



SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

**PRESS RELEASE BY ESR CAYMAN LIMITED
REITERATING THERE ARE NO CONFLICTS OF INTEREST**

Sabana Real Estate Investment Management Pte. Ltd., manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**") and the manager of Sabana REIT, the "**Manager**") wishes to inform that ESR Cayman Limited ("**ESR Cayman**") has today issued a press release to reiterate that there are no conflicts of interest resulting from its interests in Sabana REIT and ESR-REIT and their respective managers.

For details, please refer to the press release which is attached hereto as Annex A.

For the avoidance of doubt, the press release has been prepared solely by ESR Cayman, and the Board of Directors of the Manager do not accept any responsibility for any information contained in the press release.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.
(Company registration no: 201005493K, Capital markets services licence no: CMS100169)
As Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust

Han Yong Lee
Chief Executive Officer
28 August 2020

For enquiries, please contact:

The Sabana Manager

Dianne Tan
Investor Relations
Telephone: +65 6580 7857

Primary Investor Contact

Credit Suisse (Singapore) Limited
Investment Banking & Capital Markets
Telephone: +65 6212 2000

Sabana REIT

Sabana REIT was listed on the SGX-ST on 26 November 2010. It was established principally to invest in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. As at 30 June 2020, Sabana 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. The total assets of the Group amount to approximately S\$0.9 billion as at 30 June 2020.

Sabana REIT is listed in several indices within the SGX S-REIT Index, Morgan Stanley Capital International, Inc (MSCI) Index and FTSE index. Sabana REIT is one of the constituents of the FTSE ST Singapore Shariah Index.

Sabana REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended). Sabana 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.

Directors' Responsibility Statement

The directors of the Manager (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement (other than those relating to ESR-REIT and/or the manager of ESR-REIT) are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. The directors of the Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including ESR-REIT and the manager of ESR-REIT), the sole responsibility of the directors of the Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The directors of the Manager do not accept any responsibility for any information relating to ESR-REIT and/or the manager of ESR-REIT.

Important Notice

The value of units in Sabana 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 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 the unitholders of Sabana REIT 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.

Annex A



HONG KONG, 28 August 2020 – ESR Cayman Limited ("**ESR Cayman**"; SEHK Stock Code: 1821) refers to the announcement on SGXNET dated 16 July 2020 and titled "Proposed Merger of ESR-REIT and Sabana Shari'ah Compliant Industrial Real Estate Investment Trust by Way of A Trust Scheme Of Arrangement" as announced jointly by the respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**"), and Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Real Estate Investment Trust ("**Sabana REIT**", and the manager of Sabana REIT, the "**Sabana REIT Manager**").

Further to the Business Times article released on 15 November 2019 titled "Sabana REIT, ESR-REIT sponsor says 'strict internal controls' in place for conflicts of interest"¹, ESR Cayman would like to reiterate that it is aware of the perceived conflicts of interest that may arise and has, from the outset, put in place strict internal controls to ensure that **there are no conflicts of interest** resulting from its interests in ESR-REIT and Sabana REIT and their respective managers.

ESR Cayman is committed to maintaining strong corporate governance and has already put in place safeguards from the outset. The safeguards are as follows:

1. Trust Structure Held Through Independent Third-Party Trustee Regulates Perceived Conflicts of Interests

While there is common ownership, there is no common sponsorship. ESR Cayman's stake in the Sabana REIT Manager is held through a trust (the "**Blackwood Trust**") with an independent third-party trustee licensed in Singapore acting in its capacity as trustee of Blackwood Trust (the "**Blackwood Trustee**").

There is also a thorough process of setting up the Blackwood Trust structure to ensure that all information regarding Sabana REIT's day-to-day operations, acquisitions and divestments of assets and strategic directions stay within the Sabana REIT Manager and ESR Cayman is not involved in any decision relating to Sabana REIT and has never received any such information relating to Sabana REIT from the Blackwood Trustee.

ESR Cayman's acquisition of the Sabana REIT Manager was approved by the Monetary Authority of Singapore in line with the Securities and Futures Act and on the basis of the controls that ESR Cayman has put in place.

2. Independent Board and Management

The management of each REIT is vested in the board of directors and management team of the respective REIT Managers. Since its ownership in the Sabana REIT Manager, ESR Cayman did not appoint any nominee directors on the board of the Sabana REIT Manager. The board of directors and management teams of each of the ESR-REIT Manager and Sabana REIT Manager are separate and distinct and there is no common director and/or overlap in management personnel. As such, the business and affairs of ESR-REIT and Sabana REIT are managed and operated entirely independently of each other.

¹ <https://www.businesstimes.com.sg/companies-markets/sabana-reit-esr-reit-sponsor-says-strict-internal-controls-in-place-for-conflicts>

Further, the Sabana REIT Chairman and Chief Executive Officer were appointed prior to ESR Cayman owning controlling stakes in Sabana REIT Manager in July 2019.

3. No Sharing of Information Between ESR-REIT Manager and Sabana REIT Manager

Given the independence of both REIT managers and the Blackwood Trust structure, ESR Cayman does not receive, and has not received any information regarding the day-to-day operations or acquisitions and divestment of assets relating to Sabana REIT and does not participate in any decision making process in relation thereto.

For the avoidance of doubt, ESR Cayman wishes to highlight that since its ownership of the Sabana REIT Manager, the Sabana REIT Manager has not consulted the Blackwood Trustee on any matters or decisions in relation to Sabana REIT. In the unlikely event that the Blackwood Trustee's deliberation is required, the Blackwood Trustee has full discretion to make all decisions in relation to the Sabana REIT Manager and Sabana REIT without consulting ESR Cayman, save in relation to the limited reserved matters that will affect ESR Cayman's shareholding interest in Blackwood Trust and/or the shareholding interest held by Blackwood Trust in the Sabana REIT Manager.

As such, it is evident that the strategic directions, businesses and affairs of ESR-REIT and Sabana REIT are managed and operated entirely independently of each other.

ESR Cayman firmly believes the consolidation of small, illiquid REITs to create a sizable, large liquid REIT with a portfolio that is scalable, diversified, resilient and backed by an aligned Developer-Sponsor will improve and create additional unitholder value in the long term.

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, CPP Investments, OMERS, PGGM and Ping An. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$26.5 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised 18.7 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit www.esr.com.

Investor Relations

Chang Rui Hua
Managing Director
Group Capital Markets and Investor Relations
+852 2376 9623 / +852 5506 7719
rh.chang@esr.com

Media

Antonia Au
Executive Director
Group Corporate Communications
+852 2376 9617
antonia.au@esr.com