

ESR-REIT

(a real estate investment trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

Managed by

ESR Funds Management (S) Limited

(Company Registration No: 200512804G)

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)

Managed by

Sabana Real Estate Investment Management

Pte. Ltd.

(Company Registration No: 201005493K)

LAPSE OF THE PROPOSED MERGER OF ESR-REIT AND SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

1. INTRODUCTION

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 Industrial Real Estate Investment Trust ("**Sabana REIT**"), and the manager of Sabana REIT, the "**Sabana Manager**", refer to:

- (a) the joint announcement (the "**Joint Announcement**") dated 16 July 2020 by the ESR-REIT Manager and the Sabana Manager 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 amended by the corrigendum to the Joint Announcement issued by the ESR-REIT Manager and the Sabana Manager on 7 August 2020;
- (b) the circular (the "**Circular**") dated 12 November 2020 issued by the ESR-REIT Manager to the unitholders of ESR-REIT in relation to the proposed merger of ESR-REIT and Sabana REIT by way of a trust scheme of arrangement (the "**Merger**");
- (c) the scheme document (the "**Scheme Document**") dated 12 November 2020 issued by the Sabana Manager to the unitholders of Sabana REIT in relation to the proposed amendments to the deed of trust constituting Sabana REIT (the "**Sabana Trust Deed**") and the Merger;
- (d) the announcement (the "**ESR-REIT EGM Results Announcement**") dated 4 December 2020 by the ESR-REIT Manager on the results of the extraordinary general meeting of ESR-REIT (the "**ESR-REIT EGM**") held on 4 December 2020; and
- (e) the announcement (the "**Sabana EGM Results Announcement**") dated 4 December 2020 by the Sabana Manager on the results of the extraordinary general meeting of Sabana REIT (the "**Sabana EGM**") held on 4 December 2020.

Unless otherwise defined, all capitalised terms in this announcement (this "**Announcement**") shall bear the same meaning as set out in the Circular and/or the Scheme Document.

2. LAPSE OF THE MERGER AND THE SCHEME

2.1 Sabana Trust Deed Amendments Resolution

As stated in the Circular and the Scheme Document, the Merger and the Scheme are conditional on, *inter alia*, the approval of the Sabana Unitholders holding in aggregate 75.0% or more of the total number of votes cast for and against the resolution at the Sabana EGM for the amendment of the Sabana Trust Deed to include provisions that will facilitate the implementation of the Scheme, in such form and substance as agreed in writing by the Parties (the "**Sabana Trust Deed Amendments Resolution**", and such condition precedent, the "**Relevant Condition**").

As stated in the Sabana EGM Results Announcement, the Sabana Manager has announced that the Sabana Trust Deed Amendments Resolution as set out in the Notice of Extraordinary General Meeting of the Sabana Unitholders dated 12 November 2020 was not passed by the Sabana Unitholders at the Sabana EGM held on 4 December 2020.

Accordingly, the Relevant Condition has not been fulfilled.

2.2 Implementation Agreement

In this regard, the Implementation Agreement provides that:

- (a) the Relevant Condition is not capable of being waived by any Party or all Parties; and
- (b) the Implementation Agreement may be terminated with immediate effect by any Party giving notice if the Relevant Condition is not fulfilled (provided that the Party seeking termination does so only after it has had prior consultation with the SIC and the SIC has given its approval for, and stated that it has no objection to, such termination).

The Sabana Manager has consulted with the SIC, and the SIC has confirmed that in the event the Relevant Condition is not fulfilled, Parties may terminate the Implementation Agreement on such basis. The Sabana Manager has given notice to the ESR-REIT Manager and the ESR-REIT Trustee of the termination of the Implementation Agreement, which has been acknowledged and confirmed by the ESR-REIT Manager and the ESR-REIT Trustee. Accordingly, the Implementation Agreement is terminated with immediate effect and the Merger and the Scheme have therefore lapsed with immediate effect.

3. NEWS RELEASE

Please refer to the news release dated 4 December 2020 by the ESR-REIT Manager titled "ESR-REIT Manager Announces Outcome of Unitholder Meetings in Relation to the Proposed Merger with Sabana REIT" and the news release dated 4 December 2020 by the Sabana Manager titled "Sabana REIT Manager Announces Outcome of Extraordinary General Meeting in Relation to the Proposed Merger with ESR-REIT" for further details.

4. **RESPONSIBILITY STATEMENTS**

ESR-REIT Manager. The directors of the ESR-REIT 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 Sabana REIT and/or the Sabana Manager) 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 ESR-REIT 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 Sabana REIT and/or the Sabana Manager), the sole responsibility of the directors of the ESR-REIT 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 ESR-REIT Manager do not accept any responsibility for any information relating to Sabana REIT and/or the Sabana Manager or any opinion expressed by Sabana REIT and/or the Sabana Manager.

Sabana Manager. The directors of the Sabana 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 ESR-REIT Manager) 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 Sabana 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/or the ESR-REIT Manager), the sole responsibility of the directors of the Sabana 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 Sabana Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

4 December 2020

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited
as Manager of ESR-REIT
(Company Registration No. 200512804G)

BY ORDER OF THE BOARD

**Sabana Real Estate Investment Management
Pte. Ltd.**
as Manager of Sabana Shari'ah Complaint
Industrial Real Estate Investment Trust
(Company Registration No. 201005493K)

Any queries relating to this Announcement, the Merger or the Scheme should be directed to one of the following:

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