



SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

INCOME AVAILABLE FOR DISTRIBUTION PER UNIT FOR 1H 2025 GREW 27.2% YEAR-ON-YEAR TO 1.87 CENTS, HIGHEST SINCE 1H 2018

- Declared Distribution Per Unit for 1H 2025 increased 26.9% y-o-y to 1.70 cents
- 1H 2025 Net Property Income increased by 23.4% y-o-y to \$33.5 million
- Positive rental reversion of 12.6% for 1H 2025 and 8.9% in 2Q 2025
- Overall portfolio occupancy of 85.7%, with 92.2% of gross rental income on portfolio level contributed by multi-tenanted properties

Summary of Results

(\$'m)	2Q 2025	2Q 2024	Variance(%)	1H 2025	1H 2024	Variance (%)
Gross Revenue ^(a)	30.2	27.3	10.6	59.3	55.2	7.6
Net Property Income ("NPI") ^(a)	17.5	14.0	24.8	33.5	27.2	23.4
Total Income Available for Distribution ^(b)	11.4	9.0	26.5	21.1	16.6	26.8
Income Available for Distribution Per Unit (cents)	1.01	0.79	27.8	1.87	1.47	27.2
Total Distributable Amount Declared ^(b)	-	-	-	19.1	15.1	26.9
Declared Distribution Per Unit ("DPU") (cents)	-	-	-	1.70	1.34	26.9

(a) Please refer to the other information section of the Interim Financial Information for explanation of the variances.

(b) Approximately 10.0% of distributable income for 1H 2025 was retained for prudent capital management in view of costs incurred and to be incurred in connection with the internalisation

Singapore, 23 July 2025 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Industrial Real Estate Investment Trust ("**Sabana Industrial REIT**" or the "**REIT**"), today reported financial results for the second quarter ("**2Q 2025**") and first half financial year ended 30 June 2025 ("**1H 2025**"). Gross revenue for 1H 2025 rose by 7.6% year-on-year ("**y-o-y**") to \$59.3 million while NPI achieved a 23.4% y-o-y increase to \$33.5 million, supported by higher overall occupancy and sustained positive rental reversions.

Mr Donald Han, Chief Executive Officer of the Manager of Sabana Industrial REIT said, "We are very encouraged by the sterling performance of the REIT's portfolio in 1H 2025, enabling the Manager to achieve a significant 27.2% y-o-y increase in 1H 2025 income available for distribution per unit to 1.87 cents, highest since 1H 2018. We achieved this through organic growth efforts, without any support from new Asset Enhancement Initiatives or acquisitions. Our team's proactive leasing and asset management efforts have continued to yield results, sustaining our creditable track record with positive double-digit rental reversion in 1H 2025.

On the operating front, while portfolio occupancy declined marginally to 85.7% as at 30 June 2025 from 86.4% as at 31 March 2025, it has improved from 85.0% as at 31 December 2024. Given the strong economic headwinds driven by heightened policy uncertainty and increased trade barriers, we have initiated tenant engagement to begin 12 months ahead of lease expiries, instead of the previous six to nine months. In fact, we have renewed and/or activated for renewal about 60.1% of leases expiring in FY2026. Equally notable, a significant 92.2% of our portfolio gross rental income in 1H 2025 was contributed by multi-tenanted properties, which attests to our strategy of focusing on

multi-anchor tenancies to reduce concentration risks that could potentially arise from non-performance of master tenants.

The REIT's 1H 2025 performance serves as a strong testament to the Manager's ability to look within our current portfolio, extract value from existing assets and to continue to deliver growth organically. This is despite the multiple odds and challenges arising from the ongoing Internalisation Process¹ and external macro-uncertainties."

Mr Tan Cheong Hin, Chairman of the Board of Directors commented, "The Manager has remained focused on driving operational performance through our efforts to drive up occupancy and enhance tenant diversification. We will continue to press on to deliver operational value to our Unitholders, supported by prudent capital management, amidst the macroeconomic uncertainties."

Financial Highlights

In 2Q 2025, gross revenue increased by 10.6% y-o-y to \$30.2 million, uplifted by positive rental reversions and higher occupancy at majority of high-tech industrial properties including New Tech Park, Sabana@1TA4, 23 Serangoon North Avenue 5 and 15 Jalan Kilang Barat. NPI for the period increased 24.8% y-o-y to \$17.5 million on the back of higher gross revenue while benefitting from lower overall property expenses.

In 1H 2025, total income available for distribution rose 26.8% y-o-y to \$21.1 million. Income available for distribution per unit was 27.2% higher y-o-y at 1.87 cents. With the retention of approximately 10% of distributable income which will be deployed to fund costs incurred and to be incurred in connection with the internalisation, distribution amount declared per unit increased by 26.9% y-o-y to 1.70 cents for 1H 2025, compared to 1.34 cents for 1H 2024.

The total net retained amount utilised for the period from FY 2023 to 1H 2025 was \$7.19 million. For the period from 1 January 2025 to 30 June 2025, \$0.83 million of expenses were incurred in respect of the implementation of the resolutions passed on 7 August 2023 to effect the internalisation. Cumulative internalisation expenses incurred up to 30 June 2025 total \$12.22 million.

Proactive Leasing Management

In 1H 2025, the Manager has successfully executed a total of 39 new and renewed leases totaling 554,859 sq ft and achieved a tenant retention rate of 62.4%. Rental reversion was a positive 12.6% for 1H 2025, marking 18 consecutive quarters of positive rental reversions since 1Q 2021 and on the back of four consecutive years of positive double-digit rental reversions in FY 2021 (+10.5%), FY 2022 (+12.9%), FY 2023 (+16.6%) and FY 2024 (+20.6%). Weighted average lease expiry ("**WALE**") by gross rental income for the period was 2.8 years, with land leases averaging 25.9 years by gross floor area ("**GFA**").

Overall portfolio occupancy stood at 85.7% as at 30 June 2025 compared to 86.4% as at 31 March 2025 and 85.0% as at 31 December 2024. In particular, the occupancy rate of 151 Lorong Chuan ("**New Tech Park**") improved to 86.0% as at 30 June 2025, up from 80.8% as at 30 June 2024. This exceeded the occupancy rate of 75.9% in 1Q 2025 for business parks, of which New Tech Park is akin to, as reported by JTC².

In line with the Manager's leasing strategy towards multi-anchor tenancies, 92.2% of gross rental income on the portfolio level in 1H 2025 was contributed by multi-tenanted properties.

¹ Pursuant to the resolutions passed at the extraordinary general meeting of Sabana Industrial REIT held on 7 August 2023, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the "**Trustee**") was directed by unitholders of Sabana Industrial REIT ("**Unitholders**") to remove SREIM as the manager of Sabana Industrial REIT 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 Process**"). All updates from the Trustee in relation to the Internalisation Process (including the statements issued by the Trustee to Unitholders) are and will be made available via SGXNet.

² JTC Quarterly Market Report for 1Q 2025". JTC. 24 April 2025

Portfolio Valuation

Sabana Industrial REIT recorded a portfolio valuation of \$913.1 million as at 30 June 2025 for its diversified portfolio of 18 properties, a marginal decline from \$915.9 million as at 31 December 2024. This is attributable to the decaying land lease tenure. The full impact of the decaying land lease was however largely offset by higher signing rents and strong positive rental reversion across the portfolio supported by higher portfolio occupancy rates.

Prudent Capital Management

As at 30 June 2025, aggregate leverage was 37.7% with a weighted average debt maturity at 2.4 years. The average all-in financing cost was 4.47% as at 30 June 2025 compared to 4.57% as at 31 March 2025 and 4.42% as at 31 December 2024.

Weighted average all-in financing cost decreased quarter-on-quarter to 4.47%³ as at 30 June 2025 with 72.6% of the REIT's total borrowings hedged to fixed rates. The REIT's interest coverage ratio was 3.2 times as at 30 June 2025, with a debt headroom of \$117.6 million.

While the Internalisation Process is currently still ongoing, the Manager has approached the lenders for the potential extension of the loan facilities maturing in March 2026 totaling \$75.0 million. There is no certainty of loan extension approval.

Sustainability Highlights

Following the completion of the installation of rooftop solar panels across nine portfolio properties in 2024, the REIT has begun harnessing solar energy with a collective capacity of 7.6 Megawatt peak, potentially generating more than 9,000 Megawatt hours per year. The utilisation of solar energy contributes towards stabilising operational costs amid escalating costs and volatile energy prices faced by the REIT. The REIT is poised to become one of Singapore's first carbon neutral industrial REITs by 2040.

Ongoing Internalisation Process

The Trustee continues to engage with the Manager regularly to ensure the ongoing and stable operations of the REIT. The Trustee has been diligently working on, and has progressed, various workstreams to effect the internalisation. Unitholders may wish to refer to the various Trustee's Statements dated 8 August 2023, 29 August 2023, 4 October 2023, 7 November 2023, 6 December 2023, 15 December 2023, 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, 27 November 2024, 21 January 2025, 16 April 2025 and 21 May 2025 disclosing the Trustee's progress in its implementation of the internalisation.

The Trustee will provide further updates as and when there are material developments. All updates from the Trustee will be in the form of announcements via SGXNet.

Outlook

The Singapore economy grew by 4.3 percent y-o-y in the second quarter of 2025 based on advance estimates from the Ministry of Trade and Industry ("MTI"). This came on the back of a 4.1 per cent growth in the previous quarter. For the second half of 2025, MTI expects significant uncertainty and downside risks in the global economy given the lack of clarity over the tariff policies of the US⁴. In an earlier May report, the MTI had maintained Singapore's GDP growth forecast for 2025 at "0.0 to 2.0 per cent"⁵. Separately, the Monetary Authority of Singapore ("MAS") expects

³ Based on trailing 3 months, including guarantee fees and excluding amortisation of transaction costs

⁴ "Singapore's GDP grew by 4.3 per cent in the second quarter of 2025", Ministry of Trade and Industry, Singapore, 14 July 2025

⁵ "MTI maintains 2025 GDP growth forecast at "0.0 to 2.0 Per Cent"", Ministry of Trade and Industry Singapore, 22 May 2025

Singapore's GDP growth to be subdued over the rest of the year in line with its expectation for slowing global economic activity and external demand⁶.

According to JTC, the overall occupancy rate of the industrial property market in 1Q 2025 remained stable at 89.0%, unchanged from 4Q 2024. However, business parks occupancy fell to 75.9% in 1Q 2025, down from 77.9% in 4Q 2024⁷.

Cushman & Wakefield anticipates the incoming supply of new warehouse and business park spaces in 2025 to surge to levels above their respective ten-year historical averages⁸. Colliers highlighted that the impact of US tariffs will likely dampen manufacturing activity in the short-term and consequently, the demand and rents for factories. On the warehouse segment, it expects large third-party logistics operators to support leasing demand as more retailers and wholesalers outsource distribution to them amid increased macroeconomic uncertainty.⁹

Looking ahead, the REIT's prospects remain weighed down by rising geopolitical tensions, an uncertain global and regional trade outlook, and cost pressures. Against this backdrop, the Manager is prioritising efforts to optimise portfolio occupancy while mitigating operational costs and stabilising service charges (for common areas) to attract and retain cost conscious tenants. These efforts are underpinned by the Manager's solar initiatives completed last year, with the REIT expected to reap its first full year savings this year from the installation of these solar panels. In addition, the Manager has initiated tenant engagement 12 months ahead of lease expiries, from the previous six to nine months. Rental rates will also be kept competitive and nimble to market changes to attract new tenants.

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⁶ "Remarks by Mr Chia Der Jiun, Managing Director, MAS, at the MAS Annual Report 2024/2025 Media Conference". MAS, 15 July 2025

⁷ "JTC Quarterly Market Report for 1Q 2025". JTC, 24 April 2025

⁸ "MarketBeat Singapore. Industrial Q1 2025". Cushman & Wakefield, 10 April 2025

⁹ "Industry Q1 2025; Shifting Horizons". Colliers Research, 5 May 2025

Sabana Industrial REIT

Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2024, Sabana Industrial REIT has a diversified portfolio of 18 quality properties with a total gross floor area of approximately 4.2 million square feet in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to more than S\$1.0 billion as at 31 December 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 dated 29 October 2010 (as amended, varied or supplemented from time to time). Sabana Industrial REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

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

Important Notice

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

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