



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)

ANNOUNCEMENT

RESPONSES TO ADDITIONAL SUBSTANTIAL AND RELEVANT QUESTIONS FROM SABANA UNITHOLDERS

DEADLINE FOR SUBMISSION OF PROXY FORMS ON 1 DECEMBER 2020

The Board of Directors (the "**Board**") of 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**") refers to:

- (a) the scheme document (the "**Scheme Document**") despatched electronically to the unitholders of Sabana REIT ("**Sabana Unitholders**") on 12 November 2020 in relation to the proposed amendments to the Sabana Trust Deed and the merger (the "**Merger**") of ESR-REIT and Sabana REIT by way of a trust scheme of arrangement (the "**Scheme**");
- (b) the announcement dated 20 November 2020 in relation to Sabana Manager's response to the first set of substantial and relevant questions received from the Sabana Unitholders;
- (c) the announcement dated 27 November 2020 in relation to the SIAS-Sabana REIT Virtual Dialogue Session held on 25 November 2020 and facilitated and moderated by Securities Investors Association (Singapore); and
- (d) the announcement dated 28 November 2020 in relation to Sabana Manager's response to the second set of substantial and relevant questions received from the Sabana Unitholders

Unless otherwise defined, all capitalised terms in this Announcement shall bear the same meaning as set out in the Scheme Document.

Reponses to additional queries from Sabana Unitholders

The Sabana Manager wishes to thank Sabana Unitholders for their questions in advance of the extraordinary general meeting ("**EGM**") and the scheme meeting ("**Scheme Meeting**"), which will be held by electronic means on **Friday, 4 December 2020** at **2.00 p.m.** and **2.30 p.m.** respectively. Sabana Manager's responses to the third set of substantial and relevant questions received to date from the Sabana Unitholders are set out in the Appendix to this Announcement. Sabana Manager values the questions which have been raised by Sabana Unitholders and has sought to respond to all substantial and relevant questions to the best of the Sabana Manager's knowledge and based on the latest information available.

IMPORTANT REMINDER

Sabana Unitholders are also urged to exercise their voting rights at the coming EGM and Scheme Meeting by completing and submitting the two proxy forms, namely [Proxy Form A \(EGM\)](#) (green-coloured) and [Proxy Form B \(Scheme Meeting\)](#) (beige-coloured), in the following manner:

- (i) if submitted electronically, be submitted via email to sabana-meetings@boardroomlimited.com;
or
- (ii) if submitted by post, be lodged at the office of the Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Sabana Unitholders are reminded that Proxy Form A (EGM) must reach the Unit Registrar NO LATER THAN **1 December 2020** at **2.00 p.m.** and Proxy Form B (Scheme Meeting) must reach the Unit Registrar NO LATER THAN **1 December 2020** at **2.30 p.m.**

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 (Donald)
Chief Executive Officer
1 December 2020

For enquiries, please contact:

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Appendix

Question 1:

After the merger of ESR-REIT and Sabana REIT approved, I will get Cash?

- This transaction is not an assets sale. It is a unit-for-unit Merger which the Scheme Consideration payable to the Sabana Unitholders will be satisfied in full by way of issuance of new ESR-REIT units, based on a gross exchange ratio of 0.940x.
- The consideration units in ESR-REIT offer the Sabana Unitholders the option to stay invested in an even larger, stronger and more resilient platform, and continue to reap the potential upside of both Sabana REIT's and ESR-REIT's assets. The Merger offers long-term upside to Sabana Unitholders as a result of the Enlarged REIT's greater size, diversification and resilience, which are particularly relevant in the current uncertain environment.
- If the Merger is approved, clean-up distribution accruing up to the day before the Scheme becomes effective (the "**Effective Date**") will be declared in favour of existing Sabana Unitholders. Based on the Expected Timetable in the Scheme Document (Pg 19), payment of clean-up distribution is expected to be made on 5 January 2021, assuming an expected 31 December 2020 Effective Date and a 30 December 2020 books closure date for determining Sabana Unitholders' entitlement to the clean-up distribution.
- The clean-up distribution includes (i) the distribution for 1 July 2020 to the day immediately before the Effective Date and (ii) the S\$6.1 million, to the extent unutilised, which was previously retained in 1H2020 for prudent cashflow management in view of uncertainties arising from the COVID-19 pandemic.
- Such clean-up distribution is payable in addition to the Scheme Consideration.

Question 2:

Is this compulsory to vote? What would be the impact if I didn't vote for this?

- At least 75% of Sabana REIT unitholders, by value, who vote need to approve the amendment of its trust deed to facilitate a trust scheme of arrangement.
- More than 50% of Sabana REIT unitholders, by headcount, who vote need to approve the trust scheme of arrangement and these >50% need to hold at least 75% of the value represented by those who vote.
- The outcome of the Merger is in the hands of independent Sabana Unitholders, as the concert parties of ESR-REIT, and common substantial unitholders of ESR-REIT and Sabana REIT, including ESR will be abstaining from voting on the Scheme, and it is therefore important that all independent unitholders exercise their right to vote.

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 September 2020, Sabana REIT has a diversified portfolio of 18 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to approximately S\$0.9 billion as at 30 September 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 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 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 ESR-REIT Manager), 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 ESR-REIT Manager.

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 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.