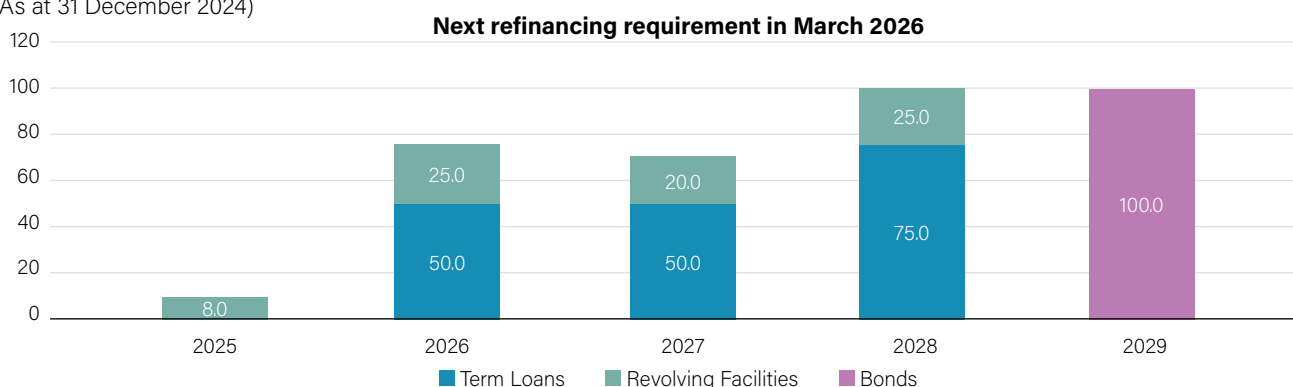
As at 31 December 2024, the weighted average tenor of borrowings amounting to \$353.0 million was approximately 2.9 years. Approximately 73.7% of all outstanding borrowings were on fixed borrowing rates and 100% of Sabana Industrial REIT's investment properties remained unencumbered. The total undrawn facilities stood at approximately \$22.0 million with a total cash and cash equivalent balance of \$18.5 million as at 31 December 2024. The Manager is of the view that the higher aggregate leverage will not have a material impact on the risk profile of Sabana Industrial REIT as the aggregate leverage of 37.4% is still within a manageable range in the short-term and the Manager will remain prudent and disciplined in managing the overall leverage profile of Sabana Industrial REIT.

## KEY DEBT FUNDING INDICATORS

	As at 31 December 2024 (\$ '000)	As at 31 December 2023 (\$ '000)
Aggregate leverage <sup>1</sup> (%)	37.4	34.3
Total borrowings	353,000	318,000
Proportion of total borrowings on fixed rates (%)	73.7	76.3
Average all-in financing cost (%)	4.42	3.89
Weighted average tenor of borrowings (years)	2.9	2.9
Interest coverage ratio <sup>2</sup> (" <b>ICR</b> ") (times)	3.0	3.5
Unencumbered assets <sup>3</sup>	915,900	903,900
Undrawn committed facilities available	22,000	95,000

## DEBT MATURITY PROFILE (\$ MILLIONS)

(As at 31 December 2024)



## KEY CAPITAL MANAGEMENT ACTIVITIES

In May 2024, the REIT completed the refinancing of its loans that were due to expire in 2024 with a drawdown of the sustainability-linked term and revolving facilities (the "**Facility Agreement**") of up to \$100.0 million from United Overseas Bank Limited (the "**lender**"). The REIT had entered into this Facility Agreement with the lender in June 2023.

In June 2024, Sabana Industrial REIT successfully launched \$100.0 million in aggregate principal amount of five-year 4.15% senior unsecured Sustainability-Linked Guaranteed Bonds due 2029, representing the first Singapore dollar-denominated Credit Guarantee and Investment Facility ("**CGIF**") guaranteed

sustainability-linked bonds in Asia, the first listed CGIF-guaranteed bonds aligned to the ASEAN Capital Market Forum's Sustainability-Linked Bond Standards and the first CGIF-guaranteed bonds issued by an industrial REIT in Asia. The existing revolving credit facilities amounting to \$8.0 million expiring in October 2025 are expected to be repaid when due. Consequently, the REIT has no refinancing requirements until March 2026.

As at 31 December 2024, the debt maturity profile remained well-spread out at weighted average tenor of borrowings of 2.9 years.

<sup>1</sup> Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix

<sup>2</sup> Based on the interest coverage ratio definition in Property Funds Appendix. A 10% decrease in EBITDA would result in an ICR of 2.7 times, while a 100-basis point increase in interest rates would lead to an ICR of 2.8 times

<sup>3</sup> Based on valuations by independent valuers

# MANAGER'S REVIEW FOR FY 2024

## OPERATIONS REVIEW

### KEY PORTFOLIO STATISTICS

As at 31 December 2024



Number of Properties

**18**



Portfolio Valuation (\$ million)

**915.9**



Portfolio Occupancy (%)<sup>4</sup>

**85.0**



Total Number of Tenants

**183**



Gross Floor Area ("GFA") (sq ft in million)

**4.2**



Net Lettable Area ("NLA") (sq ft in million)

**3.5**



New and Renewed Leases (sq ft in million)

**0.91**



Rental Reversion (%)

**20.6**



Retention Rate (%)

**87.9**

	As at 31 December 2024	As at 31 December 2023	Variance (%)/percentage point
Number of Properties	18	18	-
Portfolio Valuation (\$ million)	915.9	903.9	1.3
Portfolio Occupancy (%)	85.0 <sup>4</sup>	91.2 <sup>5</sup>	(6.2)
Total Number of Tenants	183	174	5.2
Gross Floor Area ("GFA") (sq ft in million)	4.2	4.2	0
Net Lettable Area ("NLA") (sq ft in million)	3.5	3.5	0
New and Renewed Leases (sq ft in million)	0.91	0.96	(5.2)
Rental Reversion (%)	20.6	16.6	4.0
Retention Rate (%)	87.9	65.6	22.3

Sabana Industrial REIT owns and manages a portfolio of 18 industrial properties in Singapore with a NLA of approximately 3.5 million square feet ("**sq ft**"). As at 31 December 2024, the portfolio's valuation was \$915.9 million, an improvement from \$903.9 million a year ago.

Its portfolio is well-diversified and caters to a diverse mix of tenants. Assets are segmented into four major types, namely: High-tech Industrial, Chemical Warehouse & Logistics, Warehouse & Logistics and General Industrial. They are located near various strategic infrastructure including seaports and the airport, in locations with easy accessibility to major transportation nodes.

The High-tech Industrial segment remains the largest asset type in the portfolio, accounting for 38.1% of the portfolio by NLA, 62.9% by valuation and 69.8% of the REIT's gross revenue as at 31 December 2024. Warehouse and Logistics is

the next largest segment, representing 36.7% of the portfolio by NLA, 22.0% by valuation and 19.4% by gross revenue as at 31 December 2024.

Portfolio occupancy rate as at 31 December 2024 was 85.0%, down from 91.2% as at 31 December 2023. The decline was due mainly to the repossession of properties at 33, 33A, 35 Penjuru Lane and 30 & 32 Tuas Avenue 8.

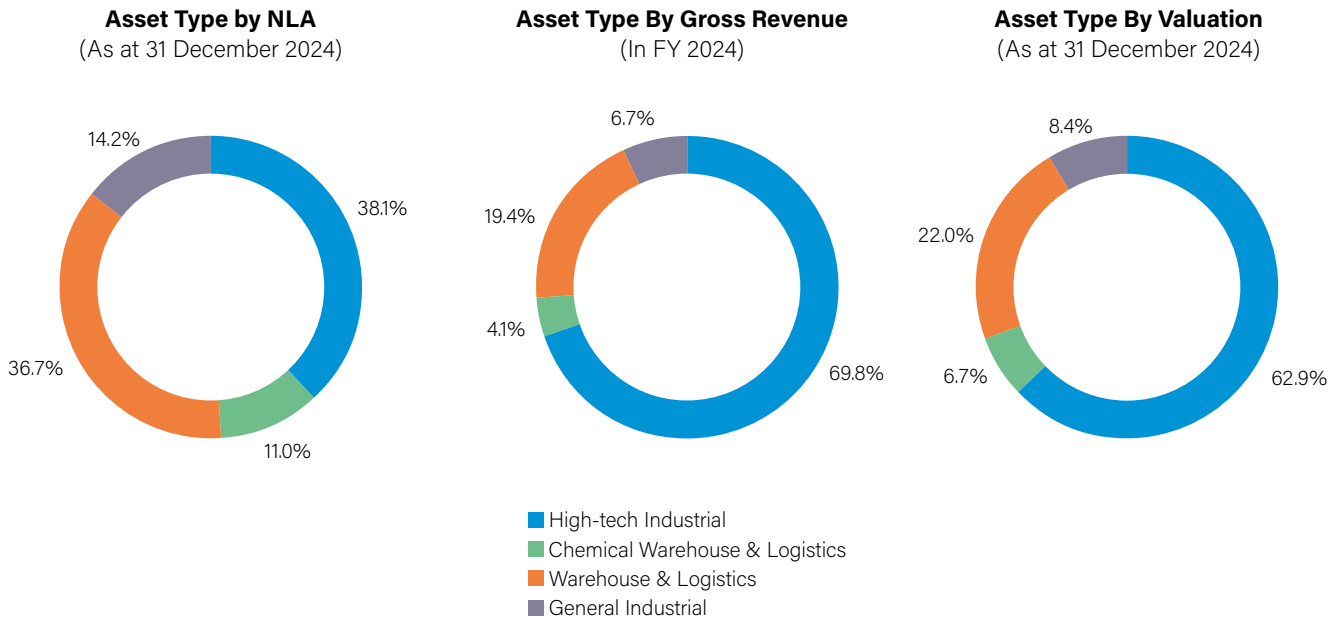
The Manager's focus on attracting tenants in expansionary sectors has led to a higher proportion of tenants from Logistics & Supply Chain Management and Construction & Real Estate in FY 2024.

The REIT obtained positive rental reversion of 20.6% in FY 2024 as compared to a positive 16.6% for FY 2023. The REIT has achieved four consecutive years of positive rental reversions from FY 2021 to FY 2024.

<sup>4</sup> Including 1 Tuas Avenue 4 ("**Sabana@1TA4**") after obtaining Temporary Occupation Permit ("**TOP**") on 9 July 2024 (18 properties)

<sup>5</sup> Excluding Sabana@1TA4, which was undergoing AEI and had an occupancy rate of 0.0% as at 31 December 2023 (17 properties)

**BREAKDOWN OF ASSET TYPES**

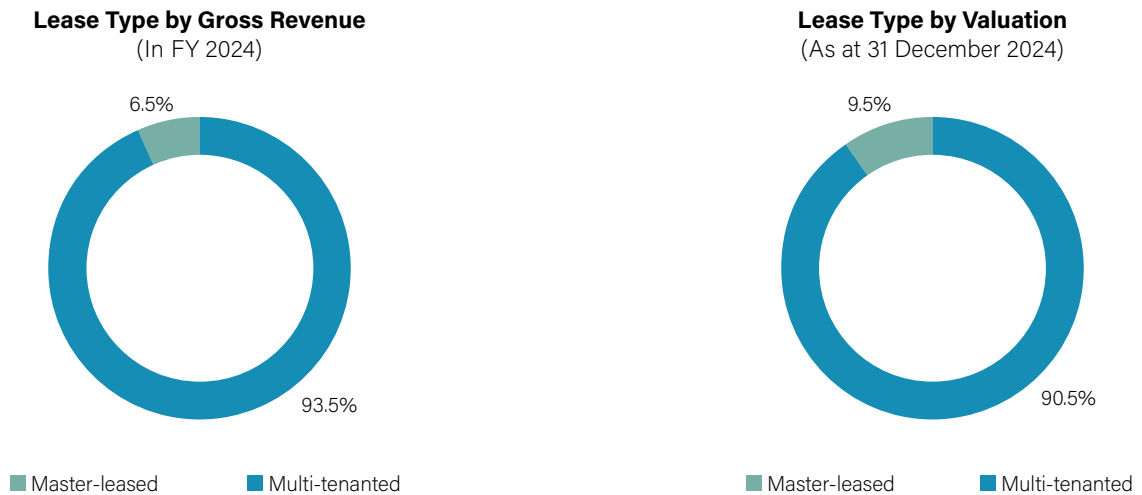


**LEASE STRUCTURE AND PROFILE**

Sabana Industrial REIT’s portfolio comprises a mix of master leased and multi-tenanted properties, accounting for 6.5% and 93.5% of the REIT’s gross revenue for FY 2024 respectively.

Multi-tenanted properties bring tenant diversification to the REIT while master-leased properties provide longer-term yield stability with their longer leases and in-built rental escalation.

**BREAKDOWN OF MASTER-LEASED AND MULTI-TENANTED PROPERTIES**



# MANAGER'S REVIEW FOR FY 2024

## PORTFOLIO LEASE EXPIRY PROFILE

The Manager's focused strategy on proactive leasing to drive occupancy and tenant diversification has continued to contribute to the resilience of the REIT's portfolio. The Manager engages with existing tenants to negotiate well ahead of lease expiries. It also maintains strong relationships with industrial property agents who serve as business partners to market the REIT's properties.

During the year, the Manager secured new tenants at 151 Lorong Chuan ("New Tech Park"), 33, 33A & 35 Penjuru Lane, Sabana@1TA4, 8 Commonwealth Lane and 34 Penjuru Lane, amongst others.

The Manager secured 75 new and renewed leases totalling 0.91 million sq ft, amounting to approximately 25.9% of the

portfolio's NLA. These leases have a weighted average lease expiry ("WALE") of 3.4 years and contributed to 8.1% of FY 2024's gross rental income.

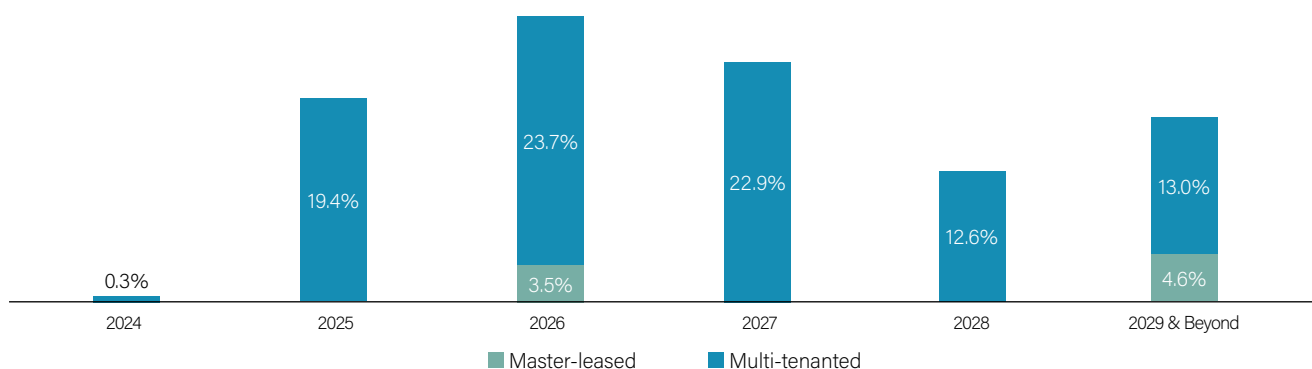
Tenant retention rate for all properties was 87.9% in FY 2024, up from 65.6% in FY 2023. All existing master leases have a WALE of 3.0<sup>6</sup> years as at 31 December 2024 compared to 5.1<sup>7</sup> years as at 31 December 2023.

Rental reversion for FY 2024 was a positive 20.6%, up from 16.6% in FY 2023, supported by the Manager's proactive lease management.

Overall, the portfolio has a WALE by gross rental income of 2.6 years as at 31 December 2024 and the portfolio sits on relatively long underlying land leases, with a weighted average unexpired lease term of 26.4 years by GFA.

## LEASE EXPIRY BY GROSS RENTAL INCOME

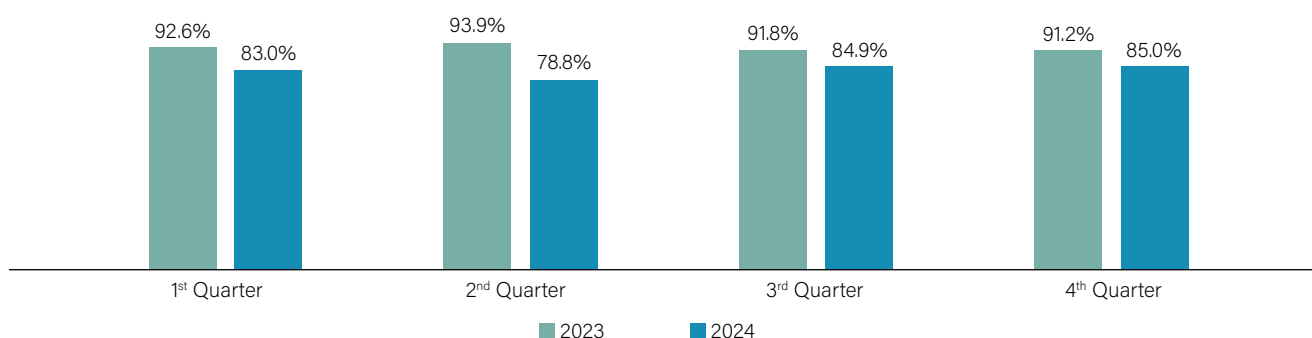
(As at 31 December 2024)



## PORTFOLIO OCCUPANCY<sup>8</sup>

As at 31 December 2024, the REIT's portfolio occupancy rate stood at 85.0%, with a total of 183 tenants in 14 diverse trade sectors, led by the Electronics and Logistics & Supply Chain Management trade sectors.

The occupancy was lower than the previous corresponding year-end 31 December 2023, due to the repossession of properties at 33, 33A & 35 Penjuru Lane and 30 & 32 Tuas Avenue 8.



<sup>6</sup> Weighted by gross rental income of three master-leased properties in FY 2024 compared to five master-leased properties in FY 2023. The two properties excluded were 33, 33A & 35 Penjuru Lane and 30 & 32 Tuas Avenue 8, which were both repossessed in FY 2024. 33, 33A & 35 Penjuru Lane was subsequently converted to a multi-tenanted property within FY 2024 and 30 & 32 Tuas Avenue 8 was undergoing property reconfiguration initiative as at 31 December 2024

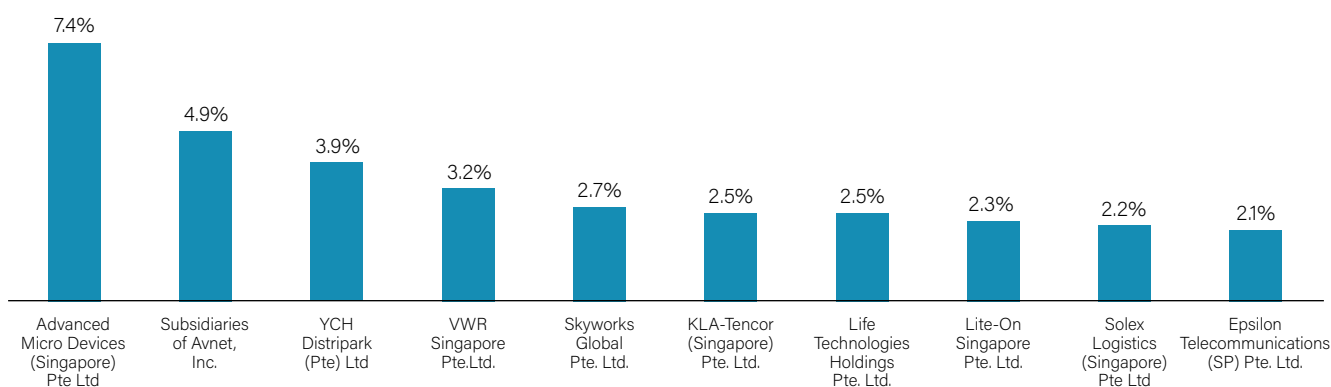
<sup>7</sup> Weighted by gross rental income of five master-leased properties in FY 2023

<sup>8</sup> Portfolio occupancy excluded Sabana@1TA4 for the period from 1Q 2023 to 2Q 2024. For 3Q 2024 and 4Q 2024, the portfolio occupancy included Sabana@1TA4, following the receipt of its TOP in 3Q 2024 after the completion of the AEI at Sabana@1TA4



### TOP 10 TENANTS BY GROSS RENTAL INCOME IN FY 2024

Sabana Industrial REIT strengthened its tenant mix in FY 2024, which included a higher proportion of tenants from trade sectors such as Logistics & Supply Chain Management and Construction & Real Estate. The REIT's tenant base is well-diversified, with 183 tenants across 14 sectors as at 31 December 2024. The top 10 tenants of Sabana Industrial REIT accounted for 33.7% of gross rental income in FY 2024.

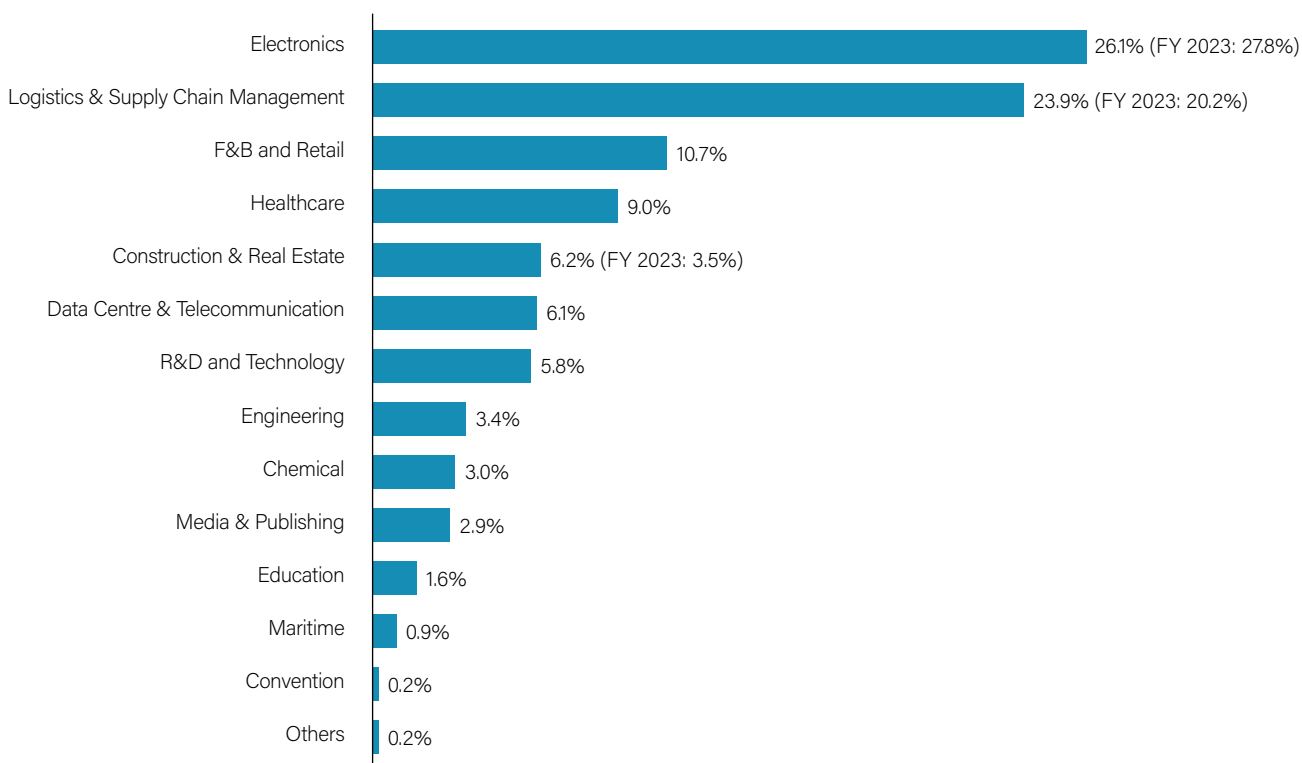


### TRADE SECTOR ANALYSIS

Sabana Industrial REIT's tenants come from a diverse base of trade sectors, led by the Electronics and Logistics & Supply Chain Management trade sectors.

#### Trade Sectors by Gross Rental Income

(As at 31 December 2024)



# MANAGER'S REVIEW FOR FY 2024

## ASSET ENHANCEMENT INITIATIVES AND REJUVENATION WORKS

Sabana@1TA4 obtained TOP on 9 July 2024 following the completion of AEI works. The project took slightly over 15 months to complete following its ground-breaking in April 2023. Sabana@1TA4 comprises 156,139 sq ft of warehouse, production and ancillary office space. The property has ample loading bays with dock levellers and a 25-metre voluminous ceiling height space ideal for an automated storage and retrieval system. In March 2024, the property was awarded the BCA Green Mark Super Low Energy certification based on the Green Mark Criteria for Green Mark 2021. With the completion of the installation of slightly over 4,500 square metres of solar panels on its roof-top, the property is capable of generating potentially more than 1,000 megawatt-hours of energy per year.



NTP+ mall's first fast food restaurant BURGER KING® started operations in July 2024, serving out family-friendly dining experiences



Established local cafe operator Kopi & Tarts opened in July 2024 with menu options ranging from beverages, pastries to offerings exclusive to the mall



Hotpot restaurant Xiao Yin Mao brought its unique variety of dining offerings originating from China's Guizhou to the mall

30 & 32 Tuas Avenue 8 was repossessed on 14 June 2024 and was undergoing property reconfiguration initiative as at 31 December 2024 to future proof the asset and cater to more diverse occupier requirements.

During the year, New Tech Park underwent asset refurbishment and upgrading of electrical capacity to attract new expansionary tenants. 508 Chai Chee Lane underwent continuous mechanical and electrical ("M&E") equipment upgrading works for better building performance efficiency and optimisation. Lift upgrading and modernisation works were carried out at 508 Chai Chee Lane, 34 Penjuru Lane and 15 Jalan Kilang Barat. Refurbishment works were carried out to upgrade both the existing amenities and M&E equipment at 2 Toh Tuck Link, 8 Commonwealth Lane and 15 Jalan Kilang Barat. Improvements were also made to the building façade and roof of 3A Joo Koon Circle and 8 Commonwealth Lane.

On the proposed Phase 3 AEI of New Tech Park, discussions with multigovernmental agencies and statutory boards for the proposed intensification project are ongoing.

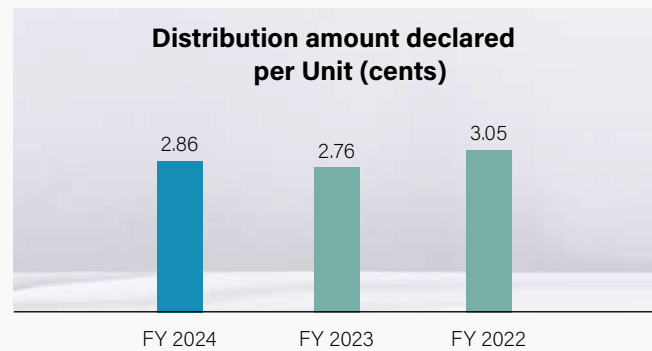
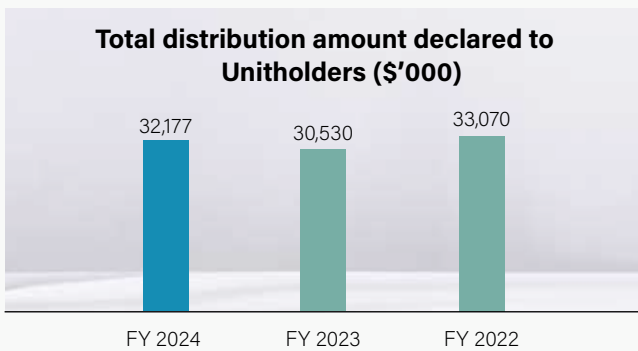
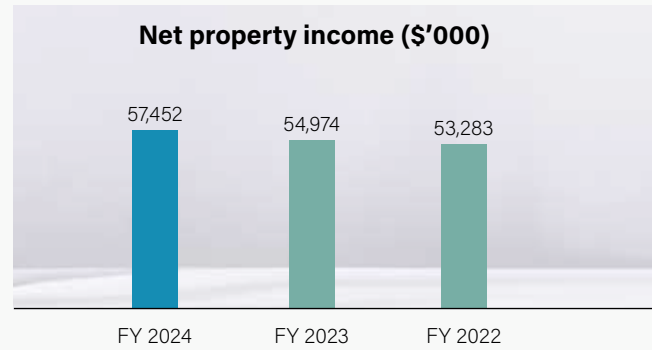
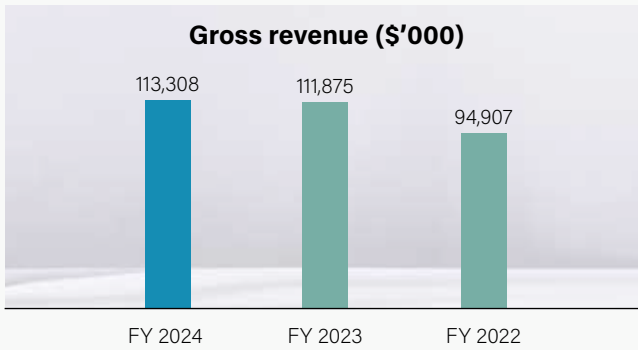
## ANNUAL VALUATION

	As at 31 December 2024 (\$ '000)	As at 31 December 2023 (\$ '000)
<b>High-tech Industrial</b>		
151 Lorong Chuan*	361,700	362,700
8 Commonwealth Lane	54,700	54,300
15 Jalan Kilang Barat	22,500	22,500
1 Tuas Avenue 4	24,100	21,000
23 Serangoon North Avenue 5	42,300	42,200
508 Chai Chee Lane	71,000	68,000
<b>Chemical Warehouses &amp; Logistics</b>		
33, 33A & 35 Penjuru Lane	42,000	42,000
18 Gul Drive	19,000	19,000
<b>Warehouse &amp; Logistics</b>		
34 Penjuru Lane*	29,000	29,900
51 Penjuru Road	31,300	31,000
26 Loyang Drive	27,600	26,900
3A Joo Koon Circle	36,500	34,400
2 Toh Tuck Link*	30,200	31,300
10 Changi South Street 2	46,900	37,900
<b>General Industrial</b>		
123 Genting Lane	17,400	17,200
30 & 32 Tuas Avenue 8*	23,600	28,900
39 Ubi Road 1	19,200	19,100
21 Joo Koon Crescent	16,900	15,600
<b>TOTAL</b>	<b>915,900</b>	<b>903,900</b>

\* Recorded with a diminution in value against their respective valuation as at 31 December 2023 mainly due to shorter remaining land tenure and the change in valuation firms at end-2024.

# FINANCIAL HIGHLIGHTS

## KEY FINANCIAL FIGURES



## SELECTED BALANCE SHEET DATA

\$'000	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022
Total assets	1,024,577	1,006,091	983,192
Borrowings, at amortised costs	348,994	315,370	288,921
Net assets attributable to Unitholders	564,900	576,538	585,787
Units in issue ('000)	1,125,055	1,111,788	1,096,121
NAV per unit (\$)	0.50	0.52	0.53
Market Capitalisation <sup>1</sup>	405,020	450,274	476,813

## BORROWING PROFILE

\$'000	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022
Aggregate leverage <sup>2</sup> (%)	37.4	34.3	32.4
Total borrowings	353,000	318,000	293,000
Proportion of total borrowings on fixed rates (%)	73.7	76.3	82.8
Average all-in financing costs (%)	4.42	3.89	3.86
Weighted average tenor of borrowings (years)	2.9	2.9	2.8
Interest coverage ratio <sup>3</sup> ("ICR") (times)	3.0	3.5	3.8
Unencumbered assets <sup>4</sup>	915,900	903,900	885,700
Undrawn available committed facilities	22,000	95,000	120,000

<sup>1</sup> Based on the closing price and number of issued to units in Sabana ("Units") as at the last trading of day of the respective financial year. Source: Bloomberg

<sup>2</sup> Ratio of total borrowings & deferred payment deposited property as defined in the Property Funds Appendix.

<sup>3</sup> Based on the interest coverage ratio definition in Property Funds Appendix. A 10% decrease in EBITDA would result in an ICR of 2.7 times, while a 100-basis point increase in interest rates would lead to an ICR of 2.8 times.

<sup>4</sup> Based on valuations by independent valuers.

# UNIT PRICE PERFORMANCE

## TRADING DATA BY YEAR

Unit Price (\$)	2024	2023	2022
Opening	0.405	0.435	0.445
Last done at year-end	0.360	0.405	0.435
Highest	0.405	0.490	0.470
Lowest	0.320	0.375	0.390
Unit price performance <sup>1</sup> (%)	(11.1)	(6.9)	(2.2)
Trading volume (million Units)	85.8	198.1	176.4

## RETURN ON INVESTMENT

%	2024	2023	2022
Total return <sup>2</sup>	(4.0)	(0.6)	4.7
Capital appreciation <sup>1</sup>	(11.1)	(6.9)	(2.2)
Distribution yield <sup>3</sup>	7.1	6.3	6.9

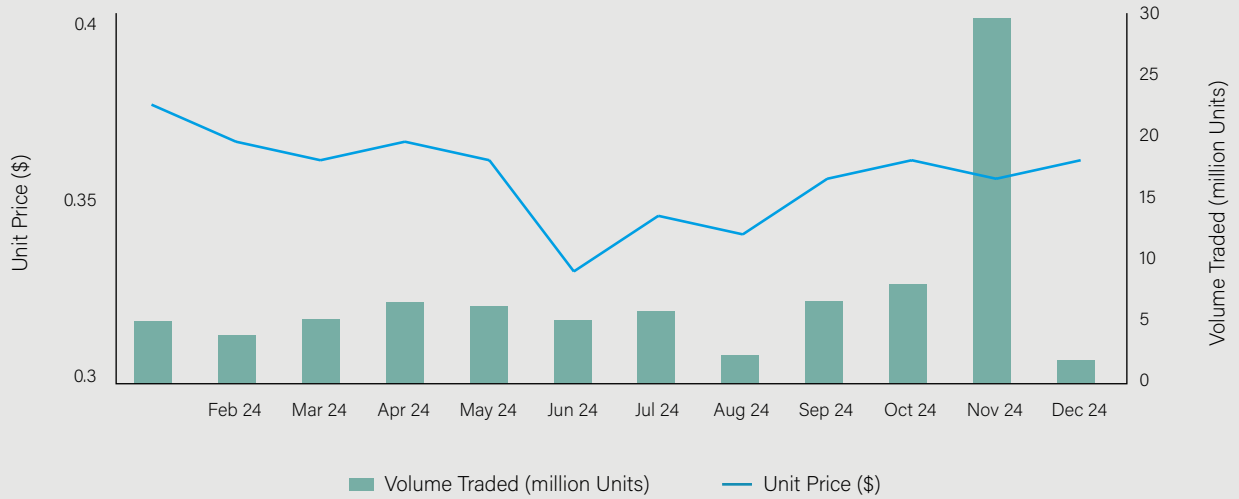
<sup>1</sup> Difference between the last done Unit price at year-end and the opening Unit price of the period.

<sup>2</sup> Sum of distributions and capital appreciation for the period over the opening Unit price of the period.

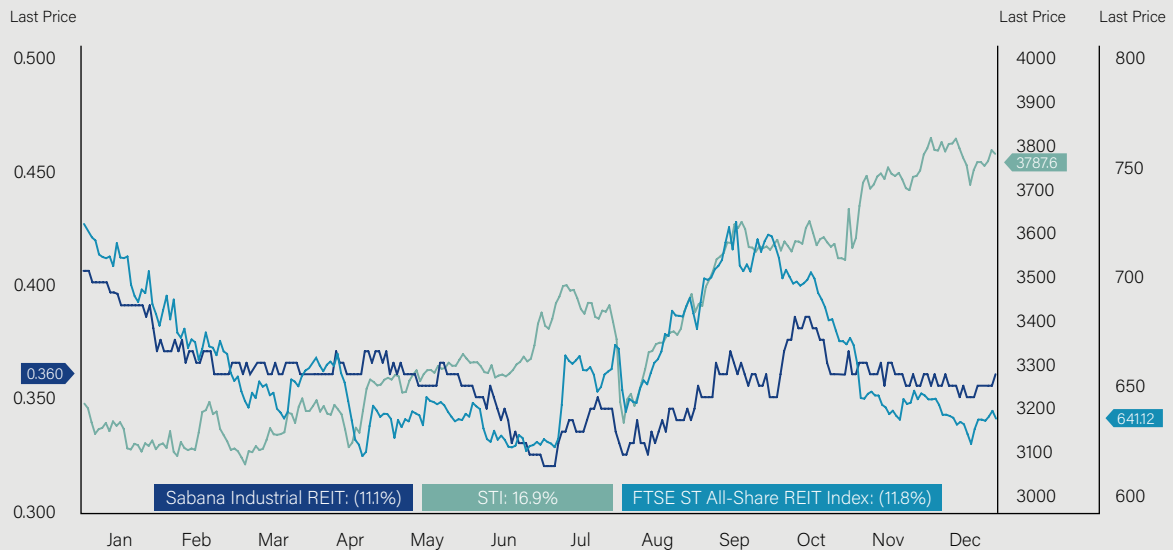
<sup>3</sup> Based on total distributions declared for the period and opening Unit price of the period.



### MONTHLY TRADING PERFORMANCE IN 2024



### UNIT PRICE PERFORMANCE VS MAJOR INDICES



Source: Bloomberg

# INDEPENDENT MARKET REVIEW

By Knight Frank Singapore

## 1 OVERVIEW OF THE SINGAPORE ECONOMY

### 1.1 Singapore's Economic Performance

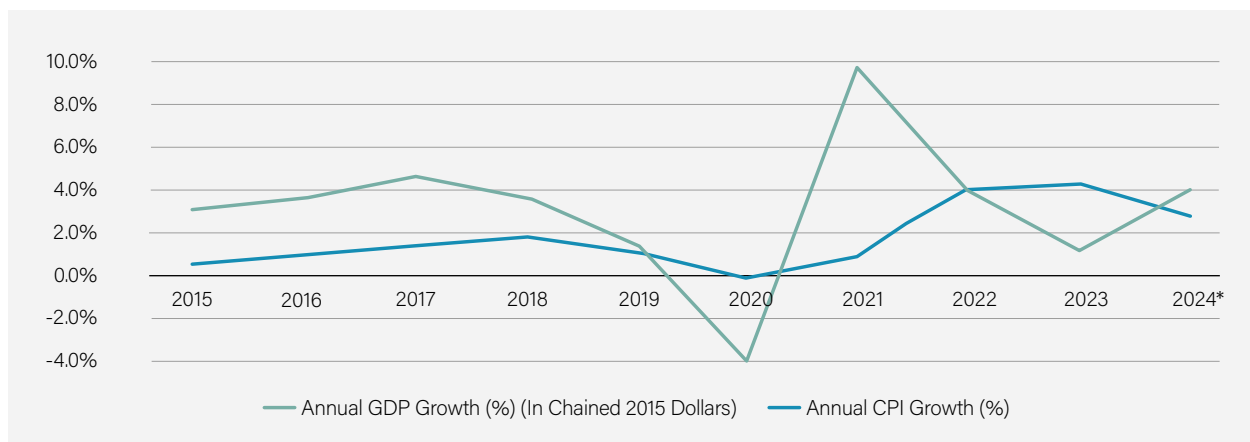
Based on advance estimates released by the Ministry of Trade and Industry ("MTI"), Singapore's Gross Domestic Product ("GDP") grew 4.0% y-o-y in 2024, with growth recorded in both Goods and Services producing industries which expanded 3.6% and 4.1% y-o-y respectively.

Growth in the Goods producing industries was led by the Construction sector which recorded the strongest growth at 4.8% due to an increase in public sector construction output while the Manufacturing sector also expanded 3.5% with output expansions across all clusters.

Among the Services producing industries, the group of sectors comprising Information & Communications, Finance & Insurance and Professional services sectors expanded the most at 4.8%, followed by the Wholesale & Retail Trade and Transportation & Storage sectors at 4.7%.

According to the Monetary Authority of Singapore ("MAS"), Singapore's core inflation, which excludes private road transport and accommodation costs, is expected to come in at an average of between 2.5% to 3.0% for the whole of 2024 – lower than the 4.2% recorded in 2023 as consumer price increases fell across a broad range of goods and services.

**Exhibit 1-1: Annual GDP Growth and Inflation Rate, 2015 to 2024\***



Source: MTI, Singstat, MAS, Knight Frank Consultancy

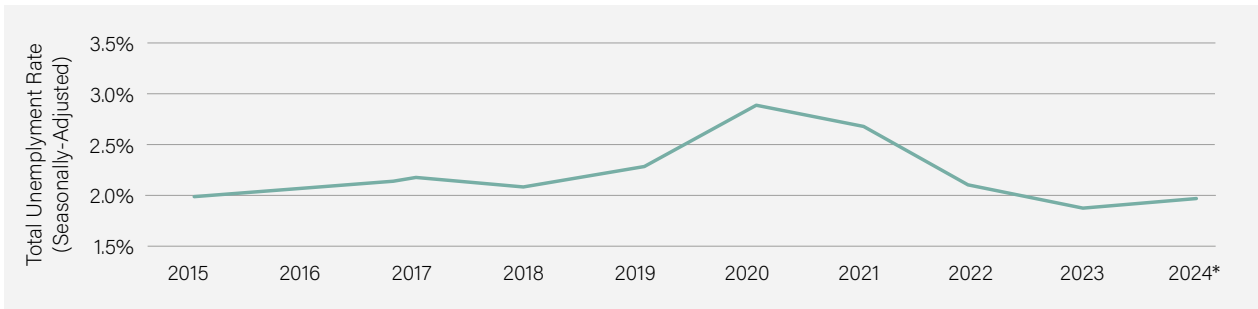
\*GDP data for 2024 is based on [MTI's Advance Estimates](#). Actual GDP estimates whole of 2024, including performance by sectors, sources of growth, inflation, employment and productivity, will only be released in end-February 2025.

### 1.2 Unemployment

Singapore's labour force was stable in 2024 as the unemployment rate remained low among both Professional, Managerial, Executive, and Technical ("PMET") and non-PMET roles. Resident employment grew in outward-oriented sectors such as Information & Communications, Professional Services and Financial Services while non-resident employment also increased, driven primarily by the hiring of Work Permit ("WP") holders in the construction and manufacturing industries.

The overall unemployment rate in 2024 was 2.0% – well within the range seen in the non-recessionary years of 2015 to 2019. While Singapore's tight labour market is expected to persist with overall more job openings than unemployed person, this tightness is expected to ease gradually as more job vacancies are filled.

**Exhibit 1-2: Total Unemployment Rate, 2015 to 2024\*, Annual Average**



Source: MOM, Singstat, Knight Frank Consultancy  
 \* Figures are preliminary based on MOM released on 29 October 2024. 2024 figures are as at the third quarter.

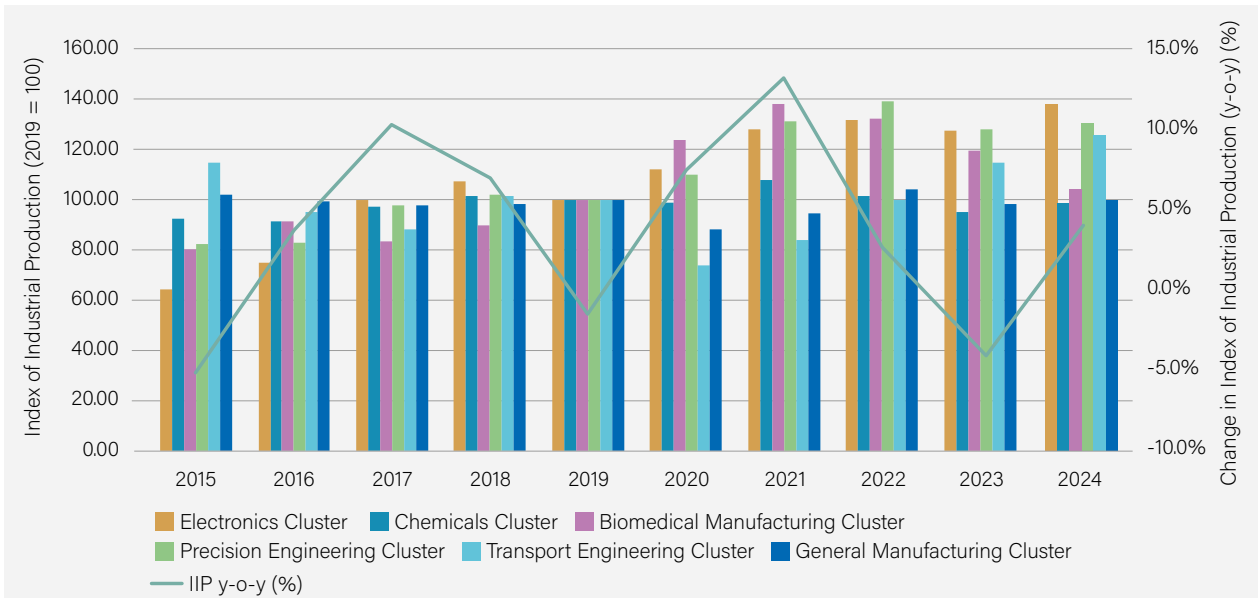
**1.3 Manufacturing Output**

Based on the Index of Industrial Production (“IIP”) which measures the manufacturing sector’s real output performance, Singapore industrial production improved 7.3% y-o-y in Q4 2024 with expansions recorded across all clusters apart from the volatile Biomedical Manufacturing cluster.

Driven by firm order books in the aerospace and marine & offshore engineering segments, the Transport Engineering cluster registered the highest growth, expanding 9.4% y-o-y. This was followed by the lynchpin Electronics cluster which grew 8.4% y-o-y, largely contributed by both the Consumer Electronics and Computer Peripherals & Data Storage sector which clocked an increase of 21.2% and 18.1% respectively due to the ongoing upturn in the global semiconductor cycle as well as front-loading of exports to the US ahead of President-elect Donald Trump’s inauguration in January 2025 where higher tariffs are expected to be imposed on imports into the country. Expansions recorded in the other manufacturing clusters include Chemicals (4.3%), Precision Engineering (2.4%) and General Manufacturing (1.3%).

Overall, business sentiment in the manufacturing sector is expected to remain positive in the first half of 2025 despite continuing geopolitical and macroeconomic headwinds. In particular, robust performance is expected for the Transport Engineering cluster, led by the aerospace and marine & offshore engineering segments which stand to benefit from robust global air travel demand and increases in orders from the oil & gas and renewables markets worldwide.

**Exhibit 1-3: Singapore Index of Industrial Production, 2015 to 2024**



Source: Singstat, Knight Frank Consultancy

# INDEPENDENT MARKET REVIEW

## 1.4 Fixed Asset Investments

Based on updates by the Economic Development Board (“EDB”), Singapore attracted approximately S\$13.5 billion in fixed asset investments (“FAI”) for the whole of 2024, up from \$12.7 billion in 2023.

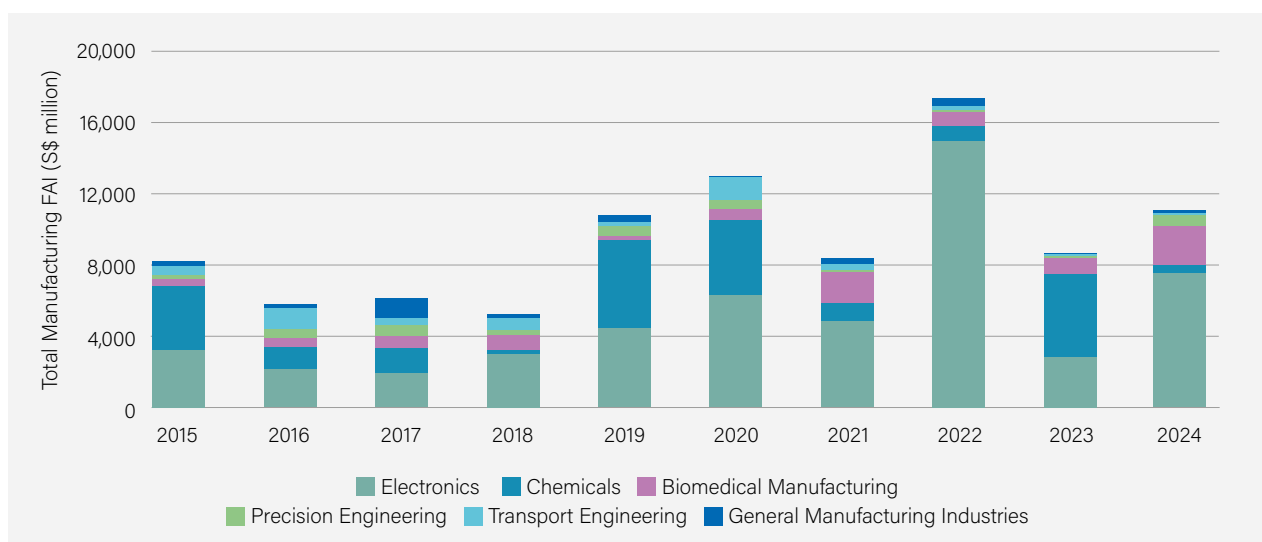
The Electronics sector received the most investment of more than S\$7.6 billion (69.2% of the total manufacturing FAI) as companies across the semiconductor value chain committed to locating new and expansion projects in Singapore on the back of a bullish outlook driven by a surge in global demand for artificial intelligence (“AI”) application. Examples of investment commitments to the Electronics sector include German firm Siltronic’s inauguration of a S\$2.9 billion advanced manufacturing facility and VisionPower Semiconductor Manufacturing Company’s (VSMC) planned construction of a S\$10.5 billion manufacturing plant. Both these manufacturing hubs are located in Tampines and will produce silicon wafers for the automotive, industrial, consumer, and mobile device markets.

FAI commitments for the other manufacturing sectors include the Biomedical, Precision Engineering, Chemicals, Transport Engineering and General Manufacturing which accounted for S\$2.2 billion (20.0%), S\$555 million (5.0%), \$366 million (3.3%), \$149 million (1.3%) and S\$132 million (1.2%) respectively out of the total manufacturing FAI of S\$11.1 billion in 2024.

The Chemicals sector, which drew the largest proportion of manufacturing FAI the year before at S\$4.5 billion in 2023, was the only manufacturing sector that spotted significant y-o-y decline as it dipped to S\$366.0 million due to an excess supply of chemicals being produced globally.

Although the investment landscape in 2025 is likely to be challenging due to heightened risk of protectionist policies driven by economic nationalism and trade tensions affecting corporate investment decisions, Singapore is expected to maintain its advantage as a trusted location that is supported by robust infrastructure, strong connectivity, and the EDB’s commitment to enhance the nation’s value proposition by offering businesses faster market entry, access to skilled talent, and collaborative opportunities for innovation.

**Exhibit 1-4: Total Manufacturing FAI by Industry Cluster, 2015 to 2024**



Source: EDB, Singstat, Knight Frank Consultancy

**Exhibit 1-5: Total Manufacturing FAI, 2024**

Industry Cluster	Investment Commitments (S\$ Mil)	y-o-y Changes from 2023	Market Share
Electronics	7,665	150.5%	69.2%
Chemicals	366	-91.9%	3.3%
Biomedical Manufacturing	2,216	146.6%	20.0%
Precision Engineering	555	709.0%	5.0%
Transport Engineering	149	278.8%	1.3%
General Manufacturing Industries	132	169.9%	1.2%
<b>Total Manufacturing FAI</b>	<b>11,083</b>	<b>27.4%</b>	<b>100.0%</b>

Source: EDB, Singstat, Knight Frank Consultancy

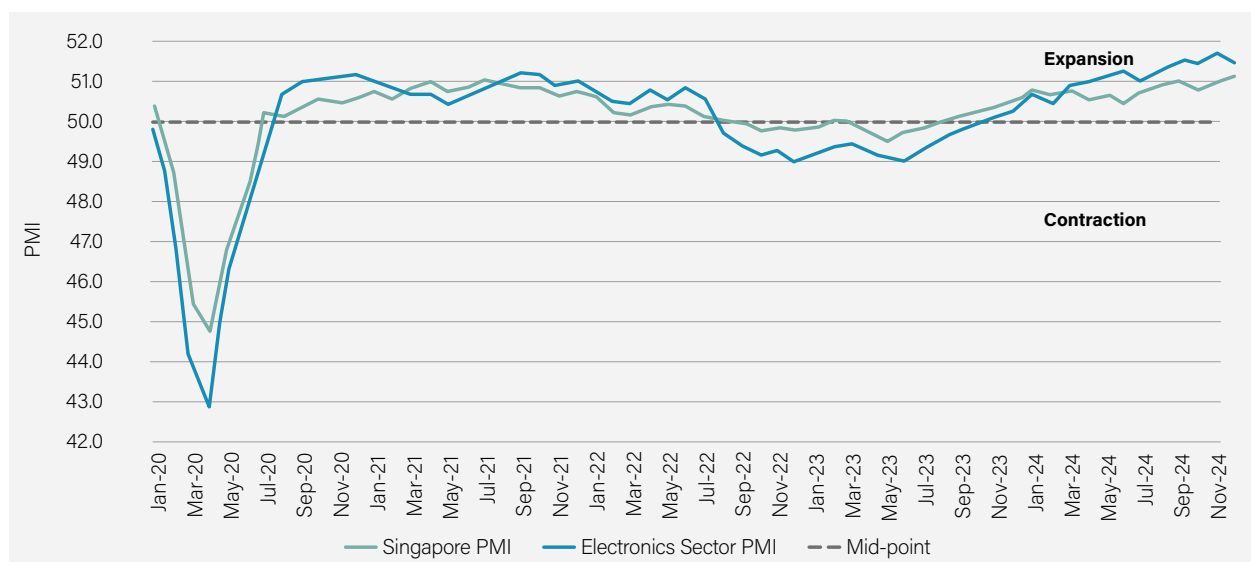
\*The total services FAI contributed an additional S\$2.3 billion for a total FAI of S\$13.4 billion for 2024.

### 1.5 Manufacturing Sector

Driven by faster growth in new orders, exports, factory output and employment, Singapore’s manufacturing sector saw robust growth throughout the whole of 2024. Overall factory activity expanded for the sixteenth consecutive month since September 2023, hitting a six-year high in December 2024 as the Singapore Institute of Purchasing and Materials Management’s (“SIPMM”) Purchasing Managers’ Index (“PMI”) rose by 0.1 point from the previous month to 51.1. PMI readings below 50 represents a contraction, while readings above 50 represent expansion.

The electronics sector, which accounts for close to 45% of Singapore’s total manufacturing production, also continued its fourteenth straight month of expansion since November 2023 as it registered a PMI reading of 51.4 in December 2024.

**Exhibit 1-6: Purchasing Managers’ Index, January 2020 to December 2024**



Source: SIPMM, Knight Frank Consultancy

### 1.6 Logistics Sector

Singapore handled over 622.7 million tonnes of sea cargo for the whole of 2024, 5.2% higher than the year before (Exhibit 1-7) while air cargo handled posted a 14.6% increase over the same period at 2.0 million tonnes.

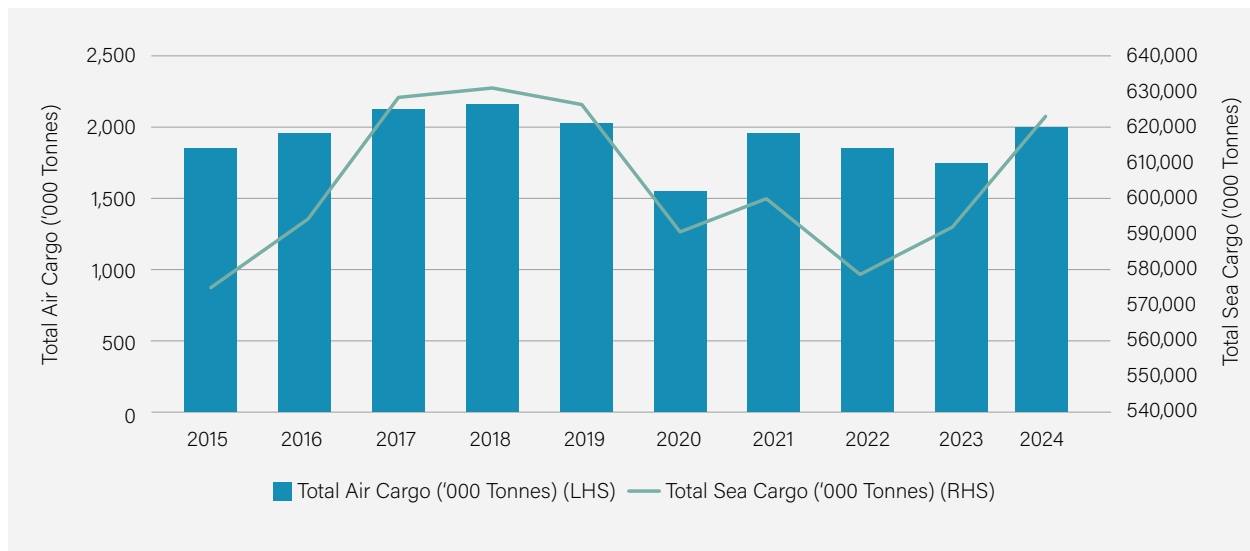
Going forward, efforts to boost higher volumes of air cargo passing through Singapore include the construction of a second airport logistics park from 2030 which will increase the capacity of the existing aerospace park – further enhancing Changi Airport’s position as a regional cargo hub capable of serving more logistics companies and their regional distribution centres.

On the seaport front, the upcoming mega port, i.e. Tuas Port, will become the world’s largest fully automated port when completed by 2040, capable of handling a capacity of 65 million shipping containers or twenty-foot equivalent units (“TEUs”) annually.



# INDEPENDENT MARKET REVIEW

**Exhibit 1-7: Total Air and Sea Cargo Handled in Singapore, 2015 to 2024**



Source: Singstat, Knight Frank Consultancy

## 1.7 Economic Outlook 2025

Following the higher GDP growth in the second half of 2024 driven by output expansions in the electronics and transport engineering clusters, the growth trajectory of Singapore's economy is envisaged to be sustained into early 2025. The upturn in the electronics cycle and higher demand for intermediate goods from Singapore, with some front-loading of export orders and ramp-up of production ahead of US President Donald Trump's proposed tariffs on US imports is expected to continue until there is clarity on the extent of the Trump administration's trade policy.

Downside risks to manufacturing output and economic growth loom in the horizon for 2025 - threats of protectionist measures from the Trump administration, potential escalation of geopolitical and trade tensions, risk of growth moderation of the electronics cycle and any cautious approach to monetary easing by major central banks could pose challenges for highly trade-dependent economies like Singapore. While global disinflation continued in 2024, price levels remained elevated and the US employment rate stayed healthy, raising the possibility of US Fed's pause to interest rate cuts in the near term. Despite the inflationary environment, an upside to Singapore's domestic conditions such as a fiscal surplus position, a likely generous election Budget and strong construction pipeline of major projects will support business activities in Singapore and partially cushion the uncertainties from any heightened risk of a global trade war. Industry sectors and clusters that are poised to achieve sustained growth for the first half of 2025 are manufacturing and trade-related, which include electronics, precision engineering and transport engineering clusters, construction sector, wholesale & retail trade, transportation & storage sectors, as well as tech-related services such as artificial intelligence and cybersecurity. Meanwhile, the prospect of a continuing recovery in international visitor arrivals to Singapore is envisaged to support the performance of accommodation and food & beverage trades, creating spillover demand for complementing industrial and warehousing activities.

The MTI expects Singapore's economy to grow by 1% to 3% in 2025, with private-sector economists' forecasts within the official range. The International Monetary Fund (IMF) projects Singapore's GDP growth in 2025 at 2.5%, while Asian Development Bank's forecast for Singapore is at 2.6%. Overall inflation is likely to ease with imported costs forecasted to be broadly stable with an anticipated unwinding of oil production cuts, with the MAS projecting core inflation to step down in the range of 1.5% to 2.5% this year, lower than 2.5% to 3.0% for 2024.

## **2 SINGAPORE GOVERNMENT POLICIES AFFECTING INDUSTRIAL PROPERTY MARKET**

### **2.1 Singapore Economy 2030**

The Singapore Economy 2030 vision seeks to guide the nation in charting our next lap of economic growth in a sustainable way. The four key pillars are Trade 2030, Enterprise 2030, Manufacturing 2030 and Services 2030.

Manufacturing 2030 (M2030) aims to increase manufacturing value-add by 50% by 2030, for Singapore to become a global business, innovation and talent hub for advanced manufacturing, with the aim of attracting more high-quality investment into Singapore. Trade 2030 aims to grow Singapore's trading volume, widen the types of trading activities in Singapore and strengthen Singapore's global trade coverage. Singapore aims to grow the export value from S\$805 billion in 2020 to over S\$1 trillion by 2030 and double our offshore trade value from US\$1 trillion to US\$2 trillion.

The Singapore Economy 2030 vision seeks to address near-term challenges, as well as to uplift the nation's capabilities and seize future growth opportunities.

### **2.2 Budget 2025**

Budget 2025, next due on 18 February 2025, aims to support Singaporeans and businesses in addressing immediate challenges while preparing for long-term sustained growth, with emphasis on cost-of-living relief, promoting sustainability for the future and workforce development and skills training.

To strengthen Singapore's competitive advantage, S\$3 billion will be invested in Research, Innovation and Enterprise 2025, with the introduction of Refundable Investment Credit scheme and future additional investments in the National Productivity Fund and Financial Sector Development Fund. In recognition of the rising business cost, S\$1.3 billion Enterprise Support Package is introduced, including enhancements to the existing Enterprise Financing Scheme.

### **2.3 Industry Transformation Maps ("ITMs")**

ITMs were first launched between 2016 and 2018, to drive industry transformation, support the growth of enterprises and help Singaporeans take up quality jobs and opportunities. First set up in 2017, the Future Economy Council ("FEC") is in charge of key programmes to support the growth and transformation of Singapore's economy for the future, including the development and implementation of the ITMs. To address the systemic shifts arising from the COVID-19 pandemic, the FEC embarked on ITM 2025 to refresh all 23 ITMs in order to address the challenges and opportunities for Singapore. Given the dynamic global environment, coupled with inflationary pressures and stiffer competition, the ITM refresh is timely in uplifting Singapore companies' competitive edge.

#### **Electronics ITM**

The electronics ITM 2025 aims to 1) Anchor R&D manufacturing capabilities from globally leading companies to enhance Singapore's leadership in key areas, 2) Partnership companies, Institutes of Higher Learning ("IHLs") and the Singapore Semiconductor Industry Association to strengthen the local talent pipeline for growth areas and 3) transform Singapore's electronics manufacturing into a low-carbon footprint sector. The global electronics sector is estimated to grow to US\$3 trillion by 2030, up from US\$2.2 trillion in 2020. The refreshed Electronics ITM seeks to ride on the global growth momentum and cement Singapore's position as a key manufacturing and research & development ("R&D") hub.

#### **Logistics ITM**

Singapore aims to be Asia's leading and world class logistics hub, where companies build innovative capabilities to ensure smooth and efficient transportation of goods. The refreshed Logistics ITM will focus on transforming the industry through productivity and innovation, thereby strengthening Singapore's role as a critical node in global supply chains. With EDB and EnterpriseSG setting a target to onboard 75 warehouses for the goDCE distribution centre excellence assessment framework by 2025, one of the key strategies involve attracting new investments and transforming warehouse operations – of which Singapore will work closely with companies to attract and anchor automated best-in-class warehouse operations to provide value-added services. A prime example is DB Schenker's newly completed next generation facility dubbed the "Red-Lion2" at Tampines which houses the latest advanced automation solutions such as intelligent conveyor systems, automated storage and retrieval systems, and autonomous guided vehicles.

# INDEPENDENT MARKET REVIEW

## 3 INDUSTRIAL GOVERNMENT LAND SALES (“IGLS”) PROGRAMME OVERVIEW

In the first half of 2025, the government launched seven industrial sites on the Confirmed List and three sites on the Reserve List. These ten sites could potentially yield 3.6 million sf GFA of industrial space, which is more than double the amount of supply launched by JTC in H2 2024 (five sites on Confirmed List, 1.4 million sf GFA).

The sites launched in the H1 2025 IGLS programme comprise mostly Business 2 (B2) zoning, with only one site zoned for B1 (Kaki Bukit Avenue 5). The gross plot ratio of these sites ranged between 1.4 to 2.5, with the land tenure being either 20 years or 30 years. While all the IGLS land parcels in the East and North-east planning regions in the first half of 2025 are of 30 years tenure, the land parcels in the West planning region comprise both 20 years and 30 years lease tenure.

In 2024, out of the ten IGLS sites launched under the Confirmed List, only five sites were awarded. Out of the five unawarded sites, one site – Penjuru Road located at Western Singapore was relaunched in H1 2025 IGLS.

### Exhibit 3-1: Industrial Government Land Sales (IGLS) Programme for H1 2025

Location	Planning Region	Site Area (ha)	Zoning	Gross Plot Ratio (GPR)	Maximum Gross Floor Area (GFA) (sf)	Tenure (years)	Estimated Available Date
<b>Confirmed List of Industrial Sites</b>							
Plot 3 Jalan Papan	West	0.72	B2	1.4	108,500	20	Feb 2025
Penjuru Road	West	2.09	B2	2.5	562,414	30	Feb 2025
Gul Drive	West	0.49	B2	1.4	73,840	20	Mar 2025
Tuas Avenue 11	West	2.8	B2	2.5	753,473	30	Mar 2025
Ubi Avenue 1	Central	0.61	B2	2.5	164,149	20	Apr 2025
Kaki Bukit Avenue 5	East	0.7	B1	2.5	188,368	30	May 2025
Sengkang West	North-east	2.3	B2	2.5	618,924	30	June 2025
<b>Reserve List of Industrial Sites</b>							
Plot B Tukang Innovation Drive	West	1.87	B2	2.5	503,212	30	Jan 2025
Plot 2 Tampines North Drive 4	East	1.79	B2	2.5	481,685	30	Jan 2025
Plot D Tukang Innovation Drive	West	0.70	B2	2.5	188,368	30	Apr 2025

Source: MTL, Knight Frank Consultancy

## 4 SINGAPORE PRIVATE FACTORY MARKET OVERVIEW

### 4.1 Supply, Demand, Occupancy

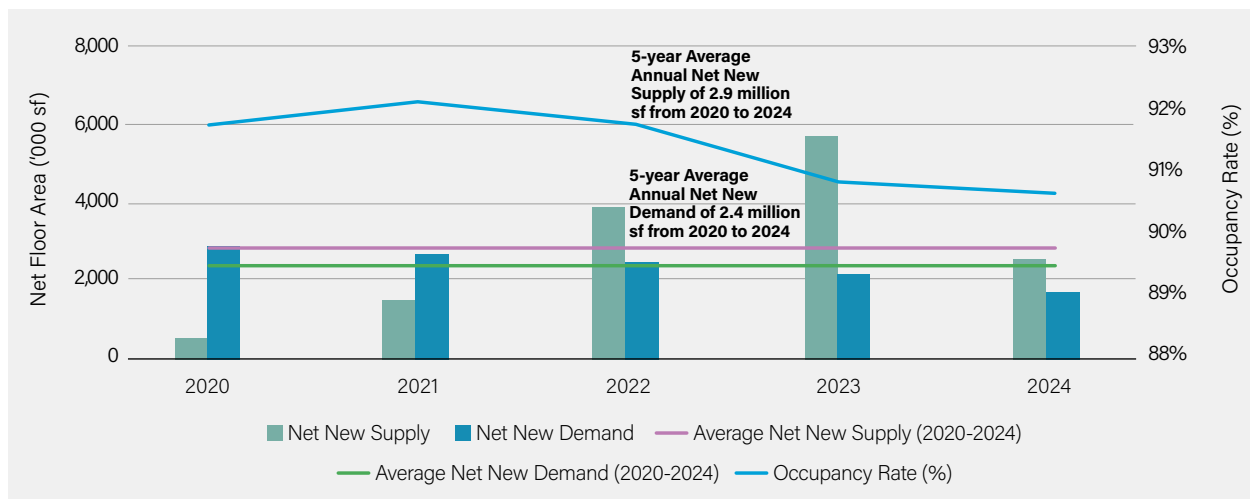
According to JTC, Singapore has a total factory stock of 420.5 million sf as at Q4 2024, a y-o-y increase of 0.7% from 417.6 million sf a year before. Private factory stock stood at 345.2 million sf, making up 82.1% of the total factory stock nationwide with public factory stock at 75.4 million sf, contributing to the remaining 17.9%. Out of the private factory stock, single-user factories that are mostly purpose built constituted 68.8%, while multiple-user factory spaces made up the remaining 31.2%.

Due to majority of factory supply overhang delayed by the COVID-19 pandemic completed in 2023, slow construction progress of some projects, as well as some old factory stock being taken off the market, the net new supply of private factory space of 2.57 million sf was lower than the actual new stock that was granted TOP (temporary Occupation Permit) in 2024 (6.8 million sf).

Muted demand for new private factory spaces was also observed as business conditions continued to be buffeted by global economic uncertainties and cost pressures. Net new demand for private factory spaces stood at 1.72 million sf as at Q4 2024, of which private multiple-user and single-user factory spaces contributed 0.14 and 1.58 million sf respectively.

With low net new supply balancing out the soft demand in take-up of new factory spaces, overall occupancy remained healthy at 90.7% as at Q4 2024, marginally lower by 0.2 percentage point (“pp”) compared to the same period a year before.

**Exhibit 4-1: Net New Supply, Net New Demand and Average Occupancy of Private Factory Space**



Source: JTC J-Space, Knight Frank Consultancy

**Exhibit 4-2: Selected Major Private Factory Completions in 2024**

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sf)
<b>Q1 2024</b>				
Single-user Factory	77 Tampines Industrial Avenue 5	East	Siltronic Silicon Wafer Pte Ltd	1,591,443
Single-user Factory	21B Senoko Loop	North	RB Investor Services Trust Singapore Ltd	152,202
Single-user Factory	28 Benoi Road	West	JP Nelson Equipment Pte Ltd	147,788
Single-user Factory	14 Tuas Avenue 6	West	Bala Engineering & Used Auto Pte Ltd	46,177
<b>Q2 2024</b>				
Single-user Factory	1 Lok Yang Way	West	Google Asia Pacific Pte Ltd	1,292,421
HMGICS	2 Bulim Link	West	Hyundai Motor Singapore Pte Ltd	936,244
Single-user Factory	5 Tampines Industrial Crescent	East	Applied Materials South East Asia Pte Ltd	687,921
Greenphyto Innovation Centre	13 Tukang Innovation Drive	West	Greenphyto Pte Ltd	195,472
Apex Foodworks	18 Kim Chuan Terrace	North-East	KC Industries Pte Ltd	51,236
<b>Q3 2024</b>				
Single-user Factory	82 Genting Lane	Central	Memphis 1 Pte Ltd	485,021
Single-user Factory	5 Tuas Street 2	West	Sanofi Manufacturing Pte Ltd	338,848
Single-user Factory	20 Loyang Drive	East	Amazon Asia-Pacific Resource Pte Ltd	258,226
One KA @ Macpherson	1 Kampong Ampat	Central	Woodlands Smartisan Pte Ltd	197,733
<b>Q4 2024</b>				
Single-user Factory	61A Pasir Ris Industrial Drive 1	East	United Microelectronics Corporation	2,506,482
Additions/Alterations to Wilmar Foods	457 Jalan Ahmad Ibrahim	West	Wilmar Distribution Pte. Ltd.	309,785
Single-user Factory	81 Woodlands Industrial Park 9	North	Ardentec Singapore Pte Ltd	228,733

Source: JTC J-Space, Knight Frank Consultancy

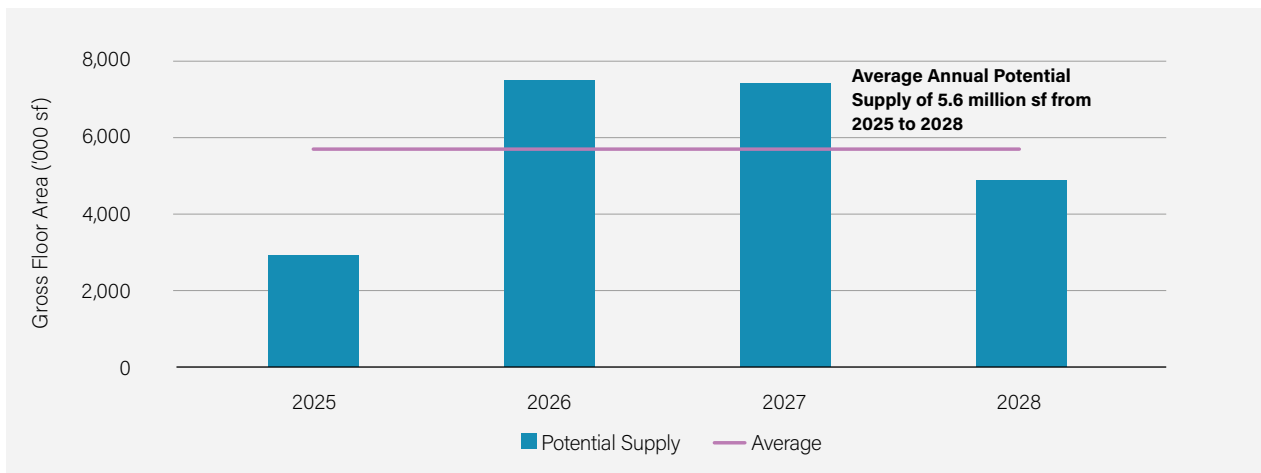
# INDEPENDENT MARKET REVIEW

## 4.2 Potential Supply

As at Q4 2024, new private factory space of 22.6 million sf GFA is expected to be completed progressively between 2025 and 2028, comprising 72.5% (16.4 million sf) being single-user factory space and 27.5% (6.2 million sf) consisting of multiple-user factory space. By the end of 2025, about 2.9 million sf of new private factory space is expected to be completed (Exhibit 4-3).

While 12 million sf of new factory stock had been expected to be completed in 2024 initially, almost half of the previous pipeline estimate has been pushed back to the later years (i.e., post 2024) due to pandemic-induced delays such as manpower and material constraints exacerbated by supply chain bottlenecks, resulting in only 6.8 million sf of actual factory space being granted TOP in 2024.

**Exhibit 4-3: Potential Supply of Private Factory Space**



Source: JTC J-Space, Knight Frank Consultancy

**Exhibit 4-4: Upcoming Major Private Factory Developments in 2025**

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sf)
<b>Single-User Factory Developments</b>				
Single-User Factory	Benoi Sector	West	TL Development (WDG) Pte. Ltd	1,131,824
Single-User Factory	Pasir Ris Industrial Drive 1	East	Soitec Microelectronics Singapore Pte Ltd	468,875
Single-User Factory	Jalan Besut	West	Chasen Logistics Services Limited	390,837
Single-User Factory	Tuas South Avenue 2	West	ST Engineering Marine Ltd	231,854
Single-User Factory	Jalan Papan	West	SH M&E Engineering Pte Ltd	184,816

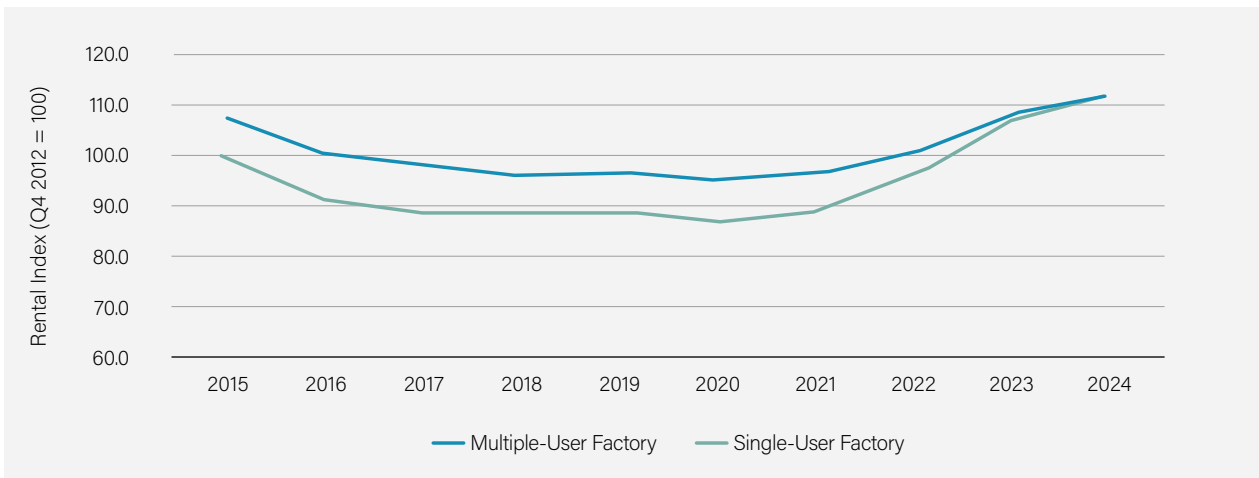
Source: JTC J-Space, Knight Frank Consultancy



### 4.3 Rents

As at Q4 2024, the JTC rental index for both multiple and single-user factory types increased 3.8% and 3.2% y-o-y respectively. Based on data from JTC J-Space, as at Q4 2024, rents in the 25th percentile, median and 75th percentile for private multiple-user factory types grew to S\$2.00 (S\$1.90), S\$2.40 (S\$2.32), and S\$3.00 (S\$2.83) per sq foot ('psf') per month respectively. Likewise, the 25th percentile, median and 75th percentile rents for single-user factory space also increased to S\$1.60 (S\$1.45), S\$1.92 (S\$1.75) and S\$2.50 (S\$2.20) psf per month respectively.

**Exhibit 4-5: JTC Rental Indices of Factory Space by Types**

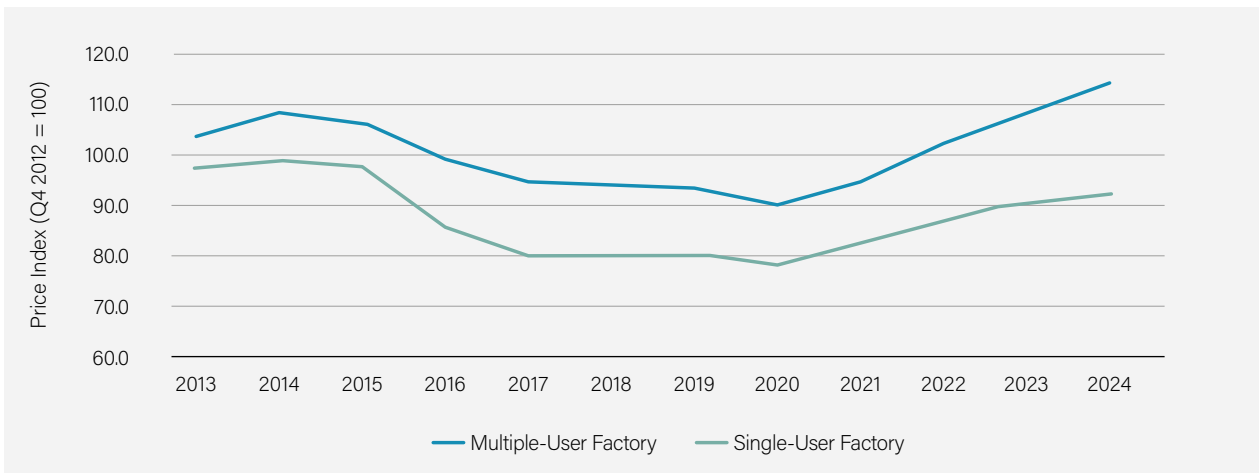


Source: JTC J-Space, Knight Frank Consultancy  
 Note: JTC rental indices are based on the last quarter of each respective year (e.g. Q4 2024).  
 The figures in brackets denote the monthly rents as at Q4 2023.

### 4.4 Prices

As at Q4 2024, the JTC price index for multiple-user and single-user factories increased by 4.9% and 1.9% y-o-y respectively. Median prices for multiple-user and single-user factory units stood at S\$501 psf (S\$438 psf) and S\$339 psf (S\$293 psf) respectively.

**Exhibit 4-6: JTC Price Indices of Factory Space by Types**



Source: JTC J-Space, Knight Frank Consultancy  
 Note: JTC price indices are based on the last quarter of each respective year (e.g. Q4 2024).  
 The figures in brackets denote median prices as at Q4 2023.

# INDEPENDENT MARKET REVIEW

## 4.5 Major Investment Sales

Total investment sales of private factories (excluding IGLS sites) amounted to S\$2.6 billion in 2024 – twice the S\$1.3 billion total sale value recorded in 2023. This huge increase was largely attributable to the divestment of two data centres (KDC SGP 7 and KDC SGP 8) along Genting Lane by a JV between Keppel and Cuscaden Peak Investments Private Limited to Keppel DC REIT for S\$1.4 billion. Another noteworthy factory transaction was the sale of Solaris @ Kallang 164 and Qualcomm Building for a total of S\$309.8 million as part of Lendlease and US private equity giant Warburg Pincus' S\$1.6 billion acquisition of a portfolio of industrial assets from Soilbuild.

**Exhibit 4-7: Selected Major Private Factory Investment Sales in 2024**

Name of Development	Location	Sale Price (S\$ mil)	Estimated Gross Floor Area (sf)*	Unit Price (S\$ psf)*	Tenure	Date of Sale
<b>Single-User Factory Developments</b>						
Keppel Data Centres (KDC SGP 7 and KDC SGP 8)	Genting Lane	1,400.0	undisclosed	undisclosed	60 years from 16/07/1980	Q4
Qualcomm Building	9 Kallang Sector	142.7	390,821	365	undisclosed	Q3
BHL Factories	2C Mandai Estate	74.0	71,760	1,031	Freehold	Q2
15 Senoko Loop	15 Senoko Loop	53.2	444,226	120	30+30 years from 01/06/1990	Q1
XPACE @ 218 Pandan Loop	218 Pandan Loop	42.0	241,757	174	30+30 years from 16/09/1989	Q4
47 Pandan Road	47 Pandan Road	36.0	170,608	211	30+30 years from 01/02/1989	Q2
<b>Multiple-User Factory Developments</b>						
Solaris @ Kallang 164	164 And 164A Kallang Way	167.1	586,552	285	40 years from 26/08/2011	Q3
Admirax	8 Admiralty Street	155.0	581,840	266	60 years from 09/10/2000	Q4
OneTen Paya Lebar	110 Paya Lebar Road	140.0	155,500	900	Freehold	Q1
Tanglin Halt Industrial Estate	115A,115B Commonwealth Drive	50.6	254,443	199	56 years from 01/07/2008	Q1

Source: Various sources, Knight Frank Consultancy

Notes:

To be considered as private investment sales under Knight Frank's definition, it must fulfil either one of the following pre-requisite:-

- Investment transactions should comprise an entire building or property with a total worth of S\$10 million and above; OR
- Any bulk sales within a development which amounts to S\$10 million or more

\* Refers to the estimated maximum permissible GFA and corresponding reported price psf ppr

## 4.6 Outlook

The strong output levels from goods producing industries - manufacturing and construction sectors in the second half of 2024 have boosted activities at Singapore's factories and kept property rental growth at positive levels throughout 2024. The outperformance of the JTC Multiple-User Factory Rental Index, which increased 3.8% y-o-y in 2024 compared to the 3.5% increase for the JTC All Industrial Rental Index over the same period, underscored sustained demand for factory space from small-to-medium sized industrial users. However, tenants are increasingly cost-sensitive due to cost pressures for materials, labour and logistics and are seeking to right-size their real estate footprint. Some longer-term considerations include relocation to higher-specification facilities with proximity to amenities to enhance employee retention, or to sustainable and modern developments for ESG compliance. Meanwhile, the preference of renewal to relocation is expected to persist among budget conscious tenants due to capital expenditure constraints and managing occupancy costs.

Against the backdrop of global trade and manufacturing output uncertainties stemming from US tariff policies that could result in retaliation from its trading partners and knock-on impact on the cost of goods, China's economic challenges and cost-push factors amid geopolitical conflicts, Knight Frank projects factory rents to register a modest annual growth of 1% to 3% by end-2025. Meanwhile, transactional activity of factory investment sales is poised to gather pace as tight financing conditions ease with lowered interest rates and investors source for investment opportunities, such as new-built and value-add factory properties for yield play objectives. Knight Frank envisages overall factory prices to grow by 3% to 5% in 2025.

## 5 SINGAPORE PRIVATE WAREHOUSE MARKET OVERVIEW

### 5.1 Supply, Demand, Occupancy

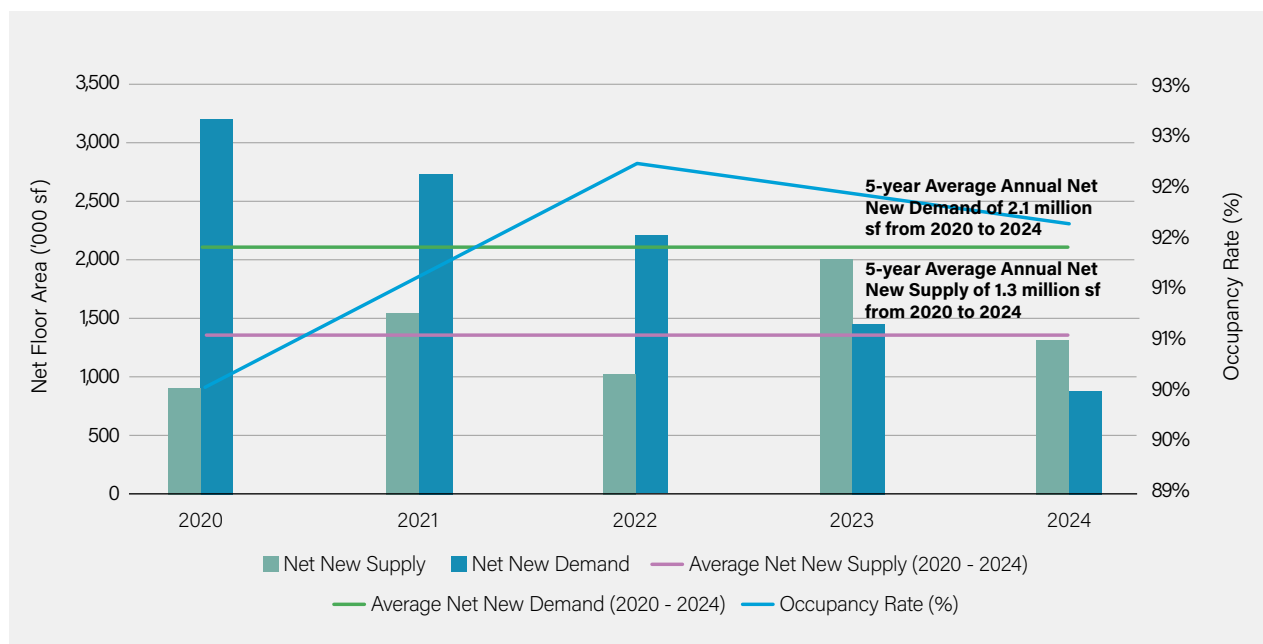
According to JTC, as at Q4 2024, the total private warehouse stock in Singapore amounted to 122.2 million sf, comprising 96.6% out of the 126.4 million sf of total warehouse stock nation-wide. Public warehouse stock was 4.2 million sf, making up the remaining 3.4%.

Net new demand for private warehouse space totalled 882,855 sf as at Q4 2024, translating to a decrease of 38.6% y-o-y from 1.4 million sf as at Q4 2023. Similarly, the net new supply of private warehouse space fell 34.1% y-o-y during the same period. The decline of net new demand slightly exceeded that of net new supply, leading to the easing of occupancy rate by a mild 0.3pp to 91.6% in Q4 2024. Notwithstanding, overall occupancy remained above 90% for the past 17 quarters consecutively, underscoring the overall resilient demand for warehouse space in Singapore.

Singapore remains as a key logistics hub for MNCs as well as the third-party logistics ("3PLs") entities. As companies expand their suite of supply chain activities across Southeast Asia amid ongoing shifts in global supply chains, Singapore has received growing interest from leading manufacturers and logistics players as the "Supply Chain Management Hub" of the region.

As at Q4 2024, almost 2.8 million sf GFA of new private warehouse space were completed, all of which are located in western Singapore. Prominent new completions include the LOGOS Ehub (1.29 million sf GFA) and 4 Benoi Crescent (0.7 million sf GFA).

**Exhibit 5-1: Net New Supply, Net New Demand and Average Occupancy of Private Warehouse Space**



Source: JTC J-Space, Knight Frank Consultancy

# INDEPENDENT MARKET REVIEW

**Exhibit 5-2: Selected Major Private Warehouse Completions in 2024**

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sf)
<b>Q1 2024</b>				
LOGOS Ehub	4 Pandan Crescent	West	Pandan Crescent Pte Ltd	1,290,269
Warehouse development at 4 Benoi Crescent	4 Benoi Crescent	West	ESR SG Real Estate 1 Pte Ltd	694,164
<b>Q3 2024</b>				
Warehouse development at 457 Tagore Industrial Avenue	457 Tagore Industrial Avenue	West	Ang Mo Supermarket Pte Ltd	26,910
Sabana@1TA4	1 Tuas Avenue 4	West	Sabana Industrial REIT	156,000*
<b>Q4 2024</b>				
Single User Industrial Development at 81 Woodlands Industrial Park	81 Woodlands Industrial Park	North	Ardentec Singapore Pte Ltd	228,733

Source: JTC J-Space, Knight Frank Consultancy

\*GFA includes warehouse, production facility and ancillary office space

## 5.2 Potential Supply

Between 2025 to 2028, over 12.7 million sf GFA of warehouse space is slated for completion, of which 99.0% (12.6 million sf GFA) comprise private warehouse stock. The remaining 0.1 million sf GFA will be developed by the public sector (JTC). There are a handful of warehouse developments expected to be completed in 2025, which include DSV Pearl (0.7 million sf GFA), a warehouse development by Mapletree Logistics Trust along Benoi Road (0.9 million sf GFA), a warehouse development by CapitaLand Ascendas REIT along Toh Guan Road East (0.5 million sf GFA) and a warehouse development by Boustead along Tuas South Avenue 5 (0.6 million sf GFA).

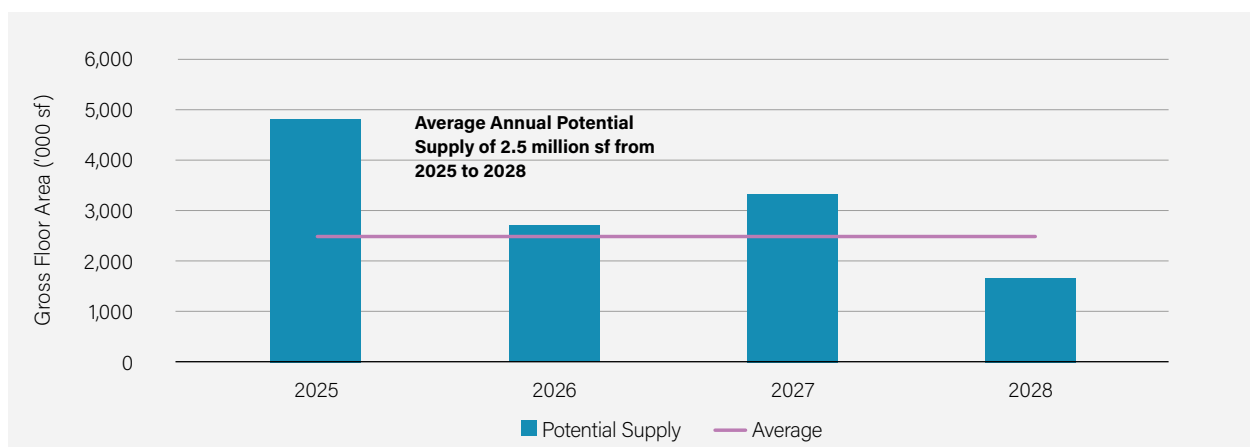
In 2027, a mega-scale 2.5 million sf GFA warehouse/logistics development by PSA Corporation is expected to be ready. The S\$647.5 million logistics hub will be located within the Tuas South locale, serving as the main supply chain hub in the precinct with new capabilities such as automated storage and the ability to handle sensitive goods.

**Exhibit 5-3: Upcoming Major Warehouse Developments from 2025 to 2027**

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sf)
<b>2025</b>				
DSV Pearl	Tulang Innovation Drive	West	Logos Pacv SG Propco Pte Ltd	721,074
Warehouse development along Toh Guan East Road	Toh Guan East Road	West	CapitaLand Ascendas REIT	548,098
Warehouse development along Tuas Road	Tuas Road	West	Boustead Trustees Pte Ltd	642,928
<b>2026</b>				
Warehouse development along Benoi Road	Benoi Road	West	Mapletree Logistics Trust	886,730
Warehouse development along Jalan Besut	8 Jalan Besut	West	Commonwealth Kajima Development (Logistics) Pte. Ltd.	511,578
Warehouse development along Tampines North Drive 5	Tampines North Drive 5	East	Gain City Best Electric Pte Ltd	270,282
<b>2027</b>				
Warehouse development along Tuas South Avenue 5	Tuas South Avenue 5	West	PSA Corporation Limited	2,540,280

Source: JTC J-Space, Knight Frank Consultancy

**Exhibit 5-4: Potential Supply of Private Warehouse Space**



Source: JTC J-Space, Knight Frank Consultancy

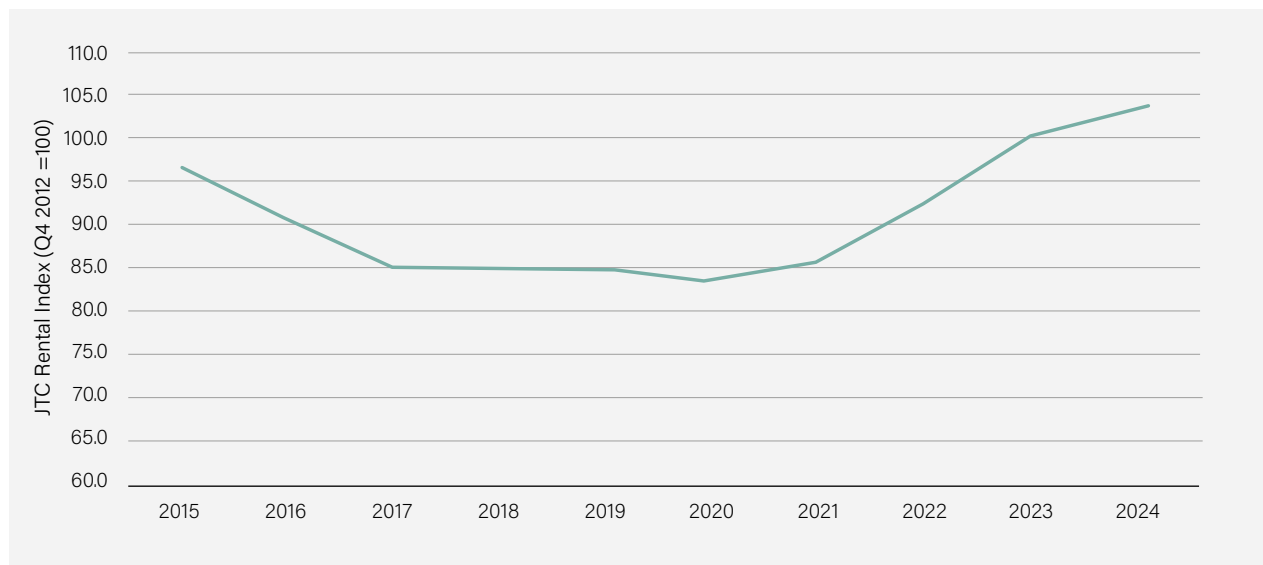


# INDEPENDENT MARKET REVIEW

## 5.3 Rents

The JTC Warehouse Rental Index increased 3.5% y-o-y in Q4 2024. Demand for warehouse spaces, especially the good quality warehouse assets remained resilient due to ongoing needs from the e-commerce players and logistics companies. As at Q4 2024, the 25th percentile, median and 75th percentile rents were recorded at \$1.72 (S\$1.66), \$2.13 psf pm (S\$2.10) and \$2.70 (S\$2.70) psf pm respectively.

**Exhibit 5-5: JTC Rental Index of Warehouse Space**

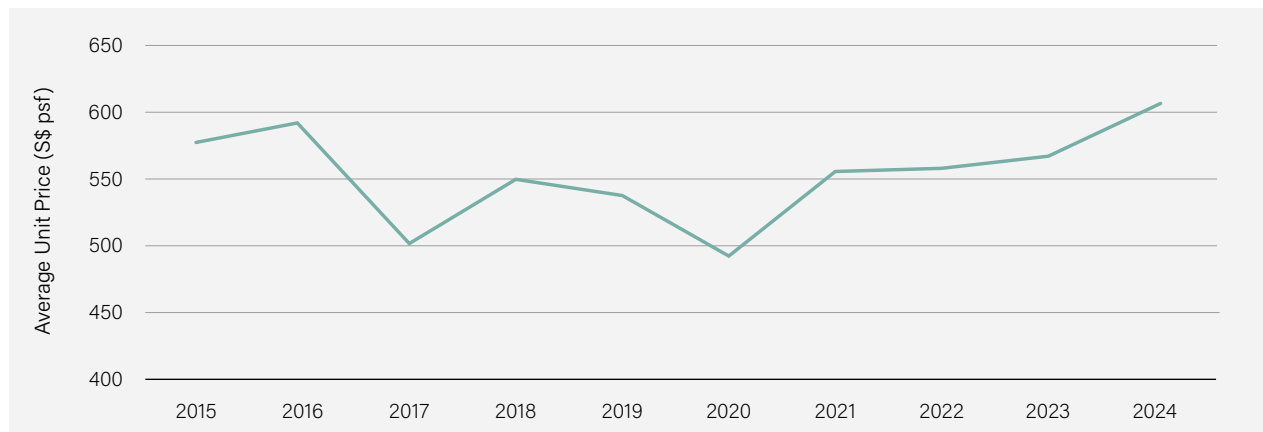


Source: JTC J-Space, Knight Frank Consultancy  
Note: The figures in brackets denote the monthly rents as at Q4 2023.

## 5.4 Prices

Due to the limited transaction activity of private warehouse spaces, no price index updates have been released by JTC since Q4 2014. As at Q4 2024, a total of 144 caveats were lodged, with an average unit price of strata-titled warehouse spaces at S\$605 psf – an increase of 6.3% y-o-y compared to 2023. In terms of the number of transactions, this translated to a 27.4% y-o-y improvement from the previous year where 113 caveats were lodged for the whole of 2023.

**Exhibit 5-6: Average Unit Price of Private Warehouse Space**



Source: JTC J-Space, Knight Frank Consultancy  
Note: Based on strata area.

## 5.5 Investment Sales

Investment sales of private warehouse space (excluding GLS sites) in 2024 totalled over S\$1.56 billion, more than double that the S\$452.9 million recorded in 2023. The surge in investment sales value was largely contributed by ESR REIT's 51% interest acquisition of 20 Tuas South Avenue 14 (S\$444.6 million) in Q3 2024. Other notable deals include the acquisitions of West Park BizCentral (S\$275.1 million) and 2 Tuas South Link 1 (S\$140.3 million) by Lendlease and Warburg Pincus; and Frasers Logistics & Commercial Trust respectively.

### Exhibit 5-7: Selected Major Private Warehouse Investment Sales in 2024

Name of Development	Location	Sale Price (S\$ mil)	Strata Area (sf)	Unit Price (S\$ psf)	Tenure	Date of Sale
Toh Tuck Logispark	7 Toh Tuck Link	25	92,878	\$269	30+30 yrs from 01/06/1997	Q1 2024
West Park BizCentral	20-32 Pioneer Crescent	275	1,241,824	\$222	30 yrs from 01/08/2008	Q3 2024
20 Tuas South Avenue 14	20 Tuas South Avenue 14	444.6	2,659,361	\$167	30 yrs from 22/06/2008	Q3 2024
21 Jalan Buroh	21 Jalan Buroh	112.8	430,319	\$262	58 yrs from 30/09/1997	Q4 2024
2 Tuas South Link 1	2 Tuas South Link 1	140.25	604,963	\$232	undisclosed	Q4 2024

Source: Various sources, Knight Frank Consultancy

#### Notes:

To be considered as private investment sales under Knight Frank's definition, it must fulfil either one of the following pre-requisite:

- Investment transactions comprise an entire building or property with a transaction value of S\$10 million and above; OR
- Any bulk sales within a development amounting to S\$10 million or more

## 5.6 Outlook

Singapore's role as a global logistics management hub deeply stems from its ability to help businesses navigate the complexities of fulfilling international supply chains with remarkable efficiency. The logistics industry's robust performance over the last two years has been driven by broader global economic recovery, which has gained steady momentum with trade volumes across various sectors exhibiting growth.

While the warehouse market has still been relatively resilient, expansionary demand has moderated last year from 2023 levels as occupiers prioritised to optimise their existing spaces amid elevated rents, high energy and labour costs and trade policy uncertainty. In the face of stiff competition and eroding margins, third-party logistics firms are in a consolidation phase after a scale-up period of over three years since the pandemic. Meanwhile, landlords are actively exploring asset enhancement initiatives or redevelopment opportunities to convert general warehouse facilities into modern prime logistics assets to attract tenants.

Global supply chain pressures have eased in the interim, providing relief for logistics players in the near-term and sustained demand for warehousing space. This trend, however, could be impacted by global trade shifts with downside risks from US trade policy and adverse responses from its trading partners. In addition, any unexpected change in the geopolitical situation and unforeseen circumstances coming from the US and other major economies could weigh on global trade and logistics businesses.

# INDEPENDENT MARKET REVIEW

While the warehouse supply pipeline is estimated to be the highest this year, prime logistics supply is projected to peak from late-2025, presenting an opportune time for occupiers to secure prime logistics space with less competitive market conditions compared to 2023. Knight Frank forecasts overall warehouse rents to trend on a relatively flatline or marginal growth trajectory in 2025. With the upcoming completion of PSA Supply Chain Hub @ Tuas in 2027, it will contribute over 2.5 million sf of prime logistics space to the market. Coupled with the other upcoming warehouses mostly concentrated at Western Singapore, there could be a short-term saturation of warehouse supply, which could post a downward pressure on warehouse rents and occupancy in the next 2-3 years should logistics and warehousing activities fail to ramp up to take up the influx of new warehouse stock.

## 6 SINGAPORE PRIVATE BUSINESS PARK MARKET BRIEF

As at Q4 2024, the total business park stock in Singapore amounted to 27.2 million sf, which translated to a 2.7% y-o-y increase from the same quarter the previous year. Estimated at 79.5% (or 22.6 million sf), private stock made up the bulk of the business park space in Singapore. The overall occupancy rate of business park space fell to below 80% for the fifth consecutive quarter, with the nationwide occupancy rate recorded at 77.9%. Despite the decline in occupancy, the rental market for business parks remained resilient, where it attained 1.9% y-o-y growth in Q4 2024.

Overall, the business park market segment is facing challenges, mainly attributed by consolidation of activities from companies which are downsizing operations and cutting costs. As at Q4 2024, the vacancy rate of business parks in the West and the East regions are the highest, at 38.4% and 29.2% respectively, while business parks in the Central region remained relatively stable at 9.7% vacancy rate. This trend highlighted that while centrally located good quality business parks remained popular among occupiers, landlords of suburban older assets experienced greater pressure in retaining and attracting tenants. The rise of hybrid and flexible work arrangements and the completion of high specification business park developments in more accessible locations might have drawn the demand from the older assets located further afield.

A major source of future business park supply is the Punggol Digital District (PDD) which will add about 1.9 million sf in net lettable area of office and business park space across eight towers when fully completed in 2026. Envisaged as Singapore's first smart district that will house major technology firms as well as tech squads of banks, more than two-thirds of the space across the eight towers has since been pre-committed as at end-2024, according to JTC. Notable tenants stem from both private and public sectors, including: UOB, OCBC, GovTech, Cybersecurity Agency of Singapore (CAS), dConstruct Technologies, Delteq and Wanxiang Singapore. While PDD is located in the North-Eastern fringe of Singapore, it has direct MRT connectivity via the Punggol Coast MRT station which began operations in December 2024.

The substantial pipeline supply at PDD is expected to exert downward pressure on other existing, less technologically advanced business parks due to these factors - increased competition for tenants, especially those looking for more tech-oriented facilities or business ecosystem with innovation-driven environments, as well as a near-term supply overhang which could cause some dislocation to the existing conventional business park segment as tenants, building infrastructure and market preferences evolve. Landlords of existing business park spaces will need to adapt quickly to this shift to remain competitive, while gestation time is needed to actualize real estate optimization works.

Nonetheless, the EDB's continuing efforts in promoting Singapore to external businesses and forging strategic partnerships with local and global companies will support the relevance of Singapore's business park market segment. Prime business park spaces within the Central region will continue to receive sustained demand with healthy occupancy and stable rents. Considering near-term headwinds stemming from cost and space rationalization by occupiers, overall rents of business park spaces are expected to trend sideways with subdued marginal growth in 2025.

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# PROPERTY PORTFOLIO

Our properties are diversified into four industrial segments across Singapore. Most of our buildings enjoy strong connectivity, being in close proximity to expressways, commercial nodes and public transportation nodes including MRT stations and bus stops.



## High-Tech Industrial

- 1** 151 Lorong Chuan  
*Lorong Chuan (CC14)*
- 2** 8 Commonwealth Lane  
*Commonwealth (EW20)*
- 3** 15 Jalan Kilang Barat  
*Redhill (EW18)*
- 4** Sabana@1TA4,  
1 Tuas Avenue 4  
*Tuas Crescent (EW31)*
- 5** 23 Serangoon North  
Avenue 5
- 6** 508 Chai Chee Lane

## Chemical Warehouse & logistics

- 7** 33, 33A & 35  
Penjuru Lane
- 8** 18 Gul Drive  
*Gul Circle (EW30)*

## Warehouse & Logistics

- 9** 34 Penjuru Lane
- 10** 51 Penjuru Road
- 11** 26 Loyang Drive
- 12** 3A Joo Koon Circle  
*Joo Koon (EW29)*
- 13** 2 Toh Tuck Link
- 14** 10 Changi South Street 2  
*Expo (CGI/DT35)*

## General Industrial

- 15** 123 Genting Lane  
*Mattar (DT25)*
- 16** 30 & 32 Tuas Avenue 8  
*Tuas Crescent (EW31)*
- 17** 39 Ubi Road 1  
*MacPherson (DT26/CC10)*
- 18** 21 Joo Koon Crescent  
*Joo Koon (EW29)*

**85.0%** PORTFOLIO OCCUPANCY

# PROPERTY PORTFOLIO

## HIGH-TECH INDUSTRIAL



1

### 151 LORONG CHUAN, NEW TECH PARK, SINGAPORE 556741

A six-storey industrial building with a two-storey commercial extension, known as NTP+ mall

Purchase Consideration (\$ million)	<b>305.9</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>361.7</b>
Gross Rental Income for FY 2024 (\$ million)	<b>24.8</b>
Occupancy Rate (%)	<b>82.3</b>
Land Lease Expiry	<b>2055</b> <b>45 yrs wef</b> <b>26 Nov 2010</b>
GFA (sq ft)	<b>866,140</b>

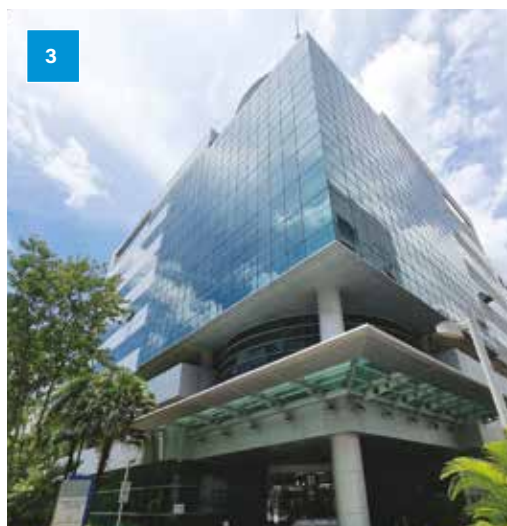


2

### 8 COMMONWEALTH LANE, SINGAPORE 149555

A four-storey industrial building with a six-storey annex

Purchase Consideration (\$ million)	<b>70.3</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>54.7</b>
Gross Rental Income for FY 2024 (\$ million)	<b>4.0</b>
Occupancy Rate (%)	<b>76.2</b>
Land Lease Expiry	<b>2059</b> <b>30 + 23 yrs wef</b> <b>1 Feb 2006</b>
GFA (sq ft)	<b>161,815</b>



3

### 15 JALAN KILANG BARAT, FRONTech CENTRE, SINGAPORE 159357

An eight-storey industrial building with a multi-storey carpark at Level Two & Three

Purchase Consideration (\$ million)	<b>34.5</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>22.5</b>
Gross Rental Income for FY 2024 (\$ million)	<b>1.8</b>
Occupancy Rate (%)	<b>97.4</b>
Land Lease Expiry	<b>2060</b> <b>99 yrs wef</b> <b>1 Jan 1962</b>
GFA (sq ft)	<b>73,928</b>

Note: Occupancy rates stated on pages 43 to 49 are as at 31 December 2024



# PROPERTY PORTFOLIO

## HIGH-TECH INDUSTRIAL

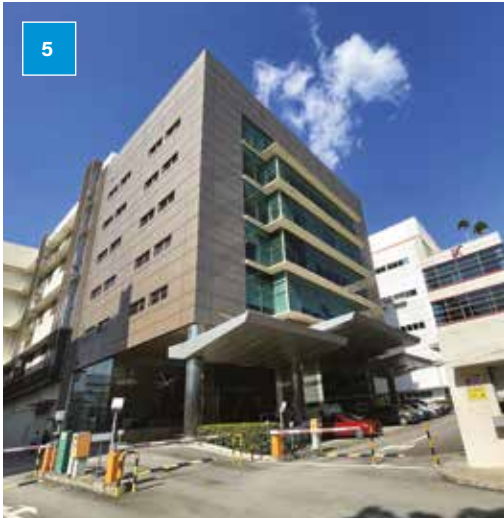


4

**SABANA@1TA4, 1 TUAS AVENUE 4, SINGAPORE 639382**

A part single-storey/part-three storey warehouse building with production and ancillary office

Purchase Consideration (\$ million)	<b>28.0</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>24.1</b>
Gross Rental Income for FY 2024 (\$ million)	<b>0.3</b>
Occupancy Rate (%)	<b>63.8</b>
Land Lease Expiry	<b>2047 30 + 21 yrs 4 mths wef 1 Jan 1996</b>
GFA (sq ft)	<b>156,139</b>



5

**23 SERANGOON NORTH AVENUE 5, BTC CENTRE, SINGAPORE 554530**

A five-storey industrial building with a mezzanine level

Purchase Consideration (\$ million)	<b>61.0</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>42.3</b>
Gross Rental Income for FY 2024 (\$ million)	<b>2.8</b>
Occupancy Rate (%)	<b>66.4</b>
Land Lease Expiry	<b>2056 30 + 20 yrs 15 days wef 16 Sep 2006</b>
GFA (sq ft)	<b>159,384</b>



6

**508 CHAI CHEE LANE, SINGAPORE 469032**

A seven-storey industrial building with two basements

Purchase Consideration (\$ million)	<b>67.2</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>71.0</b>
Gross Rental Income for FY 2024 (\$ million)	<b>8.4</b>
Occupancy Rate (%)	<b>99.2</b>
Land Lease Expiry	<b>2060 30 + 29 yrs wef 16 Apr 2001</b>
GFA (sq ft)	<b>319,718</b>

## CHEMICAL WAREHOUSE & LOGISTICS



7

### 33, 33A & 35 PENJURU LANE, SINGAPORE 609200/609758/609202

Comprising three buildings, including a single storey warehouse with mezzanine floor, a four-storey warehouse and a part single-storey/part three-storey warehouse with a basement

Purchase Consideration (\$ million)	<b>78.9</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>42.0</b>
Gross Rental Income for FY 2024 (\$ million)	<b>2.0</b>
Occupancy Rate (%)	<b>73.7</b>
Land Lease Expiry	<b>2049</b> <b>31 yrs wef</b> <b>16 Feb 2018</b>
GFA (sq ft)	<b>286,192</b>



8


### 18 GUL DRIVE, SINGAPORE 629468

A part two-/part four-storey warehouse

Purchase Consideration (\$ million)	<b>34.1</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>19.0</b>
Gross Rental Income for FY 2024 (\$ million)	<b>2.3</b>
Occupancy Rate (%)	<b>100.0</b>
Land Lease Expiry	<b>2038</b> <b>20 yrs wef</b> <b>13 Sep 2018</b>
GFA (sq ft)	<b>132,878</b>

# PROPERTY PORTFOLIO

## WAREHOUSE & LOGISTICS



9

**34 PENJURU LANE, PENJURU LOGISTICS HUB  
SINGAPORE 609201**

A five-storey warehouse with ancillary offices

Purchase Consideration (\$ million)	<b>60.0</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>29.0</b>
Gross Rental Income for FY 2024 (\$ million)	<b>5.3</b>
Occupancy Rate (%)	<b>98.8</b>
Land Lease Expiry	<b>2032 30 yrs wef 16 Aug 2002</b>
GFA (sq ft)	<b>414,270</b>



10

**51 PENJURU ROAD, FREIGHT LINKS EXPRESS  
LOGISTICENTRE, SINGAPORE 609143**

A part single/part three-/part four-storey warehouse building with mezzanine floor

Purchase Consideration (\$ million)	<b>42.5</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>31.3</b>
Gross Rental Income for FY 2024 (\$ million)	<b>3.2</b>
Occupancy Rate (%)	<b>93.1</b>
Land Lease Expiry	<b>2054 30 + 30 yrs wef 1 Jan 1995</b>
GFA (sq ft)	<b>246,376</b>



11

**26 LOYANG DRIVE,  
SINGAPORE 508970**

A single-storey warehouse building with mezzanine floors

Purchase Consideration (\$ million)	<b>32.0</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>27.6</b>
Gross Rental Income for FY 2024 (\$ million)	<b>2.6</b>
Occupancy Rate (%)	<b>100.0</b>
Land Lease Expiry	<b>2053 30 + 18 yrs wef 1 Jan 2006</b>
GFA (sq ft)	<b>149,166</b>



## WAREHOUSE & LOGISTICS



12

### 3A JOO KOON CIRCLE, SINGAPORE 629033

A two-storey warehouse building with mezzanine floor and a part three-/part four-storey factory building

Purchase Consideration (\$ million)	<b>40.3</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>36.5</b>
Gross Rental Income for FY 2024 (\$ million)	<b>3.0</b>
Occupancy Rate (%)	<b>96.5</b>
Land Lease Expiry	<b>2047</b> <b>30 yrs wef</b> <b>1 Aug 2017</b>
GFA (sq ft)	<b>217,899</b>



13

### 2 TOH TUCK LINK, TOH TUCK LOGISPARK SINGAPORE 596225

A part four-/part six-storey warehouse building with a basement carpark

Purchase Consideration (\$ million)	<b>40.1</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>30.2</b>
Gross Rental Income for FY 2024 (\$ million)	<b>1.9</b>
Occupancy Rate (%)	<b>76.6</b>
Land Lease Expiry	<b>2056</b> <b>30 + 30 yrs wef</b> <b>16 Dec 1996</b>
GFA (sq ft)	<b>181,705</b>



14

### 10 CHANGI SOUTH STREET 2, SINGAPORE 486596

A part single-/part six-storey warehouse building with ancillary offices and a five-storey annex

Purchase Consideration (\$ million)	<b>54.2</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>46.9</b>
Gross Rental Income for FY 2024 (\$ million)	<b>3.8</b>
Occupancy Rate (%)	<b>100.0</b>
Land Lease Expiry	<b>2051</b> <b>27 yrs wef</b> <b>1 Oct 2024</b>
GFA (sq ft)	<b>238,862</b>

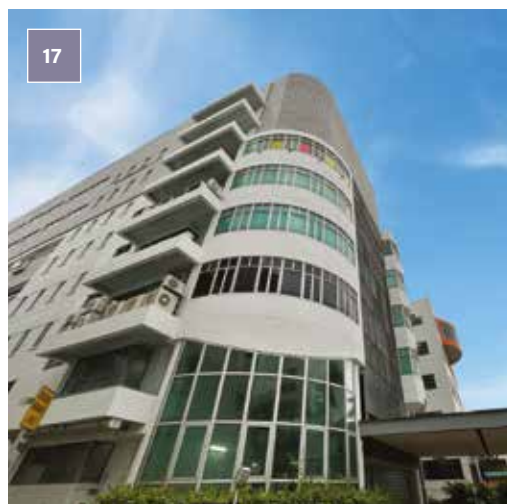
# PROPERTY PORTFOLIO

## GENERAL INDUSTRIAL

15		<b>123 GENTING LANE, SINGAPORE 349574</b> An eight-storey industrial building with ancillary offices	
		Purchase Consideration (\$ million)	<b>24.5</b>
		Latest Valuation (As at 31 December 2024) (\$ million)	<b>17.4</b>
		Gross Rental Income for FY 2024 (\$ million)	<b>2.3</b>
		Occupancy Rate (%)	<b>100.0</b>
		Land Lease Expiry	<b>2041 60 yrs wef 1 Sept 1981</b>
		GFA (sq ft)	<b>158,907</b>

16		<b>30 &amp; 32 TUAS AVENUE 8, SINGAPORE 639246/639247</b> Comprising two original "E8" JTC standard factories with an adjoining four-storey factory with ancillary offices	
		Purchase Consideration (\$ million)	<b>24.0</b>
		Latest Valuation (As at 31 December 2024) (\$ million)	<b>23.6</b>
		Gross Rental Income for FY 2024 (\$ million)	<b>1.4</b>
		Occupancy Rate (%)	<b>0.0</b>
		Land Lease Expiry	<b>2056 30 + 30 yrs wef 1 Sept 1996</b>
		GFA (sq ft)	<b>158,846</b>

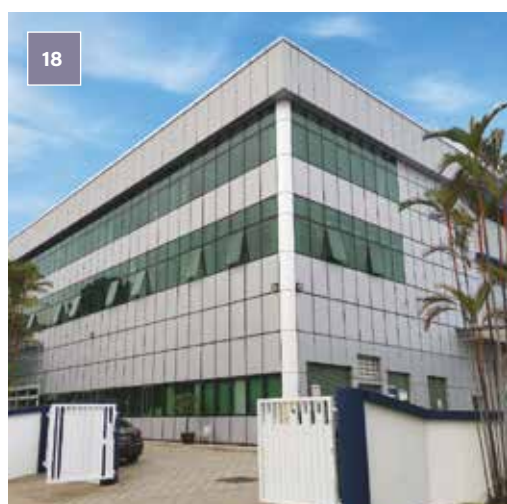
## GENERAL INDUSTRIAL



### 39 UBI ROAD 1, SINGAPORE 408695

An eight-storey industrial building with ancillary offices

Purchase Consideration (\$ million)	<b>32.0</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>19.2</b>
Gross Rental Income for FY 2024 (\$ million)	<b>2.2</b>
Occupancy Rate (%)	<b>98.8</b>
Land Lease Expiry	<b>2051</b> <b>30 yrs wef</b> <b>1 Jan 2022</b>
GFA (sq ft)	<b>135,513</b>



### 21 JOO KOON CRESCENT, SINGAPORE 629026

A three-storey industrial building with ancillary offices

Purchase Consideration (\$ million)	<b>20.3</b>
Latest Valuation (As at 31 December 2024) (\$ million)	<b>16.9</b>
Gross Rental Income for FY 2024 (\$ million)	<b>0.8</b>
Occupancy Rate (%)	<b>100.0</b>
Land Lease Expiry	<b>2054</b> <b>30 yrs wef</b> <b>16 Feb 2024</b>
GFA (sq ft)	<b>99,575</b>



# INVESTOR RELATIONS

## COMMITMENT TO EFFECTIVE AND OPEN COMMUNICATION

The Manager of Sabana Industrial REIT proactively engages Unitholders and stakeholders to help them better understand the REIT's performance, strategic focus, and priorities. To this end, the Manager has maintained timely, accurate, and transparent disclosure of information in FY 2024, amidst the significant challenges arising from the internalisation process of the REIT management function.

The Manager updated the market via approximately 113 announcements on SGXNet over the course of FY 2024. Over and above the relevant disclosures on performance and operational updates through the 1Q and 3Q 2024 interim business updates and half-yearly results announcements, the Manager also informed the market on its responses to requisitioned extraordinary general meetings ("**EGMs**"), letters from Trustee updating on the progress of internalisation and/or Trustee's responses to requisitioned EGMs. By providing these regular disclosures to investors and analysts, the Manager aims to keep stakeholders informed about the internalisation and/or its progress.

In 2024, the Manager convened a total of three requisitioned meetings pursuant to requisition notices received from the Requisitionists (the "**Requisition Notices**"). Unitholders were informed of these Requisition Notices via SGXNet announcements. Where necessary, the Manager and/or the Trustee also reached out to the Requisitionists to clarify the proposed resolutions, intentions or timelines, among others, prior to the convening of the EGM by the Manager.

On the receipt of these Requisition Notices received during the year, the Manager provided all relevant updates including EGM notices and circulars on the SGXNet.

Apart from providing up-to-date announcements on the requisitioned EGMs and on the progress of the internalisation, the Manager also kept Unitholders informed of important operational developments including the following:

- In the first half of 2024, the Manager repossessed two master-tenanted properties at 33, 33A & 35 Penjuru Lane (formerly known as 33 & 35 Penjuru Lane) and 30 & 32 Tuas Avenue 8. The Manager kept Unitholders informed of the key developments of these two properties as it took active steps to safeguard the REIT's interests.
- In relation to 33, 33A & 35 Penjuru Lane (formerly known as 33 & 35 Penjuru Lane), the Manager had filed an originating claim against the former tenant at 33, 33A & 35 Penjuru Lane, of which an order of court was granted by the High Court that the former tenant deliver possession of these premises. These premises were subsequently repossessed by the Manager on 8 March 2024.
- In relation to 30 & 32 Tuas Avenue 8, the former tenant of these properties had gone into creditors' voluntary liquidation. The Manager exercised its right of re-entry on 14 June 2024.



CEO Donald Han conducted a presentation to Unitholders at the AGM

- In keeping with the REIT's prudent capital management approach and to reinforce the Manager's commitment to ESG principles and sustainable growth, the Manager raised capital in June 2024 via the issuance of S\$100.0 million in aggregate principal amount of 5-year 4.15% per annum sustainability-linked guaranteed bonds. In conjunction with the bond issuance, the REIT's sustainable and sustainable-linked finance framework was published on the corporate website. A full day road show was conducted to engage accredited investors.

### ENGAGING THE INVESTMENT COMMUNITY AND MEDIA

To maintain its engagements with Unitholders and investors, the senior management connected with the Unitholders and investors across several platforms, including in-person meetings, virtual meetings and conference calls. These sessions with Singapore and overseas investors also served as platforms for senior management to receive feedback from the investors and understand their views.

Senior management also engaged the analyst and media community via post-results conference calls. Media coverage of the REIT's EGMs and key developments were also available on print and online channels.

### CONNECTING CLOSELY WITH RETAIL INVESTORS

Retail unitholders form an important component of the Manager's investor outreach programme.

For the Annual General Meeting ("AGM") on 23 April 2024, registered Unitholders attended physically at Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741. At the AGM, the CEO gave a presentation to Unitholders to update them on the REIT's operational and financial performance. Unitholders were also able to submit their relevant and substantial questions that they had relating to the REIT to the Chairman of the AGM in advance of the AGM. The responses given by the Board and management were uploaded onto SGXNet and the corporate website for Unitholders' information.

For the requisitioned EGMs that were conducted, registered Unitholders were also able to attend physically. Unitholders were able to submit their relevant and substantial questions that they had relating to the REIT to the Chairman of the EGM in advance of the EGM. The responses provided by the Manager and the Trustee were uploaded onto SGXNet and the corporate website for Unitholders' information.

The REIT's website serves as the primary source of information and REIT data for Unitholders. All material announcements are made available on the REIT's website immediately after the information is posted on the SGXNet to ensure timely dissemination of information. The Manager provides contact details on the REIT's website to enhance accessibility to the Investor Relations team should Unitholders require any updates or clarifications.

### POLICIES AND PRACTICES

As part of the Manager's on-going endeavour towards stronger stakeholder engagement, it has published its investor relations policy on the website. The policy outlines the principles and practices that the Manager adopts to enable the REIT's unitholders and the broader investment community to arrive at informed investment decisions with respect to the REIT.

The Manager also published its Code of Conduct on the REIT's website to inform stakeholders about the principles of conduct that guide the Manager's employees in carrying out their duties and responsibilities to the highest standards of honesty and integrity. The Whistle-blowing Policy provided on the website also gives an additional avenue for employees and stakeholders to raise any concerns.

### IMPROVEMENT IN CORPORATE GOVERNANCE RANKINGS

The REIT was ranked 24<sup>th</sup> place out of 43 Singapore-listed REITS and Business Trusts in the Singapore Governance and Transparency Index in 2024, with an overall achievement score of 85.8. This represents a marked improvement of six positions and 1.6 points over the REIT's performance in 2023.

#### FY 2024 INVESTOR RELATIONS CALENDAR

<b>1<sup>st</sup> quarter interim business update</b>	15 April 2024
<b>13<sup>th</sup> Annual General Meeting (in respect of FY 2023)</b>	24 April 2024
<b>1H 2024 results announcement</b>	23 July 2024
<b>Distribution Payment Date (1 January 2024 to 30 June 2024)</b>	29 August 2024
<b>3<sup>rd</sup> quarter interim business update</b>	18 October 2024
<b>2H 2024 and FY 2024 results announcement</b>	21 January 2025
<b>Distribution Payment Date (1 July 2024 to 31 December 2024)</b>	28 February 2025

# INVESTOR RELATIONS

## INVESTOR AND MEDIA RELATIONS ACTIVITIES IN FY 2024

### 1<sup>st</sup> QUARTER

- Analysts and media results briefing for 2H 2023 and FY 2023 financial results
- Held requisitioned EGM on 8 March 2024
- Published Sabana Industrial REIT's 2023 Annual Report and Sustainability Report

### 2<sup>nd</sup> QUARTER

- Announced 1Q 2024 interim business update
- Held 13<sup>th</sup> AGM
- Roadshow for sustainability-linked bonds

### 3<sup>rd</sup> QUARTER

- Analysts and media results briefing for 1H 2024 financial results
- Held requisitioned EGM on 6 August 2024

### 4<sup>th</sup> QUARTER

- Announced 3Q 2024 interim business update
- Held requisitioned EGM on 18 October 2024

### UNITHOLDER ENQUIRIES

It is the Manager's utmost priority to maintain consistent engagement and build trust with its stakeholders.

The Investor Relations team is readily contactable via phone and email, and any queries or concerns pertaining to Sabana Industrial REIT will be addressed as promptly as applicable. If you would like to find out more about Sabana Industrial REIT, please contact:

### Sabana Real Estate Investment Management Pte. Ltd.

151 Lorong Chuan  
#02-03 New Tech Park  
Singapore 556741

### Investor Relations

Phone: (65) 6580 7750  
Fax: (65) 6280 4700  
Email: [enquiry@sabana.com.sg](mailto:enquiry@sabana.com.sg)  
Website: [www.sabana-reit.com.sg](http://www.sabana-reit.com.sg)

### Analyst Coverage

DBS Group Research



# SUSTAINABILITY REPORT

**54**

Board Statement on Sustainability

**55**

About this Report

**56**

How We Manage Sustainability

**57**

Stakeholder Engagement

**58**

Materiality Assessment

**59**

Material ESG Topics

**60**

Sustainability Performance in 2024

**61**

Our Governance

**64**

Our People and Tenants

**72**

Our Environment

**84**

Our Society

**86**

GRI Content Index

# SUSTAINABILITY REPORT

## BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors of Sabana Real Estate Investment Management Pte. Ltd., the manager of Sabana Industrial REIT (the "**Manager**", and the Board of Directors of the Manager, the "**Board**") has considered sustainability issues in Sabana Industrial Real Estate Investment Trust's ("**Sabana Industrial REIT**") business and strategy, determined the material environmental, social and governance ("**ESG**") factors and overseen the management and monitoring of the material ESG factors. Globally and in Singapore, there has been a growing consciousness of the importance of ESG performance and its impact on business resilience and long-term success. Accordingly, sustainability continues to be at the core of the REIT's organisational strategy. The Board is committed to advancing the REIT's ESG agenda and sustainability objectives.

Management regularly updates the Directors on the ESG initiatives, plans, projects, and progress through the Board and Audit and Risk Committee ("**ARC**") meetings. Consistent with the REIT's ESG commitment to improving energy and water efficiency, the Manager continued with its efforts in implementing our green initiatives and ensuring the progress of prior-committed project plans.

In FY 2024, the installation of solar panels was completed at 23 Serangoon North Avenue 5, 39 Ubi Road 1, 51 Penjuru Road, 2 Toh Tuck Link, 8 Commonwealth Lane and Sabana@1TA4 in 2024. These were in addition to 3A Joo Koon Circle, 34 Penjuru Lane and 10 Changi South Street 2 which completed the installation in 2023. In total, the Manager has installed solar panels at nine of the REIT's properties. All of these installations at the nine multi-tenanted properties have a total installed capacity of 7.6 Megawatt peak and are able to potentially produce over 9,000 Megawatt hours per year.

In 3Q 2024, the Manager completed the Asset Enhancement Initiative ("**AEI**") of 1 Tuas Avenue 4 (subsequently named Sabana@1TA4). The property has obtained Green Mark Super Low Energy certification.

In June 2024, the Manager launched and priced \$100.0 million of sustainability-linked bonds due 2029. The bonds were issued in the denomination of \$250,000 and bear a coupon rate of 4.15 per cent per annum. In alignment with sustainability-linked bond principles, the REIT has committed to minimise its environmental impact and focus on its Sustainability Performance Target of a 30% absolute reduction of Scope 2 greenhouse gas ("**GHG**") emissions by 2028 from 2023 baseline, which is the year on which its emissions impact is measured against.

The Manager has considered environmental risk with Guidelines on Environmental Risk Management for Asset Managers issued by the Monetary Authority of Singapore ("**MAS**"), and the disclosure of impacts are made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**").

The Board has the collective knowledge and skills to oversee the management and monitoring of the material ESG factors and ESG considerations in its operations. The Board is well supported by the Sustainability Working Committee ("**SWC**"), which assists the Board and the Manager in the implementation of the REIT's sustainability agenda.

The Board is pleased to present Sabana Industrial REIT's FY 2024 sustainability report ("**Sustainability Report**") as it continues to incorporate good practices for ethics and social responsibility into the REIT's business and investment decisions to enhance its ESG performance. The Board looks forward to sharing with you our progress and welcoming your feedback.

## ABOUT THIS REPORT

This Sustainability Report has been prepared in accordance with the sustainability reporting requirements of the SGX-ST Listing Rules 710A, 711A and 711B, and with reference to the Global Reporting Initiative Sustainability Reporting Standards (“**GRI**”) and the recommendations from the Task Force on Climate-Related Financial Disclosures (“**TCFD**”). GRI is globally recognised and commonly used as a sustainability reporting standard.

This Sustainability Report presents detailed information on our sustainable development targets, performance and management for the financial year that commenced on 1 January 2024 and ended on 31 December 2024. This Sustainability Report is published on 13 March 2025.

The scope of the report covers:

- Sabana Industrial REIT; listed on SGX-ST
- the Manager;
- Sabana Property Management Pte. Ltd., the property manager of Sabana Industrial REIT (the “**Property Manager**”); and
- Sabana Industrial REIT’s entire property portfolio.

The headquarters and all our operations and properties are located in Singapore.

For performance related to energy, GHG emissions, water and waste, the performance data for FY 2024 disclosed in this Sustainability Report covers our 12 multi-tenanted properties<sup>1</sup> over which the Property Manager has operational control. Employee-related performance data disclosed in this report covers the employees of the Manager and the Property Manager, and references to “our employees” are to be construed accordingly to refer to employees of the Manager and/or the Property Manager.

This Sustainability Report should be read together with the financial performance and governance information detailed in the other sections of this Annual Report for a more comprehensive picture of our business.

We will continue to publish our Sustainability Report annually in accordance with the requirements of the SGX-ST Listing Rules. We greatly welcome feedback from our stakeholders as we seek to continuously improve our sustainability performance and reporting.

The point of contact for this report is:

Contact: Investor Relations team

Email: [dl\\_ir@sabana.com.sg](mailto:dl_ir@sabana.com.sg)

<sup>1</sup> 151 Lorong Chuan, 8 Commonwealth Lane, 15 Jalan Kilang Barat, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 34 Penjuru Lane, 3A Joo Koon Circle, 2 Toh Tuck Link, 10 Changi South Street 2, 123 Genting Lane, 39 Ubi Road 1 and 51 Penjuru Road



# SUSTAINABILITY REPORT

## HOW WE MANAGE SUSTAINABILITY

### SUSTAINABILITY APPROACH

Our approach to sustainability is built upon our considerations for ethics and social responsibility in our investment and business decisions, as well as our commitment to our key stakeholders. Sustainability is a strategic priority for generating real value for our stakeholders, through solid governance and sound management of identified material ESG topics.

The Manager is mindful of the long-lasting impact that our assets can have on the environment. We aim to improve the environmental sustainability of our assets to enhance our operational performance and reduce our environmental footprint.



### SUSTAINABILITY GOVERNANCE

The Board determines the direction of Sabana Industrial REIT's sustainability agenda and oversees the process to identify and manage the REIT's impact on the economy, environment, and people. The Board monitors the REIT's sustainability initiatives and their integration into the REIT's business and strategy. The Directors will review and approve matters relating to sustainability, including the Material ESG topics during the ARC meetings. Please refer to the Material ESG Topics set out on page 59 to 60.

The SWC was appointed by the ARC and Board to support its efforts in governing sustainability-related matters. The SWC comprises the CEO and key representatives from the Manager's Asset Management, Property Management, Finance, Compliance, Human Resources, and Investor Relations teams. The involvement and support of the SWC enables the Board to provide continuous strategic oversight of management and monitoring of the REIT's sustainability performance.

The SWC is led by the Manager's CEO, who manages material ESG matters and reporting, which includes the REIT's sustainability progress, performance, and targets. The SWC is responsible for implementing the REIT's sustainability agenda, identifying material ESG risks and opportunities, developing corresponding action plans, monitoring, and reporting the REIT's ESG performance and setting ESG targets. The SWC manages the outcome of the impact and reports the REIT's sustainability progress as well as ESG potential and actual concerns to the Directors during the ARC meetings.

Information on the Board and the Board Committees can be found in the Corporate Governance chapter of this annual report.

### Our sustainability governance structure









The Manager embarked on the Global Real Estate Sustainability Benchmark (“**GRESB**”) for assessment in 2023 and we continued this assessment in 2024. GRESB is an independent organisation providing validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making. GRESB is steadily becoming an industry standard for ESG assessment and the REIT is committed to improving its ESG standards across the board. By participating in the assessment, the REIT is able to benchmark itself against industry peers and leaders. ESG data submitted to GRESB has been key in providing actionable insight into the REIT’s ESG performance. For the year of assessment 2024, we improved on our score from 2023 and gained in terms of ranking amongst industry peers. The REIT was awarded an “A” by GRESB for public disclosure.

## STAKEHOLDER ENGAGEMENT

We are committed to understanding and safeguarding our stakeholders’ interests. To do so, we maintain transparent and effective two-way communication with our stakeholders to address their concerns and meet their expectations.

A summary of how we interact and communicate with our stakeholders is outlined below:

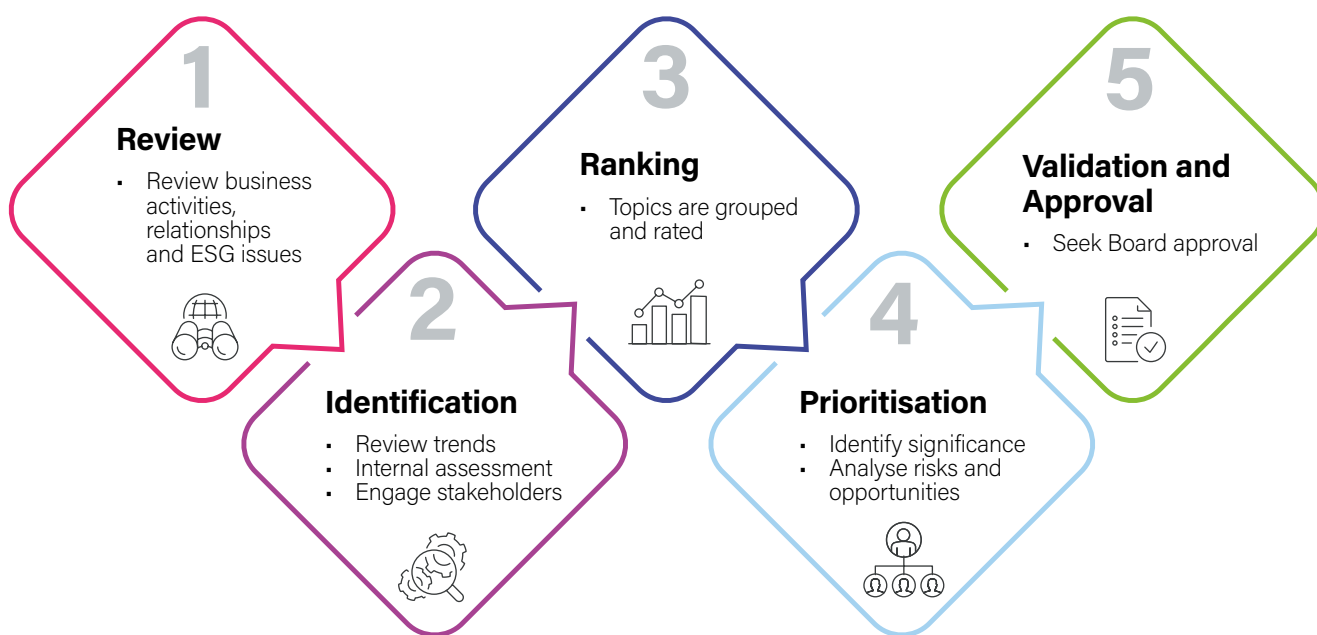
Key Stakeholders	Key Issues of Concern	Engagement Methods	Engagement Frequency	Purpose
<b>Investment Community (including Unitholders, Fund Managers, Analysts, as well as Media)</b> 	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Interim business updates</li> <li>Key developments and outlook</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Financial results briefings with analysts and the media</li> <li>SGXNet announcements</li> <li>Annual General Meetings (“<b>AGMs</b>”)</li> <li>Extraordinary General Meetings (“<b>EGMs</b>”)</li> <li>Asset valuation reports</li> <li>Updates and announcements via our corporate website and SGXNet</li> <li>Video-conference investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>Half-yearly</li> <li>Throughout the year</li> <li>Annually</li> <li>Ad-hoc</li> <li>Bi-annually</li> <li>Throughout the year</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Enhance understanding of the REIT and its strategy</li> <li>Provide updates on operational and financial performance</li> <li>Expand investor base</li> </ul>
<b>Tenants</b> 	<ul style="list-style-type: none"> <li>Tenants’ satisfaction</li> <li>Quality of facilities and services</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Tenant satisfaction survey</li> <li>Tenant engagement sessions</li> <li>Tenant engagement communications broadcasts</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Throughout the year</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Maintain open communication with tenants to better serve their needs</li> <li>Build positive relationships with tenants and enhance their experience</li> <li>Provide and maintain a healthy and safe environment for the well-being of tenants</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career development</li> <li>Health and safety</li> <li>Equal opportunity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Training and development programmes</li> <li>Team meetings</li> <li>Team bonding activities</li> <li>Employee satisfaction survey</li> <li>Company town halls</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Throughout the year</li> <li>Throughout the year</li> <li>Throughout the year</li> <li>Once per three years</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Support the REIT’s growth and performance by attracting talents, retaining employees and equipping them with the appropriate skills</li> <li>Provide and maintain a healthy and safe environment for the well-being of employees</li> </ul>
<b>Business Partners (including suppliers/ service providers)</b> 	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Business performance</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Surveys</li> <li>Video-conferencing meetings</li> <li>Ad-hoc site visits</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Throughout the year</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Support the REIT’s operational needs and requirements</li> <li>Ensure a healthy and safe environment to prevent accidents and injuries</li> <li>Engage business partners in the adoption of ESG principles and practices</li> </ul>
<b>Government and Regulatory Bodies</b> 	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Good governance</li> </ul>	<ul style="list-style-type: none"> <li>Video-conferencing meetings</li> <li>Site inspections</li> <li>Submissions of surveys and regulatory returns</li> </ul>	<ul style="list-style-type: none"> <li>Throughout the year</li> <li>Throughout the year</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with legal and regulatory requirements</li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>Community investments</li> <li>Impact of business on the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility (“<b>CSR</b>”) activities</li> <li>Donations to charitable/ non-profit organisations</li> <li>Promotional events of the retail mall</li> </ul>	<ul style="list-style-type: none"> <li>Throughout the year</li> <li>Throughout the year</li> <li>Throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Create positive impact by supporting initiatives that contribute to the good of the community</li> </ul>

# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

The Manager conducted an impact assessment as part of a refresh of our materiality assessment in FY 2023, in consultation with an external sustainability consultant, to identify the impact of our business activities and relationships on our environment, our people (including human rights), governance and the wider economy, in line with GRI Standards "Principle of Materiality" for sustainability reporting.

### Materiality assessment process



<b>Step 1: Reviewing business activities</b>	Review our business activities and relationships, as well as ESG issues relevant to the real estate industry, to understand our positive and negative impacts on our environment, our people (including human rights), governance and the wider economy.
<b>Step 2: Identification</b>	In identifying the material ESG factors relevant for our business, we will consider factoring in the stakeholders' feedback on the sustainability issues (where relevant).
<b>Step 3: Ranking</b>	We will then assess the significance of each impact by considering its severity, including the potential for remediation of negative impacts and the likelihood of occurrence.
<b>Step 4: Prioritisation</b>	After assessing the significance of the identified ESG impacts, the ESG topics are prioritised according to the most significant impact for reporting. The material topics will be shortlisted for reporting.
<b>Step 5: Validation and approval</b>	The shortlisted material topics, initiatives and targets will then be reviewed and approved by the ARC/ Board and/or CEO, as recommended by and in consultation with our external sustainability consultant.

In FY 2024, through engagement with our various stakeholders and with inputs from our external sustainability consultant, we have validated this materiality assessment to be accurate for FY 2024.

In the next section, we will go through our material ESG topics that have been identified. In addition to engaging our stakeholders, we also participate in professional associations. The Manager is a member of the REIT Association of Singapore ("REITAS") and the Singapore Business Federation to contribute to the development of our industry. Apart from professional associations, we also engage independent organisations such as the Securities Investors Association (Singapore) ("SIAS"), which is an association for minority shareholders. We work with and support SIAS closely in recognition of the importance of investor and public engagement.

## MATERIAL ESG TOPICS

The table below describes each of our material ESG topics, where there are significant impacts resulting from each material ESG topic, and how we have caused or contributed to the impacts through our business conduct. The material ESG topics are identified in consultation with our external sustainability consultant. Each material ESG topic impact is assessed specifically according to the impact where it occurs in our value chain and how we may be impacted.

There have been no changes to the material topics from our previous reporting period FY 2023.

Material Topics	Materiality to Sabana Industrial REIT
<b>Economic growth<sup>2</sup></b>	Economic growth is pivotal for the REITs in Singapore as it directly influences the demand and value of properties. Creating value for the properties will in turn generate value for our stakeholders. A thriving economy correlates with increased job opportunities, rising incomes, and a growing population, all of which contribute to a heightened demand for our industrial spaces. Additionally, economic growth tends to correlate with an uptick in urban development and infrastructure projects, which generates more business opportunities for our REIT to expand, develop, and enhance our overall attractiveness to investors. The Manager carries out relevant upgrading and building enhancements on some of our assets, coupled with capital and risk management and integrating sustainability considerations into the REIT's strategy. Through these initiatives, the Manager aims to deliver long-term value to our stakeholders.
<b>Good governance<sup>3</sup></b> <b>Business ethics and anti-corruption</b> <b>Regulatory compliance</b>	Sound corporate governance is essential for sustaining the REIT's operations and performance, safeguarding the interests of stakeholders, and ensuring the REIT's long-term success. The lack of internal controls and non-compliance with regulations can result in financial and reputational loss, along with a loss of investor confidence. In eliminating fraud and corruption and the risk of non-compliance, the Manager has established a robust corporate governance framework and put in place policies and practices to maintain the highest standards of integrity and accountability.
<b>Cyber-security and data privacy</b>	Transactions in the real estate industry involve managing confidential data, including financial, property records and personal data. Having a robust cyber-security system would protect these data from unauthorised access and safeguard the interests of tenants and stakeholders. A data breach would lead to severe consequences, including financial losses, reputational damage, and potential legal ramifications. The Manager recognises the importance of managing cyber-security risks well and safeguarding our data. The Manager, in consultation with its outsourced information technology vendor (MAS-licenced), takes steps to protect stakeholders' personal data and critical information in accordance with industry standards and policies.
<b>Tenant satisfaction</b>	The level of tenant satisfaction will demonstrate the Manager's attitude towards quality of property management and customer service. It will directly influence occupancy rates, lease renewals and overall financial performance. The Manager recognises that a high level of tenant satisfaction translates into our success as a REIT and is key to sustaining our financial performance. Ensuring fair and equitable treatment of tenants and providing accessible facilities contribute to tenant satisfaction. The Manager is committed to maintaining close communications and delivering high-quality service to tenants to support their needs.
<b>Fair employment practices and talent retention</b>	Having a diverse and inclusive workforce of the Manager will allow for better adaptability and innovation. The ability to adapt to dynamic market trends and innovate in business strategies can provide a competitive edge for the REIT. Fair employment practices contribute to the development of a talent pipeline. Succession planning becomes more relevant in identifying and nurturing talented individuals within the organisation. Respecting human rights within the workplace contributes to a positive work environment. The Manager is committed to offering fair employment, and understands the need to attract, cultivate and retain talent with the right skill pool and experiences to drive the long-term sustainability of the REIT.
<b>Health and safety</b>	Ensuring the health and safety of employees, tenants, vendors and contractors, and visitors of the REIT's properties contributes to a positive and healthy work environment. This will enhance overall well-being, job satisfaction and productivity among the workforces. We strive to provide a healthy and safe environment for the physical and mental well-being of these stakeholders.
<b>Energy efficiency and climate change</b>	Climate change can pose risks to our assets, such as increased exposure to extreme weather events. Proactive measures to enhance the energy efficiency and resilience of properties can protect the long-term value of assets and reduce vulnerability to climate-related risks.

<sup>2</sup> Please see Letter to Unitholders, pages 4 to 7, Financial Highlights, page 21, and Financial Statements, pages 117 to 173 of this Annual Report for more details on the Manager's initiatives in delivering value to stakeholders

<sup>3</sup> Please see Corporate Governance Report, pages 90 to 116 of our FY 2024 Annual Report for more details on our FY 2024 corporate governance practices

# SUSTAINABILITY REPORT

Material Topics	Materiality to Sabana Industrial REIT
<b>Water management (use and reduction)</b>	As a limited natural resource in Singapore, water management is essential and the Manager has implemented water management initiatives to play a role in contributing to water conservation efforts in the country.
<b>Waste management</b>	Waste generation is a concerning issue in Singapore and by adhering to responsible waste disposal practices, it helps the REIT to meet environmental regulations and fosters a positive public image. As a landlord, we are mindful of the long-lasting impact that our assets may have on the environment. We aim to reduce our environmental footprint with responsible waste management.
<b>Community impact</b>	We are dedicated to creating a positive community impact by giving back to society. By driving positive changes in society through various social initiatives, we aim to contribute towards a better and more sustainable future for those we reach out to.

## SUSTAINABILITY PERFORMANCE IN 2024

Based on our material topics discussed above, we have set the following performance targets for FY 2024 across our operations. The following table outlines our performance against the FY 2024's targets of our 12 properties for each material topic.

Material Topics	Performance for FY 2024
<b>Our Governance</b>	
<b>Business ethics and anti-corruption</b>	<b>ACHIEVED:</b> Zero confirmed incidents of corruption and fraud
<b>Regulatory compliance</b>	<b>ACHIEVED:</b> Zero incidents of non-compliance that resulted in significant fines or legal actions regarding: <ul style="list-style-type: none"> <li>Environmental laws and regulations</li> <li>Laws and regulations in social and economic areas</li> <li>Marketing communications</li> </ul>
<b>Cyber-security and data privacy</b>	<b>ACHIEVED:</b> Zero incidents of substantiated complaints received concerning breaches of data privacy and thefts or losses of employee and tenants' data
<b>Our People and Tenants</b>	
<b>Fair employment practices and talent retention</b>	<b>ACHIEVED:</b> Zero validated incidents of discrimination
	<b>ACHIEVED:</b> Ensure employees receive on average 10 hours of training
	<b>ACHIEVED:</b> Deploy fair employment practices by ensuring our hiring processes remain stringent and offer equal opportunity to all potential candidates
<b>Tenant satisfaction</b>	<b>ACHIEVED:</b> Achieved 73.0% tenant satisfaction level for all properties surveyed
<b>Health and safety</b>	<b>ACHIEVED:</b> Zero fatalities for our employees and contractors and zero high consequence work-related injuries for our employees and contractors
	<b>ACHIEVED:</b> Zero incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts during the use of our buildings
<b>Our Environment</b>	
<b>Energy efficiency and climate change</b>	<b>ACHIEVED:</b> Reduction of 2% year-on-year for the energy intensity of common area and vacant net lettable area of properties
<b>Water management</b>	<b>ACHIEVED:</b> Reduction of 2% year-on-year for water intensity
	<b>ACHIEVED:</b> Progressively attained PUB Water Efficient Building basic certification for all properties under the Property Manager's operational control
<b>Waste management</b>	<b>ACHIEVED:</b> Encouraged recycling by installing recycling bins for all properties under the Property Manager's operational control
<b>Our Society</b>	
<b>Community impact</b>	<b>ACHIEVED:</b> Completed at least two local community engagements

## OUR GOVERNANCE

We are committed to driving sound governance, acknowledging it as an important foundation from which sustainable growth can be cultivated. Accordingly, we ensure that our business is built upon an ethical culture, legitimacy, effective controls, and strong leadership by establishing robust internal controls, risk management and policies that are aligned with the REIT's core values of putting Unitholders' interest first, focusing on value creation, integrity, fairness and equality, and people.

Sabana Industrial REIT achieved significant progress in corporate governance as reflected by the improvement made in its performance on the Singapore Governance and Transparency Index ("**SGTI**") in 2024 the REIT was ranked 24th place (2023: 30th place) in the SGTI, with an overall achievement score of 85.8 (2023: 84.2). This represents a marked improvement by six positions and 1.6 points over the REIT's performance in 2023. The SGTI, which assesses companies on, among other criteria, their corporate governance disclosure and practices, timeliness of announcements, accessibility, and transparency, is a widely watched index for Singapore-listed companies.

The internal audit function, which we have outsourced to international auditing firm BDO Advisory Pte Ltd ("**BDO**"), conducts an independent review of the adequacy and effectiveness of the Manager's existing controls, risk management and corporate governance. BDO, which reports to the ARC, has also reviewed our sustainability reporting in accordance with the BDO Global Internal Audit Methodology, which is consistent with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

The following sections outline our commitments to the various aspects of good corporate governance.

### BUSINESS ETHICS and ANTI-CORRUPTION

FY 2024 Target	Performance	Status
Zero confirmed incidents of corruption and fraud	There were zero incidents of corruption or fraud recorded in FY 2024	<b>Achieved</b>

FY 2025 Target
Maintain zero confirmed incidents of corruption or fraud

We adopt a zero-tolerance stance on fraud, corruption and other unethical behaviour and are committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements, as well as any legislation that is relevant to our business. All the directors are also required to provide a Fit and Proper Criteria Declaration during onboarding and on an ongoing basis. All employees underwent training on anti-money laundering in FY 2024. The Manager has also adopted policies and procedures as set out below, which are approved by the ARC Board and/or CEO. These policies are reviewed and updated on a regular basis. The following is a list of our policies and procedures that safeguard against corruption at both the company and employee levels:

Policies and Procedures	Guidance
<b>Code of Best Practices on Securities Transactions</b>	Guidance on how the Directors and employees of the Manager should trade the Units that they hold. Please refer to the Corporate Governance Section for more details.  The policy is not publicly available and is for internal use only.
<b>Procedures on Conflict of Interest</b>	Procedures established by the Manager to prevent and deal with potential conflicts of interest issues. Please refer to the Corporate Governance Section for more details.  Policy source: Conflicts of Interest (" <b>COI</b> ") Policy and Investor Relations Policy are available on Sabana Industrial REIT's corporate website.
<b>Procedures on Interested Party/ Person ("<b>IPT</b>") Transactions</b>	Procedures were established to ensure that all IPTs will be undertaken on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. All IPTs are subjected to regular periodic reviews by the Audit and Risk Committee (" <b>ARC</b> ").  Policy Source: IPT Policy is available on Sabana Industrial REIT's corporate website.

# SUSTAINABILITY REPORT

Policies and Procedures	Guidance
<b>Employee Handbook</b>	<p>Guidance on matters relating to appropriate behaviours for employees, including how employees should conduct business and maintain all business relationships.</p> <p>The REIT recognises salient human rights issues and sets out its support and guidance through the employee handbook. The handbook provides guidance on health and safe working conditions, fairness, equality and non-discrimination regardless of gender, ethnicity, religion or age, and operating in a responsible manner and in adherence to legal requirements and local laws.</p> <p>The handbook is not publicly available and is for internal use only.</p>
<b>Whistle-blowing Policy</b>	<p>Provision of independently-monitored, confidential channels i.e. email and mail, for employees, tenants, and vendors to report any suspected wrongdoing or dangers at work (e.g. fraud, corruption, dishonest practices, or other similar matters relating to Sabana Industrial REIT or the Manager) without fear of reprisal, discrimination, or adverse consequences.</p> <p>The Policy also provides guidelines for an independent investigation of any reports and appropriate follow-up action. All whistle-blowing reports will be directed to the Chairman of the ARC who will take the appropriate follow-up actions.</p> <p>The Whistle-blowing Policy is available on Sabana Industrial REIT's corporate website.</p>
<b>Customer On-Boarding and Anti-Money Laundering Policy</b>	<p>Assists the Manager in understanding its obligations relating to anti-money laundering under Singapore law, as well as the policy established by the Manager when conducting its business and exercising due diligence when dealing with customers.</p> <p>The policy is not publicly available and is for internal use only.</p>
<b>Sabana Board Diversity Policy</b>	<p>The Board Diversity Policy sets out the principles adopted by the Board and the approaches taken to maintain diversity in the appointment and composition of the Board.</p> <p>The board diversity statement is found under "Corporate Governance: Principle 2" and is also available on Sabana Industrial REIT's corporate website.</p>
<b>Human Rights Policy</b>	<p>The policy reflects the Manager's commitment to uphold and protect the human rights of its employees working in the organisation. The Human Rights Policy is guided by international human rights principles as set out by the United Nations and Part 4 (Fundamental Liberties) of the Constitution of The Republic of Singapore.</p>
<b>Anti-Corruption Policy</b>	<p>Sets out the responsibilities of employees in observing and upholding the Board's zero-tolerance approach towards corruption, bribery, and extortion. The policy also seeks to provide guidance and information to employees on how to address, resolve, avoid, and prevent potential instances of corruption, bribery, and extortion in the course of their work.</p>
<b>Fraud Policy</b>	<p>The purpose of the Fraud Policy is to:</p> <ol style="list-style-type: none"> <li>1. Educate employees on the potential risks of fraud;</li> <li>2. Raise awareness and help employees identify any irregularity or suspected irregularity; and</li> <li>3. Detail the responsibilities of employees in preventing, detecting, investigating and reporting fraud.</li> </ol>
<b>Cyber-Security Policy</b>	<p>Establishes clear guidelines and best practices for ensuring the security and confidentiality of data and information related to the REIT, its investors, and its tenants</p>



## REGULATORY COMPLIANCE

FY 2024 Target	Performance	Status
Maintain zero incidents of non-compliance that would result in significant fines or legal actions regarding laws and regulations in the environmental, social, and economic areas and marketing communications	There were zero such incidents recorded in FY 2024	<b>Achieved</b>

FY 2025 Target
Maintain zero incidents of non-compliance that would result in significant fines or legal actions regarding laws and regulations in the environmental, social, and economic areas and marketing communications

We do not tolerate any wilful breaches of applicable laws and regulations. Our aim is to minimise breaches of laws and regulations by taking proactive measures and collaborating with stakeholders across our value chain. We have also established internal policies and processes to minimise regulatory and compliance risks. Our enterprise risk management ("**ERM**") framework defines how risks, including regulatory and compliance risks, should be monitored, managed, mitigated or eliminated. All employees are required to adhere strictly to policies outlined in the Employee Handbook.

We ensure that we stay abreast of changes to relevant laws and regulations. Our internal policies and standard operating procedures are periodically reviewed to ensure that they comply with the latest applicable laws and regulations.

In FY 2024, no claims for breaches of laws and regulations concerning the environment, bribery, fraud or corruption were brought against Sabana Industrial REIT. In addition, no such legal cases and claims were brought against Sabana Industrial REIT, the Manager, the Property Manager, and their employees. We will work to maintain this track record in FY 2025.

## CYBER-SECURITY AND DATA PRIVACY

FY 2024 Target	Performance	Status
Zero incidents of substantiated complaints concerning breaches of data privacy and thefts or losses of employee and tenant data	There were zero such incidents recorded in FY 2024	<b>Achieved</b>

FY 2025 Target
Maintain zero incidents of substantiated complaints concerning breaches of data privacy and thefts or losses of employee and tenant data

As we move towards a cloud-based environment and a greater dependence on technology, we recognise the increasing importance of managing cyber-security risks well and safeguarding our data.

We are committed to ensuring that strong cyber-security systems and processes are in place to protect our networks, systems, computers, programmes, and data from attacks. Annually, we also provide Personal Data Protection Act ("**PDPA**") training to employees.

In FY 2024, we received no substantiated complaints from regulatory bodies and external parties concerning breaches of data privacy. We also recorded zero cases of leaks, thefts, or losses of employee and tenant data. We will work to maintain this track record in FY 2025.

# SUSTAINABILITY REPORT

## OUR PEOPLE AND TENANTS

### FAIR EMPLOYMENT PRACTICES and TALENT RETENTION

We value our people as their abilities and efforts contribute towards the performance of the REIT. We do not condone any form of discrimination and we believe in a merit-based approach in our recruitment and selection process as well as equal opportunities for career progression for existing employees, regardless of race, age, and gender. An annual performance review is conducted for all employees to assess their performance and to learn their professional development needs. We encourage leadership and on-the-job training, including having employees lead different internal committees (if applicable). We also encourage diversity in our workplace as it promotes innovative thinking and brings together different perspectives to best serve the interests of the REIT.

#### Diversity and Equal Opportunity

FY 2024 Target	Performance	Status
Zero validated incidents of discrimination	There were zero such incidents recorded in FY 2024	<b>Achieved</b>

FY 2025 Target
Maintain zero validated incidents of discrimination

The Manager's Human Resources ("**HR**") department has established company-wide policies to ensure fair employment practices are upheld and that our workforce is managed effectively and fairly. With strong oversight and controls from senior management to ensure compliance and adherence, fair employment practices have been integrated into all of our relevant HR policies including the following:

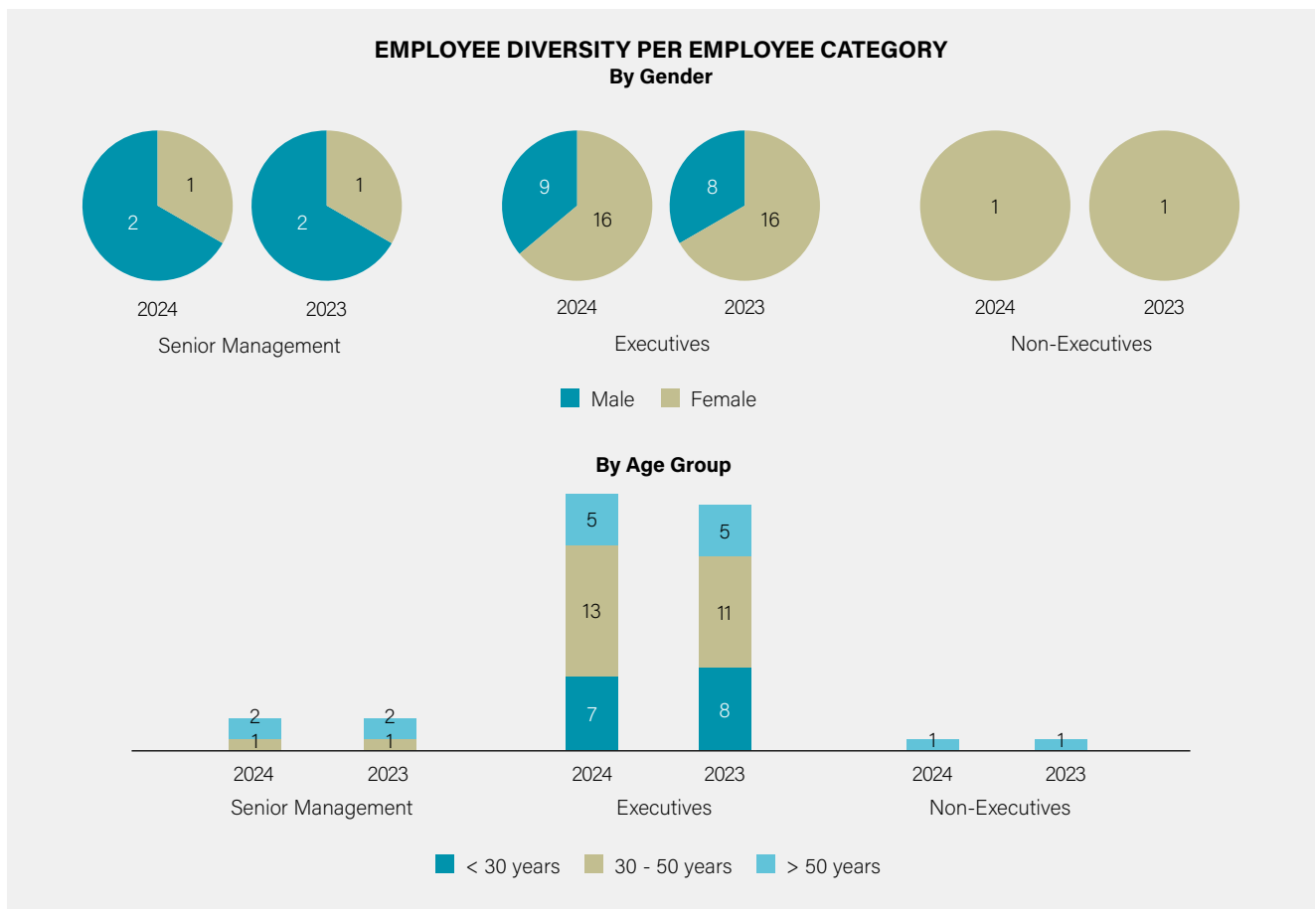
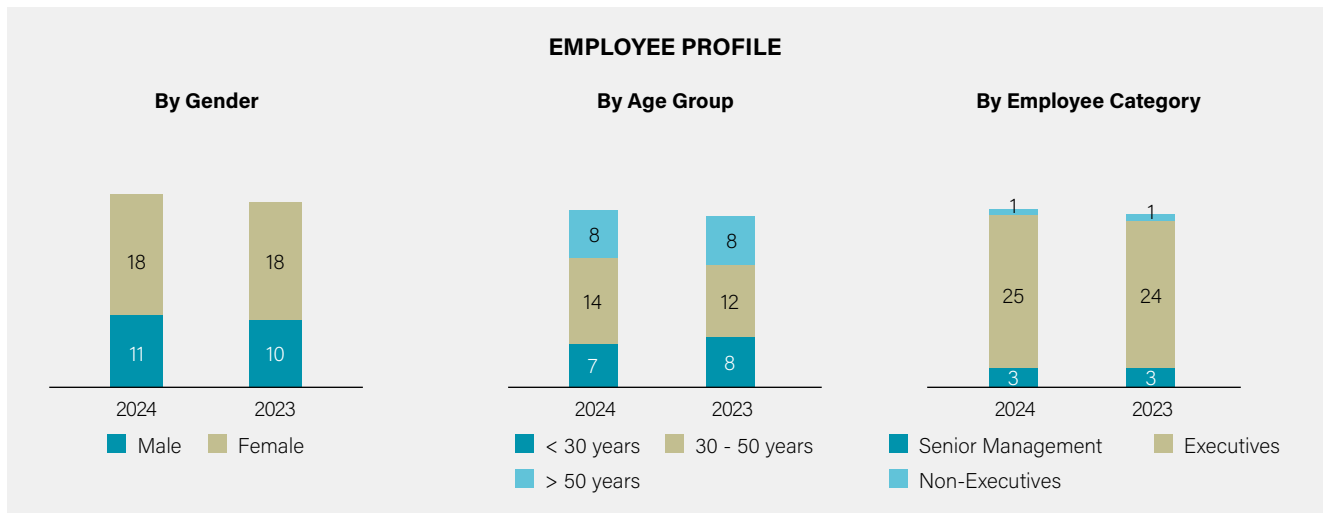
- Recruitment Policy
- Employee Records Policy
- Salary Policy and Performance Review Policy
- Payroll Policy
- Training and Development Policy
- Cessation of Employment Policy

Our hiring processes remain stringent, being strictly meritocratic and impartial, and we offer equal opportunity to all potential candidates. In FY 2024, we continued to strengthen our diversity by broadening our recruitment methods – via encouraging employee referrals, building stronger relationships with local universities, and using social media platforms to widen our recruitment reach. Through our cohesive culture of collaborating across teams and regular sharing of ideas, information, and knowledge, we aim to enrich the perspectives and mindsets of our employees through a workforce with diverse backgrounds and a consequent diversity of thought.

Employees with concerns regarding workplace discrimination are encouraged to bring these issues to the attention of their supervisors or utilise the whistle-blowing channel available without the fear of reprisal. Engaging in any discriminatory behaviour is subject to disciplinary action. Similar to FY 2023, there were zero validated cases of discrimination in FY 2024, hence meeting our target set for the year.

### Our employee demographics

As of 31 December 2024, the Manager and the Property Manager had 29 employees. Our entire workforce is made up of full-time, permanent employees that are based in Singapore. Our leadership ensures our workforce is gender-balanced, by creating a culture that embraces gender equality and diversity. Our current gender ratio is 62.1% female and 37.9% male employees, and one out of three of our senior management is female.



# SUSTAINABILITY REPORT



## TRAINING AND DEVELOPMENT

FY2024 Target	Performance	Status
Ensure employees receive on average 10 hours of training	Each employee received 16.9 training hours on average	<b>Achieved</b>

FY 2025 Target
Ensure each employee receive on average 10 hours of training

We believe in the holistic development of employees. We implement training and development initiatives to support employees in pursuing continuous education and job-specific training to reach their full potential. These initiatives entail educational assistance for formal qualifications and professional development through short courses. Each year, we aim to ensure that each employee receive an average of 10 hours of training.

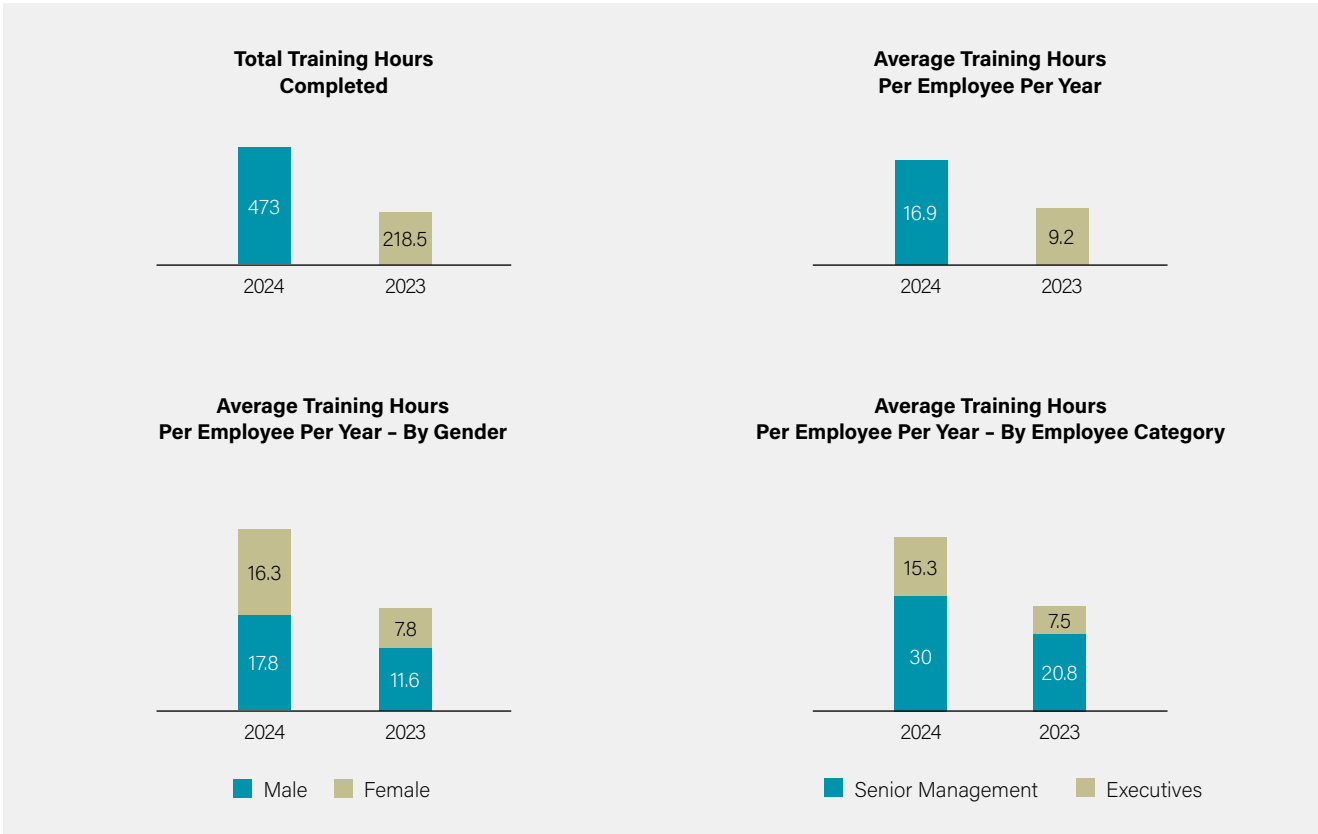
In 2024, our employees attended training courses through the regular "lunch and learn" sessions on cybersecurity, fire safety, industrial market updates, anti-money laundering, holistic wellness and the rules and ethics training by REITAS, among others.

In addition to sponsoring relevant short courses, employees are allowed to take time off to attend these courses, subject to obtaining approval from CEO's Office. To keep pace with the changing job and technology landscape, the Manager continues to invest in and enhance its learning and development offerings to all employees to nurture their capabilities and leadership excellence.

With the step up on training and development sessions in 2024, each employee received 16.9 training hours on average in FY 2024, exceeding the target of 10 training hours.



Staff members attend training courses through "lunch and learn" sessions



**FOSTERING EMPLOYEE ENGAGEMENT**

FY2024 Target	Performance	Status
Deploy fair employment practices by ensuring our hiring processes remain stringent and offer equal opportunity to all potential candidates	There have been no recordable instances of non-compliance with our fair employment practices	<b>Achieved</b>

FY 2025 Target
Continue to deploy fair employment practices by ensuring our hiring processes remain stringent and offer equal opportunity to all potential candidates

Through our annual performance reviews and planning sessions, we actively engage employees to understand their needs and expectations and monitor their satisfaction levels. In FY 2024, excluding those under probation, 100% of employees completed their annual performance review.

Throughout the year, at least six town halls were held to keep employees updated on the REIT’s activities, plans and developments, and to strengthen employee engagement. Apart from these update sessions, regular “lunch and learn” sessions were conducted on average once a month to allow employees to interact across departments and at the same time, learn a new skill or gain some useful general knowledge.

We introduced an Employee Satisfaction Survey to provide our staff a communication channel to give actionable feedback to senior management and human resources in 2023. The survey takes place triennially, and covers topics such as physical and mental health, safety, and opportunities at the workplace.

# SUSTAINABILITY REPORT

## TALENT RETENTION

With the passing of resolutions tabled at the Extraordinary General Meeting held on 7 August 2023 convened on a requisition by Quarz Capital ASIA (Singapore) Pte. Ltd. to internalise the REIT management function, the Manager is now an interim manager pending the completion of the implementation of the internalisation of the REIT management function by the Trustee. In this regard, we have been focusing on motivating our staff, pursuing staff retention measures, and taking steps to ensure continuity in the REIT's operations.

We take a holistic approach to attracting and retaining talent. To this end, we recognise the importance of employee welfare and career development as key pillars of talent retention and building institutional expertise. We regularly monitor metrics such as our hiring and turnover rate to ensure we remain adaptive to the needs of employees and the industry at large.

To foster better understanding and camaraderie among the company, a bonding session was held in November 2024. This was on top of regular employee engagement thorough learning and sharing sessions which supported the employee's personal growth, while meetings with senior management provided regular feedback and advice channels between all levels in the organisation.

As for employees with outstanding performance, they were recognised for their contributions and conferred with the annual CEO Awards.

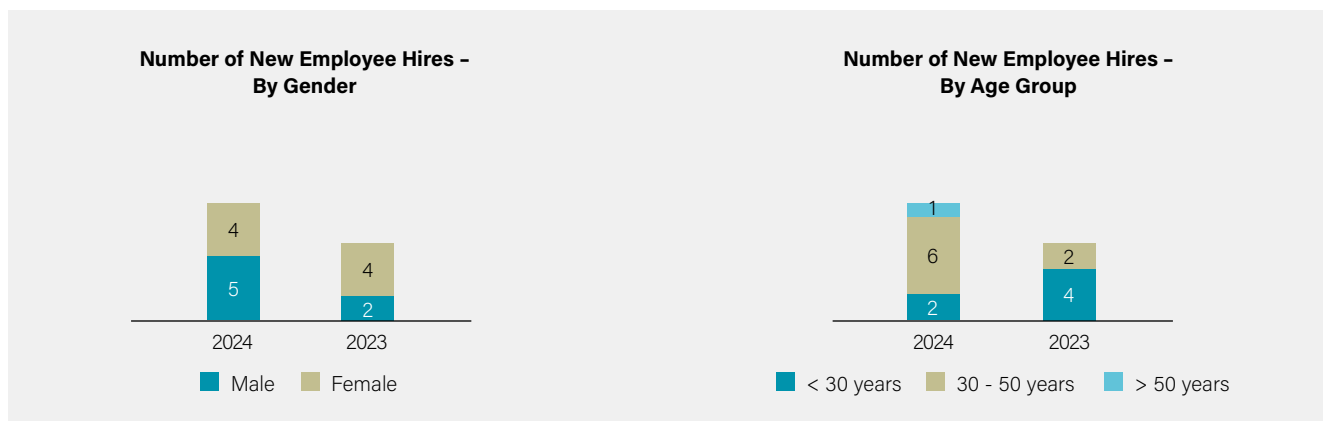
As at 31 December 2024, the Manager and the Property Manager have a total headcount of 29 employees. The hiring rate for FY 2024 was 31.0% (FY 2023: 32.1%), while the turnover rate was 27.6% (FY 2023: 42.9%).

### Annual Rate of New Employee Hires - By Gender<sup>4</sup>

Performance Measure	2024	2023
Male	45.5%	40.0%
Female	22.2%	27.8%

### Annual Rate of New Employee Hires - By Age Group<sup>5</sup>

Performance Measure	2024	2023
< 30 years old	28.6%	50.0%
30 - 50 years old	42.9%	18.2%
> 50 years old	12.5%	n/a
<b>Annual Rate of New Employee Hires<sup>6</sup></b>	<b>31.0%</b>	<b>32.1%</b>



<sup>4</sup> Annual rate of new employee hires by gender= total number of male or female new employee hires/ total number of male or female employees as at the last day of financial year

<sup>5</sup> Annual rate of new employee hires by age group= total number of new employee hires of an age group/ total number of employees of an age group as at the last day of financial year

<sup>6</sup> Annual rate of new employee hires= total number of new employee hires/ total number of employees as at the last day of financial year





#### Annual Rate of Employee Turnover - By Gender<sup>7</sup>

Performance Measure	2024	2023
Male	36.4%	50.0%
Female	22.2%	11.1%

#### Annual Rate of Employee Turnover - By Age Group<sup>8</sup>

Performance Measure	2024	2023
< 30 years old	42.9%	25.0%
30 - 50 years old	28.6%	38.5%
> 50 years old	12.5%	0.0%
<b>Annual Rate of Employee Turnover<sup>9</sup></b>	<b>27.6%</b>	<b>42.9%</b>

#### TENANT SATISFACTION

FY2024 Target	Performance	Status
Achieve average tenant satisfaction score of 70.0% across all our properties	Based on tenant surveys in FY 2024, the average tenant satisfaction score was 73.0% across our properties	<b>Achieved</b>

FY 2025 Target
Achieve at least 70.0% tenant satisfaction level for all properties surveyed

Tenant satisfaction is one of the key drivers of our success as a REIT. We regularly engage our tenants on an ongoing basis through site visits and annual tenant satisfaction surveys to understand tenants' expectations and needs, and continuously improve the standards of our properties. In 2024, we conducted a tenant satisfaction survey exercise which involved sending the survey forms directly to the tenants' top management. In an effort to garner a higher level of feedback, we had also approached the tenants on-site to collect feedback. To encourage frank and honest responses by the tenants, the tenants' responses are directed to the Manager's senior management. The survey focused on three main aspects: building management and maintenance, finance, leasing and marketing services.

<sup>7</sup> Annual rate of employee turnover by gender= total number of male or female employee turnover/ total number of male or female employees as at the last day of financial year

<sup>8</sup> Annual rate of employee turnover by age group= total number of employee turnover of an age group/ total number of employees of an age group as at the last day of financial year

<sup>9</sup> Annual rate of employee turnover= total number of employee turnover/ total number of employees as at the last day of financial year

# SUSTAINABILITY REPORT

In FY 2024, we surveyed 183 tenants (FY 2023: 174), received 59 responses (FY 2023: 24), and achieved a satisfaction score of 73.0% (FY 2023: 68.5%). We have met our target of achieving an average tenant satisfaction score of at least 70.0% across our properties. Both the response rate and tenant satisfaction have notably improved from FY 2023. The survey feedback enables the Manager to obtain insights on areas needing improvement and allows the Manager to resolve these issues so as to enhance tenant experience. Tenant satisfaction is an important component of our sustainability and we will continue to take tenants' feedback seriously and implement the appropriate responses.

Performance Measure	2024	2023
Percentage of tenants who responded	32.2%	25.6%
Average tenant satisfaction score across our properties <sup>10</sup>	73.0%	68.5%

## HEALTH AND SAFETY

We are committed to maintaining a safe working environment across all our properties. To ensure the health and safety of our people and users of our properties, the Property Manager has a robust set of health and safety policies which is implemented across all of our managed properties. Our health and safety management practices involve our tenants, on-site technicians, and a majority of contract workers who are not directly employed by Sabana Industrial REIT, in order to present a holistic effort against any health and safety breaches. Efforts and initiatives as part of this system include:

- Conducting regular inspections at our properties and meeting tenants to discuss any safety incidents
- Briefing our property-based teams so that they are attentive to potential safety issues
- Meeting tenants on a regular basis to review and discuss the actions that need to be taken by their personnel in an emergency
- Conducting evacuation drills regularly at each managed property, to ensure that our relevant stakeholders can respond to emergency situations

In addition to health and safety practices within our organisation and managed properties, the Property Manager is also a member of the Safety and Security Watch Group<sup>11</sup>, a scheme under the Singapore Police Force and Singapore Civil Defence Force which aims to harden business premises against external threats such as terrorism, as well as to offer our resources and networks to the safety and security of the communities around our properties.

The importance of health and safety on our premises is a major concern to all of our stakeholders, and in each of the subsequent sections we will discuss our efforts and initiatives with each stakeholder group on this subject.

### Health and Safety (Employees)

FY2024 Target	Performance	Status
Zero fatalities as a result of work-related injury and ill health <sup>12</sup> , zero high-consequence work-related injuries <sup>13</sup> (excluding fatalities), zero recordable work-related injuries <sup>14</sup> and zero cases of recordable work-related ill health <sup>15</sup>	There were zero fatalities, zero high-consequence work-related injuries (excluding fatalities), zero recordable work-related injuries, and zero cases of recordable work-related ill health in FY 2024	<b>Achieved</b>

FY 2025 Target
Maintain zero fatalities as a result of work-related injury and ill health, zero high-consequence work-related injuries (excluding fatalities), zero recordable work-related injuries and zero cases of recordable work-related ill health

<sup>10</sup> Tenants were asked to score their satisfaction with the landlord from 1 (least satisfied) to 4 (most satisfied). Scores are given to three main categories; finance, property management and leasing

<sup>11</sup> <https://www.police.gov.sg/community/community-programmes/safety-and-security-watch-group>

<sup>12</sup> Work-related injury or ill-health is defined as negative impacts on health arising from exposure to hazards at work

<sup>13</sup> High-consequence workplace injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months

<sup>14</sup> Recordable work-related injury is a workplace or work-related traffic injury that results in at least 24 hours of hospitalisation or three days of Medical Certificate leave due to a single work-related accident (whether consecutive or not), as per reported to the Ministry of Manpower ("MOM") in Singapore

<sup>15</sup> Recordable work-related ill health relates to occupational diseases reported to the MOM in Singapore

We have continued our strong performance in FY 2024 with a record of zero work-related injuries and ill health for all workers<sup>16</sup>.

We hold safety briefings for all new onboarding staff and provide various benefits to support their physical and mental well-being, including but not limited to the following:

- Personal accident, hospitalisation and surgical group term life insurance plans
- Workmen's Injury Compensation Insurance Policy
- Travel insurance plans for business travel
- 16 weeks of paid maternity leave for female employees and two weeks of paid paternity leave for male employees who have completed three calendar months of service
- Team bonding events to foster positivity and a sense of belonging in the workplace (such as birthday celebrations, lunch and learn sessions, and the CEO's Awards), and various company outings

### Health and Safety (Tenants)

While we work to maintain the safety features of our properties, we expect our tenants to also comply with relevant health and safety laws and regulations in their operations. We have accordingly included clauses on compliance with health and safety laws and regulations within our tenancy agreements.

Furthermore, to monitor construction activities that may potentially cause health and safety issues, all tenants are required to apply for a Permit-to-Work ("PTW") before conducting any fit-out or reinstatement works at the properties. In FY 2024, similar to the previous year, there were no incidents of non-compliance concerning health and safety impacts during the use of our buildings.

In support of Health Promotion Board's initiative to promote healthy lifestyle, we are in partnership with Healthy 365 programme to encourage our tenants to participate in group fitness sessions at New Tech Park.

### Health and Safety (Vendors and Contractors)

As our vendors and contractors are stakeholders within our supply chain, they perform an important role in creating positive health and safety culture. We are committed to working closely, building, and maintaining strong partnerships with them to adhere to health and safety standards. Based on the business nature of our REIT which is wholly based in Singapore, our third-party suppliers include building equipment suppliers, mechanical and engineering service providers, architects, contractors, cleaners, and security guards, among others. All of our key vendors and contractors which our REIT engaged in FY 2024 are based in Singapore.

In consideration of our health and safety impacts on our supply chain, we adopt intensive sourcing practices and work together with our vendors and contractors to minimise any risk along the value chain. We are considering carrying out an onboarding risk assessment prior to engaging a new vendor or contractor.

All contractors are also required to apply for a PTW which includes a risk assessment of their respective work scope and schedule of work. During on-site briefings, we inform every vendor of the risks involved and the option to halt any works that could cause injury or illness. In FY 2024, similar to the previous year, there were no incidents of non-compliance concerning health and safety impacts during the use of our buildings.

FY2024 Target	Performance	Status
Zero incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts during the use of our buildings	There were zero such incidents recorded in FY2024	<b>Achieved</b>

FY 2025 Target
Maintain zero incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts during the use of our buildings

<sup>16</sup> The above relates to all employees of the Manager and of the Property Manager as well as vendors and contractors engaged by Sabana Industrial REIT

# SUSTAINABILITY REPORT

In our 2024 survey with selected vendors and contractors, 100% of responses agree that Sabana Industrial REIT performs well in adhering to health and safety standards while working with them.

## OUR ENVIRONMENT

We are aware of the importance of our role in ensuring long-term environmental sustainability in our business and operations. As such, our approach to sustainability encompasses broader considerations for environmental responsibility across our portfolio of properties and business operations. We continue to leverage various environmental strategies, mitigation and adaptation measures as part of our ESG commitment, and contribution towards a greener future.

### Alignment with TCFD Framework and MAS Guidelines

As part of our commitment to the environment, we have aligned our disclosures with the MAS guidelines on Environment Risk Management for Asset Managers ("**MAS Guidelines**"), with reference to recommendations from TCFD. The following table provides a summary update of Sabana Industrial REIT's progress and response to the various components of the TCFD recommendations. We aim to continuously improve our disclosures over time through a phased approach.

TCFD Recommendations	Key Requirements of MAS Guidelines	Sabana Industrial REIT's Approach
<b>Governance</b>		
a) Describe the organisation's governance around climate-related risks and opportunities	<b>Governance and Strategy</b> Board and senior management to be involved in identifying environmental risks and opportunities, evaluating their impact on the Manager's strategies, business plans and products, and ensuring the appropriate management of risks and opportunities.	The Board assumes overall responsibility over risk management and climate-related risks and opportunities. The Board is responsible for ensuring transparency and visibility of Sabana Industrial REIT's risk management practices, and is supported by the SWC, which is led by the CEO, and assists the ARC/ Board in governing, monitoring and reporting sustainability issues.  Please refer to "Sustainability Governance" section for more information on pages 56 to 57 of this Annual report.  Progress against the climate-related targets is monitored by the SWC and reviewed by the ARC/ Board on an annual basis through KPIs (refer to section on Sustainability Performance on page 60 for details).
b) Describe management's role in assessing and managing climate-related risks and opportunities		The Manager, in consultation with our external sustainability consultant, has considered the various ways of managing environmental risk. To this end, the SWC, which is led by the Manager's CEO, and comprises key representatives from various departments, implements the REIT's sustainability agenda (including the assessment and management of climate-related risks and opportunities), reviews and evaluates internal controls, and performance annually and ensures that all requirements for sustainability compliance are met before reporting to the ARC/ Board and/or CEO on a regular basis.

TCFD Recommendations	Key Requirements of MAS Guidelines	Sabana Industrial REIT's Approach
<b>Strategy</b>		
<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</p>	<p><b>Governance and Strategy</b> To consider integrating environmental risk into overall investment risk management framework to identify, address and monitor the risks.</p> <p><b>Research and Portfolio Construction</b> In assessing environmental risk, to consider both transition and physical risks on an individual asset and/or portfolio level To embed relevant environmental risk considerations in this process and evaluate the potential impact of relevant environmental risk on return potential.</p> <p><b>Portfolio Risk Management</b> Where environmental risk is material, develop capabilities in scenario analysis to evaluate the impact on the portfolio and portfolio resilience to financial losses.</p>	<p>The REIT's climate-related risks and opportunities had been developed in 2023 as part of the REIT's scenario analysis of physical and transition risks, performed by the Manager, in consultation with our external sustainability consultant. For FY 2024, we have validated this materiality assessment to still be accurate. The short, medium and long-term horizons considered for the scenario analysis were also updated, in accordance with the time frame when various physical and transition risks are likely to take place.</p> <p>The scenario analysis considers two scenarios, the 1.5 °C Scenario (RCP<sup>17</sup> 2.6) and &gt;3 °C Scenario (RCP 8.5), and a baseline year of 2021 has been adopted for the analysis, as recommended by our external sustainability consultant.</p> <p>A non-exhaustive list of key physical risks, transition risks and opportunities are listed as follows: Transition risks:</p> <ul style="list-style-type: none"> <li>• Increase in electricity costs</li> <li>• Enhanced emissions reporting obligation</li> <li>• Increased stakeholder expectations</li> <li>• Enhanced requirement on environmental sustainability of buildings</li> <li>• Changing customer behaviour</li> </ul> <p>Physical risks:</p> <ul style="list-style-type: none"> <li>• Rising mean temperature and increased heatwaves</li> <li>• Increased flash flood risk</li> </ul> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Development or expansion of low emissions goods</li> <li>• Investment in energy efficient technology</li> <li>• Investment in renewable energy</li> </ul> <p>Following that, we aim to assess and analyse the extent of our business exposure to the key risks and opportunities identified and potentially quantify the possible scale of financial impacts over time.</p>
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</p>		<p>Taking climate-related risks and opportunities into account will be embedded in the organisation's decision-making. The Manager, in consultation with our external sustainability consultant, has also carried out a prioritisation of the above climate-related risks and opportunities as part of climate risk assessment, and has determined that the potential risks are relevant and significant for the Group and its operations.</p> <p>The potential impact of these risks on each of the business units are outlined in the Climate Change section below.</p> <p>Financial planning will also be considered when determining potential costs to be incurred in mitigating climate risks such as costs for upgrading the buildings with solar panels and incorporating energy-efficient designs and features to existing properties.</p>
<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>		<p>The Manager, in consultation with our external sustainability consultant, has conducted a qualitative scenario analysis to determine its resilience against climate risks in the short (2030), medium (2040), and long term (2050).</p> <p>Overall, the REIT's assets are not particularly vulnerable to physical risks in the short term, but would be more affected by transition risks. For instance, increases in energy pricing, enhanced product regulations and changing customer behaviour risk increasing operating costs and reducing demand for the REIT's assets.</p>

<sup>17</sup> Representative Concentration Pathway ("RCP") 8.5 is a greenhouse gas concentration trajectory by the Intergovernmental Panel on Climate Change ("IPCC") that assumes that emissions continue to rise throughout the 21st century

# SUSTAINABILITY REPORT

TCFD Recommendations	Key Requirements of MAS Guidelines	Sabana Industrial REIT's Approach
<b>Risk Management</b>		
a) Describe the organisation's processes for identifying and assessing climate-related risks	<b>Portfolio Risk Management</b> In consultation with our external sustainability consultant to assess, monitor and manage environmental risk.	The Manager is proactive in identifying AEs to improve the energy performance of its properties where feasible.  For asset-related reporting and monitoring of risks, the Manager, in consultation with its external sustainability consultant, will adopt a risk assessment in which risks driven by climate change or environmental influences such as flash floods will be covered.
b) Describe the organisation's processes for managing climate-related risks	<b>Stewardship</b> Consider implementing AEs to improve the efficiency of resource use, or attain green building certification Consider collaborative opportunities with other asset managers to build knowledge and skills.	Short-term risks will be addressed by management, who will take steps to mitigate potential damage. Medium and long-term risks will be discussed with the ARC/ Board and/or CEO when shaping the direction of the REIT's strategy with reference to industry standards and expectations to ensure that they are relevant to local and global sustainability trends and developments. Proposals and recommendations on sustainability related policies and practices will be made by the SWC to the ARC/ Board and/ or CEO where relevant.  In consultation with our external sustainability consultant, the Manager will consider recommendations, and will review other possible mitigation and adaptation plans. The aim is to build sound resilience of Sabana Industrial REIT's portfolio against climate- related risks and opportunities.  Such resilience will future-proof the REIT's real estate portfolio to guard against climate change risks, avoid premature obsolescence, and maximise its capacity to adopt available opportunities.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management		Our Directors and management attended training courses/ seminars conducted by professionals and business leaders on sustainability. These courses included climate reporting and assurance.
<b>Metrics and Targets</b>		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<b>Disclosure</b> Will make regular and meaningful disclosure of environmental risks and exposure, with clear metrics and targets.	The Manager will make annual disclosures on its environmental risks and performance against the targets in its Sustainability Report.  Key metrics and targets across various parts of business relating to its commitment towards a low carbon and circular economy have been set, including energy consumption and intensity, Scope 2 GHG emissions and intensity, and water withdrawal and intensity metrics.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		<ul style="list-style-type: none"> <li>• Scope 1: Not applicable</li> <li>• Scope 2: 9,598 tCO<sub>2</sub>e GHG emissions</li> <li>• Scope 3: We will disclose Scope 3 GHG emissions in subsequent years</li> </ul>
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		By creating a decarbonisation roadmap with viable Scope 1, 2 and 3 strategies to support the journey, the REIT aims to achieve its emissions reduction targets.  The REIT continues to explore longer-term targets for its portfolio with green building certifications.



## ENVIRONMENTAL RISKS AND OPPORTUNITIES

The Manager conducted the qualitative environmental risk assessment and scenario analysis exercise of the REIT in FY 2023, in consultation with our external sustainability consultant, to identify and assess the potential impacts of physical and transition risks, as well as climate-related opportunities. For FY2024, we have validated this materiality assessment to still be accurate.

The table below summarises the scope of the scenario analysis:

Parameters	Scope
Country	Singapore
Baseline year	2021
Timeframe	Short-term: up to 2030 Medium-term: up to 2040 Long-term: up to 2050
Scenarios explored	<ul style="list-style-type: none"> <li>1.5 °C warming scenario: based on the Network for Greening the Financial System (NGFS) Net-Zero by 2050<sup>18</sup>, International Energy Agency Net Zero Emissions (IEA NZE) 2025<sup>19</sup>, and the Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 scenario<sup>20</sup>)</li> <li>3 °C warming scenario: based on NGFS Current Policies, IEA STEPS<sup>21</sup>, and IPCC RCP 8.5 scenario</li> </ul>
Key risks and opportunities identified	<p><u>Transition risks and opportunities</u></p> <ul style="list-style-type: none"> <li>Energy costs</li> <li>Changing customer expectations</li> <li>Low carbon economy transition policies and regulations</li> <li>Reputational risks</li> <li>Technology shifts</li> </ul> <p><u>Physical risks</u></p> <ul style="list-style-type: none"> <li>Flash floods</li> <li>Heatwaves (rising mean temperatures)</li> </ul>

The 1.5 °C warming scenario assumes that climate policies and actions will be introduced and will be adopted early on and will become gradually more stringent. In this scenario, according to the NGFS, the physical risks are relatively subdued but the transition risks are expected to be relatively higher. Physical risks in this scenario are relatively subdued as policies and measures will be introduced to mitigate and will adapt to the intensifying climate change. As policies and measures will be introduced early, transition risks are expected to be relatively higher.

The >3 °C scenario assumes that climate policies will be implemented in some jurisdictions, but overall global efforts are insufficient to halt significant global warming. In this case, physical risks are expected to be high whereas transition risks are expected to be lower. Physical risks are expected to be high as policies and measures are uneven and insufficient to mitigate and adapt to the intensifying climate risks such as increased in frequency of extreme weather patterns. On the other hand, as there are staggered efforts on the policy front, transition risks are expected to be lower.

The identified transition and physical risks were assessed in FY 2024 for the following time horizons:

- Short-term: Within the next 6 to 10 years (by 2030)
- Medium-term: Within the next 10 to 20 years (by 2040)
- Long-term: Within the next 20 to 30 years (by 2050)

<sup>18</sup> [https://www.ngfs.net/sites/default/files/media/2021/08/27/ngfs\\_climate\\_scenarios\\_phase2\\_june2021.pdf](https://www.ngfs.net/sites/default/files/media/2021/08/27/ngfs_climate_scenarios_phase2_june2021.pdf)

<sup>19</sup> <https://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze>

<sup>20</sup> <https://www.ipcc.ch/report/emissions-scenarios/>

<sup>21</sup> <https://www.iea.org/reports/global-energy-and-climate-model/stated-policies-scenario-steps>

# SUSTAINABILITY REPORT

Our short-term time horizon will be aligned with our capital planning and investment time horizons of the next 6 to 10 years, and has been updated from previous year's horizon of up to 2025, given that 2025 is sooner than the planning horizon of 6 to 10 years and may be too close to make meaningful change. Given that our portfolio fully comprises industrial buildings in Singapore, our medium- and long-term time horizons are aligned with Singapore's enhanced nationally determined contribution under the Paris Agreement to peak emissions by 2030 and halve 2030 peak emissions by 2050, to achieve net zero emissions as soon as viable in the second half of the century from 2050. Our mitigating measures through our strategy, portfolio construction and risk management in response to the results of the assessment are detailed in the tables below.

## Transition Risks

Risk	Description	Key Mitigating Measures	Risk Rating					
			Short term (2030)		Medium term (2040)		Long term (2050)	
			1.5°C	>3°C	1.5°C	>3°C	1.5°C	>3°C
<b>Increase in electricity costs</b>	The Singapore government currently imposes a carbon tax of S\$25/ton of direct Scope 1 carbon emissions (tCO <sub>2</sub> e) for large emitters, which will go up to S\$45/ton in 2026 and 2027, before reaching S\$50/ton to S\$80/ton by 2030. This and other factors have led to a significant increase in electricity tariffs in Singapore, which represents a major component of our operational costs.	<ul style="list-style-type: none"> <li>Will conduct reviews to identify energy, water, and resource efficiency opportunities, and to improve emissions intensity of portfolio.</li> <li>Will closely monitor the margin of the properties to identify opportunities for the reduction of operating expenses via improving energy and water efficiency along with other cost management measures.</li> </ul>	● Medium	● Low	● High	● Medium	● High	● Medium
<b>Enhanced emissions reporting obligations</b>	As regulators and investors continue to push for greater transparency from businesses, compliance costs to meet reporting obligations are likely to increase. Currently, MAS expects asset managers to make climate-related disclosures aligned with TCFD recommendations. In 2023, ACRA and SGX also launched public consultation on the recommendations by the Sustainability Reporting Advisory Committee (SRAC). These recommendations resulted in the mandatory climate reporting details for listed and large non-listed companies being confirmed by the ACRA and the SGX Reg Co on 28 February 2024.	<ul style="list-style-type: none"> <li>Implemented the MAS Guidelines and conducted qualitative disclosures in FY 2023 with reference to TCFD recommendations, in consultation with our external sustainability consultant.</li> <li>Will conduct periodic scans of exposure for regulatory developments.</li> <li>Monitor environmental metrics as listed on "Sustainability Targets and Performance" section.</li> </ul>	● Medium	● Low	● Medium	● Low	● Medium	● Low
<b>Increased stakeholder expectations</b>	As expectations on business climate change mitigation increase due to stricter regulatory requirements, there may be reputational loss should Sabana Industrial REIT be perceived to not assume climate action, leading to a loss in investor trust and potentially loss in tenants arising from negative press.	<ul style="list-style-type: none"> <li>In the midst of implementing asset rejuvenations. Please refer to "Energy Management" for more information on asset rejuvenations that have been implemented or are in progress.</li> </ul>	● High	● Low	● High	● Medium	● High	● Medium

Risk	Description	Key Mitigating Measures	Risk Rating					
			Short term (2030)		Medium term (2040)		Long term (2050)	
			1.5°C	>3°C	1.5°C	>3°C	1.5°C	>3°C
<b>Enhanced requirement on environmental sustainability of buildings</b>	Buildings account for over 20% of emissions in Singapore and are an important component of Singapore's climate change mitigation strategy. Currently, the Singapore government has announced plans for 80% of buildings in Singapore to be green by 2030 and drive adoption of super low energy buildings in the private sector from 2030 under the Singapore Green Building Masterplan. More stringent green requirements for buildings may lead to increased costs for AELs and the attainment of green building certifications.	<ul style="list-style-type: none"> <li>To consider investment due diligence to include considerations on previous breaches of environmental laws and regulations, physical risk exposure, environmental performance and management system of the target investment.</li> <li>Will conduct periodic scans of exposure for regulatory developments (e.g. carbon pricing, environmental building standards and resource efficiency requirements).</li> </ul>	● Medium	● Low	● High	● Medium	● High	● Medium
<b>Changing customer behaviour</b>	As more companies are committing to ambitious environmental targets, there could be a shift in tenant demand toward more sustainable buildings. To remain competitive, Sabana Industrial REIT would need to incur increased costs for AELs.	<ul style="list-style-type: none"> <li>Conduct annual tenant survey and collect tenants' feedback on an on-going basis, to understand tenants' environmental commitments and expectations, and to identify collaboration opportunities.</li> </ul>	● Medium	● Low	● High	● Medium	● High	● Medium

### Physical Risks

Risk	Description	Key Mitigating Measures	Risk Rating					
			Short term (2030)		Medium term (2040)		Long term (2050)	
			1.5°C	>3°C	1.5°C	>3°C	1.5°C	>3°C
<b>Rising mean temperatures and increased risk of heatwaves</b>	Increased average temperatures could cause overheating in buildings. This could lead to increased capital expenditure and operating costs from having to install and run additional air conditioning systems.	<ul style="list-style-type: none"> <li>Will review business continuity plan to minimise operational disruptions.</li> <li>Will conduct periodic scans of exposure to physical risks of existing properties and take relevant actions such as enhanced maintenance programme to minimise damage to properties.</li> </ul>	● Low	● Medium	● Medium	● High	● Medium	● High
<b>Increased flash flood risk</b>	Increased flood events could lead to operational disruptions, increased insurance premiums, and increased costs from damage to property.	<ul style="list-style-type: none"> <li>Will review and will enhance insurance coverage to ensure the properties are adequately insured.</li> <li>Will consider the inclusion of environmental risk considerations in the investment due diligence.</li> <li>Will regularly monitor updates by government statutory boards such as the Public Utilities Board ("PUB").</li> </ul>	● Low	● Medium	● Medium	● High	● Medium	● High

#### Legend for risks:

- Relatively more significant
- Moderate risk
- Relatively less significant

# SUSTAINABILITY REPORT

## Climate Related Opportunities

Opportunity	Description	Key Measures Undertaken	Opportunity Rating		
			Short term (2030)	Medium term (2040)	Long term (2050)
<b>Development or expansion of low emissions goods and services</b>	Based on the changing customer expectations, there is scope for Sabana Industrial REIT to explore diversifying or expanding its range of properties and assets.	Partnership with Keppel's Energy-as-a-Service arm, Keppel EaaS ("Keppel EaaS") to jointly execute decarbonisation solutions, including: <ul style="list-style-type: none"> <li>Installation of solar panels at selected portfolio properties – Phase 1 includes the installation at four properties which will have an installed capacity of 4.92 Megawatt peak and are able to collectively produce over 6,000 Megawatt hours per year; Phase 2 includes five properties with total installed capacity of 2.64 Megawatt peak which will generate more than 3,000 Megawatt hours per year. Installation of both phases were completed in 2024.</li> </ul>	● Medium	● High	● High
<b>Investment in energy efficient technology</b>	The adoption of energy efficient technology is an area of improvement that Sabana Industrial REIT can and has been capitalising on, by introducing measures to lower its energy and water consumption, retrofits to ensure building equipment is energy efficient.		● High	● High	● High
<b>Investment in renewable energy</b>	While investment in renewable energy sources with lower- emissions may incur some upfront capital costs, there can be substantial savings in the future, and Sabana Industrial REIT can tap on these, especially as greater adoption of renewable energy and more mature energy import policies are in Singapore, lowering overall costs of renewable energy.		● Medium	● Medium	● Medium

<p><b>Legend for opportunities:</b></p> <ul style="list-style-type: none"> <li>● High opportunity: likely opportunity to leverage; management to discuss possible actions to take and report to ARC</li> <li>● Medium opportunity: possible opportunity to leverage in the future; management to kept aware of developments</li> <li>● Low opportunity: considerable resources will have to be allocated to leverage the opportunity; management to monitor developments for future viability</li> </ul>
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## ENERGY MANAGEMENT

### Energy Conservation Adaptation

Sabana Industrial REIT is committed to managing its energy usage responsibly and efficiently. As the landlord, it is our responsibility to do our best to ensure tenants minimise energy wastage. We encourage our tenants to exercise energy-saving practices via our emails. Our communication to tenants includes tips on energy conservation such as utilising appliances with more "ticks" and turning off main switches when not in use.

We monitor the energy consumption at our properties to identify and will address any sudden spikes in energy consumption. We closely monitor the energy consumption of the multi-tenanted properties for which we have operational control.

We have also continued our fruitful partnership with Keppel EaaS to jointly execute decarbonisation solutions and initiatives, including the installation of solar panels across nine properties.

In common areas of buildings which are under the Property Manager's operational control, we have been rolling out the following initiatives aimed at reducing electricity consumption since 2023:

- Air conditioning: Common area air-conditioning setpoint has been adjusted to 25 degrees Celsius. The operating hours for air-conditioning were also adjusted to cater to building office hours. This works in conjunction with our initiative to install low-emissivity glazed façade on glass panels, to reduce heat transmission from outside, and reduce the energy required for cooling.
- Lighting, common area lighting were re-lamped in phases to LED fittings which are much more energy efficient, together with an intelligent lighting control system and LED motion sensor lights to minimise energy usage when lights are not in use.
- Implemented sleep mode for escalators and gearless lifts for some of our properties.

The Manager will continue to implement energy conservation measures to reduce energy consumption, including upgrading existing M&E equipment at selected aged portfolio properties to more energy efficient equipment.

### Renewable Energy Installation

As part of Singapore's revised 2030 Nationally Determined Contribution to reduce its carbon emissions target for 2030 to 60 million tonnes of carbon dioxide<sup>22</sup> (CO<sub>2</sub>), Management has committed to minimise our environmental impact and focus on the efficient use of natural resources. We are implementing new technologies and initiatives across our properties while ensuring the resilience of our overall growth strategy.

Developing on-site renewable energy generation capacity is a key component of this effort. Solar energy is available in abundance in the tropics of Singapore and presents real estate developers and managers with a major opportunity in harnessing renewable energy, both as a contributor to environmental goals, and as an economic benefit in the reduction of electricity bills over time. As part of Singapore's national solar efforts, the government targets deploying 1.5 gigawatt-peak (GWp) of solar energy by 2025<sup>23</sup>.

The REIT has partnered with Keppel EaaS to install solar panels across nine properties, with the installation carried out under two phases:

- Phase 1 includes installation at four properties with total installed capacity of 4.92 Megawatt peak which will potentially generate over 6,000 Megawatt hours (**MWh**) per year;
- Phase 2 includes installation at five properties with total installed capacity of 2.64 Megawatt peak which will potentially generate more than 3,000 MWh per year.

As of 31 December 2024, both phases have been completed. In FY 2024, our solar assets have generated 5,024 MWh of electricity, representing around 4% of the total electricity consumption across all of our properties. This is a renewal energy initiative that will continuously contribute to our sustainability goals in subsequent years.

With these installed projects, the Manager's strategy is aligned with Singapore's 2030 emission targets.<sup>24</sup>



Solar panel installation at 8 Commonwealth Lane



Solar panel installation at 51 Penjuru Road

<sup>22</sup> <https://www.ema.gov.sg/resources/industry-reports/energy-2050-committee-report>

<sup>23</sup> <https://www.ema.gov.sg/our-energy-story/energy-supply/solar>

<sup>24</sup> <https://www.ema.gov.sg/resources/industry-reports/energy-2050-committee-report>

# SUSTAINABILITY REPORT

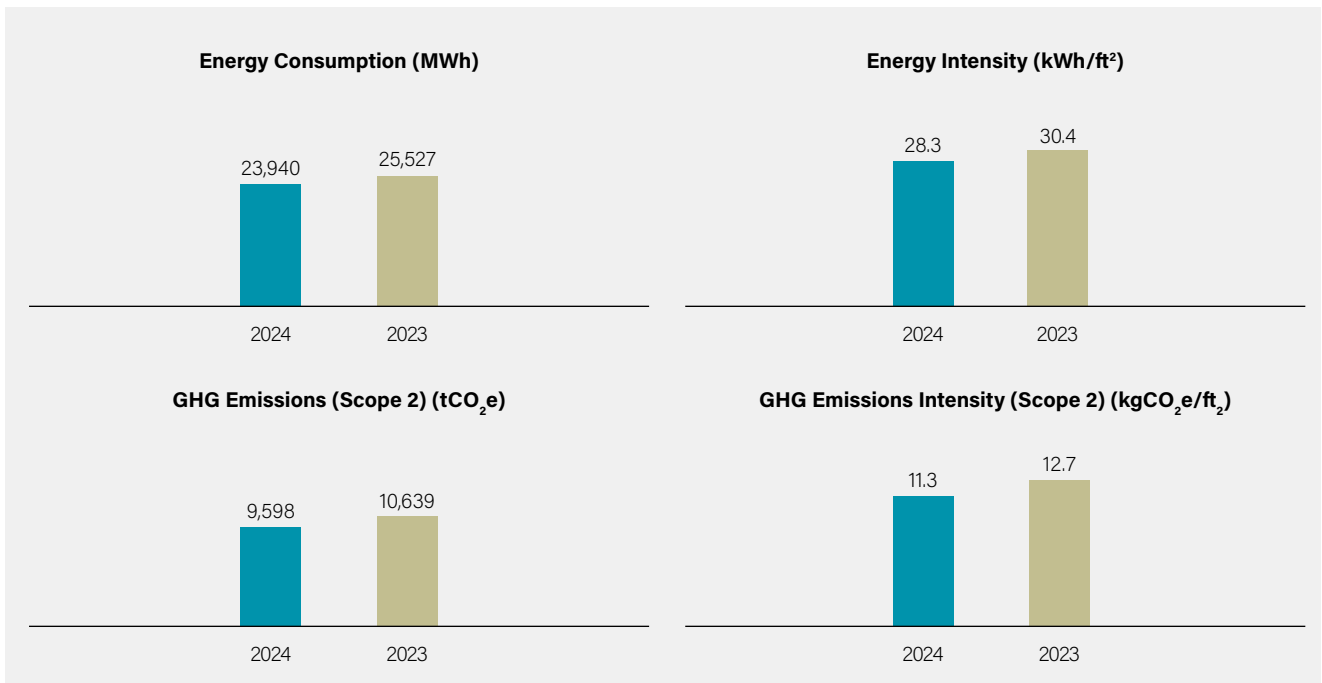
## Energy Consumption and GHG Emissions

FY2024 Target	Performance	Status
Reduction of 2% year-on-year for the energy intensity of common area and vacant net lettable area of properties	Energy intensity of common area and vacant net lettable area of properties decreased by 7% to 28.3 kWh/ft <sup>2</sup> (FY 2023: 30.4)	<b>Achieved</b>

FY 2025 Target
Reduction of 2% year-on-year for the energy intensity of common area and vacant net lettable area of properties

In FY 2024, despite the increase in occupancy, energy consumption which relates to electricity usage by the landlord decreased by about 6% to 23,940 MWh from 25,527 MWh in FY 2023, due to the aforementioned energy conservation adaptation measures. The energy intensity of common area and vacant net lettable area of the properties decreased by 7% to 28.3 kWh/ft<sup>2</sup> in FY 2024 reflecting the sustained efforts of the Manager in introducing building energy consumption efficiency initiatives across selected properties.

Our operational GHG emissions stem from this energy consumption. In FY 2024, our Scope 2 GHG emissions 9,598 tCO<sub>2</sub>e, with Scope 2 emissions intensity measuring at 11.3 kgCO<sub>2</sub>e/ft<sup>2</sup>. This marks a significant 11% decrease from FY 2023, which is caused by a combination of the reduction in energy consumption, and an increase in consumption of the solar power generated which has a much lower emissions factor than the Singapore grid emissions factor<sup>25</sup>.



<sup>25</sup> The Singapore Grid Emissions Factor is 0.412 kgCO<sub>2</sub>/kWh (Source: EMA 2023). Emissions Factor for photovoltaic panels is estimated at 0.036 kgCO<sub>2</sub>/kWh (Source: International Energy Authority 2024)



## WATER MANAGEMENT

### Water conservation adaptation

FY 2024 Target	Performance	Status
Progressively attain PUB Water Efficient Building basic certification for all the properties under the Property Manager's operational control	Attained PUB Water Efficient Building basic certification for all properties under the Property Manager's operational control	<b>Achieved</b>

Water demand in Singapore is expected to double by 2060, with the non-domestic sector contributing to 70% of that demand<sup>26</sup>.

To encourage water conservation, PUB has implemented the Water Efficient Building ("WEB") (Basic) Certification Programme<sup>27</sup> to encourage businesses, industries, schools, and buildings to adopt water-efficient measures in their premises and processes. Sabana Industrial REIT is supporting these plans with its projects aimed at water conservation and recycling. We had previously achieved this in two of our properties in 2023.

In FY 2024, we achieved our goal of obtaining PUB Water Efficient Building basic certification for all properties under the Property Manager's operational control. At the time this target was set, this consisted of 12 of the Manager's 18 properties. In FY 2024, we continued with the installation of water-efficient fittings certified under PUB's Water Efficiency Labelling Scheme rating of 3 or 4 ticks across our properties. By September 2024, we obtained our 12th certification, at 508 Chai Chee Lane. This marked our 10<sup>th</sup> certification and we have in totality achieved certifications for 12 of the properties.

To further reduce our water-related impacts, the Property Manager actively monitors water consumption and implements water-saving measures such as usage of sensors, retrofitting of fixtures, installing of cooling tower, regular water meter readings and collaborating with our tenants on techniques to reduce water consumption.

One of the key elements in these efforts is identifying and addressing abnormal spikes in water consumption with our tenants. Our property management team monitors water consumption daily and reports the data for further assessment whenever there are sudden increases of more than 30m<sup>3</sup> per building. This helps to capture incidental wastages of water (such as pipe leaks that go unnoticed), as well as to support tenants in monitoring their own water use and water reduction efforts.

Additionally, we put up posters across our properties to remind tenants to check that taps are entirely turned off and utilise half flushes when a full one is not required. These reminders keep water conservation at the top of mind whenever water fixtures are being utilised. Email broadcasts are also made to tenants to encourage water-saving efforts.

### Water withdrawal

FY 2024 Target	Performance	Status
Reduction of water intensity by 2% year-on-year	Water intensity reduced by 20%	<b>Achieved</b>

FY 2025 Target
Reduction of water intensity by 2% year-on-year

Water withdrawal relates to total water withdrawal from municipal water supplies (third party water supply) at the multi-tenanted properties over which Sabana Industrial REIT has operational control. Our tenants are the main consumers of water at our industrial properties. Total water withdrawal is calculated by taking figures reported on water bills of the in-scope properties, and aggregating them to get the total withdrawal.

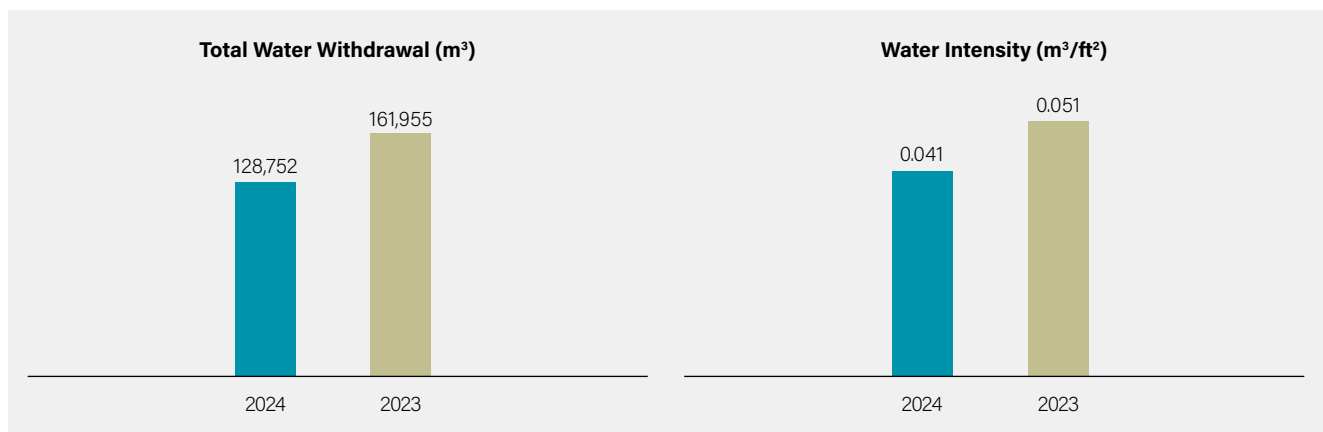
<sup>26</sup> <https://www.pub.gov.sg/watersupply/singaporewaterstory>

<sup>27</sup> <https://www.pub.gov.sg/Public/WaterLoop/Water-Conservation/Awards-and-Certifications/Water-Efficient-Building-Certification>

# SUSTAINABILITY REPORT

In FY 2024, we withdrew 128,752 m<sup>3</sup> of freshwater<sup>28</sup> from the PUB water supply. Our total water withdrawal decreased by about 21% compared to FY 2023 (161,955 m<sup>3</sup>) due to installations of water efficiency fittings. Consequently, our water intensity decreased by 20% in FY 2024 from 0.051 m<sup>3</sup>/ft<sup>2</sup> to 0.041 m<sup>3</sup>/ft<sup>2</sup>.

The Manager will continue to implement initiatives to minimise water wastage and improve water efficiency. We will also continue with our efforts to raise awareness of good water management practices amongst our tenants and employees.



## WASTE MANAGEMENT

FY 2024 Target	Performance	Status
Install recycling bins in properties under the Property Manager's operational control	Installed recycling bins in six properties under the Property Manager's operational control	<b>Achieved</b>

FY 2025 Target
Encourage recycling among tenants in properties under the Property Manager's operational control

### Waste management initiatives

In Singapore's 2030 Green Plan, the waste to landfill per capita per day is targeted to decrease by 20% by 2026<sup>29</sup>. To do our part, the Property Manager is committed to managing our waste stream. We actively promote the reduction of waste and recycling practices with our tenants, in support of Singapore's efforts to become a zero-waste, resource efficient nation. Waste generated from our operations typically comprises non-hazardous food and general waste<sup>30</sup>, which is collected by a third-party contractor and disposed of via recycling or incineration.

<sup>28</sup> Based on GRI Standards (2018), freshwater is defined as water with a concentration of total dissolved solid equal to or below 1000 mg /L

<sup>29</sup> <https://www.greenplan.gov.sg/targets>

<sup>30</sup> General waste generated typically includes paper and carton boxes

Building on our earlier waste management initiatives with the provision of recycling bins at six of our properties, we installed recycling bins in another six properties under the Property Manager's control. These six properties are as follows:

- 2 Toh Tuck Link
- 51 Penjuru Road
- 39 Ubi Road 1
- 34 Penjuru Lane
- 123 Genting Lane and
- 3A Joo Koon Circle

Including the past year's installation of recycling bins, we have met our target of installing recycling bins on all properties under the Manager's operational control. The availability of recycling bins at all such properties will facilitate recycling of waste by our staff, tenants, and contractors present at these sites, and will contribute to the rate of recycling at all properties moving forward.

In addition, an e-waste collection point is also available at 151 Lorong Chuan for the collection of used electrical or electronic equipment from our tenants and shoppers. This initiative supports the National Environmental Agency's directive<sup>31</sup> on managing e-waste to conserve precious resources such as gold and rare-earth metals, as well as to reduce the discharge of hazardous chemicals into the earth through landfills.

### **Waste generated**

In FY 2024, 925.1 tons of non-hazardous food and general waste was generated from 12 multi-tenanted properties which the Manager has operational control of. The increase of 29.4% in total waste, compared to 715.1 tons in FY 2023 was mostly attributed to higher occupancy rates at selected properties.

Of this waste, 5.8% were recycled, which is lower than the 7.3% recycled in FY 2023. This is mostly attributed to the higher total waste generated. The Management will continue to encourage recycling at all properties. For FY 2025, our target is to encourage the usage of the recycling bins by tenants in properties under the Property Manager's operational control.

<sup>31</sup> <https://www.nea.gov.sg/our-services/waste-management/3r-programmes-and-resources/e-waste-management>

# SUSTAINABILITY REPORT

## OUR SOCIETY

### COMMUNITY IMPACT

We believe that being a responsible corporate citizen and building a lasting relationship with our communities is critical to the long-term viability of our business. Annually, we seek to contribute purposefully to the well-being of society and communities through various CSR initiatives.

As the Manager of 18 properties, we are cognizant that our assets and operations have direct and indirect impacts on the communities in which we operate. To this end, we take a holistic approach to our CSR efforts that are aimed at encouraging and uplifting our communities.

Earlier in the year, we organised a tea-break get-together with the essential workers at New Tech Park. Our CEO thanked them for their hard work and efforts, noting that our security guards, technicians, gardeners and cleaners play a vital role in keeping our property clean, healthy and safe.



CEO Donald Han (far right) engaged our essential workers at New Tech Park



CEO Donald Han (second from right) with staff members of Sabana and Children's Wishing Well

Last year, we continued to focus our CSR efforts on the children and youth in our community. We partnered with Children's Wishing Well and sought to brighten the festive season for 100 kids under their care. Children's Wishing Well is a charity organisation in Singapore focused on the holistic education of children and youth from disadvantaged backgrounds. Their children come from low-income families, and their parents may be ill, incarcerated, or absent from their lives.

We set up a notice board tagged with the wishes of 100 children from Children's Wishing Well at New Tech Park in October 2024. NTP+ mall patrons and New Tech Park office tenants were encouraged to sponsor the gifts requested by the children. This initiative was met with very enthusiastic participation by our shoppers and tenants. We delivered the presents to the children in December, adding a special touch to the children's end-of-year celebration.

FY 2024 Target	Performance	Status
Complete at least two local community engagement projects in the year	Completed two local community engagement projects in the year	<b>Achieved</b>

FY 2025 Target
Complete at least two local community engagements



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of use</b>	Sabana Industrial REIT has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 used:</b>	GRI 1: Foundation 2021

### General disclosures

GRI Standard	Disclosure	Location
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	<b>Organisation and its reporting process</b>	
	2-1 Organisation details	Page 2 Corporate Profile
	2-2 Entities included in the organisation's sustainability reporting	Page 55 About this report
	2-3 Reporting period, frequency and contact point	Page 55 About this report
	2-4 Restatements of information	No restatements were made to previous year's report.
	2-5 External assurance	Sabana REIT has subjected our sustainability reporting process to internal review by our internal auditors, as required by SGX-ST Listing Rules 711B(3). The Board of Directors will continue to assess if external assurance is required for the subsequent sustainability reports.
	<b>Activities and workers</b>	
	2-6 Activities, value chain and other business relationships	Page 57 Stakeholder Engagement
	2-7 Employees	Page 64 Our employee demographics
	2-8 Workers who are not employees	Page 64 Our employee demographics
	<b>Governance</b>	
	2-9 Governance structure and composition	Page 56 Sustainability governance
	2-10 Nomination and selection of the highest governance body	Page 56 Sustainability governance
	2-11 Chair of the highest governance body	Page 56 Sustainability governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 56 Sustainability governance
	2-13 Delegation of responsibility for managing impacts	Page 56 Sustainability governance
	2-14 Role of the highest governance body in sustainability reporting	Page 56 Sustainability governance
	2-15 Conflicts of interest	Page 61 Business ethics and anti-corruption
	2-16 Communication of critical concerns	Page 57 Stakeholder engagement
	2-17 The collective knowledge of the highest governance body	Page 95 Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Page 98 Corporate Governance
2-19 Remuneration policies	Page 98 Corporate Governance	
2-20 The process to determine the remuneration	Page 98 Corporate Governance	
2-21 Annual total compensation ratio	Confidentiality constraints. The REIT does not disclose this information as the company is bound by confidentiality.	



GRI Standard	Disclosure	Location
<b>General Disclosures</b>		
	<b>Strategy, Policy and Practices</b>	
	2-22 Statement on sustainable development strategy	Page 54 Board Statement on Sustainability
	2-23 Policy commitments	Page 61 Business ethics and anti-corruption
	2-24 Embedding policy commitment	Page 56 Sustainability approach
	2-25 Processes to remediate negative impacts	Page 62 Employee code of conduct, Corporate Governance Page 101 Whistle-blowing policy
	2-26 Mechanisms for seeking advice and raising concerns	Page 56 Sustainability governance
	2-27 Compliance with laws and regulations	Page 63 Regulatory compliance
	2-28 Membership associations	The Manager is a member of REIT Association of Singapore ("REITAS") and Singapore Business Federation.
	2-29 Approach to stakeholder engagement	Page 57 Stakeholder engagement
	2-30 Collective bargaining agreements	N/A to Sabana REIT None of our employees are covered by collective bargaining agreements.
<b>Disclosure of Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 58 Materiality assessment
	3-2 List of material topics	Page 59 Material ESG topics
<b>Our Governance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61 Our governance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 61 Business ethics and anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	Page 61 Business ethics and anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Page 61 Business ethics and anti-corruption
GRI 417: Marketing and Labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	Page 63 Regulatory compliance
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 63 Cyber-security and data privacy

# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location
<b>Our Environment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 72 Our People
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 80 Energy Consumption and GHG Emissions
	302-3 Energy intensity	Page 80 Energy Consumption and GHG Emissions
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 80 Energy Consumption and GHG Emissions
	305-4 GHG emissions intensity	Page 80 Energy Consumption and GHG Emissions
GRI 303: Water and Affluents 2018	303-3 Water withdrawal	Page 81 Water withdrawal 303-3 (b) not applicable – we do not withdraw water with water stress
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 82 Waste management initiatives
	306-2 Management of significant waste-related impacts	Page 82 Waste management initiatives
	306-3 Waste generated	Page 83 Waste generated
	306-4 Waste diverted from disposal	Page 83 Waste generated 306-4 (b) not applicable – no hazardous waste disposed
<b>Our People and Tenants</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 64 Our People and Tenants
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 68 Talent Retention
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 70 Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Page 70 Health and Safety
	403-3 Occupational health services	Page 70 Health and Safety (Employees)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 70 Health and Safety (Employees)
	403-5 Worker training on occupational health and safety	Page 70 Health and Safety (Employees)
	403-6 Promotion of worker health	Page 70 Health and Safety (Employees)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 71 Health and Safety (Tenants), Health and Safety (Vendors and Contractors)
	403-8 Workers covered by an occupational health and safety management system	Page 70 Health and Safety (Employees) 403-8 (b) and (c) not applicable as all workers are full time employees
	403-9 Work-related injuries	Page 70 Health and Safety (Employees)
	403-10 Work-related ill health	Page 70 Health and Safety (Employees)

GRI Standard	Disclosure	Location
<b>Our People and Tenants</b>		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 66 Training and development
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 67 Fostering employee engagement
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 64 Diversity and equal opportunity
<b>Our Society</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 84 Our society
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 84 Community Impact

# CORPORATE GOVERNANCE

## INTRODUCTION

Sabana Industrial REIT, listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), is managed by Sabana Real Estate Investment Management Pte. Ltd. (the "**Manager**").

As Manager, our main responsibility is to manage the assets and liabilities of the REIT for the benefit of the Unitholders. To this end, our main functions and responsibilities include:

- Setting the strategic direction of the REIT;
- Giving recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of the REIT (the "**Trustee**"), on the acquisition, divestment and enhancement of the assets of the REIT in accordance with its stated investment strategy;
- Ensuring adequate and effective risk management, internal controls and compliance with applicable laws and regulations, including the Listing Manual of SGX-ST (the "**Listing Manual**"), the Code on Collective Investment Schemes (the "**CIS Code**") issued by the Monetary Authority of Singapore ("**MAS**") (including Appendix 6 of the CIS Code (the "**Property Funds Appendix**")), the Securities and Futures Act 2001 of Singapore (the "**SFA**"), written directions, notices and other guidelines that MAS may issue from time to time;
- Managing finance functions relating to the REIT, including financial and tax reporting, capital management, treasury and budget management;
- Attending to all regular communications with Unitholders;
- Supervising Sabana Property Management Pte. Ltd., which performs the day-to-day property management functions for the REIT's properties; and
- Considering sustainability issues in key impact areas and integrating these considerations into the management of the REIT and future plans. The sustainability efforts of the Manager and the REIT are set out in the Sustainability Report section of this Annual Report.

The Manager is licensed under the SFA to carry out REIT management activities and holds a Capital Markets Services ("**CMS**") Licence issued by MAS.

The Manager was appointed in accordance with the terms of the trust deed entered into between the Manager and the Trustee constituting Sabana Industrial REIT dated 29 October 2010 (as amended, varied or supplemented from time to time), collectively the "**Trust Deed**". The Trust Deed also outlines certain circumstances under which the Manager can be removed, including by notice given in writing by the Trustee upon the occurrence of certain events, such as where a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed decide on such removal. At the Extraordinary General Meeting held on 7 August 2023 (the "**2023 EGM**") convened on a requisition by Quarz Capital ASIA (Singapore) Pte. Ltd. ("**Quarz Capital**"), Unitholders had voted that, among others, the Manager be removed as the manager of Sabana Industrial REIT as soon as practicable, and that the Trustee be directed 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 "**2023 EGM Resolutions**"). The Manager is now an interim manager pending the completion of the internalisation process.

As Manager, we are staffed by a well-qualified and dedicated team with a proven track record, skills and competencies in managing the operational matters of the REIT. We are firmly committed to upholding high standards of corporate governance, which are essential to sustaining the REIT's business and performance. This report describes our corporate governance framework and practices in compliance with the principles and guidelines of the Code of Corporate Governance 2018 (the "**2018 Code**").

We have complied with the principles and guidelines as set out in the 2018 Code where applicable. Where there are any deviations from the provisions of the 2018 Code, explanations will be provided within this report.

## BOARD MATTERS

### **Principle 1: The Board's Conduct of Affairs Board and Board Committee Composition**

The Board of Directors (the "**Board**") and Board Committee members of the Manager as at 31 December 2024 are as follows:

Name of Director	Board Membership	Audit and Risk Committee ("ARC")	Nominating and Remuneration Committee ("NRC")
Mr Tan Cheong Hin	Chairman, Independent Non-Executive Director	Member	Chairman
Mr Wong Heng Tew	Independent Non-Executive Director	Chairman	Member
Ms Lee Kia Jong Elaine (" <b>Mrs Elaine Lim</b> ") <sup>1</sup>	Non-Independent Non-Executive Director	Member	Member

The profiles of the current Directors are set out in the "Board of Directors' Profile" section on page 8 of this Annual Report.

### **Board's Duties and Responsibilities**

The Board's primary responsibilities are to provide leadership, set the strategic direction and ensure that the necessary resources are in place for the Manager to meet its objectives. It also sets the values and standards for the Manager and the REIT (including ethical standards of conduct) to ensure that obligations to its stakeholders are understood and met, with the ultimate aim of safeguarding and enhancing Unitholders' value. The Board sets the tone and culture across the organisation by adhering to the Code of Conduct that it has adopted. The Code of Conduct describes the Manager's mission, vision as well as core values. It also describes how employees should conduct business and maintain all business relationships.

The Board provides oversight and assumes overall responsibility for the corporate governance of the Manager. It works closely with the management of the Manager (the "**Management**") to establish goals for the Management, ensure necessary resources are in place, engage in constructive debate and challenge the Management on its assumptions and proposals, and monitor the achievement of set goals. The Board has established an oversight framework for the Manager and the REIT, including a system of internal controls which enables risks to be assessed and managed.

To optimise operational efficiency, the Board has an approved framework of delegated authorisations in its Delegation of Authority ("**DOA**"). This sets out the level of authorisation and the respective approval limits for a range of transactions by the Board, the Board Committees and the Management. The DOA, which covers but is not limited to acquisitions, divestments, operating and capital expenditures, is clearly communicated to the Management in writing. It also sets out the type of transactions and matters reserved for the Board's approval, such as annual budgets, fund-raising activities, investment and divestment proposals, income distribution and other returns to Unitholders and operational matters beyond the scope of the defined Management approval limits.

As fiduciaries, the Directors firmly believe that commitment to good corporate governance is essential to the sustainability of the REIT's performance. The Directors are collectively and individually obliged at all times to act honestly and objectively in the best interests of Sabana Industrial REIT and its Unitholders. Consistent with this principle, the Board has adopted a comprehensive policy on Directors' Conflicts of Interest that sets out the guiding principles for Directors when faced with a potential conflict of interest situation. Please refer to page 110 for detailed procedures implemented by the Manager in dealing with conflicts of interest.

When a Director becomes aware of any conflict of interest in a particular matter, he or she is required to disclose his or her interest to the Board immediately, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

<sup>1</sup> Notwithstanding full compliance with all the regulatory criteria of independence, Mrs Elaine Lim was redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 25 April 2023 as her status as Independent Non-Executive Director was not endorsed by independent unitholders at the Annual General Meeting held on 23 April 2023 (the "2023 AGM").

# CORPORATE GOVERNANCE

## Board Committees

In order for the Board to effectively discharge its functions, the Board delegates specific areas of responsibilities to its Board Committees, namely, the NRC and ARC. Each Board Committee is governed by its terms of reference which have been carefully considered and approved by the Board. The decisions and significant matters discussed at the Board Committee meetings are reported to the Board on a periodic basis. Please refer to Principle 4 "Board Membership" and Principle 10 "Audit Committee" of this report for the terms of reference for NRC and ARC respectively.

## Meetings of the Board and Board Committees

The Board meets at least once every quarter to discuss and review the quarterly operational and financial performance of the REIT including any significant acquisitions and disposals, funding strategy and hedging activities, and to approve the release of half-yearly and full year financial results on SGXNet. The Constitution of the Manager provides for Directors' participation in meetings by way of telephone or video-conferencing or other methods of simultaneous communication by electronic or telegraphic means. In addition to the quarterly meetings, ad-hoc Board and Board Committee discussions are convened whenever warranted by particular circumstances that require the Board's and Board Committee's attention, or any other matter requiring approval. On an ongoing basis, the Board and the Management communicate regularly and frequently to discuss and update each other on matters and development relating to the REIT. The Board and Board Committees may also make decisions by way of resolutions in writing or approval of board papers. These board papers contain detailed explanatory information, research, facts, analysis, and recommendations on the proposals sought by the Management.

The regular Board and Board Committee meetings for each year are scheduled in advance. Prior to each meeting, materials on matters to be discussed with detailed explanatory information and other relevant materials are circulated in advance, so that such matters may be considered thoroughly and fully, prior to the making of any decision. Explanatory information may also be in the form of briefings to the Directors or formal presentations by the Management in attendance at the meetings or by external professionals. All agendas for Board meetings and Board Committee meetings are reviewed and approved by the Chairman and chairmen of respective Board Committees to ensure that all relevant topics are covered in the meetings.

In view of the unprecedented number of requisitioned Extraordinary General Meetings in FY 2024, and the resultant internalisation, the frequency of meetings of the Directors increased significantly. The number of Board meetings, Board Committee meetings and general meetings held during the year from 1 January 2024 to 31 December 2024 ("**FY 2024**") and the attendance of the Directors at such meetings are summarised as follows:

	Board Meetings	ARC Meetings	NRC Meetings	Annual General Meeting	Extraordinary General Meeting
<b>Number of Meetings Held</b>	<b>4*</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>3</b>
Mr Tan Cheong Hin	4/4	4/4	2/2	1/1	3/3
Mr Wong Heng Tew	4/4	4/4	2/2	1/1	3/3
Mrs Elaine Lim	4/4	4/4	2/2	1/1	3/3

Note: \* In addition to the Board and Board Committee Meetings, the Directors also attended 26 ad-hoc meetings during FY 2024

For the Annual General Meeting held on 23 April 2024 (the "**2024 AGM**") and the Extraordinary General Meetings requisitioned by five unitholders of Sabana Industrial REIT held on 8 March 2024, 6 August 2024 and 18 October 2024 (the "**Requisitioned EGMs**"<sup>2</sup>) relating to the internalisation of the REIT management function, all the Directors attended in-person.

In addition to the above scheduled meetings, the Board and Management held numerous ad-hoc meetings and discussions in view of the matters arising as part of the preparation for the convening of the Requisitioned EGMs and where decisions involving important legal and regulatory considerations had to be made. In view of the fluidity of the developments and the requirement to adhere to strict statutory timelines prescribed for the Requisitioned EGMs, many of these meetings and discussions had to be held at short notice and outside of working hours. For FY 2024, a total of 26 ad-hoc meetings took place.

<sup>2</sup> The extraordinary general meeting that was scheduled to be held on 24 May 2024 pursuant to the requisition letter dated 25 March 2024 (as amended) was subsequently postponed in accordance with the order of the General Division of the High Court of the Republic of Singapore (the "High Court"). Please refer to the Manager's announcement dated 23 May 2024 regarding the postponement of the extraordinary general meeting for more information.



The Company Secretary (or representative) attends Board and Board Committee meetings and ensures that all Board procedures and the requirements of the Companies Act 1967 of Singapore (the “**Companies Act**”), the SFA and their respective subsidiary legislations and the Listing Manual are complied with. Every formal Board and Board Committee meeting is documented for record keeping purposes.

### **Access to Information, Management and Professionals**

The Management provides the Board with complete, adequate and timely information prior to Board meetings and on an ongoing basis. The Management also provides any additional information as requested by the Directors in a timely manner to make informed decisions. Generally, meeting materials and supporting documents are sent to Directors at least one week in advance of each meeting for Directors to be adequately prepared for each meeting.

Board members have separate and independent access to all functions within the Manager, as well as the Company Secretary at all times for any information they may require. There is active interaction between the Directors and the Management during and outside of the Board and Board Committee meetings. The Company Secretary’s responsibilities include advising the Board on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. The appointment and removal of the Company Secretary is a matter for the Board to decide.

Directors, whether individually or collectively as the Board, are entitled to seek and obtain independent professional advice in the furtherance of their duties where necessary.

### **Directors’ Development**

All newly appointed Directors undergo an induction orientation programme which provides information relating to Sabana Industrial REIT’s business, strategic directions, responsibilities of key personnel, financial and governance practices and key policies and procedures. Property tours to the REIT’s key and strategic properties are also conducted for newly appointed Directors to familiarise them with the portfolio. The Manager issues formal letters upon the appointment of the Directors, setting out their relevant duties and obligations to acquaint them with their responsibilities as Directors of the Manager. In FY 2024, there was no new director appointed on Board.

The Manager arranges training sessions for Directors who have no prior experience as a director of an issuer listed on the SGX-ST. These sessions cover areas such as regulatory and statutory requirements under the Companies Act, the SFA and their respective subsidiary legislations and the Listing Manual, duties, responsibilities and liabilities of a director, and roles and functions of a listed issuer’s Board and Board Committees, as prescribed by the SGX-ST.

All Directors are regularly updated on new developments in laws and regulations or changes in regulatory requirements and financial reporting standards which are relevant to or may affect the Manager or the REIT. The Manager encourages and arranges for its Directors to attend training courses, so as to stay abreast of changes to the financial, legal and regulatory requirements and the business environment. The Directors may also, at any time, request for further explanations, briefings, or informal discussions on new developments in laws and regulations or changes in regulatory requirements and financial reporting standards, as well as any aspect of the REIT’s or the Manager’s operations or business issues. The costs of arranging and funding the training of the Directors are borne by the Manager or by the Directors personally.

Rule 720(7) of the Listing Manual requires all directors of an issuer to undergo training on sustainability matters as prescribed by the SGX-ST and that if the NRC is of the view that training is not required because the director has expertise in sustainability matters, the basis of its assessment must be disclosed in Sabana Industrial REIT’s annual report. All Directors have since undergone sustainability training courses that were approved by the SGX-ST. During FY 2024, the Directors received training in climate reporting and assurance.

### **Principle 2: Board Composition and Guidance Board Independence**

As at 31 December 2024, two of the three Directors, namely Mr Tan Cheong Hin and Mr Wong Heng Tew, are Independent Non- Executive Directors. All three Directors do not have any relationship with the Manager, its related companies, its substantial shareholders<sup>3</sup> or its officers that could interfere, or be perceived to interfere with the exercise of the Director’s independent business judgment with a view to act in the best interest of the REIT, and they are able to exercise objective judgment on

<sup>3</sup> A “substantial shareholder” of a company is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the SFA.

# CORPORATE GOVERNANCE

corporate affairs independently from the Management and the Manager's substantial shareholders. Notwithstanding this and Mrs Elaine Lim's compliance with all the regulatory criteria of independence, Mrs Elaine Lim's status as an Independent Non-Executive Director was not endorsed by independent Unitholders at the 2023 AGM on 25 April 2023 and she was accordingly redesignated as a Non-Independent Non-Executive Director.

None of the Directors have served on the Board for nine years or longer. In FY 2024, the Sponsor did not nominate any director to be on the board of the Manager.

The independence of the Board provides a key element in ensuring that appropriate checks and balances are exercised.

The Directors meet regularly without the presence of the Management to review the performance of the Management.

The NRC is tasked by the Board to assess the independence of each Director and make a recommendation to the Board on his or her independence status when considering his or her appointment to the Board. Thereafter, the NRC assesses each Director's independence at least once a year, or as and when necessary, taking into consideration independence requirements set out in the Listing Manual, 2018 Code as well as Regulation 13E(b) of the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SF(LCB)R**"). A Director is considered independent if he or she is independent in conduct, character, and judgment and:

- (i) is independent from the Management of the Manager and the REIT;
- (ii) is not a substantial shareholder of the Manager and is a not substantial Unitholder of the REIT;
- (iii) does not have any management or business relationships with the Manager and its related companies as well as the REIT and its subsidiaries;
- (iv) is independent from every substantial shareholder of the Manager and every substantial Unitholder of the REIT;
- (v) is not employed and has not been employed by the Manager or a substantial Unitholder of the REIT or their related corporations in the current or any of the past three financial years;
- (vi) does not have any immediate family member who is employed or has been employed by the Manager or their related corporations in the current or any of the past three financial years; and
- (vii) has not served on the Board for more than nine years from the date of his or her first appointment.

As part of the annual assessment process, the Manager requires annual declarations of independence from the Directors. The NRC reviews the Directors' self-declaration and assesses whether there is any relationship or factor disclosed by the Director or any other non-disclosed relationship or factor that may influence the Director's ability to act independently. The paragraphs below set out the outcome of the NRC's assessment in FY 2024. Each of the Independent Directors had recused himself or herself from the NRC's deliberations on his or her independence.

## Mr Tan Cheong Hin

Mr Tan Cheong Hin is not faced with any of the circumstances identified in the 2018 Code, SF(LCB)R and Listing Manual and does not have any other relevant relationships, which may affect his independent judgment. The Board has considered whether Mr Tan had demonstrated independence in character and judgment in the discharge of his duties and responsibilities as a Director and concluded that Mr Tan had acted with independent judgment. As a Director, Mr Tan will also be subject to strict fiduciary duty under the SFA and common law to prioritise the interests of the REIT and the Unitholders. On the basis of the declaration of independence provided by Mr Tan and the guidance in the 2018 Code, SF(LCB)R and Listing Manual, the Board determined that Mr Tan is considered to be independent for the financial year under review under the SF(LCB)R.

## Mr Wong Heng Tew

Mr Wong Heng Tew is not faced with any of the circumstances identified in the 2018 Code, SF(LCB)R and Listing Manual and does not have any other relevant relationships, which may affect his independent judgment. The Board has considered whether Mr Wong had demonstrated independence in character and judgment in the discharge of his duties and responsibilities as a director and concluded that Mr Wong had acted with independent judgment. As a Director, Mr Wong will also be subject to strict fiduciary duty under the SFA and common law to prioritise the interests of the REIT and the Unitholders. On the basis of the declaration of independence provided by Mr Wong and the guidance in the 2018 Code, SF(LCB)R and Listing Manual, the Board determined that Mr Wong is considered to be independent for the financial year under review under the SF(LCB)R.

### Mrs Elaine Lim

At the recommendation of the NRC and upon obtaining the requisite approvals from MAS, Mrs Elaine Lim was appointed to join the Manager as an Independent Non-Executive Director on 6 July 2022, having been selected based on her credentials, experience, and qualifications. She was redesignated as Non-Independent Non-Executive Director on 25 April 2023 as her status as an Independent Non-Executive Director was not endorsed by independent unitholders. Notwithstanding her redesignation, Mrs Lim does not fall within the scope of any of the circumstances identified in the 2018 Code, SF(LCB)R and Listing Manual and does not have any other relevant relationships which may affect her independent judgment. As a Director, she is also subject to strict fiduciary duty under common law and the SFA to prioritise the interests of the REIT and the Unitholders. The Board has considered whether Mrs Lim had demonstrated independence in character and judgment in the discharge of her duties and responsibilities as a director and concluded that she had acted with independent judgment, notwithstanding her redesignation.

Overall, the Board is satisfied that there is a strong and independent element on the Board.

### **Board Diversity**

The Board sees diversity as an essential element in achieving its strategic objectives of driving long-term, sustainable value and safeguarding stakeholder interests. It believes that embracing diversity allows for Directors to benefit from different perspectives and foster a healthy exchange of ideas, thereby ensuring effective, robust decision making and underpinning strong governance of the Manager and the REIT's operations.

The Board fully endorses diversity and has adopted a Board Diversity Policy. The policy guides the Board in ensuring a diverse balance and mix of expertise, experience, perspectives, skills, talents, knowledge, and backgrounds, with due consideration to diversity factors. These include, but are not limited to, diversity in terms of business or professional experience, skills, age and gender and other relevant personal attributes that each candidate can bring to the overall Board composition.

In accordance with Rule 710A of the Listing Manual, the Board sets qualitative and measurable quantitative targets (where appropriate) for achieving board diversity, and reviews its progress towards achieving such targets. These targets are:

- (i) majority of the Board members to be independent
- (ii) to include at least one female Board member
- (iii) Board members to possess experience in finance, real estate, investment, corporate governance, legal, stakeholder engagement, and business development including overseas property investment management.

The current Board comprises individuals who are professionals with relevant industry knowledge and backgrounds. As of 31 December 2024, all three targets had been achieved and the NRC will continue to assess and commit towards maintaining an effective and diverse Board in accordance with its Board Diversity policy. Together, the Board as a group provides an appropriate balance and diversity of skills with the expertise, experience, perspectives, skills, talents, knowledge, and backgrounds, business or professional experience, age and gender (one out of three Directors is a female Director). Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of Sabana Industrial REIT and its Unitholders.

Taking into account the diversity of the Board and the individual experience of the Board members, the NRC is of the view that the Board has an appropriate level of diversity of thought and background in its composition that enhances the breadth of views and perspectives that aid robust and constructive discussions. This enables the Board to make decisions in the best interests of Sabana Industrial REIT and its Unitholders.

For more information on the Board members' composition and experiences, please refer to the "Board of Directors' Profile" section on page 8 of this Annual Report.

### **Principle 3: Chairman and Chief Executive Officer**

The division of responsibilities and functions between the Chairman and the CEO has been demarcated in writing to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman, Mr Tan Cheong Hin, and the CEO, Mr Han Yong Lee (Donald), are not related to each other, nor is there any business relationship between them.

# CORPORATE GOVERNANCE

The Chairman leads the Board to ensure its effectiveness by promoting a culture of openness and debate at the Board meetings on key issues pertinent to the business and operations of the REIT and the Manager. He encourages effective contribution from all Directors and facilitates constructive relations with the Board and between the Board and the Management. He ensures the Directors receive complete, adequate and timely information and promotes effective communication with Unitholders on the performance of the REIT. He also spearheads the Manager's drive to achieve and maintain high standards of corporate governance.

The CEO has full executive responsibilities over the business direction and operational decisions in managing the REIT. He is responsible for the day-to-day management of the REIT's business and accountable to the Board for the execution of the Board's adopted strategies and policies.

## **Principle 4: Board Membership**

### **NRC and its Roles and Responsibilities**

The NRC is chaired by an Independent Non-Executive Director and comprises all of the Directors of the Board, with two of the Directors being Independent Non-Executive Directors and the remaining Director being a Non-Independent Non-Executive Director. The NRC is governed by written terms of reference defining its authority and duties, with explicit authority to investigate any matter within its term of reference.

The roles and responsibilities of the NRC include:

- Reviewing succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- Developing a process and criteria for evaluation of the performance of the Board, its board committees and Directors;
- Reviewing training and professional development programmes for the Board and its Directors. The NRC has noted that all Directors must undergo training on sustainability matters as prescribed by the SGX-ST, and that if the NRC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed in Sabana Industrial REIT's annual reports;
- Appointing and re-appointing Directors;
- Reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel, which should be aligned with the long-term interests and risk policies of the Manager; and
- Reviewing and recommending to the Board the specific remuneration packages for each Director as well as each key management personnel, covering all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind.

### **Process for Selection, Appointment and Re-appointment of Directors**

The NRC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. It also leads the process for the search, identification, evaluation and selection of suitable candidates for new directorships.

The criteria used to identify and evaluate potential new directors are based on the consideration of composition and progressive renewal of the Board and each director's background, experience and knowledge in business and general management, and expertise relevant to the REIT's businesses. The NRC also considers the director's principal commitment, contribution and performance (e.g. attendance, preparedness, participation and candour), number of board representations (and any conflicts of interest), including but not limited to, if applicable, as an Independent Director.

The composition of the Board is determined using the following principles:

- (i) The Chairman should be an Independent Non-Executive Director;
- (ii) To comply with regulatory requirements, at least half of the Board currently comprises Independent Directors; and
- (iii) The Board should be of an appropriate size and have a mix of experience in business, finance, legal and management skills, knowledge, experience, and other aspects of diversity critical to the REIT's business. Each Director should bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NRC is of the view that the collection of skills, experience and diversity of the Board meets the needs of the Manager and the REIT, which is in line with the Board Diversity Policy disclosed under Principle 2 in this report. The profiles of the Directors are set out in the "Board of Directors' Profile" section of this Annual Report.

In addition, the NRC conducts its search for possible candidates via networking contacts and recommendations. It also taps professional head-hunters from time to time to assist with the identification and shortlisting of candidates. In evaluating prospective candidates for the Board, the NRC will interview the candidate and conduct due diligence background checks such as references, bankruptcy checks and past misconducts to ensure the fitness and propriety of the individual. After all these internal processes are completed, the Manager will file a notification to the MAS for appropriate approval.

Board succession planning is considered during the annual review of the Board composition, re-appointment of Directors as well as when a Director gives notice of his or her intention to retire or resign. Appointments and re-appointments of Directors are also in accordance with the Constitution of the Manager, the SF(LCB)R and the Listing Manual. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance.

There were no alternate directors appointed in FY 2024. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board will generally not approve the appointment of alternate directors.

#### **Review of Directors' Ability to Commit Time**

Directors are required to devote sufficient time and attention to adequately perform their roles, duties and responsibilities and attend to the affairs of the Manager and the REIT. The NRC reviews each Director's competing time commitments including employment and other board memberships to determine whether the Director has and can suitably fulfil his or her duties as a Director of the Manager on an annual basis and as and when there is a change to a Director's principal commitments. The principal commitments of each Director are listed in the "Board of Directors' Profile" section of this Annual Report.

The Board is of the view that the limit on the number of listed company directorships that an individual Director may hold should be considered on a case-by-case basis, but as a general rule, each Director should hold no more than seven listed company board appointments. As at 31 December 2024, each Director did not hold more than two directorships in other listed companies. Additionally, the NRC will also assess whether a Director with other non-listed board representations and/or involvement in non-profit organisations is able to and has been adequately carrying out his or her duties as a Director of the Manager.

Based on the reviews by the NRC, the Board is satisfied that each Director has been able to adequately discharge his or her duties and contribute to the overall effectiveness of the Board.

#### **Review of Directors' Independence**

The NRC determines annually, and as and when circumstances require, whether a Director is independent. Please refer to Principle 2 "Board Composition and Guidance – Board Independence" and Principle 5 "Board Performance" of this report for further information.

#### **Principle 5: Board Performance**

The Manager recognises that a strong Board that provides effective guidance and directions to the Management is critical for the success of the REIT.

To this end, the NRC carries out an internal annual process to assess the effectiveness of the Board as a whole and the Board Committees and the contribution by each individual Director and the Chairman to the effectiveness of the Board. The assessment is based on a range of performance criteria as approved by the Board. As part of the review process, the individual Directors are required to complete performance evaluation forms for their role as a Board member and Board Committee member (as relevant). The evaluation results are consolidated and reported to the Chairman of NRC and Board. Where necessary, action plans are identified and implemented with the objectives to enhance the effectiveness of the Board, the Board Committees and individual Directors in the discharge of their roles and responsibilities.

#### **Board and Board Committee Evaluation**

The evaluation criteria for the Board as a whole include Board composition, Board information, Board process, internal controls and risk management, Board accountability, communication and standards of conduct, with a clear division of responsibilities and duties between the Board and the CEO.

# CORPORATE GOVERNANCE

For Board Committees, the general evaluation criteria include memberships and appointments, meetings, training and resources, standards of conduct, and communication with Unitholders.

Specifically for the ARC, the evaluation criteria focus on financial reporting, internal controls and risk management systems, internal audit process, external audit process, whistle-blowing, and the ARC's relationship with the Board. The ARC is also responsible for overseeing the REIT's sustainability efforts, determining the material environment, social and governance factors and taking them into consideration in determining the REIT's strategic priorities.

For the NRC, the evaluation criteria include the process of selecting and appointing new Directors, board diversity, nomination of Directors for re-election, independence of Directors, Board performance evaluation and succession planning, among others.

## **Individual Directors Evaluation**

The NRC also determines, among other things, the independence of Directors and whether Directors, including those who hold multiple board representations or have other competing principal commitments, are able to and have been adequately carrying out his or her duties as Board and Board Committee members. It also evaluates areas such as the individual Directors' attendance and participation of meetings, and their contribution to these meetings as well as strategic thinking and risk management. The NRC has the discretion to engage external consultants to conduct the evaluation, if it deems necessary.

For FY 2024, the outcomes of the evaluations were satisfactory and the Directors as a whole received affirmative ratings across all evaluation criteria.

## **REMUNERATION MATTERS**

### **Principle 6: Procedures for Developing Remuneration Policies**

### **Principle 7: Level and Mix of Remuneration**

### **Principle 8: Disclosure on Remuneration**

The NRC, which comprises majority Independent Non-Executive Directors, serves the crucial role of ensuring that a formal and transparent procedure is established for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and key management personnel.

The remuneration policy comprises the following distinct objectives:

- to ensure that the procedure for determining remuneration for Directors and executive officers is formal and transparent;
- to ensure that the level of remuneration is sufficient to attract and retain Directors and that the remuneration packages are competitive in attracting and retaining employees;
- to ensure that no Director is involved in deciding on his or her own remuneration;
- to ensure that remuneration is commensurate with employees' duties, responsibilities and length of service;
- to build sustainable value-creation to align with long-term Unitholder interest;
- to reward employees for achieving performance targets; and
- to enhance retention of key talents to build strong organisational capabilities.

The NRC determines remuneration packages, termination terms and service terms of individual Directors and key management personnel in accordance with the aforementioned policies and to ensure that they are fair. The NRC takes into consideration the compensation benchmarks of peers within the industry as appropriate, as well as the performance of the REIT and that of the individual key management personnel. This is to ensure that the level and mix of remuneration for the Manager remain competitive and aligned with Unitholders' interests in order to support the long-term success of the REIT. The NRC also considers how to build up depth in management strength and development of key management personnel to ensure sustainability, continual development of talent and renewal of strong and competent leadership in the interests of the REIT, as well as succession planning of key management personnel.

A salary benchmarking exercise is conducted at regular intervals with the assistance of an independent remuneration consultant.

The benchmarking report covers both Directors and key management personnel, and is used as a guide and reference in determining their remuneration respectively. The consultant is not related to the Manager, its controlling shareholder, its related corporations or any of its Directors. The previous salary benchmarking exercise was conducted in FY 2023. No independent remuneration consultant was appointed in respect of FY 2024.



## Performance-based Remuneration for Key Management Personnel

Key management personnel's remuneration comprises three components, namely annual fixed salary, bonus and other benefits (i.e. leave encashment, mobile and transport allowances). The bonus component aims to encourage individual performance and consists of annual wage supplement and performance bonus. The variable components of key management personnel's remuneration are directly linked to the REIT's financial and non-financial performance as well as individual performance of key management personnel, who are evaluated against clear and measurable key performance indicators ("KPIs") approved by the NRC and the Board, and aligned with the strategic goals of the REIT. Please refer to page 100 of this Annual Report for the disclosure of remuneration for key management personnel.

This structure aims to motivate key management personnel to work towards achieving the strategic goals of the REIT. It also promotes a culture of meritocracy and inculcates positive long-term behaviour amongst key management personnel, aligned with the Manager's conduct of business so as to achieve stronger performance and greater efficiency. This process allows the Manager to retain outstanding performers and attract good candidates to execute the REIT's strategic priorities and business plans.

The Manager carries out formal annual performance reviews of key management personnel to reinforce identified strengths, focus on areas of improvement and draw up staff development plans. Based on the performance review, the NRC and the Board are of the opinion that all the KPIs used to determine the remuneration of key management personnel have either been met or exceeded. The NRC and the Board are of the view that the remuneration is in keeping with the performance of the REIT in FY 2024 and also facilitated the alignment of interests of key management personnel with those of Unitholders. The compensation structure is also aligned with the risk management policies of the REIT.

## Remuneration for Non-Executive Directors

Non-Executive Directors, Independent and Non-Independent, are each paid a fixed fee based on the level of responsibilities at the Board level, and where applicable, additional responsibilities given in other committees set up by the Board. The chairmen of the Board, ARC and NRC are paid higher fees compared with members of the Board in view of the greater responsibilities carried by those appointments. There are currently no option schemes or other long-term incentive schemes for Directors and employees.

There are no employees who are substantial shareholders of the Manager, substantial Unitholders of the REIT, or immediate family members of any Director or the CEO or any substantial shareholder of the Manager or substantial Unitholder of the REIT. In addition, the remuneration of Directors and executive officers is paid entirely in cash only. No Director or executive officers are paid in kind, in the form of Units or interests in the Manager's controlling shareholder or its related entities. Their remuneration is also not linked (directly or indirectly) to the performance of any other entity, other than the REIT.

Specifically for the ARC, the evaluation criteria focus on financial reporting, internal controls and risk management systems, internal audit process, external audit process, whistle-blowing, and the ARC's relationship with the Board.

## Disclosure of Remuneration of Directors and Key Management Personnel

The remuneration of the Directors and employees of the Manager are paid directly by the REIT Manager, out of the fees that the REIT Manager receives from the REIT. In this regard, the Manager's report on the remuneration paid and payable to each individual Director, CEO and the key management personnel from 1 January 2024 to 31 December 2024 is as follows:

Directors	Fixed Fees <sup>4</sup> (\$'000)	Total Directors' Fees <sup>5</sup> (\$'000)
Mr Tan Cheong Hin	180.0 100.0%	180.0 100.0%
Mr Wong Heng Tew	155.0 100.0%	155.0 100.0%
Mrs Elaine Lim	135.0 100.0%	135.0 100.0%

<sup>4</sup> Includes the payment of \$30,000 to each Director elaborated on page 100 of this Annual Report

<sup>5</sup> There are no variable fees, benefits in kind, stock options granted, share-based incentives and awards, or other long-term incentives granted

# CORPORATE GOVERNANCE

Remuneration of Chief Executive Officer	Fixed pay <sup>6</sup>	Variable Cash Bonus for FY 2024 <sup>7</sup>	Other Benefits <sup>8</sup>	Total gross remuneration <sup>9</sup>
	\$	\$	\$	\$
Mr Han Yong Lee (Donald)	425,288	235,221	16,877	677,386
	62.8%	34.7%	2.5%	100.0%

Remuneration Bands of Key Management Personnel	Designation	Fixed pay <sup>6</sup>	Variable Cash Bonus for FY2024 <sup>7</sup>	Other Benefits <sup>8</sup>	Total <sup>9</sup>
\$250,000 - \$500,000		%	%	%	%
Mr Lim Wei Huang	Chief Financial Officer	61.1	35.9	3.0	100.0
Ms Yap Pui Ling (Jessica)	Head of Real Estate	64.2	32.5	3.3	100.0

Note: Remuneration was based on amount paid and payable in FY 2024. There were no other key management personnel as at 31 December 2024

The Directors' base and committee fees have remained unchanged since 2021. For FY 2024, the fees paid to each of the Directors included a payment of \$30,000. This payment, which was approved by the Nominating and Remuneration Committee, was in consideration of the Directors' significantly higher time commitments, responsibilities and meeting frequencies to attend to various matters in 2024 that were over and beyond business as usual. These matters include the EGM requisition notices announced in January 2024, March 2024 and August 2024 and the Requisitioned EGMs held respectively in March 2024, August 2024 and October 2024, the preparation for the postponed EGM that was slated to be held in May 2024 and the internalisation processes that have been ongoing. There were a total of 36 meetings of directors convened in 2024, of which four were formal Board meetings, four were formal ARC meetings, two were formal NRC meetings, and 26 were ad-hoc meetings.

Pursuant to Rule 1207(10D) of the Listing Manual, the 2018 Code and the "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" issued by the MAS (Notice No: SFA04-N14 (Amendment) 2024), managers of real estate investment trusts, being holders of a Capital Markets Services Licence, are required to disclose the exact remuneration of the CEO and each individual director on a named basis. The Manager is also required to disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO), on a named basis, in bands of S\$250,000 and the aggregate remuneration paid to these key management personnel, and the Manager is required to provide an explanation in the annual report of the REIT if the Manager does not wish to or is unable to comply with such disclosure requirement.

Accordingly, the Manager has disclosed the exact amount and breakdown of remuneration paid to the CEO. The Manager has decided not to disclose the aggregate quantum of remuneration of the abovenamed key management personnel (excluding the CEO) for the following reasons:

- the key management team is small and to provide further disclosure on the actual quantum of remuneration paid will be highly commercially sensitive and may subject the Manager to risk of staff turnover, which is not in the best interests of Unitholders; and
- the remuneration of the key management personnel (including the CEO) is paid by the Manager and there is full disclosure of the total amount of fees paid to the Manager set out on page 174 of this Annual Report.

The Board believes the Unitholders and the REIT will not be prejudiced as a result of such non-disclosure. The Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the 2018 Code, with information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation being disclosed in detail in the preceding paragraphs.

<sup>6</sup> Includes Employer CPF Contribution

<sup>7</sup> Includes Employer CPF Contribution

<sup>8</sup> Other benefits include staff benefits such as transport allowance, medical insurance, mobile phone reimbursement, and professional membership subscriptions, among others

<sup>9</sup> There are no other benefits in kind, stock options, share-based incentives and awards or other long-term incentives granted

## ACCOUNTABILITY AND AUDIT

### **Principle 9: Risk Management and Internal Controls**

The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls. The Board determines and approves the REIT's risk appetite, which is the nature and extent of material risks that the REIT is willing to take to achieve its strategic objectives and value creation.

The Board, through the ARC, reviews the adequacy of the Manager's risk management framework and ensures that a robust system of risk management and internal controls is in place to safeguard the interests of its Unitholders.

The ARC is governed by written terms of reference defining its authority and duties, with explicit authority to investigate any matter within its term of reference. The main duties of the ARC include reviewing and monitoring the effectiveness of the Manager's internal controls relating to financial, operational, compliance, information technology and risk management processes, at least annually. Please refer to Principle 10 "Audit Committee" of this report for further information on the ARC's roles and responsibilities.

### **Risk Management Framework and Internal Control System**

Having a sound, robust and effective risk management is an integral part of the REIT's strategy. To this end, the Manager adopts an Enterprise Risk Management ("ERM") Framework which sets out the structure and process for managing risks in an integrated, systematic and consistent manner. The Manager reviews and updates its ERM Framework periodically to adapt to the changes in business climate. Through a structured risk identification process and the use of a risk register, the key financial, operational, compliance and information technology risks identified by the Management are documented and presented against the response strategies and control measures put in place to mitigate those risks. To enhance risk mitigation, the ERM framework is integrated with the internal auditor's annual work plan.

More information on the Manager's ERM Framework including the principal risks identified can be found in the ERM section on page 114 to 116 of this Annual Report.

The Board, the ARC and the Management work closely together to review the adequacy and effectiveness of risk management and internal controls systems at least once a year. They take into account the best practices and guidance in the Listing Manual and Risk Governance Guidance for Listed Boards set by the Corporate Governance Council.

The internal auditors conduct internal control reviews based on the internal audit plan (in relation to salient aspects of the Manager's internal control systems, including asset management, investment management, property management, procurement and payments, human resources, interested party transactions) approved by the ARC. The internal auditors report their findings and recommendations to the Management who would respond on the actions to be taken. The internal auditors submit internal audit reports at least twice yearly to the ARC.

During FY 2024, the internal auditors conducted agreed-upon audit procedures on the adequacy and effectiveness of the measures for identifying and managing conflicts of interest. There were no material weaknesses of the internal control and risk management system identified during FY 2024.

Over and above the internal control reviews, the Manager has adopted, among others, its Whistle-blowing Policy and Code of Best Practices on Securities Transactions, demonstrating the Manager's commitment in operating its business within a framework that fosters strong ethical and legal standards.

### **Board's Comment on Internal Controls and Risk Management**

The Board has received assurance from the CEO and CFO of the Manager, that:

- the financial records have been properly maintained, and the financial statements for FY 2024 give a true and fair view of the REIT's operations and finances; and
- the Manager's risk management and internal control systems are adequate and effective to address the risks including financial, operational, compliance and information technology risks that the Manager considers relevant and material to the REIT's operations.

# CORPORATE GOVERNANCE

The Board is satisfied that the ERM Framework established by the Manager and maintained by the Management, work performed by the internal and external auditors, as well as the written assurances received from the CEO and CFO that potential conflicts of interest (if any) have been effectively managed. The Board, with the concurrence of the ARC, is of the view that taking into account the foregoing as well as the nature, scale and complexity of the Manager's operations, the REIT's internal controls (including financial, operational, compliance, information technology controls and controls to manage conflicts of interest) and risk management systems are adequate and effective. All conflicts of interest have been effectively managed as at 31 December 2024. For procedures on the management of conflicts of interest, see page 110 of this Annual Report.

In this regard, the Board notes that the system of internal controls and risk management provides a reasonable but not absolute assurance that the REIT will not be severely affected by any event that could be reasonably foreseen. Neither can any system of internal controls and risk management provide absolute assurance against the occurrence of material errors, poor judgment, human error, losses, fraud or other irregularities. There were no material weaknesses identified by the Board or the ARC in relation to the internal controls or risk management systems of the REIT.

## **Principle 10: Audit Committee**

### **ARC and its Roles and Responsibilities**

The ARC is chaired by an Independent Non-Executive Director and comprises all three Directors of the Board, with the majority being Independent Non-Executive Directors. The Board is of the view that all the members of the ARC are suitably qualified with recent and relevant finance and accounting backgrounds to assist the Board in the areas of internal controls, financial and accounting matters, compliance and risk management. The ARC is governed by written terms of reference defining its authority and duties, with explicit authority to investigate any matter within its term of reference.

The roles and responsibilities of the ARC include:

- Reviewing and recommending to the Board for approval, the half-yearly and full-year financial results and related SGX announcements;
- Reviewing Interested Person/Party Transactions;
- Reviewing the assurances from the CEO and CFO on the financial records and financial statements;
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;
- Reviewing the independence, adequacy and effectiveness of the external audit and the internal audit function;
- Reviewing and evaluating with internal and external auditors, the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls, and risk management policies and framework;
- Reviewing the internal and external audit reports and monitoring the timely and proper implementation of any corrective or improvement measures;
- Reviewing the nature and extent of non-audit services, including their remuneration and terms of engagement, performed by the external auditors;
- Reviewing the independence and objectivity of the external auditors, and recommending to the Board on their appointment, re-appointment and/or removal;
- Overseeing the REIT's sustainability efforts, determining the material environment, social and governance factors and taking them into consideration in determining the REIT's strategic priorities; and
- Reviewing whistle-blowing procedures put in place by the Board.

The separation of the roles of the Chairman of the Board and the Chairman of the ARC ensures greater independence of the ARC in the discharge of its duties. The ARC does not comprise former partners of the REIT's incumbent external auditors, Ernst & Young LLP (a) within a period of two years commencing from the date of their ceasing to be partners of Ernst & Young LLP; or (b) who have any financial interest in Ernst & Young LLP.

The ARC holds at least four scheduled meetings in a year and met four times in FY 2024, excluding ad-hoc informal meetings that were convened from time to time. At these scheduled meetings during FY 2024, the CEO and the CFO were in attendance. During FY 2024, the ARC reviewed the half-yearly and full-year financial results for recommendation to the Board for approval and release of financial statements. The ARC received regular updates and discussed with external auditors and the Management on changes to accounting standards and issues which may have a direct impact on financial statements. The ARC also reviewed, among other matters, the following key audit matter identified by the external auditor for FY 2024:

Key Audit Matter	How this issue was addressed by the ARC
Valuation of investment properties	<p>The external valuations were conducted by independent professional valuers who have the appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.</p> <p>As required by the CIS Code, the independent valuer should not value the same property for more than two consecutive financial years. The Management applies a rigorous process every two years to select valuers based on their independence, track record, professional and relevant expertise in the respective cluster of properties.</p> <p>The ARC evaluated the valuers' objectivity and competency as well as considered the methodology which the valuers applied to the valuation model in assessing the valuation of investment properties. The ARC reviewed the reasonableness of the projected cash flows, the key assumptions used (including market rental growth, price per square foot, terminal yield, capitalisation and discount rates) and the procedures taken where rates were outside the expected range in the valuation model, taking into consideration comparability and market factors.</p> <p>The valuation of investment properties was an area of focus for the external auditors. Please refer to page 120 of this Annual Report for the key audit matter as reported by the external auditors in the audit report for FY 2024.</p> <p>No other significant matter came to the attention of the ARC during the course of the review.</p>

### Emphasis of Matter

In relation to Sabana Industrial REIT's audited financial statements for FY 2024, Ernst & Young LLP has included an emphasis of matter in its independent auditors' report in respect of a material uncertainty that may cast significant doubt on the Group's<sup>10</sup> and Sabana Industrial REIT's ability to continue as a going concern depending on the outcome of the internalisation exercise<sup>11</sup>. The above-mentioned material uncertainty arises because of the potential financial implication to Sabana Industrial REIT arising from the implementation of the Internalisation 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 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, and all this could result in serious consequences for Sabana Industrial REIT and its Unitholders.

In this regard, as mentioned in the interim financial information for the period from 1 January 2023 to 30 June 2023 announced<sup>12</sup> 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 then-existing loan 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 and will update Unitholders as and when there are material developments.

<sup>10</sup> "Group" means Sabana Industrial REIT and its subsidiaries, collectively.

<sup>11</sup> During the extraordinary general meeting of Sabana Industrial REIT ("EGM") held on 7 August 2023, Unitholders had voted, among others, to remove Sabana Real Estate Investment Management Pte. Ltd. as the manager of Sabana Industrial REIT as soon as practicable, and to direct the Trustee, 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 "Internalisation Resolutions"). All updates from the Trustee in relation to the implementation of the Internalisation Resolutions (including the statements issued by the Trustee to Unitholders) are and will be made available via SGXNet.

<sup>12</sup> Please refer to the Manager's announcement dated 19 July 2023 titled "Announcement Pursuant to Rule 704(5) of the Listing Manual" for more information.

# CORPORATE GOVERNANCE

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.

The ARC meets with internal and external auditors without the presence of the Management at least once a year. The ARC has full access to and co-operation by the Management and full discretion to invite any employee of the Manager to attend its meetings.

## **Internal and External Audit**

The ARC decides on the appointment, termination and remuneration of the head of the internal audit function. Additionally, the ARC ensures that the internal audit function is adequately resourced to support and meet the requirements of the Manager. The internal audit function of the Manager is outsourced to BDO Advisory Pte. Ltd. The internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, and report directly to the ARC on audit matters. The internal audit function has unfettered access to all the REIT's documents, records, properties, and personnel, including the ARC, and has appropriate standing within the REIT and the Manager.

The ARC, through the assistance of internal and external auditors, reviews, and reports to the Board on the adequacy and effectiveness of the Manager's internal system of controls, including financial, operational, compliance and information technology controls put in place by the Management as part of the framework.

The ARC also reviews and approves the internal auditor's plans to ensure that the scope of audit was sufficient for purposes of reviewing the significant internal controls of the REIT and the Manager.

The audit findings and recommendations are communicated by the internal auditor to the ARC. Any significant issues would be discussed at the ARC meetings.

For FY 2024, the ARC has reviewed the internal audit function and is of the view that the internal audit function is independent, effective and has adequate resources.

Similarly, the ARC makes recommendations to the Board on the appointment or re-appointment of the external auditors, taking into consideration the scope, results of the audit, as well as the cost effectiveness, independence, and objectivity of the external auditors.

For FY 2024, the ARC has conducted a review of all non-audit services provided by the external auditors to REIT and its subsidiaries and is satisfied that the extent of such services will not prejudice the independence and objectivity of the external auditors. The amount paid and payable to external auditors for audit and non-audit services fees (in relation to tax advisory services and certain agreed-upon procedures) were approximately S\$248,850 and S\$67,550 respectively for FY 2024, amounting to an aggregate amount of S\$316,400. The ratio of non-audit service fee to annual audit fee was 27.1%.

In appointing the audit firm for the REIT and its subsidiaries, the Board is satisfied that the REIT has complied with the requirements of Rules 712 and 715 of the Listing Manual.

## **Whistle-blowing Policy**

The Manager has established procedures to provide employees of the Manager as well as the tenants and vendors of the REIT with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to the REIT or the Manager and its employees and Directors, directly to the Chairman of the ARC, who is an Independent non-Executive Director, without fear of retaliation, discrimination or adverse consequences. This policy has been updated and published on the REIT's website at <http://sabana.listedcompany.com/whistleblowing.html>.

The aim of the whistle-blowing policy is to encourage the reporting of such matters in good faith, with the confidence that the identities of those making such reports will be kept confidential and they would be treated fairly, and to the extent possible, be protected from reprisal. The ARC is responsible for the oversight and monitoring of the investigation of whistle-blowing reports made in good faith. Independent, thorough investigations and appropriate follow-up actions will be taken.



## UNITHOLDER RIGHTS AND ENGAGEMENT

### **Principle 11: Shareholder Rights and Conduct of General Meeting**

The Manager is committed to treating all Unitholders fairly and equitably in order to enable them to exercise their Unitholders' rights under the Trust Deed and the relevant laws and regulations.

#### **General Meetings**

The Manager welcomes active Unitholder participation at general meetings. It believes that annual general meetings ("AGMs") and extraordinary general meetings ("EGMs") serve as an opportune forum for Unitholders to meet the Board and senior management and to communicate their views.

Prior to each general meeting, Unitholders are provided with timely information of general meetings through notices sent to them and also published on SGXNet, newspapers, and Sabana Industrial REIT's website, in accordance with the requisite notice period, to enable Unitholders to participate effectively and vote at such meetings. Printed copies of the Annual Report are made available to Unitholders upon request and electronic copies of the Annual Report can be downloaded from the REIT's website and SGXNet. Separate resolutions are proposed for substantially separate issues at the meetings and detailed information is provided on each resolution to enable Unitholders to exercise their votes on an informed basis. At each AGM, the CEO provides Unitholders an update on the REIT's performance and progress over the past year.

The Manager has implemented the system of voting by poll at its AGMs and EGMs. Results of each resolution put to vote at the AGM or EGM are processed by independent scrutineers and the results are announced with details of percentages in favour and against, in a timely manner after the meeting via SGXNet. The minutes of the AGM and/or EGM recording the substantial and relevant comments made and questions raised by Unitholders, and responses from the Board and the Management, are published within one month after the AGM or EGM (as the case may be).

Provision 11.4 of the 2018 Code requires an issuer's constitutive documents to allow for abstentia voting at general meetings of Unitholders. Sabana Industrial REIT's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail, email or fax). The Manager is of the view that despite the deviation from Provision 11.4 of the 2018 Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting the REIT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. The Manager will consider implementing relevant amendments to the Trust Deed to allow for abstentia voting after careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

#### **2024 AGM**

In 2024, the Manager held the AGM on 23 April 2024 in a wholly physical format. The arrangements for the conduct of the 2024 AGM included attendance by Unitholders at the physical location (Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741), submission of questions to the Chairman of the 2024 AGM in advance of the 2024 AGM, as well as voting at the 2024 AGM by Unitholders or their duly appointed proxy(ies).

For the substantial and relevant questions submitted in advance of the 2024 AGM, responses were posted on SGXNet at least 72 hours prior to the closing date and time for the lodgment of the proxy forms. All substantial and relevant questions received for the 2024 AGM were addressed by the Board and Management. The Board and Management also conducted a Question and Answer session at the 2024 AGM. The questions and answers during the 2024 AGM were recorded as part of the 2024 AGM minutes and posted on SGXNet within a month of the conduct of the 2024 AGM.

All the Directors were physically present at the 2024 AGM, as set out under Principle 1 on page 92 of this Annual Report. The Management and the external auditors were also present at the 2024 AGM to address queries from the meeting attendees.

At the 2024 AGM, the CEO gave a presentation to Unitholders to update them on the REIT's operational and financial performance.

The presentation materials were made available on SGXNet and the REIT's website.

# CORPORATE GOVERNANCE

## 8 March 2024 EGM

The Manager convened and held a requisitioned EGM on 8 March 2024 (the “**8 March 2024 EGM**”) in a wholly physical format. The arrangements for the conduct of the 8 March 2024 EGM included attendance by Unitholders of the EGM at the physical location (Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741), submission of questions to the Chairman of the 8 March 2024 EGM in advance of or at the 8 March 2024 EGM, and voting at the 8 March 2024 EGM by Unitholders or their duly appointed proxy(ies) to attend, speak and vote on their behalf at the 8 March 2024 EGM.

For the substantial and relevant questions submitted in advance of the 8 March 2024 EGM, responses were posted on SGXNet at least 72 hours prior to the closing date and time for the lodgment of the proxy forms. All substantial and relevant questions received for the 8 March 2024 EGM were addressed by the Board and Management. The Board and Management also conducted a Question and Answer session at the 8 March 2024 EGM. The questions and answers during the 8 March 2024 EGM were recorded as part of the 8 March 2024 EGM minutes and posted on SGXNet within a month of the conduct of the 8 March 2024 EGM.

All the Directors were physically present at the 8 March 2024 EGM, in accordance with Principle 1 as set out on page 92 of this Annual Report. The Management and the Trustee were also present at the 8 March 2024 EGM to address queries from the meeting attendees.

At the 8 March 2024 EGM, the Trustee gave an update on the progress of the internalisation since the 7 August 2023 EGM, the reasons why establishing an internal manager for an existing REIT requires work and time, key considerations for the Trustee and next steps.

The presentation materials were made available on SGXNet and the REIT’s website.

## 24 May 2024 EGM

On 9 May 2024, the Manager gave Unitholders notice of the requisitioned EGM to be held on 24 May 2024 (the “**24 May 2024 EGM**”) in a wholly physical format. The arrangements for the conduct of the 24 May 2024 EGM included attendance by Unitholders of the EGM at the physical location (9 Straits View, Level 3 Auditorium, Marina One West Tower, Singapore 018937), submission of questions to the Chairman of the 24 May 2024 EGM in advance of or at the 24 May 2024 EGM, and voting at the 24 May 2024 EGM by Unitholders or their duly appointed proxy(ies) to attend, speak and vote on their behalf at the 24 May 2024 EGM.

The 24 May 2024 EGM was, however, postponed pursuant to an order of the High Court on 23 May 2024 in respect of an application filed by ESR Group Limited, e-Shang Jupiter Cayman Limited and e-Shang Infinity Cayman Limited for, amongst others, the 24 May 2024 EGM to be held in abeyance until the final disposal of HC/OA 19/2024 (the “**Order 32 Application**”) and any appeals arising therefrom (the “**EGM Abeyance Application**”).

The High Court had ordered that, subject to any order made by the Court, the 24 May 2024 EGM shall not proceed, and the Manager shall issue a notice for the postponed meeting by 6 June 2024, unless the Requisitionists withdraw their notice calling for the EGM. The EGM was postponed accordingly, by way of a notice of postponement which was announced on 23 May 2024 on SGXNet and the REIT’s website.

On 29 May 2024, the requisitionists for the 24 May 2024 EGM issued a letter requesting to “*modify*” the resolutions proposed, which amounted to a withdrawal of their requisition notice as the requisitionists were in fact and in substance proposing entirely new and different resolutions. Accordingly, the Manager did not issue a notice for the postponed meeting further to the requisition notice, and the 24 May 2024 EGM was not held.

## 6 August 2024 EGM

The Manager convened and held a requisitioned EGM on 6 August 2024 (the “**6 August 2024 EGM**”) in a wholly physical format. The arrangements for the conduct of the 2024 EGM included attendance by Unitholders of the EGM at the physical location (NTUC Centre, 1 Marina Boulevard, Level 8 Training Room 801, Singapore 018989), submission of questions to the Chairman of the 6 August 2024 EGM in advance of or at the 6 August 2024 EGM, and voting at the 6 August 2024 EGM by Unitholders or their duly appointed proxy(ies) to attend, speak and vote on their behalf at the 6 August 2024 EGM.

For the substantial and relevant questions submitted in advance of the 6 August 2024 EGM, responses were posted on SGXNet at least 72 hours prior to the closing date and time for the lodgment of the proxy forms. All substantial and relevant questions received for the 6 August 2024 EGM were addressed by the Board and Management. The Board and Management also conducted a Question and Answer session at the 6 August 2024 EGM. The questions and answers during the 6 August 2024 EGM were recorded as part of the 6 August 2024 EGM minutes and posted on SGXNet within a month of the conduct of the 6 August 2024 EGM.

All the Directors were physically present at the 6 August 2024 EGM, in accordance with Principle 1 as set out on page 92 of this Annual Report. The Management and Trustee were also present at the 6 August 2024 EGM to address queries from the meeting attendees.

### **18 October 2024 EGM**

The Manager convened and held a requisitioned EGM on 18 October 2024 (the "**18 October 2024 EGM**") in a wholly physical format. The arrangements for the conduct of the 2024 EGM included attendance by Unitholders of the EGM at the physical location (Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741), submission of questions to the Chairman of the 18 October 2024 EGM in advance of or at the 18 October 2024 EGM, and voting at the 18 October 2024 EGM by Unitholders or their duly appointed proxy(ies) to attend, speak and vote on their behalf at the 18 October 2024 EGM.

For the substantial and relevant questions submitted in advance of the 18 October 2024 EGM, responses were posted on SGXNet at least 72 hours prior to the closing date and time for the lodgment of the proxy forms<sup>13</sup>. All substantial and relevant questions received for the 18 October 2024 EGM were addressed by the Board and Management. The Board and Management also conducted a Question and Answer session at the 18 October 2024 EGM. The questions and answers during the 18 October EGM were recorded as part of the 18 October 2024 EGM minutes and posted on SGXNet within a month of the conduct of the 18 October 2024 EGM.

All the Directors were physically present at the 18 October 2024 EGM, in accordance with Principle 1 as set out on page 92 of this Annual Report. The Management and Trustee were also present at the 18 October 2024 EGM to address queries from the meeting attendees.

### **Distribution Policy**

Sabana Industrial REIT's distribution policy is to distribute at least 90.0% of its distributable income to Unitholders. Approximately 10% of distributable income for FY 2024 was retained for prudent capital management in view of costs incurred and to be incurred in connection with the internalisation and further retention of distributable income may be required for FY 2025. The distributions are paid on a semi-annual basis. For FY 2024, the REIT made two distributions to Unitholders.

### **Principle 12: Communication with Shareholders**

#### **Principle 13: Stakeholders Interests**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

In line with this, the Manager is committed to providing timely, clear, consistent and comprehensive information to Unitholders on the REIT's strategy and business operations. It releases timely and full disclosure of all material information relating to the REIT by way of public releases or announcements through the SGX-ST via SGXNet and on its website at <http://www.sabana-reit.com.sg>

The Manager notifies investors of the dates of release of its financial results and interim business updates in advance. These notifications are done via SGXNet announcements. The Manager also conducts briefings for the media and analysts on the REIT's half year and full year financial results.

<sup>13</sup> A further set of responses to additional substantial and relevant questions was posted on SGXNet on 15 October 2024 (after the closing date and time for the lodgment of the proxy forms) as the questions were inadvertently routed into the email junk folder of the third-party processing agent, and the Manager and the Trustee were only notified of these questions on 14 October 2024.

# CORPORATE GOVERNANCE

In FY 2024, the REIT announced its half-year and full-year financial statements, within the relevant periods, as well as first quarter and third quarter interim business updates in accordance with Rule 705 of the Listing Manual. The announcements were posted on SGXNet. In conjunction with the release of the REIT's half-year and full-year results, the Manager conducts briefings for the media and analysts, to explain the REIT's performance.

The investor relations ("IR") team utilises the REIT's website as a means of providing information to the Unitholders and the broader investment community. News releases, investor presentations and financial results are available on the website immediately after they have been released to the market.

The Manager has a dedicated IR team which regularly communicates with the Unitholders and attends to their queries and concerns. The Manager has adopted an Investor Relations Policy, which is available on the REIT's corporate website (<http://www.sabana-reit.com.sg>) that outlines the principles and practices for the Manager in engaging the REIT's Unitholders and the broader investment community. These guidelines ensure effective communication to investors to enable them to arrive at informed investment decisions with respect to the REIT. The Manager has also put in place processes to update and discuss with the Board the views and feedback of key Unitholders with whom the key management personnel engages.

The REIT's website (<http://www.sabana-reit.com.sg>) contains pertinent information such as its structure, strategy and portfolio. All announcements, including media releases, are uploaded on SGXNet and updated on the website as soon as practicable after their release.

The Investor Relations section of the website contains various investor-focused information and publications including circulars and annual reports, sustainability reports, financial information and financial results. The REIT's trading unit price is also made available on the website on a 10-minute delay basis. Contact details of the IR team are available on the website to allow Unitholders and other stakeholders to ask questions and receive responses in a timely manner. For investor and media enquiries, Unitholders and the media can reach out to the IR team by the email address which is provided on the corporate website, or they can fill up a contact form and request to be reached. Depending on the nature of the inquiry, the IR will typically respond to the inquirer within a week. To provide timely access to information, Unitholders are able to sign up for an email alert service, and be updated whenever there are any announcements.

More information on how the Manager communicates with Unitholders and other stakeholders is set out in the "Investor Relations" section of this Annual Report.

## ADDITIONAL INFORMATION

### Dealing in Securities

The Manager's Code of Best Practices on Securities Transactions encourages Directors and employees to hold Units but forbids them to:

- trade during the blackout period, which commences one month before the public announcement of the REIT's annual results, half-yearly results, 1Q and 3Q Interim Business Updates or quarterly results (where applicable), and (where applicable) property valuations, and ending on the day of announcement of the relevant results or as the case may be, property valuations or other specified dates;
- trade at any time whilst in possession of price sensitive information;
- communicate price sensitive information to any person in contravention of applicable laws such as insider trading laws;
- trade in Units on short-term considerations.

Directors are also required to disclose their dealings in Units to the Manager within two business days after such acquisition or occurrence. Announcements of such interest notifications will be made via SGXNet.

In addition, the Manager will comply with any relevant disclosure requirements under the SFA. The Manager has also undertaken that it will not deal in the Units during the period commencing one month before the public announcement of the REIT's annual results, half-yearly results, 1Q and 3Q Interim Business Updates or quarterly results (where applicable), and (where applicable) property valuations, and ending on the date of announcement of the relevant results, or the case may be, property valuations.

### **Review Procedures for Interested Person/Party Transactions (“IPTs”)**

The Manager has established procedures to ensure that all IPTs should be undertaken on an arm’s length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. Thus, the interests of the REIT and the Unitholders will not be prejudiced.

The Manager demonstrates to its ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager; or obtaining two or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The following IPTs are subjected to regular periodic reviews by the ARC:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of the REIT’s net tangible assets will be subject to review by the ARC at regular intervals;
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the REIT’s net tangible assets will be subject to review and prior approval of the ARC and immediately announced on SGX-ST. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the REIT’s net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transactions from independent advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

For IPTs entered into or to be entered into by the Trustee, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm’s length basis and on normal commercial terms, are not prejudicial to the interests of the REIT and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into an IPT. If the Trustee is to sign any IPT contract, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

The Manager maintains a register to record all IPTs entered into by the REIT and incorporates into its internal audit plan a review of the IPTs. The ARC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor IPTs have been complied with. In addition, the Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix have been complied with. The ARC periodically reviews all IPTs to ensure compliance with the Manager’s internal control procedures and with the relevant provisions of the Property Funds Appendix and/or the Listing Manual. The review includes the examination of the nature of the transactions and the supporting documents or such other data deemed necessary by the ARC.

Details of all IPTs (equal to or exceeding S\$100,000 each in value) entered into by Sabana Industrial REIT in FY 2024 are disclosed on page 174 of this Annual Report.

# CORPORATE GOVERNANCE

## Dealing with Conflicts of Interest

The following procedures are established by the Manager to deal with potential conflicts of interest issues:

- The Manager is dedicated to Sabana Industrial REIT and will not manage other REITs which invest in similar properties as Sabana Industrial REIT;
- All executive officers will be working exclusively for the Manager and will not hold executive positions in other firms;
- All resolutions in writing of the Directors in relation to matters concerning the REIT must be approved by a majority of the Directors who do not hold an interest, including at least two Independent Directors;
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interest will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Non-Executive Directors and must exclude the nominee Directors of the Sponsor and/or its subsidiaries;
- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of the REIT with a related party of the Manager, the Manager shall be obliged to consult a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors shall have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of the REIT with a related party of the Manager and the Trustee may take any action it deems necessary to protect the rights of Unitholders and/or which is in the interest of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party;
- If a member of the ARC or Board has an interest in a transaction, he or she is required to disclose his or her interest to the Board immediately, abstain from participating in the review and approval process in relation to that transaction.

In respect of issues involving potential conflicts of interests with the Sponsor and its related entities, the following additional procedures have been established:

- The Board members who decide on the issue will all be Independent Directors;
- The Manager does not share any information relating to the REIT's business strategy or operations with the Sponsor;
- The Manager is dedicated to obtain, taking into consideration prevailing market considerations, competitive rental terms from existing and new tenants for the REIT's properties. All leasing rates, terms and property marketing information should be determined solely based on prevailing market conditions, common market practices and commercial considerations. In the event of dealing with conflicting or common tenants with ESR-REIT, the Manager should maintain the above consistent practice when pursuing all leasing opportunities;
- The Manager will ensure that the REIT does not transact (i.e. acquire or divest properties) with ESR-REIT; and
- For any potential transaction with the Sponsor or its related entities (excluding transactions with ESR-REIT), the Manager's IPT procedures as disclosed on page 109 of this Annual Report shall apply.

On an annual basis, an independent internal auditor will be appointed at the Manager's own expense to conduct a review on the adequacy and effectiveness of the measures for managing potential conflicts of interests arising from transactions involving the REIT. In addition, the Manager will disclose in the REIT's annual report that written assurances have been given by the Board, CEO and CFO that potential conflicts of interest have been effectively managed.

## Material Contracts

There are no material contracts entered into by Sabana Industrial REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder, except as disclosed in this Annual Report.

## Fees Payable to the Manager

The Manager is entitled under Clauses 15.1 and 15.2 of the Trust Deed to the following fees:

Fees payable by the REIT	Amount payable
<p>1. Management fee (payable to the Manager or its nominee)</p>	<p><b>Base Fee</b> A fee not exceeding the rate of 0.5% per annum of the value of the Deposited Property.</p> <p><b>Performance Fee</b> 0.5% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Net Property Income of the REIT or its relevant Special Purpose Vehicles ("SPVs") in each financial year, payable on a yearly basis, provided Sabana Industrial REIT achieves at least 10.0% annual growth in Distribution per Unit ("DPU") over the previous financial year (calculated after accounting for the performance fee (if any) for that financial year and after adjusting, at the discretion of the Manager, for any new Units arising from the conversion or exercise of any instruments convertible into Units which are outstanding at the time of calculation, and any rights or bonus issue, consolidation, subdivision or buy-back of Units).</p> <p>The Manager may elect to receive the Base Fee and Performance Fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).</p> <p>The Manager received 100.0% of the Base Fee in cash for FY 2024. No Performance Fees were payable to the Manager in FY 2024.</p>
<p>2. Fee for acquisition of properties (payable to the Manager or its nominee)<sup>14</sup></p>	<p><b>Acquisition Fee</b> 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the acquisition price of real estate of real estate-related assets acquired:</p> <ul style="list-style-type: none"> <li>• in relation to an acquisition (whether directly or indirectly through one or more SPVs of any real estate, the acquisition price of any real estate purchased by the REIT, plus any other payments<sup>15</sup> in addition to the acquisition price made by the REIT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of the REIT's interest);</li> <li>• in relation to an acquisition (whether directly or indirectly through one or more SPVs of the REIT) of any SPVs or holding entities which holds real estate, the underlying value of any real estate which is taken into account when computing the acquisition price payable for the acquisition from the vendor of the equity interests of any vehicle holding directly or indirectly the real estate purchased by the REIT, plus any additional payments made by the REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated if applicable to the proportion of the REIT's interest); or</li> <li>• the acquisition price of any investment by the REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate.</li> </ul>

<sup>14</sup> Acquisition fees are paid in cash. Whereby properties are acquired from interested parties, acquisition fees will be paid in units issued by Sabana Industrial REIT at the prevailing market price and will be held for one year from the date of issuance.

<sup>15</sup> "Other payments" refers to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third-party agents and brokers.



# CORPORATE GOVERNANCE

Fees payable by the REIT	Amount payable
3. Fee for divestment of properties (payable to the Manager or its nominee) <sup>16</sup>	<p><b>Divestment Fee</b></p> <p>0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double counting):</p> <ul style="list-style-type: none"> <li>the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by the REIT (plus any other payments<sup>17</sup> in addition to the sale price received by the REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated if applicable to the proportion of the REIT's interest);</li> <li>the underlying value of any real estate related assets which is taken into account when computing the sale price for such real estate-related;</li> <li>assets, sold or divested, whether directly or indirectly through one or more SPVs, by the REIT (pro-rated if applicable to the proportion of the REIT's interest); or</li> <li>the sale price of any investment by the REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPVs owning or acquiring real estate.</li> </ul>
4. Other fees	<p><b>Project Management Fee and/or Development Management Fee</b></p> <p>No project management fee or development management fee is being charged by the Manager for all development projects, including AEI, undertaken by the Manager on behalf of REIT</p>

The Manager is responsible for managing the assets and liabilities of the REIT for the benefit of its Unitholders. Accordingly, the Manager should be compensated fairly for its efforts in the overall management of the REIT's various affairs. The Base Fee payable to the Manager has been assessed by the Board and the Board believes that the Base Fee is reasonable and in-line with market rates.

The Board is of the view that the Performance Fee will incentivise the Manager to seek growth opportunities and encourage the Manager to act in the interests of Unitholders to enhance the DPU. An increase of the DPU by 10.0% year-on-year is challenging and the Performance Fee will incentivise the Manager to take a holistic and balanced approach towards assuming sensible risks to grow the REIT over the long-term and not encourage the Manager from taking excessive short-term risks. In addition, the Performance Fee payable to the Manager has been assessed by the Board and the Board believes that the REIT's Performance Fee is reasonable and in-line with market practices.

The Acquisition Fee and Divestment Fee are necessary to incentivise the Manager to source for inorganic growth and to realise mature assets that no longer suit the portfolio. The Manager has to undertake additional scope of work over and above the overall management of the REIT when undertaking acquisition or divestment opportunities and should be compensated fairly to reflect the effort expended and the costs incurred in such transactions. Accordingly, the Board has considered and is of the view that the Acquisition Fee and Divestment Fee are reasonable and in-line with market rates to ensure that the Manager acts in the interests of the REIT and Unitholders.

The Property Manager, as a wholly-owned subsidiary of the Manager, is entitled under the master Property Management Agreement to the following fees:

Payable by the REIT	Amount payable
1. Property management fee (payable to the Property Manager)	<p><b>Property Management Fee</b></p> <p>2.0% per annum of gross revenue of each property under the management of the Property Manager</p>
2. Lease management fee (payable to the Property Manager)	<p><b>Lease Management Fee</b></p> <p>1.0% per annum of gross revenue of each property under the management of the Property Manager</p>

<sup>16</sup> Divestment fees are paid in cash. Whereby properties are sold to interested parties, divestment fees will be paid in units issued by Sabana Industrial REIT at the prevailing market price and will be held for one year from the date of issuance.

<sup>17</sup> "Other payments" refers to additional payments to REIT or its SPVs for the sale of the asset, for example, where the REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but do not include stamp duty or other payments to third-party agents and brokers.

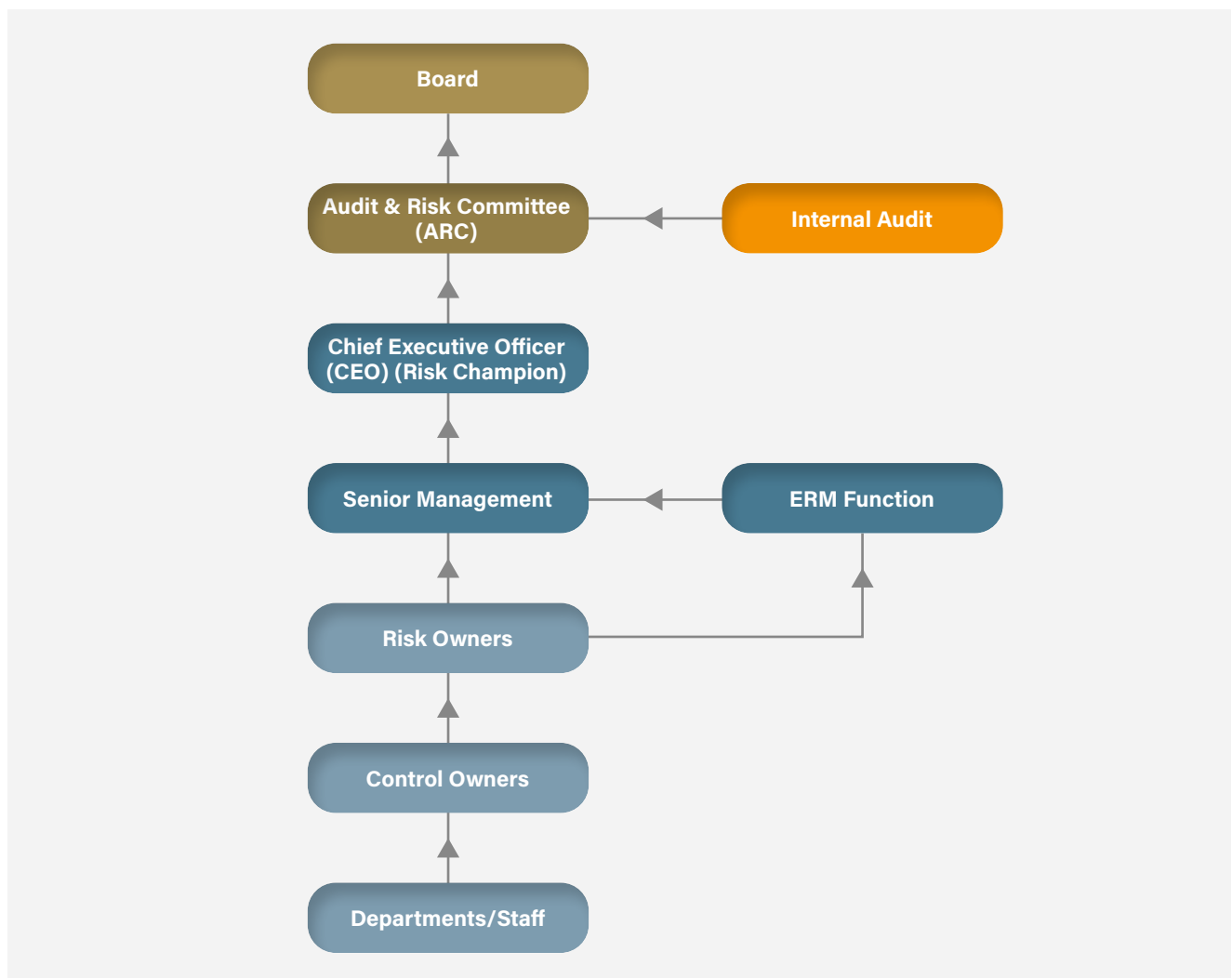
The Property Manager provides property management services to the REIT. In return for its services, the Property Manager should be compensated fairly for its efforts. The fees payable to the Property Manager has been assessed by the Board. The Board believes that the fees payable to the Property Manager are reasonable and in-line with market rates. In addition, the Property Management Fee and the Lease Management Fee have been structured so that the Property Manager is incentivised to improve the performance of the properties.

## ENTERPRISE RISK MANAGEMENT

### Risk Governance Structure

The Board carries the overall responsibility and accountability for Sabana Industrial REIT's risk governance, risk policies, adequacy and effectiveness of risk management and internal controls. The Board oversees and sets the tone at the top with regard to risk culture, ensuring that all Board members support the ARC's endeavours in ERM by being kept apprised and aware of the ERM activities and practices carried out by the REIT.

The Board is assisted by the ARC in fulfilling its oversight responsibility over ERM activities and practices by ensuring the Management has established an adequate and effective ERM Framework and process aligned to good practices. The Management, led by the CEO, is responsible for developing, implementing and monitoring risk management activities across the REIT's day-to-day operations.



# CORPORATE GOVERNANCE

## ERM Process

The ERM Framework is a four-stage framework that involves risk identification, assessment, management, and monitoring and reporting. In the first stage, key risks are identified through engagement with relevant external and internal stakeholder groups. Next, these key risks are assessed for their potential resultant impact on the REIT. Studies are subsequently taken to evaluate if existing controls or mitigating measures in place are sufficient to manage the risks or whether additional action plans should be taken to manage the risks to an acceptable level. In the fourth stage, quarterly risk reporting is made to the ARC and Board on the internal controls and ERM activities for their deliberation and decision making.

## Key risks in FY 2024 and following the passing of the resolutions at the 2023 EGM and the Requisitioned EGMs

Following the results of the 2023 EGM and the subsequent Requisitioned EGMs held on 8 March 2024, 6 August 2024 and 18 October 2024, the Trustee has taken various steps to implement the internalisation. In this respect, The Trustee issued various statements and letters including those issued on 9 January 2024, 23 January 2024, 30 January 2024, 20 February 2024, 29 February 2024, 22 March 2024, 26 March 2024, 9 April 2024, 26 April 2024, 24 May 2024, 31 May 2024, 12 June 2024, 18 June 2024, 23 July 2024, 26 July 2024, 5 August 2024, 23 August 2024, 15 October 2024 and 27 November 2024 where the Trustee had, among others, provided updates to Unitholders in relation to the implementation of the resolutions passed at the Requisitioned EGMs.

The Trustee has stated in its statements that it will provide further updates and engage with Unitholders as and when there are material developments. The Trustee will cause all material updates from the Trustee (including the abovementioned statements) to be made available via SGXNet as soon as practicable.

There will be uncertainty for the REIT while the internalisation process is still pending completion.

Against this backdrop of uncertainty as highlighted in the preceding paragraphs, the current manager will continue to manage the REIT on a business as usual (“**BAU**”) basis during this interim period.

The key BAU risks that were identified in FY 2024 include but are not limited to the following:

Material Risk	Details	Key Mitigating Measures
Adverse External Events Risk	Occurrence of natural and/ or man-made adverse events affecting Sabana Industrial REIT's assets and operations.	<ul style="list-style-type: none"> <li>Put in place Business Continuity Plans (“<b>BCPs</b>”) for loss of physical access or loss of IT to ensure continued operation of essential business functions.</li> <li>Senior Management to assess the relevant event and activate relevant BCPs including mobilising designated staff responsible for carrying out their assigned roles and duties as prescribed under the BCPs to mitigate the impacts arising from the event.</li> <li>In the event of a pandemic crisis, the company will implement safe management measures, per government advisories, across all its properties to prevent the spread of infectious diseases within the premises. The safe management measures will be communicated to all tenants and visitors, and will be strictly enforced within the premises.</li> </ul>

Material Risk	Details	Key Mitigating Measures
Liquidity/Funding Risk	Inability to secure funding in capital markets to meet financial obligations, operational requirements, investments and/or capital expenditures.	<ul style="list-style-type: none"> <li>Ongoing monitoring of cashflow and liquidity positions, and gearing ratio to ensure an adequate level of cash for operational requirements.</li> <li>Raise funds based on the strategic initiative plans (outlining Sabana Industrial REIT's business and growth objectives, business projections) as well as taking into consideration Sabana Industrial REIT's current gearing and the aggregate leverage limit prescribed by the Property Funds Appendix. The aggregate leverage of a property fund should not exceed 50% of the fund's deposited property and the property fund should have a minimum interest coverage ratio of at least 1.5 times. The REIT's aggregate leverage was 37.4% and interest coverage ratio was 3.0 times as at 31 December 2024.</li> <li>Perform monthly scenario analysis and stress testing on the REIT's capex to evaluate if Sabana Industrial REIT has sufficient cashflow.</li> </ul>
Compliance risk	Non-compliance with industry regulations, breach of laws and regulations in local and foreign jurisdiction	<ul style="list-style-type: none"> <li>Proactively identify any changes or shifts in regulations that will affect operations or compliance procedures. In addition, the compliance team receives regular circulars on regulations and guidelines from MAS.</li> <li>Regularly consult the regulatory bodies and work closely with the auditors, legal counsels, the Company Secretary, senior management and the ARC to ensure adherence to all stipulated rules and regulations.</li> </ul>
Cyber-security risk	Cyber-security breaches to IT infrastructure and/ or systems that may compromise operations and data privacy regulations.	<ul style="list-style-type: none"> <li>Perform ongoing monitoring of existing and new threat intelligence, evaluate the Manager's IT system and infrastructure and implement additional measures to minimise vulnerabilities where applicable.</li> <li>Conduct IT awareness training for all staff.</li> <li>Conduct Vulnerability Assessment regularly to determine level of resilience and effectiveness of the current IT security measures.</li> </ul>
Operational Risk	<p>Failure to provide adequate maintenance and/ or enhancement for Sabana Industrial REIT's assets to maximise their values and increase occupancy rates.</p> <p>Staff turnover amid the uncertainty caused by the ongoing internalisation process. This is further complicated by recruitment challenges. If the staff turnover continues to persist, this could have an impact on ability to manage the day-to-day operations.</p>	<ul style="list-style-type: none"> <li>Establish master maintenance schedule across all properties for all major equipment or systems to ensure adequate preventive maintenance is carried out timely.</li> <li>Conduct meetings which are attended by senior management, leasing, asset management and property management teams, alongside with representatives from various functions within the company, to review and discuss tenants' existing lease terms, and wherever possible, re-negotiate the lease terms to better manage Sabana Industrial REIT's performance obligations.</li> <li>Establish an evaluation process to identify asset enhancement or rejuvenation opportunities for Sabana Industrial REIT's properties, taking into consideration feedback from tenants, property vacancy, demand for usage, etc.</li> <li>Focus on motivating staff, stabilising portfolio and executing ongoing capex projects</li> </ul>
Credit Risk	Financial loss resulting from the failure of a customer or a counterparty to fulfil its financial and contractual obligations, as and when they fall due.	<ul style="list-style-type: none"> <li>Credit evaluations are performed by the Manager prior to the entry into the lease agreements with the prospective tenants.</li> <li>On an ongoing basis, the finance and asset management teams monitor the amounts owed by tenants.</li> <li>Credit risk is further mitigated by security deposits, in the form of cash or bankers' guarantees issued by financial institutions.</li> </ul>

# CORPORATE GOVERNANCE

Material Risk	Details	Key Mitigating Measures
Investment Risk	Potential occurrence of financial losses relative to the expected return on investment due to ineffective investment strategy and poor execution.	<ul style="list-style-type: none"> <li>All investment activities focus on enhancing returns to Unitholders and long-term value creation for Sabana Industrial REIT.</li> <li>All investment proposals are evaluated against a comprehensive set of investment criteria, which includes factors such as the location, macro-economic condition, quality of tenants, building condition and age, environmental impact, investment return, long-term sustainability and growth potential. Thorough due diligence is carried out to mitigate potential investment risks.</li> <li>All investment proposals are subject to detailed scrutiny and approval by the Board.</li> </ul>

## ADDITIONAL INFORMATION

### Cyber Security Policy

The Manager has put in place a cyber security policy which sets out guidelines and procedures to ensure the security and confidentiality of data and information, and to minimise the risk of cyber security threats. Employees are required to take all necessary steps to protect the confidentiality, integrity, and availability of Manager's data and information systems. The Manager performs ongoing monitoring of existing and new threat intelligence to stay up-to-date on the latest cyber security risks and trends. The Manager also works with its IT vendor to conduct regular testing of processes and review of the IT system to identify any potential points of failure and to ascertain that the system's level of resilience continues to meet business requirements and safeguards are in place to prevent failure.

### Anti-Corruption Policy

The Manager recognises that bribery and corruption are criminal offences that have the potential to harm the REIT's reputation, relationships with tenants and business partners, and financial standing. Accordingly, the Manager has established standards to which the Manager expects its employees to adhere to. The anti-corruption policy sets out the responsibilities of employees in observing and upholding the Board's zero-tolerance approach towards corruption, bribery, and extortion. The policy also provides guidance and information to employees on how to address, resolve, avoid, and prevent potential instances of corruption, bribery, and extortion in the course of their work. The Manager requires and expects the full commitment of its employees to uphold the highest ethical standards and comply with all applicable laws, rules, and regulations.

### Fraud Policy

Employees have a key role to play in the prevention, detection, and reporting of fraud. As such, the Manager values the integrity of its employees and expects all employees to remain vigilant at all times. To this end, the Manager's fraud policy is established to raise awareness amongst all employees and any other parties with a business relationship with the Manager to help them detect, prevent and report fraudulent activities or suspected fraud. All reported cases of fraud will be investigated.

### Environmental Policy

The Manager is committed to providing sustainable industrial spaces that are environmentally responsible. As part of this commitment to advance Environmental, Social and Governance in its goals and investing with sustainability agenda, the Manager has put in place an Environmental Policy, which sets out its principles and approach to creating greener spaces. Some of these principles include adopting energy reduction initiatives, harnessing renewable energy, conserving water and reducing waste. In ensuring effective implementation of these principles, the Manager has established environmental sustainability goals and targets that align with these principles and report on its environmental sustainability performance regularly.

### Human Rights Policy

The Manager is committed to upholding and protecting the human rights of its employees and ensuring that human rights are observed and respected in its workplaces. Beyond adherence to legal requirements and local laws, the Manager has in place guidelines on workplace health and safety, fairness, equality and non-discrimination regardless of gender, ethnicity, religion or age as well as guidelines on operating in a responsible manner.



# FINANCIAL CONTENTS

**118**

Report of the Trustee

**119**

Statement by the Manager

**120**

Independent Auditors' Report

**123**

Statements of Financial Position

**124**

Statements of Total Return

**125**

Distribution Statements

**127**

Statements of Movements in  
Unitholders' Funds

**128**

Consolidated Portfolio Statement

**133**

Consolidated Statement of Cash Flows

**134**

Notes to the Financial Statements

# REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Sabana Industrial Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Sabana Real Estate Investment Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 October 2010 (as amended by the first supplemental deed dated 2 December 2010, the first amending and restating deed dated 24 February 2016, the second amending and restating deed dated 24 March 2016, the second supplemental deed dated 6 May 2019, the third amending and restating deed dated 7 April 2020 and the third supplemental deed dated 21 October 2021) (collectively, the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 9 to 74 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

**For and on behalf of the Trustee,  
HSBC Institutional Trust Services (Singapore) Limited**

**Authorised signatory**

**Singapore**  
13 February 2025



# STATEMENT BY THE MANAGER

In the opinion of the directors of Sabana Real Estate Investment Management Pte. Ltd. (the “Manager”), the accompanying financial statements of Sabana Industrial Real Estate Investment Trust (the “Trust”) and its subsidiaries (the “Group”) set out on pages 9 to 74 comprising the Consolidated Statement of Financial Position and Consolidated Portfolio Statement of the Group and the Statement of Financial Position of the Trust as at 31 December 2024, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders’ Funds and Consolidated Statement of Cash Flows of the Group and the Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders’ Funds of the Trust for the year then ended, and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Trust and portfolio holdings of the Group as at 31 December 2024, the total return, distributable income and movements in Unitholders’ funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 Reporting Framework for Investment Funds issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

**For and on behalf of the Manager,  
Sabana Real Estate Investment Management Pte. Ltd.**

**Tan Cheong Hin**  
Chairman

**Singapore**  
13 February 2025

# INDEPENDENT AUDITORS' REPORT

To the Unitholders  
Sabana Industrial Real Estate Investment Trust

*(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2010 (as amended by the first supplemental deed dated 2 December 2010, the first amending and restating deed dated 24 February 2016, the second amending and restating deed dated 24 March 2016, the second supplemental deed dated 6 May 2019, the third amending and restating deed dated 7 April 2020 and the third supplemental deed dated 21 October 2021))*

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Sabana Industrial Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group, and the statement of financial position of the Trust as at 31 December 2024, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 74.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2024 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and *Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 2.5 of the financial statements which highlights events and conditions relating to the ongoing internalisation exercise which could cause potential financial implication to the Group and Trust. Specifically, as stated in Note 26, if the internalisation exercise triggers a review event under existing financing arrangements, it could result in mandatory prepayment of the Group's outstanding loans and interest if no satisfactory agreement is reached with the lenders. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Trust to continue as a going concern.

In the event that the Group and the Trust are unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Trust may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of this.

Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITORS' REPORT

## Valuation of investment properties

As at 31 December 2024, the carrying amount of investment properties was S\$992.9 million (2023: S\$980.0 million) which accounted for 96.9% (2023: 97.4%) of total assets. The valuation of the investment properties is significant to our audit due to the magnitude and the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by the external appraisers engaged by the Manager.

As disclosed in Note 4 of the financial statements, valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. The extent of estimation uncertainty and judgement is further impacted by the volatility in the relevant market and economic conditions. Accordingly, we have identified this as a key audit matter.

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the appraisers, and a review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate valuation specialists to assist us in assessing the reasonableness of the valuation model and the reasonableness of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers in response to the changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties. We also assessed the adequacy of disclosures relating to investment properties in the consolidated financial statements.

## Other information

Sabana Real Estate Investment Management Pte. Ltd., the manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS' REPORT

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Nelson Chen.

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants  
Singapore  
13 February 2025

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Non-current assets</b>					
Investment properties	4	992,929	979,987	992,929	979,987
Subsidiaries	5	–	–	*	*
Derivative assets	6	–	1,210	–	1,210
		<u>992,929</u>	<u>981,197</u>	<u>992,929</u>	<u>981,197</u>
<b>Current assets</b>					
Derivative assets	6	707	1,445	707	1,445
Trade and other receivables	7	12,459	7,384	12,459	7,384
Cash and cash equivalents	8	18,482	16,065	18,482	16,065
		<u>31,648</u>	<u>24,894</u>	<u>31,648</u>	<u>24,894</u>
<b>Total assets</b>		<u>1,024,577</u>	<u>1,006,091</u>	<u>1,024,577</u>	<u>1,006,091</u>
<b>Current liabilities</b>					
Trade and other payables	9	18,577	23,218	18,586	23,227
Tax payable		584	556	584	556
Borrowings	10	8,000	104,541	8,000	104,541
Derivatives liabilities	6	117	–	117	–
Lease liabilities	21	1,963	1,812	1,963	1,812
<b>Total current liabilities</b>		<u>29,241</u>	<u>130,127</u>	<u>29,250</u>	<u>130,136</u>
<b>Non-current liabilities</b>					
Trade and other payables	9	14,088	14,322	14,088	14,322
Borrowings	10	340,994	210,829	340,994	210,829
Derivatives liabilities	6	288	–	288	–
Lease liabilities	21	75,066	74,275	75,066	74,275
<b>Total non-current liabilities</b>		<u>430,436</u>	<u>299,426</u>	<u>430,436</u>	<u>299,426</u>
<b>Total liabilities</b>		<u>459,677</u>	<u>429,553</u>	<u>459,686</u>	<u>429,562</u>
<b>Net assets</b>		<u>564,900</u>	<u>576,538</u>	<u>564,891</u>	<u>576,529</u>
<b>Represented by:</b>					
<b>Unitholders' funds</b>		<u>564,900</u>	<u>576,538</u>	<u>564,891</u>	<u>576,529</u>
<b>Units issued ('000)</b>	11	<u>1,125,055</u>	<u>1,111,788</u>	<u>1,125,055</u>	<u>1,111,788</u>
<b>Net asset value ("NAV") per Unit (\$)</b>		<u>0.50</u>	<u>0.52</u>	<u>0.50</u>	<u>0.52</u>

\* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF TOTAL RETURN

For the year ended 31 December 2024

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Gross revenue	13	113,308	111,875	113,308	111,875
Property expenses	14	(55,856)	(56,901)	(55,856)	(56,901)
<b>Net property income</b>		57,452	54,974	57,452	54,974
Finance income		148	155	148	155
Finance costs		(17,862)	(13,382)	(17,862)	(13,382)
Finance costs relating to lease liabilities		(3,241)	(3,231)	(3,241)	(3,231)
<b>Net finance costs</b>	15	(20,955)	(16,458)	(20,955)	(16,458)
Manager's fees		(4,749)	(4,557)	(4,749)	(4,557)
Trustee's fees		(379)	(364)	(379)	(364)
Donation		(1)	(1)	(1)	(1)
Other trust expenses	16	(7,768)	(5,680)	(7,768)	(5,680)
		(12,897)	(10,602)	(12,897)	(10,602)
<b>Net income</b>		23,600	27,914	23,600	27,914
Net change in fair value of financial derivatives		(2,306)	(5,724)	(2,306)	(5,724)
Net change in fair value of investment properties		(9,339)	(3,562)	(9,339)	(3,562)
<b>Total return for the year before taxation and distribution</b>		11,955	18,628	11,955	18,628
Tax expense	17	(584)	(556)	(584)	(556)
<b>Total return for the year after taxation and before distribution</b>		11,371	18,072	11,371	18,072
<b>Earnings per Unit (cents)</b>					
Basic and diluted	18	1.01	1.64	1.01	1.64

The accompanying notes form an integral part of these financial statements.

# DISTRIBUTION STATEMENTS

For the year ended 31 December 2024

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Amount available for distribution to Unitholders at beginning of the year</b>	15,539	16,128	15,539	16,128
<b>Amount retained for working capital</b>	(3,994) <sup>(1)</sup>	–	(3,994) <sup>(1)</sup>	–
<b>Amount available for distribution to Unitholders at beginning of the year after retention</b>	11,545	16,128	11,545	16,128
Total return for the year after taxation and before distribution	11,955	18,628	11,955	18,628
Non-tax deductible/(chargeable) items:				
Amortisation of transaction costs	2,940	1,449	2,940	1,449
Trustee's fees	379	364	379	364
Net change in fair value of financial derivatives	2,306	5,724	2,306	5,724
Net change in fair value of investment properties	9,339	3,562	9,339	3,562
Effects of recognising rental income on a straight-line basis over the lease term	(332)	(79)	(332)	(79)
Finance costs relating to lease liabilities	3,241	3,231	3,241	3,231
Land rent paid on investment properties	(5,097)	(4,966)	(5,097)	(4,966)
Other items	10,853	5,801	10,853	5,801
Net effect of non-tax deductible items	23,629	15,086	23,629	15,086
<b>Income available for distribution to Unitholders for the year before tax</b>	35,584	33,714	35,584	33,714
Tax expense	(584)	(556)	(584)	(556)
<b>Income available for distribution to Unitholders for the year after tax</b>	35,000	33,158	35,000	33,158
<b>Total amount available for distribution to Unitholders for the year</b>	46,545	49,286	46,545	49,286

<sup>(1)</sup> An amount of approximately \$2,715,000, after tax deductions, has been retained for working capital and pertains to distributions for the period from 1 July 2023 to 31 December 2023. Additionally, approximately \$1,279,000, after tax deductions, is retained for working capital and pertains to distributions for the period from 1 January 2024 to 30 June 2024.

The accompanying notes form an integral part of these financial statements.



# DISTRIBUTION STATEMENTS

For the year ended 31 December 2024

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Distribution of 1.46 cents per Unit for the period 1 July 2022 to 31 December 2022	-	(16,003)	-	(16,003)
Distribution of 1.61 cents per Unit for the period 1 January 2023 to 30 June 2023	-	(17,744)	-	(17,744)
Distribution of 1.15 cents per Unit for the period 1 July 2023 to 31 December 2023	(12,786)	-	(12,786)	-
Distribution of 1.34 cents per Unit for the period 1 January 2024 to 30 June 2024	(15,076)	-	(15,076)	-
	(27,862)	(33,747)	(27,862)	(33,747)
<b>Amount available for distribution to Unitholders at end of the year <sup>(1)</sup></b>	18,683	15,539	18,683	15,539
<b>Amount retained for working capital <sup>(2)</sup></b>	3,403	3,271	3,403	3,271
<b>Number of Units entitled to distributions ('000) (Note 11)</b>	1,125,055	1,111,788	1,125,055	1,111,788
<b>Distribution per Unit (cents)</b>	2.86	2.76	2.86	2.76

<sup>(1)</sup> 13,266,912 Units (2023: 15,667,005 Units) amounting to approximately \$4,880,000 (2023: \$6,427,000) were issued by the Trust as part payment of distributions in respect of period from 1 July 2023 to 31 December 2023 (2023: 1 July 2022 to 30 June 2023), pursuant to the Distribution Reinvestment Plan.

<sup>(2)</sup> An amount of approximately \$3,403,000 (2023: \$3,271,000), before tax deductions, has been retained for working capital and pertains to distributions for the period from 1 January 2024 to 31 December 2024 (2023: 1 July 2023 to 31 December 2023).

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 31 December 2024

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Unitholders' funds at beginning of the year</b>	576,538	585,787	576,529	585,778
<b>Operations</b>				
Total return after taxation and before distribution	11,371	18,072	11,371	18,072
	587,909	603,859	587,900	603,850
<b>Unitholders' transactions</b>				
Distributions to Unitholders	(27,862)	(33,748)	(27,862)	(33,748)
Units issued through Distribution Reinvestment Plan	4,880	6,427	4,880	6,427
Equity issue costs pursuant to:				
- Distribution Reinvestment Plan	(27)	-	(27)	-
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	(23,009)	(27,321)	(23,009)	(27,321)
<b>Unitholders' funds at end of the year</b>	564,900	576,538	564,891	576,529

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2024

## Group

Description of property	Type	Leasehold term <sup>(1)</sup> (years)	Remaining lease term <sup>(2)</sup> (years)	Location
New Tech Park	High-tech industrial	45	31	151 Lorong Chuan, Singapore 556741
8 Commonwealth Lane	High-tech industrial	53	34	8 Commonwealth Lane, Singapore 149555
Frontech Centre	High-tech industrial	99	36	15 Jalan Kilang Barat, Singapore 159357
1 Tuas Avenue 4	High-tech industrial	51	22	1 Tuas Avenue 4, Singapore 639382
BTC Centre	High-tech industrial	50	32	23 Serangoon North Avenue 5, Singapore 554530
508 Chai Chee Lane	High-tech industrial	59	35	508 Chai Chee Lane, Singapore 469032
33, 33A & 35 Penjuru Lane	Chemical warehouse & logistics	61	24	33, 33A & 35 Penjuru Lane, Singapore 609200/609758/609202
18 Gul Drive	Chemical warehouse & logistics	33	14	18 Gul Drive, Singapore 629468
Penjuru Logistics Hub	Warehouse & logistics	30	8	34 Penjuru Lane, Singapore 609201
Freight Links Express Logisticentre	Warehouse & logistics	60	30	51 Penjuru Road, Singapore 609143
26 Loyang Drive	Warehouse & logistics	48	29	26 Loyang Drive, Singapore 508970

*Balance carried forward*

\* Property under asset enhancement initiative. Completed on 9 July 2024

The accompanying notes form an integral part of these financial statements.

Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to Unitholders as at	
31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
%	%	\$'000	\$'000	%	%
82	78	361,700	362,700	64.0	62.9
76	82	54,700	54,300	9.7	9.4
97	89	22,500	22,500	4.0	3.9
64	—*	24,100	21,000	4.3	3.6
66	66	42,300	42,200	7.5	7.3
99	99	71,000	68,000	12.6	11.8
74	100	42,000	42,000	7.4	7.3
100	100	19,000	19,000	3.4	3.3
99	94	29,000	29,900	5.1	5.2
93	93	31,300	31,000	5.5	5.4
100	100	27,600	26,900	4.9	4.7
		725,200	719,500	128.4	124.8

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2024

## Group (continued)

Description of property	Type	Leasehold term <sup>(1)</sup> (years)	Remaining lease term <sup>(2)</sup> (years)	Location
Balance brought forward				
3A Joo Koon Circle	Warehouse & logistics	60	23	3A Joo Koon Circle, Singapore 629033
2 Toh Tuck Link	Warehouse & logistics	60	32	2 Toh Tuck Link, Singapore 596225
10 Changi South Street 2	Warehouse & logistics	57	27	10 Changi South Street 2, Singapore 486596
123 Genting Lane	General industrial	60	17	123 Genting Lane, Singapore 349574
30 & 32 Tuas Avenue 8	General industrial	60	32	30 & 32 Tuas Avenue 8, Singapore 639246/639247
39 Ubi Road 1	General industrial	60	27	39 Ubi Road 1, Singapore 408695
21 Joo Koon Crescent	General industrial	60	29	21 Joo Koon Crescent, Singapore 629026

### Investment properties - Fair value

Investment properties - Right-of-use assets

### Total investment properties

### Other assets and liabilities

### Net assets attributable to Unitholders' Funds

<sup>(1)</sup> Includes the period covered by the relevant options to renew.

<sup>(2)</sup> Remaining lease term includes optional lease term.

The accompanying notes form an integral part of these financial statements.

Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to Unitholders as at	
31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
%	%	\$'000	\$'000	%	%
		725,200	719,500	128.4	124.8
96	96	36,500	34,400	6.5	6.0
77	76	30,200	31,300	5.3	5.4
100	100	46,900	37,900	8.3	6.6
100	98	17,400	17,200	3.1	3.0
-	100	23,600	28,900	4.2	5.0
99	99	19,200	19,100	3.4	3.3
100	100	16,900	15,600	3.0	2.7
		915,900	903,900	162.2	156.8
		77,029	76,087	13.6	13.2
		992,929	979,987	175.8	170.0
		(428,029)	(403,449)	(75.8)	(70.0)
		564,900	576,538	100.0	100.0

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2024

## Group (continued)

As disclosed in the Statements of Financial Position:

	Carrying amount as at	
	31 December 2024	31 December 2023
	\$'000	\$'000
Investment properties – non-current	992,929	979,987

The carrying amount of the investment properties as at 31 December 2024 were based on full independent valuations undertaken by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte Ltd (31 December 2023: Full independent valuations undertaken by Cushman & Wakefield VHS Pte Ltd. and Savills Valuation And Professional Services (S) Pte Ltd.). Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment schemes issued by the Monetary Authority of Singapore.

The independent valuers have appropriate professional qualifications and recent experiences in the locations and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach and discounted cashflow analysis in arriving at the open market value as at the reporting date. Refer to Note 4 for the key assumptions used to determine the fair value of these investment properties and the net change in fair value of the portfolio. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	Group	
		2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Total return for the year before taxation and distribution		11,955	18,628
Adjustments for:			
Net change in fair value of financial derivatives		2,306	5,724
Net change in fair value of investment properties		9,339	3,562
Net finance costs		20,955	16,458
		<u>44,555</u>	<u>44,372</u>
Change in trade and other receivables		(4,936)	(2,182)
Change in trade and other payables		(4,161)	2,139
		<u>35,458</u>	<u>44,329</u>
Cash generated from operations		35,458	44,329
Interest on late payment of rent received		88	155
<b>Net cash from operating activities</b>		<u>35,546</u>	<u>44,484</u>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(13,755)	(16,700)
Payment of upfront land premium		(7,979)	-
Interest income received		60	-
<b>Net cash used in investing activities</b>		<u>(21,674)</u>	<u>(16,700)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		233,000	33,000
Repayment of borrowings		(198,000)	(8,000)
Transaction costs paid		(2,949)	-
Payment of lease liabilities		(1,856)	(1,736)
Finance costs relating to lease liabilities		(3,241)	(3,231)
Finance costs paid		(15,400)	(12,440)
Distributions paid		(23,009)	(27,321)
<b>Net cash used in financing activities</b>		<u>(11,455)</u>	<u>(19,728)</u>
<b>Net increase in cash and cash equivalents</b>		2,417	8,056
Cash and cash equivalents at beginning of the year		16,065	8,009
<b>Cash and cash equivalents at end of the year</b>	8	<u>18,482</u>	<u>16,065</u>

## Significant non-cash transactions

13,266,912 Units (2023: 15,667,005 Units) amounting to approximately \$4,880,000 (2023: \$6,427,000) were issued by the Trust as part payment of distributions in respect of period from 1 July 2023 to 31 December 2023 (2023: 1 July 2022 to 30 June 2023), pursuant to the Distribution Reinvestment Plan.

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL

Sabana Industrial Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2010 (as amended by the First Supplemental Deed dated 2 December 2010, the First Amending and Restating Deed dated 24 February 2016, the Second Amending and Restating Deed dated 24 March 2016, the Second Supplemental Deed dated 6 May 2019, the Third Amending and Restating Deed dated 7 April 2020 and the Third Supplemental Deed dated 21 October 2021) (collectively, the "Trust Deed") between the Manager and Trustee. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was a dormant private trust from the date of constitution until its acquisition of properties on 26 November 2010. It was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2010 and was included in the Central Provident Fund ("CPF") Investment Scheme on 26 November 2010.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Trust is to invest in income producing real estate used for industrial purposes in Asia, as well as real estate-related assets. The principal activities of the subsidiaries are set out on Note 5 of the financial statements.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

### 1.1 Property Manager's fees

The Property Manager is entitled under the Property Management Agreement to the following management fees on each property of the Group located in Singapore under its management:

- a property management fee of 2.0% per annum of gross revenue of each property; and
- a lease management fee of 1.0% per annum of gross revenue of each property.

The property management fee and the lease management fee are payable to the Property Manager in the form of cash.

### 1.2 Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to the following manager's fees:

- a base fee not exceeding the rate of 0.5% per annum of the value of the gross assets of the Group ("Deposited Property"); and
- a performance fee equal to 0.5% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Group's Net Property Income in the relevant financial year, provided that the Group achieves an annual growth in distribution per Unit ("DPU") of at least 10.0% over the previous financial year (calculated after accounting for the performance fee (if any) for that financial year and after adjusting, at the discretion of the Manager, for any new Units arising from the conversion or exercise of any instruments convertible into Units which are outstanding at the time of calculation, and any rights or bonus issue, consolidation, subdivision or buy-back of Units).

The Manager has elected to receive 100.0% of the base fee in cash for both financial years ended 31 December 2024 and 31 December 2023.

### 1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.25% per annum of the value of the Deposited Property (subject to a minimum of \$25,000 per month), excluding out-of-pocket expenses and goods and services tax ("GST").

The actual fee payable will be determined between the Manager and the Trustee from time to time.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL (CONTINUED)

### 1.4 Acquisition fees

Pursuant to the Trust Deed, the Manager is entitled to acquisition fees of 1.0% (or such lower percentage as may be determined by the Manager), of each of the following:

- the acquisition price of any real estate purchased, whether directly or indirectly through one or more Special Purpose Vehicles ("SPVs") by the Trust;
- the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any holding directly or indirectly the real estate, purchased whether directly or indirectly through one or more SPVs, by the Trust; and
- the acquisition price of any investment purchased by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities in any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured directly or indirectly by the rental income from real estate.

### 1.5 Divestment fees

Pursuant to the Trust Deed, the Manager is entitled to divestment fees of 0.5% (or such lower percentage as may be determined by the Manager) of each of the following:

- the sale price of real estate sold or divested, whether directly or indirectly through one or more SPVs by the Trust;
- the underlying value of any real estate which is taken into account when computing the sale price for the equity interests of any holding directly or indirectly the real estate, divested whether directly or indirectly through one or more SPVs, by the Trust; and
- the sale price of any investment sold by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities in any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured directly or indirectly by the rental income from real estate.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS"). The related changes to accounting policies are described in Note 2.4.

### 2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except for the investment properties and financial derivatives which are stated at fair value as set out in the accounting policies described in Notes 3.2 and 3.4.

### 2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.3 Functional and presentation currency (continued)

Information about significant areas of estimation uncertainty and critical judgements that have a significant risk of resulting in a material adjustment within the next financial year is included in the following note:

- Note 2.5 – Going concern
- Note 4 – Investment properties
- Note 6 – Derivative financial instruments
- Note 10 – Borrowings

### 2.4 Changes in accounting policies

#### New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2024:

- *Amendments to FRS 1: Classification of Liabilities as Current or Non-current*
- *Amendments to FRS 1: Non-current Liabilities with Covenants*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

### 2.5 Going concern

As at 31 December 2024, the Group is in a net current assets of \$2.4 million (31 December 2023: net current liabilities of \$105.2 million).

As described in Note 25, there is a material uncertainty that may cast significant doubt on the ability of the Group and the Trust to continue as a going concern depending on the outcome of the internalisation of the Manager ("Internalisation").

Notwithstanding the above, the financial statements has been prepared on a going concern basis as the Manager believes that the Group will be able to meet its funding requirements to enable continuation of its operations for the next twelve months.

In assessing the appropriateness of the going concern assumption, management has considered the consequences of various events and conditions (please refer to note 25), and exercised judgement which includes legal and regulatory requirements, conditions and timing for triggering of the loan review event in determining whether they create a material uncertainty that casts significant doubt upon the Group and Trust ability to continue as a going concern.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

#### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.1 Basis of consolidation (continued)

#### (iii) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

### 3.2 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost at initial recognition and subsequently at fair value with any changes therein recognised in the Statements of Total Return.

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code issued by the MAS ("Property Funds Appendix").

Fair value changes are recognised in the Statements of Total Return. When an investment property is disposed of, the resulting gain or loss is recognised in the Statements of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued on the basis described above. For taxation purpose, the Group may claim capital allowances on assets that qualify as plant and machinery under the Singapore Income Tax Act.

### 3.3 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

For ROU assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 Investment Property to these assets with any change therein being recognised in the Statements of Total Return and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.3 Leases (continued)

#### (i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depends on an index or a rate, initially measured using index or rate as at the commencement date

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

#### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue' (see Note 3.7).

### 3.4 Financial instruments

#### (i) Recognition and initial measurement

##### **Non-derivative financial assets and financial liabilities**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

##### **Non-derivative financial assets**

On initial recognition, the Group classifies financial assets as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### **Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest income on the principal amount outstanding.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Financial instruments (continued)

#### (ii) Classification and subsequent measurement (continued)

##### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Manager's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest income

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest income' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest income, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Financial instruments (continued)

#### (ii) Classification and subsequent measurement (continued)

##### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest income (continued)**

A prepayment feature is consistent with the solely payments of principal and interest income criterion if the prepayment amount substantially represents unpaid amounts of principal and interest income on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest expense (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

##### **Non-derivative financial assets: Subsequent measurement and gains and losses**

###### ***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statements of Total Return. Any gain or loss on derecognition is recognised in the Statements of Total Return.

##### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost. They are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the Statements of Total Return.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### (iii) Derecognition

##### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its Statements of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets.

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statements of Total Return.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.4 Financial instruments (continued)

#### (iii) Derecognition (continued)

##### Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

#### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with financial institutions that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

#### (vi) Derivative financial instruments

The Group holds derivative financial instruments to economically hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the Statements of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statements of Total Return.

### 3.5 Impairment

#### (i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost and lease receivables.

Lease receivables are disclosed as part of trade and other receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.5 Impairment (continued)

#### (i) Non-derivative financial assets (continued)

##### **Simplified approach**

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

##### **General approach**

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### **Measurement of ECLs**

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.5 Impairment (continued)

#### (i) Non-derivative financial assets (continued)

##### *Presentation of allowance for ECLs in the statements of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statements of Total Return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.6 Issue expenses

Issue expenses relate to expenses incurred in connection with the issue of Units. Such expenses are deducted directly against Unitholders' funds.

### 3.7 Revenue recognition

#### *Rental income from operating leases*

Rental income receivable under operating leases from investment properties is recognised in the Statements of Total Return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of total rental to be received.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.8 Expenses

#### (i) Property expenses

Included in property expenses are property management fee and lease management fee under the Property Management Agreement, which are based on the applicable formula stipulated in Note 1.1, reimbursable expenses payable to the Property Manager and other property expenses in relation to the investment properties.

Property expenses are recognised as and when incurred and recorded on an accrual basis.

#### (ii) Manager's fees

Manager's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in Note 1.2.

#### (iii) Trustee's fees

Trustee's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in Note 1.3.

### 3.9 Finance income and finance costs

Finance income comprises interest income. Finance costs comprise interest expense on borrowings, amortisation of transaction costs, interest from lease liabilities and agent fees.

Finance income or costs is recognised using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- (i) the gross carrying amount of the financial asset; or
- (ii) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Statements of Total Return using the effective interest rate method.

### 3.10 Tax

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the Statements of Total Return except to the extent that it relates to a business combination, or items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *FRS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.10 Tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Trust and its subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Inland Revenue Authority of Singapore ("IRAS") had issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee is not subject to tax on the taxable income of the Trust, which includes profit distributions from liquid Islamic debt securities such as Sukuk that the Trust may invest in, provided that at least 90.0% of the taxable income of the Trust is distributed within the year in which the income is derived (the "tax transparency treatment"). Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of the Trust, except:

- (i) where the beneficial owners are individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a partnership) or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) where the beneficial owners are Qualifying Foreign Non-Individual Unitholders and Qualifying Foreign Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made up to 31 March 2025, unless concession is extended.

A Qualifying Unitholder is a Unitholder who is:

- a company which is incorporated and tax resident in Singapore;
- a Singapore branch of companies incorporated outside Singapore;
- a non-corporate constituted or registered in Singapore such as town councils, statutory boards, charities registered under the Charities Act (Cap. 37) or established by any written law, co-operative societies registered under the Co-operative Societies Act (Cap. 62) or trade unions registered under the Trade Unions Act (Cap. 333);

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.10 Tax (continued)

- a Central Provident Fund ("CPF") member who uses his CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts;
- an individual who uses his Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); and
- a real estate investment trust exchange-traded fund ("REIT ETFs") which has been accorded the tax transparency treatment.

A Qualifying Foreign Non-Individual Unitholder is one which is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the Units are not obtained from that operation in Singapore.

A Qualifying Foreign Funds is one that qualifies for tax exemption under section 13D, 13U, or 13V of the Income Tax Act, is not a resident of Singapore for income tax purposes and:

- (a) does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- (b) carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains or profits from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act, Chapter 134 of Singapore and collected from the Trustee. Where the gains are capital gains, they are not subject to tax and the Trustee and the Manager may distribute the capital gains without having to deduct tax at source.

### 3.11 Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the year. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

### 3.12 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Manager's senior management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Manager's senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 24.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. INVESTMENT PROPERTIES

### *Investment properties*

	31 December 2024		
	Fair value \$'000	ROU assets \$'000	Total \$'000
<b>Group and Trust</b>			
Balance at beginning of the year	903,900	76,087	979,987
Capital expenditure	11,026	–	11,026
Straight-line adjustments in accordance with FRS 116	332	–	332
Net change in fair value of investment properties	(7,483)	(1,856)	(9,339)
Remeasurement of ROU assets	–	2,798	2,798
Capitalisation of leasing commission	617	–	617
Amortisation of leasing commission	(471)	–	(471)
Payment of upfront land premium	7,979	–	7,979
Balance at end of the year	915,900	77,029	992,929
<b>31 December 2023</b>			
	Fair value \$'000	ROU assets \$'000	Total \$'000
<b>Group and Trust</b>			
Balance at beginning of the year	885,700	76,479	962,179
Capital expenditure	19,409	–	19,409
Straight-line adjustments in accordance with FRS 116	79	–	79
Net change in fair value of investment properties	(1,826)	(1,736)	(3,562)
Remeasurement of ROU assets	–	1,344	1,344
Capitalisation of leasing commission	1,173	–	1,173
Amortisation of leasing commission	(635)	–	(635)
Balance at end of the year	903,900	76,087	979,987

Details of the investment properties are shown in the Consolidated Portfolio Statement.

### **Security**

As at 31 December 2024, all investment properties of the Group and the Trust are subject to a negative pledge in connection with the borrowing facilities. (31 December 2023: all investment properties of the Group and the Trust are subject to a negative pledge in connection with the borrowing facilities.)

### **Measurement of fair value**

#### *Investment properties*

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction wherein the parties had each acted knowledgeably prudently and without compulsion.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. INVESTMENT PROPERTIES (CONTINUED)

### Measurement of fair value (continued)

The valuers have considered the capitalisation approach, discounted cash flow, direct comparison methods and/or residual method in arriving at the open market value as at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment properties. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return ("Discount Rate") to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a Discount Rate consistent with current market requirements. The direct comparison method considered transacted prices of comparable properties. The residual method considered the gross development value and development costs to completion to arrive at the market value.

The Group's investment properties are carried at fair value based on Level 3 of the fair value hierarchy as inputs are unobservable.

### Fair value hierarchy

The table below analyses investment properties carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical investment properties that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the investment properties.

The following table shows the key unobservable inputs used in the valuation models for investment properties and investment property held for divestment:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	<ul style="list-style-type: none"> <li>• Capitalisation rates from 5.50% to 6.50% (2023: 5.50% to 6.25%)</li> <li>• Discount rate of 7.25% to 8.25% (2023: 7.25% to 7.50%)</li> <li>• Terminal yield rates from 5.75% to 6.75% (2023: 5.75% to 6.25%)</li> <li>• Vacancy assumption rates from 1.00% to 5.00% (2023: 0.00% to 9.70%)</li> <li>• Rental growth rates from 1.39% to 3.00% (2023: 1.95% to 9.96%)</li> <li>• Estimated gross development value of Nil (2023: \$31.9 million) and related costs of Nil (2023: \$18.0 million) for a certain property</li> </ul>	<p>The estimated fair value of investment properties would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>• the capitalisation rates were lower/(higher); or</li> <li>• the discount rates were lower/(higher); or</li> <li>• the terminal yield rates were lower/(higher); or</li> <li>• the vacancy assumption rates were lower/(higher); or</li> <li>• the rental growth rates were higher/(lower); or</li> <li>• the estimated gross development value were higher/(lower) and related costs were lower/(higher) for a certain property.</li> </ul>

The direct comparison method considered transacted prices of comparable properties. The estimated fair value of investment properties would increase/(decrease) when the transacted prices of comparable properties are higher/(lower).

The residual method considered the gross development value and related costs for 1 Tuas Avenue 4. The estimated fair value of the investment property would increase/(decrease) when the gross development value and the development cost to completion are higher/(lower).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 5. SUBSIDIARIES

	Trust	
	2024	2023
	\$'000	\$'000
Equity investments at cost	*	*

\* Less than \$1,000

Details of the subsidiaries of the Group are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2024	2023
Sabana Sukuk Pte. Ltd. <sup>(1)</sup>	Provision of treasury services	Singapore	100%	100%
SabNewCo Pte. Ltd.	Property fund management (including REIT management and direct property fund management)	Singapore	100%	–

<sup>(1)</sup> Audited by EY LLP Singapore.

## 6. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Interest rate swaps at fair value through Statements of Total Return	–	1,210	–	1,210
<b>Current assets</b>				
Interest rate swaps at fair value through Statements of Total Return	707	1,445	707	1,445
<b>Non-current liabilities</b>				
Interest rate swaps at fair value through Statements of Total Return	(288)	–	(288)	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current liabilities</b>				
Interest rate swaps at fair value through Statements of Total Return	(117)	–	(117)	–
Total derivative financial instruments	302	2,655	302	2,655
Derivative financial instruments as a percentage of net assets	0.05%	0.46%	0.05%	0.46%

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate bearing loan facilities by swapping the interest rates on a proportion of these term loans from floating rates to fixed rates.

Interest rate swaps with a total notional amount of \$160.0 million (31 December 2023: \$242.5 million) had been entered into at the reporting date to provide fixed rate funding for terms of up to 3 years (31 December 2023: up to 3 years).

The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account of the credit risk of the Group, and counterparties when appropriate.

### Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Derivatives Swaps and Dealers Association ("ISDA") Master Netting Agreements. The ISDA does not meet the criteria for offsetting in the Statements of Financial Position. This is because it creates a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2024 and 31 December 2023, the Group's derivative assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

## 7. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables, gross	4,151	3,149	4,151	3,149
Less: Impairment losses on trade receivables	(3,210)	(2,067)	(3,210)	(2,067)
Trade receivables, net	941	1,082	941	1,082
Other receivables	3,869	5,647	3,869	5,647
Deposit	6,804	548	6,804	548
	11,614	7,277	11,614	7,277
Prepayment	845	107	845	107
	12,459	7,384	12,459	7,384

The exposures of the Group and the Trust to credit risk and impairment losses related to trade and other receivables, excluding prepayments, are disclosed in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 8. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term deposits	5,000	–	5,000	–
Bank balances	13,482	16,065	13,482	16,065
	<u>18,482</u>	<u>16,065</u>	<u>18,482</u>	<u>16,065</u>

Bank balances earns interest at floating rates based on daily bank deposit rates ranging from 2.95% to 3.40% (FY23: nil) per annum. Short-term deposits placed for varying periods depending on the immediate cash requirements of the Group and Trust and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 3.16% (FY23: nil) per annum.

## 9. TRADE AND OTHER PAYABLES

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Amount due to related parties, trade	1,167	1,565	1,183	1,580
Trade payables	517	6,213	517	6,213
Security deposits	19,132	17,588	19,132	17,588
Rental received in advance	294	224	294	225
Retention sums	1,067	939	1,067	939
Finance costs payable to:				
– non-related parties	2,124	1,282	2,124	1,282
Accrued operating expenses	6,429	4,774	6,429	4,774
Others	1,935	4,955	1,928	4,948
	<u>32,665</u>	<u>37,540</u>	<u>32,674</u>	<u>37,549</u>
Current	18,577	23,218	18,586	23,227
Non-current	14,088	14,322	14,088	14,322
	<u>32,665</u>	<u>37,540</u>	<u>32,674</u>	<u>37,549</u>

Outstanding balances with related parties are unsecured.

The exposures of the Group and Trust to liquidity risk related to trade and other payables are disclosed in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 10. BORROWINGS

	Note	Group		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Unsecured borrowings</b>					
Unsecured Term Loan Facility <sup>(1)</sup>	(a)	-	100,000	-	100,000
Unsecured Revolving Loan Facility <sup>(1)</sup>	(b)	8,000	5,000	8,000	5,000
Less: Unamortised capitalised transaction costs		-	(459)	-	(459)
<b>Total current borrowings</b>		<b>8,000</b>	<b>104,541</b>	<b>8,000</b>	<b>104,541</b>
<b>Unsecured borrowings</b>					
Unsecured Term Loan Facility <sup>(1)</sup>	(a)	175,000	193,000	175,000	193,000
Unsecured Revolving Loan Facility <sup>(1)</sup>	(b)	70,000	20,000	70,000	20,000
Guaranteed Bond Facility	(c)	100,000	-	100,000	-
Less: Unamortised capitalised transaction costs		(4,006)	(2,171)	(4,006)	(2,171)
<b>Total non-current borrowings</b>		<b>340,994</b>	<b>210,829</b>	<b>340,994</b>	<b>210,829</b>
<b>Total borrowings</b>		<b>348,994</b>	<b>315,370</b>	<b>348,994</b>	<b>315,370</b>

<sup>(1)</sup> All the borrowings have a nominal interest rate of Singapore Overnight Rate Average + Margin (31 December 2023: a nominal interest rate of Singapore Overnight Rate Average + Margin)

The fair values of the fixed rate and floating rate borrowings are estimated using the discounted cash flow technique. Future cash flows are based on management's best estimates and the discount rate is based on a market-related rate for a similar instrument at the reporting date.

The carrying amounts of floating rate borrowings which are repriced within 3 months from the reporting date approximate their fair values.

All the unsecured borrowings are subject to the following covenants:

- **Aggregate Leverage:** The Borrower shall ensure and procure that the ratio of the consolidated total borrowings to the consolidated deposited property shall not at any time be more than 50%. The aggregate leverage ratio was 37.4% as at 31 December 2024 (2023: 34.3%)
- **Interest Coverage Ratio:** The Borrower shall ensure that the interest coverage ratio shall not be less than 2.5 times, based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes. The interest coverage ratio was 3.0 times as at 31 December 2024 (2023: 3.5 times).
- **Consolidated Total Assets:** The Borrower shall ensure and procure that the consolidated total assets of the group shall not be less than \$800.0 million.

All covenants are tested half-yearly, at 30 June and 31 December. The Group has complied with these covenants throughout the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 10. BORROWINGS (CONTINUED)

### Terms and borrowings repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>Group</b>					
<b>2024</b>					
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2025	8,000	8,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2026	50,000	49,612
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2026	25,000	25,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2027	50,000	49,431
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2027	20,000	20,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2028	75,000	74,099
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2028	25,000	25,000
Guaranteed Bond Facility	SGD	4.15%	2029	100,000	97,852
				<u>353,000</u>	<u>348,994</u>
<b>2023</b>					
Unsecured Term Loan Facility	SGD	SORA*+Margin	2024	100,000	99,541
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2024	5,000	5,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2025	75,000	74,421
Unsecured Term Loan Facility	SGD	SORA*+Margin	2025	18,000	17,928
Unsecured Term Loan Facility	SGD	SORA*+Margin	2026	50,000	49,297
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2026	20,000	20,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2027	50,000	49,183
				<u>318,000</u>	<u>315,370</u>
<b>Trust</b>					
<b>2024</b>					
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2025	8,000	8,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2026	50,000	49,612
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2026	25,000	25,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2027	50,000	49,431
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2027	20,000	20,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2028	75,000	74,099
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2028	25,000	25,000
Guaranteed Bond Facility	SGD	4.15%	2029	100,000	97,852
				<u>353,000</u>	<u>348,994</u>
<b>2023</b>					
Unsecured Term Loan Facility	SGD	SORA*+Margin	2024	100,000	99,541
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2024	5,000	5,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2025	75,000	74,421
Unsecured Term Loan Facility	SGD	SORA*+Margin	2025	18,000	17,928
Unsecured Term Loan Facility	SGD	SORA*+Margin	2026	50,000	49,297
Unsecured Revolving Loan Facility	SGD	SORA*+Margin	2026	20,000	20,000
Unsecured Term Loan Facility	SGD	SORA*+Margin	2027	50,000	49,183
				<u>318,000</u>	<u>315,370</u>

\* Singapore Overnight Rate Average/Swap Offer Rate

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 10. BORROWINGS (CONTINUED)

### *Terms and borrowings repayment schedule (continued)*

#### **(a) Unsecured Term Loan Facility**

As of 31 December 2024, the outstanding unsecured Term Loan Facility consisted of:

- (i) 4-year term loan facilities of \$50.0 million maturing in March 2026.
- (ii) 5-year term loan facilities of \$50.0 million maturing in March 2027.
- (iii) 4-year term loan facilities of \$75.0 million maturing in May 2028.

As of 31 December 2023, the outstanding unsecured Term Loan Facility consisted of:

- (i) 3-year term loan facilities of \$100.0 million maturing in October 2024.
- (ii) 4-year term loan facilities of \$75.0 million maturing in October 2025.
- (iii) 4-year term loan facilities of \$18.0 million maturing in November 2025.
- (iv) 4-year term loan facilities of \$50.0 million maturing in March 2026.
- (v) 5-year term loan facilities of \$50.0 million maturing in March 2027.

#### **(b) Unsecured Revolving Loan Facility**

As of 31 December 2024, the outstanding unsecured Revolving Loan Facility consisted of:

- (i) 4-year revolving loan facilities of \$8.0 million maturing in October 2025.
- (ii) 4-year revolving loan facilities of \$25.0 million maturing in March 2026.
- (iii) 5-year revolving loan facilities of \$20.0 million maturing in March 2027.
- (iv) 4-year revolving loan facilities of \$25.0 million maturing in May 2028.

As of 31 December 2023, the outstanding unsecured Revolving Loan Facility consisted of:

- (i) 3-year revolving loan facilities of \$5.0 million maturing in October 2024.
- (ii) 4-year revolving loan facilities of \$20.0 million maturing in March 2026.

#### **(c) Guaranteed Bond Facility**

On 25 June 2024, \$100.0 million guaranteed bonds at a coupon rate of 4.15% due in June 2029 were issued to refinance the existing loan facilities. The guaranteed bonds amounting to \$100.0 million are unconditionally and irrevocably guaranteed by the Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank. The interests of the bonds are payable half-yearly in arrears. The bonds are listed on the Singapore Exchange Securities Trading Limited.

#### **(d) Unutilised Loan Facilities**

As of 31 December 2024, the Group has access to the following unutilised revolving loan facilities consisting of:

- (i) 4-year revolving facility of \$17.0 million maturing in October 2025.
- (ii) 5-year revolving facility of \$5.0 million maturing in March 2027.

As of 31 December 2023, the Group has access to the following unutilised revolving loan facilities consisting of:

- (i) 3-year revolving facility of \$20.0 million maturing in October 2024.
- (ii) 3-year revolving facility of \$20.0 million maturing in November 2024.
- (iii) 4-year revolving facility of \$25.0 million maturing in October 2025.
- (iv) 4-year revolving facility of \$5.0 million maturing in March 2026.
- (v) 5-year revolving facility of \$25.0 million maturing in March 2027.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 10. BORROWINGS (CONTINUED)

### Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group				
	Liabilities		Lease liabilities \$'000	Derivative financial instruments	
	Borrowings \$'000	Finance costs payable \$'000		Interest rate swap - assets \$'000	Total \$'000
<b>Balance at 1 January 2024</b>	315,370	1,282	76,087	(2,655)	390,084
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	233,000	-	-	-	233,000
Repayment of borrowings	(198,000)	-	-	-	(198,000)
Transaction costs paid	(4,403)	1,454	-	-	(2,949)
Payment of lease liabilities	-	-	(1,856)	-	(1,856)
Finance costs relating to lease liabilities	-	-	(3,241)	-	(3,241)
Finance costs paid	-	(18,451)	-	3,051	(15,400)
<b>Total changes from financing cash flows</b>	30,597	(16,997)	(5,097)	3,051	11,554
<b>Changes in fair value</b>	-	-	-	2,306	2,306
<b>Other changes</b>					
<b>Liability-related</b>					
Amortisation of transaction costs	3,027	-	-	-	3,027
Interest expense	-	17,839	-	(3,004)	14,835
Remeasurement of lease liabilities	-	-	2,798	-	2,798
Finance costs relating to lease liabilities	-	-	3,241	-	3,241
<b>Total liability-related other changes</b>	3,027	17,839	6,039	(3,004)	23,901
<b>Balance at 31 December 2024</b>	348,994	2,124	77,029	(302)	427,845
<b>Balance at 1 January 2023</b>	288,921	1,386	76,479	(8,358)	358,428
<b>Changes from financing cash flows</b>					
Proceeds from borrowings	33,000	-	-	-	33,000
Repayment of borrowings	(8,000)	-	-	-	(8,000)
Payment of lease liabilities	-	-	(1,736)	-	(1,736)
Finance costs relating to lease liabilities	-	-	(3,231)	-	(3,231)
Finance costs paid	-	(17,436)	-	4,996	(12,440)
<b>Total changes from financing cash flows</b>	25,000	(17,436)	(4,967)	4,996	7,593
<b>Changes in fair value</b>	-	-	-	5,724	5,724
<b>Other changes</b>					
<b>Liability-related</b>					
Amortisation of transaction costs	1,449	-	-	-	1,449
Interest expense	-	17,332	-	(5,017)	12,315
Remeasurement of lease liabilities	-	-	1,344	-	1,344
Finance costs relating to lease liabilities	-	-	3,231	-	3,231
<b>Total liability-related other changes</b>	1,449	17,332	4,575	(5,017)	18,339
<b>Balance at 31 December 2023</b>	315,370	1,282	76,087	(2,655)	390,084

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 11. UNITS IN ISSUE

	<b>Group and Trust</b>	
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
<b>Units in issue:</b>		
At beginning of the year	1,111,788	1,096,121
Units issued:		
– Distribution Reinvestment Plan	13,267	15,667
At end of the year	<u>1,125,055</u>	<u>1,111,788</u>

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per unit.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

On 1 April 2014, the Trust introduced the distribution reinvestment plan ("DRP") whereby the Unitholders have the option to receive their distribution in Units instead of cash or a combination of Units and cash.

13,266,912 new Units (2023: 15,667,005 new Units) amounting to approximately \$4,880,000 at issue prices of \$0.3678 per Unit (2023: approximately \$6,427,000 at average issue prices of \$0.4102 per Unit) in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT

### 12.1 Capital management

The Group reviews its capital management policy regularly so as to optimise the Group's funding structure. The Group also monitors its exposures to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures. The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of its Deposited Property. As at the reporting date, the Aggregate Leverage of the Group was 37.4% (2023: 34.3%) which was in compliance with the Aggregate Leverage limit of 50.0%. There were no changes in the Group's approach to capital management during the financial year.

### 12.2 Risk management framework

The Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management is integral to the whole business of the Group. The Manager has implemented a system of controls in place to create an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and business objectives is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit Committee of the Manager assists the Board in overseeing how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit Committee is assisted in its oversight role by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### 12.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group, to settle its financial and contractual obligations, as and when they fall due.

The carrying amount of financial assets represents the Group and the Trust's maximum exposure to credit risk before taking into account any security deposit held. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade and other receivables <sup>#</sup>	11,614	7,277	11,614	7,277
Cash and cash equivalents	18,482	16,065	18,482	16,065
	<u>30,096</u>	<u>23,342</u>	<u>30,096</u>	<u>23,342</u>

<sup>#</sup> exclude prepayments

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants and monitors amounts receivable on an on-going basis to minimise potential credit risk. Credit evaluations are performed by the Property Manager and the Manager before lease agreements are entered into with tenants. Security in the form of bankers' guarantees, insurance bonds or cash security deposits are obtained prior to the commencement of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 12.3 Credit risk (continued)

The Manager establishes an allowance account for impairment that represents its estimate of incurred losses in respect of financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently, when the Manager is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

The Group has provided impairment losses for all trade receivables that are not expected to be collectible in excess of the security deposits.

The ageing of gross trade receivables at the reporting date was:

	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
<b>Group and Trust</b>			
<b>31 December 2024</b>			
Not past due	3	2	No
Past due 0 - 30 days	276	93	No
Past due 31 - 60 days	77	72	No
More than 60 days past due	3,795	3,043	Yes
	<u>4,151</u>	<u>3,210</u>	
<b>31 December 2023</b>			
Not past due	146	–	No
Past due 0 - 30 days	649	5	No
Past due 31 - 60 days	366	74	No
More than 60 days past due	1,988	1,988	Yes
	<u>3,149</u>	<u>2,067</u>	

Ten tenants (2023: Ten tenants) accounted for approximately \$4,128,000 (2023: \$3,095,000) of the gross trade receivables at 31 December 2024.

#### Impairment losses

The movements in impairment loss in respect of trade receivables are as follows:

	Group and Trust	
	2024	2023
	\$'000	\$'000
At 1 January	2,067	709
Impairment losses /recognised during the year	1,203	1,387
Utilised	(60)	(29)
At 31 December	<u>3,210</u>	<u>2,067</u>

Trade receivables are individually assessed for impairment. The impairment loss on trade receivables is \$3,210,000. This is mainly made up by one of its tenants, amounting to \$2,949,000. Please refer to the note below on the ongoing litigation against this tenant.

The Manager believes that no impairment loss is necessary in respect of the remaining trade receivables as these amounts mainly arise from tenants who have good payment records and the retention of sufficient security in the form of bankers' guarantees or cash security deposits from tenants.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 12.3 Credit risk (continued)

#### *Impairment losses (continued)*

##### Ongoing Litigation

On 17 November 2023, the Manager issued an SGX announcement updating Unitholders that the Trustee of the REIT filed an Originating Claim to the Singapore High Court against one of the ex-tenants, being the master lessee for the premises located at 33, 33A & 35 Penjuru Lane Singapore 609200/609758/609202 (the "Premises"), for outstanding fixed rent, land rent, property tax and late payment interest and possession of the Premises, amongst others.

The Singapore High Court has granted judgment to the Trustee on all of its claims in its Originating Claim. The ex-Tenant's final appeal was dismissed on 27 August 2024.

The ex-Tenant was placed into creditor's voluntary liquidation on 19 September 2024. The current liquidator of the ex-Tenant was appointed by the former director of the ex-Tenant, with support of several creditors who are related to the former director.

On 30 December 2024, the Trustee of the REIT was granted permission to commence compulsory winding up proceedings against the ex-Tenant, to ensure that a court-appointed liquidator will take charge of the liquidation of the ex-Tenant so as to achieve maximum recovery for the creditors of the ex-Tenant (including the Trustee of the REIT).

##### *Other receivables and deposits*

Other receivables are individually assessed for impairment. These amounts mainly arise from utilities bill recharged to the tenants. The amount of the allowance on these balances is insignificant.

Impairment on deposits has been measured on the 12-month expected loss basis and reflects the short maturity and low credit risks of the exposure. The amount of the allowance on these balances is insignificant.

##### *Cash and cash equivalents*

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

### 12.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the Group has committed and undrawn secured revolving credit facilities from various financial institutions to meet its operating expenses and its liabilities when due. The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 12.4 Liquidity risk (continued)

The following are the contractual undiscounted cash flows of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Less than 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
<b>Group</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured Loan and Bond Facilities	348,994	(405,788)	(25,787)	(380,001)	-
Trade and other payables*	32,371	(32,371)	(18,283)	(13,488)	(600)
Lease liabilities	77,029	(128,036)	(5,139)	(25,697)	(97,200)
	<u>458,394</u>	<u>(566,195)</u>	<u>(49,209)</u>	<u>(419,186)</u>	<u>(97,800)</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps (net-settled)	405	148	159	(11)	-
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured Loan Facilities	315,370	(350,913)	(122,185)	(228,728)	-
Trade and other payables*	37,316	(37,316)	(22,994)	(12,170)	(2,152)
Lease liabilities	76,087	(128,939)	(4,974)	(24,868)	(99,097)
	<u>428,773</u>	<u>(517,168)</u>	<u>(150,153)</u>	<u>(265,766)</u>	<u>(101,249)</u>
<b>Trust</b>					
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured Loan and Bond Facilities	348,994	(405,788)	(25,787)	(380,001)	-
Trade and other payables*	32,380	(32,380)	(18,292)	(13,488)	(600)
Lease liabilities	77,029	(128,036)	(5,139)	(25,697)	(97,200)
	<u>458,403</u>	<u>(566,204)</u>	<u>(49,218)</u>	<u>(419,186)</u>	<u>(97,800)</u>
<b>Derivate financial liabilities</b>					
Interest rate swaps (net-settled)	405	148	159	(11)	-
<b>2023</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured Loan Facilities	315,370	(350,913)	(122,185)	(228,728)	-
Trade and other payables*	37,324	(37,324)	(23,002)	(12,170)	(2,152)
Lease liabilities	76,087	(128,939)	(4,974)	(24,868)	(99,097)
	<u>428,781</u>	<u>(517,176)</u>	<u>(150,161)</u>	<u>(265,766)</u>	<u>(101,249)</u>

\* Trade and other payables exclude rental received in advance.

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their earliest possible contractual maturity.

It is not expected that the cash flows included in the maturity analysis of the Group and the Trust could occur significantly earlier, or at significantly different amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 12.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group does not have any exposure to foreign exchange rates and equity price risks.

### 12.6 Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Group adopts a policy of ensuring that majority of its exposures to changes in interest rates on borrowings is on a fixed-rate basis. This is achieved by entering into interest rate swaps and fixed rate borrowings.

#### *Derivatives*

The Group holds interest rate swaps to manage its exposure to interest rate movements on its floating rate bearing Unsecured Loan Facilities by swapping the interest rates on a proportion of these loan facilities from floating rates to fixed rates. The interest rate swaps have floating legs that are indexed to SORA as at 31 December 2024. At 31 December 2024, all interest rate swaps have floating legs that are indexed to SORA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

#### **Interest rate profile**

As at the reporting date, the interest rate profile of interest -bearing financial instruments was:

	Group		Trust	
	Nominal amount		Nominal amount	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Variable rate instruments</b>				
Financial liabilities	(353,000)	(318,000)	(353,000)	(318,000)
Effects of interest rate swaps	160,000	242,500	160,000	242,500
Effects of fixed rate borrowings	100,000	-	100,000	-
	<u>(93,000)</u>	<u>(75,500)</u>	<u>(93,000)</u>	<u>(75,500)</u>

#### **Fair value sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and liabilities at fair value through Statements of Total Return and the Group does not designate interest rate swaps as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the Statements of Total Return.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 12.6 Interest rate risk (continued)

#### *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rate at the reporting date would (decrease)/increase total return for the year by the amounts shown below. The analysis assumes that all variables remain constant.

	<b>Total return for the year</b>	
	<b>50 bp increase \$'000</b>	<b>50 bp decrease \$'000</b>
<b>Group and Trust</b>		
<b>2024</b>		
Financial liabilities	(465)	465
<b>2023</b>		
Financial liabilities	(378)	378

## 13. GROSS REVENUE

	<b>Group and Trust</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Property rental income	72,961	70,713
Other operating income	40,347	41,162
	<u>113,308</u>	<u>111,875</u>

## 14. PROPERTY EXPENSES

	<b>Group and Trust</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Service, repair and maintenance expenses	8,668	7,240
Property and lease management fees	3,376	3,319
Property tax	7,313	7,987
Utilities	33,788	35,832
Impairment loss on trade receivables	1,203	1,387
Others	1,508	1,136
	<u>55,856</u>	<u>56,901</u>

Property expenses represent the direct operating expenses arising from rental of investment properties.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 15. FINANCE INCOME AND COSTS

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Finance income:</b>				
Interest income from fixed deposits	60	–	60	–
Interest on late payment of rent	88	155	88	155
	<u>148</u>	<u>155</u>	<u>148</u>	<u>155</u>
<b>Finance costs:</b>				
Term Loan Facility	12,288	16,303	12,288	16,303
Revolving Loan Facility	3,391	1,029	3,391	1,029
Bond facility	2,160	–	2,160	–
Interest rate swaps*	(3,004)	(5,017)	(3,004)	(5,017)
Amortisation of transaction costs	3,027	1,067	3,027	1,067
	<u>17,862</u>	<u>13,382</u>	<u>17,862</u>	<u>13,382</u>
<b>Finance costs relating to lease liabilities</b>				
	<u>3,241</u>	<u>3,231</u>	<u>3,241</u>	<u>3,231</u>
	<u>21,103</u>	<u>16,613</u>	<u>21,103</u>	<u>16,613</u>
<b>Net finance costs</b>				
	<u>20,955</u>	<u>16,458</u>	<u>20,955</u>	<u>16,458</u>

\* Except for the finance costs arising from interest rate swaps, all other finance income and cost items represent the interest income and expenses in respect of financial assets and liabilities not carried at fair value through the Statements of Total Return.

## 16. OTHER TRUST EXPENSES

	Group		Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration				
– audit fees	288	221	278	221
– non-audit fees	50	65	46	62
Valuation fees	105	100	105	100
Professional fees	392	215	383	208
Service fees payable to a subsidiary	–	–	23	10
Other expenses <sup>(1)</sup>	6,933	5,079	6,933	5,079
	<u>7,768</u>	<u>5,680</u>	<u>7,768</u>	<u>5,680</u>

<sup>(1)</sup> Other expenses comprised of expenses incurred and accrued for the period from 1 January 2024 to 31 December 2024, in respect of implementation of the resolutions passed at the extraordinary general meeting of Sabana Industrial REIT held on 7 August 2023 to effect the internalisation, amounting to \$6,751,000. (1 January 2023 to 31 December 2023: \$4,643,000)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 17. TAX EXPENSE

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Tax expense</b>				
Current year <sup>(1)</sup>	584	556	584	556
<b>Reconciliation of effective tax rate</b>				
Total return for the year before taxation and distribution	11,955	18,628	11,955	18,628
Tax using Singapore tax rate of 17% (2023: 17%)	2,032	3,167	2,032	3,167
Non-tax deductible items	4,884	3,409	4,884	3,409
Tax exempt income	(867)	(844)	(867)	(844)
Tax transparency	(5,465)	(5,176)	(5,465)	(5,176)
	584	556	584	556

<sup>(1)</sup> Under the tax transparency treatment, the Trustee is not subject to income tax on the taxable income of the Trust to the extent of the amount distributed provided the Trust distributes at least 90% of the taxable income for the relevant financial year. The taxable income that is not distributed by the Trust for the relevant financial year is subject to income tax at the prevailing rate (currently 17%). The income tax, amounting to approximately \$578,000, therefore represents the income tax payable on the taxable income for the year ended 31 December 2024 that is not distributed by the Trust, i.e., approximately 10% of the taxable income for the year ended 31 December 2024. The remaining income tax, amounting to approximately \$6,000, relates to the income tax payable accounted for the income generated from the solar project, which are taxable under the tax transparency treatment.

## 18. EARNINGS PER UNIT

### Basic and diluted earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of Units during the year.

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Total return for the year after taxation and before distribution	11,371	18,072	11,371	18,072
Units in issue at beginning of year	1,111,788	1,096,121	1,111,788	1,096,121
Effect of issue of new Units:				
– Distribution Reinvestment Plan	10,403	7,506	10,403	7,506
Weighted average number of Units at end of year	1,122,191	1,103,627	1,122,191	1,103,627
Earnings per unit (cents)	1.01	1.64	1.01	1.64

The diluted earnings per Unit is the same as the basic earnings per Unit for the Group and the Trust as there are no EPU dilutive financial instruments in issue.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 19. FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values of non-financial assets and liabilities are disclosed in the relevant notes specific to that non-financial asset or liability.

Fair values of financial instruments are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability.

If the inputs used to measure the fair values of a financial instrument fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfer between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount			Fair value			
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2024</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>#</sup>	7	-	11,614	11,614				
Cash and cash equivalents	8	-	18,482	18,482				
		-	30,096	30,096				
<b>Financial assets measured at fair value</b>								
Derivative assets	6	707	-	707	-	707	-	707
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>*</sup>	9	-	(13,239)	(13,239)				
Security deposits	9	-	(19,132)	(19,132)	-	-	(19,132)	(19,132)
Borrowings	10	-	(348,994)	(348,994)	-	(348,994)	-	(348,994)
		-	(381,365)	(381,365)				
<b>Financial liabilities measured at fair value</b>								
Derivative liabilities	6	(405)	-	(405)	-	(405)	-	(405)

<sup>#</sup> exclude prepayments

<sup>\*</sup> exclude security deposits and rental received in advance

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 19. FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS (CONTINUED)

### Accounting classifications and fair values (continued)

Group	Note	Carrying amount			Fair value			
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2023</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>#</sup>	7	-	7,277	7,277				
Cash and cash equivalents	8	-	16,065	16,065				
		-	23,342	23,342				
<b>Financial assets measured at fair value</b>								
Derivative assets	6	2,655	-	2,655	-	2,655	-	2,655
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables*	9	-	(19,728)	(19,728)				
Security deposits	9	-	(17,588)	(17,588)	-	-	(17,588)	(17,588)
Borrowings	10	-	(315,370)	(315,370)	-	(315,370)	-	(315,370)
		-	(352,686)	(352,686)				

<sup>#</sup> exclude prepayments

\* exclude security deposits and rental received in advance

Trust	Note	Carrying amount			Fair value			
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2024</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>#</sup>	7	-	11,614	11,614				
Cash and cash equivalents	8	-	18,482	18,482				
		-	30,096	30,096				
<b>Financial assets measured at fair value</b>								
Derivative assets	6	707	-	707	-	707	-	707
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables*	9	-	(13,248)	(13,248)				
Security deposits	9	-	(19,132)	(19,132)	-	-	(19,132)	(19,132)
Borrowings	10	-	(348,994)	(348,994)	-	(348,994)	-	(348,994)
		-	(381,374)	(381,374)				
<b>Financial liabilities measured at fair value</b>								
Derivative liabilities	6	(405)	-	(405)	-	(405)	-	(405)

<sup>#</sup> exclude prepayments

\* exclude security deposits and rental received in advance

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 19. FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS (CONTINUED)

### Accounting classifications and fair values (continued)

Trust	Note	Carrying amount			Fair value			
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2023</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>#</sup>	7	-	7,277	7,277				
Cash and cash equivalents	8	-	16,065	16,065				
		-	23,342	23,342				
<b>Financial assets measured at fair value</b>								
Derivative assets	6	2,655	-	2,655	-	2,655	-	2,655
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables*	9	-	(19,736)	(19,736)				
Security deposits	9	-	(17,588)	(17,588)	-	-	(17,588)	(17,588)
Borrowings	10	-	(315,370)	(315,370)	-	(315,370)	-	(315,370)
		-	(352,694)	(352,694)				

<sup>#</sup> exclude prepayments

\* exclude security deposits and rental received in advance

### Measurement of fair values

The following shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

#### Group and Trust

Type	Valuation technique	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Interest rate swaps	The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.	Not applicable	Not applicable

#### Financial instruments not measured at fair value

#### Borrowings

The carrying amounts of interest-bearing borrowings which are repriced within 3 months from the reporting date approximate their fair values.

#### Lease liabilities

The carrying amounts of lease liabilities uses discounted cash flows model to consider the present value of expected payment, discounted using an incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 20. OPERATING SEGMENTS

The operating segment information is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the Manager's senior management.

Segment gross revenue comprises mainly income generated from tenants. Segment net property income represents the income earned by each segment after allocating property expenses.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, other receivables, borrowings and other payables.

The Group has four reportable segments whose information are presented in the tables below:

	← Group →				
	High-tech industrial \$'000	Chemical warehouse & logistics \$'000	Warehouse & logistics \$'000	General industrial \$'000	Total \$'000
<b>2024</b>					
Gross revenue	79,088	4,594	22,028	7,598	113,308
Property expenses	(44,369)	(2,264)	(6,844)	(2,379)	(55,856)
<b>Segment net property income</b>	34,719	2,330	15,184	5,219	57,452
Net change in fair value of investment properties	(5,218)	(1,780)	1,205	(3,546)	(9,339)
Unallocated amounts:					
- Finance income					148
- Finance costs					(17,862)
- Finance costs relating to lease liabilities					(3,241)
- Other expenses					(12,897)
- Net change in fair value of financial derivatives					(2,306)
<b>Total profit for the year before taxation</b>					<u>11,955</u>
<b>Assets and liabilities</b>					
Segment assets:					
- Investment properties	593,917	74,662	229,194	95,156	992,929
- Others	311	3,685	155	289	4,440
Unallocated assets					27,208
Total assets					<u>1,024,577</u>
<b>Segment liabilities:</b>					
- Lease liabilities	17,617	13,662	27,694	18,056	77,029
- Others	21,286	1,901	4,576	1,796	29,559
Unallocated liabilities:					
- Borrowings					348,994
- Others					4,095
Total liabilities					<u>459,677</u>
<b>Other segment information</b>					
Capital expenditure	10,114	405	478	29	<u>11,026</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 20. OPERATING SEGMENTS (CONTINUED)

### Geographical segments

	← Group →				Total \$'000
	High-tech industrial \$'000	Chemical warehouse & logistics \$'000	Warehouse & logistics \$'000	General industrial \$'000	
<b>2023</b>					
Gross revenue	76,835	5,575	21,136	8,329	111,875
Property expenses	(46,420)	(2,052)	(6,364)	(2,065)	(56,901)
<b>Segment net property income</b>	30,415	3,523	14,772	6,264	54,974
Net change in fair value of investment properties	(4,991)	498	851	80	(3,562)
Unallocated amounts:					
- Finance income					155
- Finance costs					(13,382)
- Finance costs relating to lease liabilities					(3,231)
- Other expenses					(10,602)
- Net change in fair value of financial derivatives					(5,724)
<b>Total profit for the year before taxation</b>					<u>18,628</u>
<b>Assets and liabilities</b>					
Segment assets:					
- Investment properties	587,913	74,380	218,993	98,701	979,987
- Others	171	2,772	79	187	3,209
Unallocated assets					22,895
Total assets					<u>1,006,091</u>
Segment liabilities:					
- Lease liabilities	17,213	13,380	27,593	17,901	76,087
- Others	21,956	835	5,610	2,705	31,106
Unallocated liabilities:					
- Borrowings					315,370
- Others					6,990
Total liabilities					<u>429,553</u>
<b>Other segment information</b>					
Capital expenditure	17,830	(154)	1,159	574	<u>19,409</u>

Segment information in respect of the Group's geographical segments is not presented as the Group's activities for the years ended 31 December 2024 and 31 December 2023 related wholly to properties located in Singapore.

### Major customer

A major customer group contributed approximately \$5.3 million (2023: \$5.1 million) of the Group's total revenues from the High-tech industrial (2023: High-tech industrial) for the year ended 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 21. LEASES

### Leases as lessee

As a lessee, the Group pays land rent to JTC on an annual basis for certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year.

### Lease liabilities included in the Statements of Financial Position at 31 December 2024

	Group and Trust	
	2024	2023
	\$'000	\$'000
Current	1,963	1,812
Non-current	75,066	74,275
	<u>77,029</u>	<u>76,087</u>

### Amounts recognised in Statements of Total Return

	Group and Trust	
	2024	2023
	\$'000	\$'000
<b>Leases under FRS 116</b>		
Finance costs relating to lease liabilities	<u>3,241</u>	<u>3,231</u>

### Amounts recognised in Consolidated Statement of Cash Flows

	Group and Trust	
	2024	2023
	\$'000	\$'000
Total cash outflow for leases	<u>5,097</u>	<u>4,967</u>

### Extension options

Some land leases contain extension options exercisable by the Group at the expiry of the lease term. The Group assessed that it is reasonably certain to exercise the extension options and have included the optional land lease term in the measurement of lease liabilities. Lease liabilities arising from the optional land lease term included in lease liabilities as at 31 December 2024 amounted to \$39.9 million (2023: \$38.9 million).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 21. LEASES (CONTINUED)

### Leases as lessor

As a lessor, the Group leases out their investment properties under operating lease agreements. Note 3.3(ii) sets out information about the operating leases of investment property.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024	2023
	\$'000	\$'000
<b>Operating leases under FRS 116</b>		
Less than 1 year	71,872	68,886
1 to 2 years	73,016	56,970
2 to 3 years	54,536	37,384
3 to 4 years	37,163	21,226
4 to 5 years	21,957	13,150
More than 5 years	16,901	19,734
<b>Total lease receivables</b>	<b>275,445</b>	<b>217,350</b>

## 22. RELATED PARTIES

In the normal course of its business, the Group carried out transactions with parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group and Trust	
	2024	2023
	\$'000	\$'000
Manager's fees and reimbursables paid/payable to the Manager	4,749	4,557
Property/lease management fees and reimbursables paid/payable to the Property Manager	3,376	3,319
Trustee fees paid/payable to the Trustee	379	364

## 23. FINANCIAL RATIOS

	Group	
	2024	2023
	%	%
Ratio of expenses to weighted average net assets <sup>(1)</sup>		
- including performance component of Manager's fees	2.25	1.83
- excluding performance component of Manager's fees	2.25	1.83

<sup>(1)</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance costs and income tax expense.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 24. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to FRSs—Volume 11	1 January 2027
Presentation and Disclosure in Financial Statements	1 January 2027

The Group expects that the adoption of the standards above will have no significant impact on the financial statements in the year of initial application.

## 25. EXTRAORDINARY GENERAL MEETING

At the extraordinary general meeting of Sabana Industrial REIT ("**EGM**") 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. ("**SREIM**") 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 "**Internalisation Resolutions**").

In furtherance of the Internalisation Resolutions, the Trustee has since (amongst others):

- (i) received the approval of Unitholders for certain proposed amendments to the trust deed constituting Sabana Industrial REIT to facilitate the proposed internalisation pursuant to an EGM held on 6 August 2024;
- (ii) submitted the capital markets services licence application for the new internalised manager of Sabana Industrial REIT (the "**New Internalised Manager**") to the Monetary Authority of Singapore (the "**CMS Licence Application**"); and
- (iii) received the approval of Unitholders in respect of director candidates to be appointed and/or endorsed as directors of the board of the New Internalised Manager, subject to the requisite approvals of the Monetary Authority of Singapore having been obtained.

The Trustee has also issued various statements to Unitholders (the "**Trustee Statements**") where the Trustee has provided updates to Unitholders in relation to the implementation of the Internalisation Resolutions, including but not limited to:

- (a) the outcome of the originating application (in HC/OA 19/2024) under Order 32 of the Rules of Court 2021 of Singapore;
- (b) the dismissal of the appeal (in AD/CA 37/2024) by the ESR Entities<sup>1</sup> in the Appellate Division of the High Court of Singapore;
- (c) the workstreams concerning the status and progress of the CMS Licence Application; and
- (d) the identification of personnel for the New Internalised Manager (i.e. a suitable board of directors and qualified management personnel).

The Trustee has stated in the Trustee Statements that it will continue to provide further updates and engage with Unitholders in respect of material developments. All updates from the Trustee (including the Trustee Statements) are and will be made available via SGXNet.

<sup>1</sup> The "ESR Entities" refer to ESR Group Limited, E-Shang Jupiter Cayman Limited and E-Shang Infinity Cayman Limited collectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 25. EXTRAORDINARY GENERAL MEETING (CONTINUED)

Given the inherent uncertainties involved in the internalisation process, while the Trustee has, by way of the Trustee Statements, provided certain updates on the costs incurred in connection with the implementation of the internalisation process, it is not possible for the Trustee to provide a projection or estimate on the total cost of internalisation, which is still ongoing. Nothing in these financial statements should be construed as a statement or forecast by the Trustee of the cost of internalisation.

Additionally, the Manager refers to its announcement dated 17 January 2025 ("**17 January Announcement**") in relation to the requisition by certain unitholders of Sabana Industrial REIT requesting the Manager to convene an extraordinary general meeting of Sabana Industrial REIT to consider certain resolutions. As mentioned in the 17 January Announcement, the Manager is considering this requisition notice, consulting with the Trustee and seeking legal advice and that further announcements will be made on SGXNET in due course.

The Manager would like to draw attention to the potential financial implication to Sabana Industrial REIT arising from the implementation of the Internalisation Resolutions. 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 Guarantee & Investment Facility ("**CGIF**"), as guarantor for Sabana Industrial REIT's five year senior unsecured sustainability-linked guaranteed bonds due in 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 then 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.

## 26. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 13 February 2025.

# ADDITIONAL INFORMATION

## INTERESTED PARTY TRANSACTIONS

Interested person transactions (for the purposes of the Listing Manual of the SGX-ST) and interested party transactions (for the purposes of the Property Funds Appendix) (collectively "Related Party Transactions") during the financial year are as follows.

Name of Interested Person	Nature of Relationship	Aggregate value of all Related Party Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 <sup>(1)</sup> of the Listing Manual)  S\$'000	Aggregate value of all Related Party Transactions conducted under Unitholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)  S\$'000
<b>ESR Group Limited and its subsidiaries</b> – Manager's fees – Property and lease management fees	The Sponsor of Sabana Industrial REIT and its associates.	4,749 3,376	– –
<b>HSBC Institutional Trust Services (Singapore) Limited and its associates</b> – Trustee's fees – Finance costs	The Trustee of Sabana Industrial REIT and its associates.	379 6,598	– –

## TOTAL OPERATING EXPENSES <sup>(2)</sup>

Description	S\$'000
Total operating expenses <sup>(3)</sup> (inclusive of interested party expenses paid to the Manager and interested parties)	68,750
Total operating expenses as a percentage of net asset value (As at 31 December 2024)	12.2%

Notes:

- (1) There were no transactions conducted under Unitholders' mandate pursuant to Rule 920 during FY 2023.
- (2) For the purpose of complying with paragraph 11.1(l) of the Property Funds Appendix.
- (3) Total operating expenses include property expenses and other trust expenses but do not include finance costs

Save as disclosed above, there were no other Related Party Transactions (excluding transactions of less than S\$100,000 each) entered into during the financial year under review.

The fees, charges and rents payable by Sabana Industrial REIT under the Trust Deed, the Property Management Agreement and the Individual Property Management Agreements entered into with the Sponsor and its subsidiaries (collectively, the "**Exempted Agreements**"), each of which constitutes a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units at the initial public offering of Sabana Industrial REIT on the SGX-ST on 26 November 2010 and are therefore not subject to Rules 905 and 906 of the Listing Manual for the period stated in the agreement to the extent that (in relation to the Trust Deed, the Property Management Agreement and the Individual Property Management Agreements) there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Sabana Industrial REIT. Any renewal of the Property Management Agreement and the Individual Property Management Agreements will be subject to Rules 905 and 906 of the Listing Manual.

# STATISTICS OF UNITHOLDINGS

At 20 February 2025

## ISSUED AND FULLY PAID UP UNITS

(As at 20 February 2025)

There were 1,125,055,242 Units (voting rights: one vote per Unit) outstanding as at 20 February 2025. There is only one class of Units in Sabana Industrial REIT.

Market capitalisation \$416.3 million based on market closing price of \$0.37 on 20 February 2025.

There are no treasury Units in Sabana Industrial REIT and none of the subsidiaries of Sabana Industrial REIT hold any Units.

## DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	249	2.59	12,556	0.00
100 - 1,000	999	10.40	784,187	0.07
1,001 - 10,000	4,038	42.03	20,511,437	1.82
10,001 - 1,000,000	4,288	44.63	227,441,877	20.22
1,000,001 AND ABOVE	34	0.35	876,305,185	77.89
<b>TOTAL</b>	<b>9,608</b>	<b>100.00</b>	<b>1,125,055,242</b>	<b>100.00</b>

## TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	377,636,041	33.57
2	RHB BANK NOMINEES PTE LTD	228,230,043	20.29
3	DBS NOMINEES (PRIVATE) LIMITED	56,056,557	4.98
4	HSBC (SINGAPORE) NOMINEES PTE LTD	46,629,595	4.14
5	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	36,362,344	3.23
6	ABN AMRO CLEARING BANK N.V.	33,756,641	3.00
7	RAFFLES NOMINEES (PTE.) LIMITED	11,180,059	0.99
8	PHILLIP SECURITIES PTE LTD	9,305,233	0.83
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	8,786,533	0.78
10	MEREN PTE LTD	7,600,000	0.68
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,348,909	0.65
12	OCBC SECURITIES PRIVATE LIMITED	6,315,516	0.56
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,100,643	0.45
14	CHUA MAISIE	3,929,100	0.35
15	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,746,878	0.33
16	MAYBANK SECURITIES PTE. LTD.	3,720,726	0.33
17	NG PAU LING SIMON	3,285,703	0.29
18	IFAST FINANCIAL PTE. LTD.	3,070,565	0.27
19	UOB KAY HIAN PTE LTD	3,055,713	0.27
20	LEE AI LENG	3,000,000	0.27
<b>TOTAL</b>		<b>858,116,799</b>	<b>76.26</b>

# STATISTICS OF UNITHOLDINGS

At 20 February 2025

## UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors' Unitholdings as at 21 January 2025)

Directors	Direct interest		Deemed interest	
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>
Tan Cheong Hin	-	-	-	-
Wong Heng Tew	-	-	-	-
Elaine Lim	-	-	-	-

### Notes:

<sup>(1)</sup> The percentage interest is based on total issued Units of 1,125,055,242 as at 21 January 2025

## SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholdings as at 20 February 2025)

Substantial Unitholders	Direct interest		Deemed interest	
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>
Quarz Capital ASIA (Singapore) Pte. Ltd. <sup>(2)</sup>	-	-	138,799,514	12.34
Mr Jan Frederic Moermann <sup>(3)</sup>	-	-	138,799,514	12.34
Volare Group AG	222,638,338	19.79	-	-
Mr Daniel Sieber <sup>(4)</sup>	-	-	222,638,338	19.79
e-Shang Infinity Cayman Limited <sup>(5)</sup>	221,983,366	19.73	-	-
e-Shang Jupiter Cayman Limited <sup>(6)</sup>	-	-	221,983,366	19.73
ESR Group Limited <sup>(6)</sup>	12,973,315	1.15	221,983,366	19.73

### Notes:

<sup>(1)</sup> The percentage interest is based on total issued Units of 1,125,055,242 as at 20 February 2025.

<sup>(2)</sup> Quarz Capital ASIA (Singapore) Pte. Ltd. is deemed interested in the shares in its capacity as investment advisor and fund manager of various funds and accounts.

<sup>(3)</sup> Mr Jan Frederic Moermann's deemed interest is attributed to his substantial interest in Quarz Capital ASIA (Singapore) Pte. Ltd.

<sup>(4)</sup> Mr Daniel Sieber's deemed interest is attributed to his substantial interest in Volare Group AG. Mr Daniel Sieber has a controlling interest in Volare Group AG.

<sup>(5)</sup> e-Shang Infinity Cayman Limited, a company established in the Cayman Islands, is a wholly-owned subsidiary of e-Shang Jupiter Cayman Limited ("**ES Jupiter**"), a company established in the Cayman Islands.

<sup>(6)</sup> ES Jupiter, a company established in the Cayman Islands, is a 100% owned subsidiary of ESR Group Limited (formerly known as ESR Cayman Limited) ("**ESR**"), a company established in the Cayman Islands.

## Free Float

Under Rule 723 of the Listing Manual, a listed issuer must ensure that at least 10.00% of its listed securities are at all times held by the public.

Based on information available to the Manager as at 20 February 2025, 46.97% of the Units in Sabana Industrial REIT are held in the hands of public. Accordingly, Rule 723 of the Listing Manual has been complied with.

# NOTIFICATION OF NOTICE OF AGM AND PROXY FORM

The Annual General Meeting ("**AGM**") for the financial year ended 31 December 2024 will be physically held on Tuesday, 22 April 2025 at 10.30 a.m.

In addition to printed copies of the Notice of AGM that will be sent by post to unitholders of Sabana Industrial REIT ("**Unitholders**"), the Notice of AGM will also be sent to Unitholders by electronic means via publication on Sabana Industrial REIT's website at <http://www.sabana-reit.com/> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

The Notice of AGM and Proxy Form can be downloaded electronically on our corporate website at <https://sabana.listedcompany.com/agm-egm.html> or by scanning the QR code below:



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