



## Corporate Connect Webinar

Organised by



Supported by



27 July 2021



An aerial photograph of a modern building at dusk. The building features a prominent rooftop garden with various plants and circular seating areas, all illuminated with warm, glowing lights. The roof is covered with a grid of dark metal panels. Several large satellite dishes are visible on the upper levels of the building. The text "NEW TECH PARK" is visible on the right side of the building's facade. The overall scene is set against a backdrop of lush green trees and a clear sky.

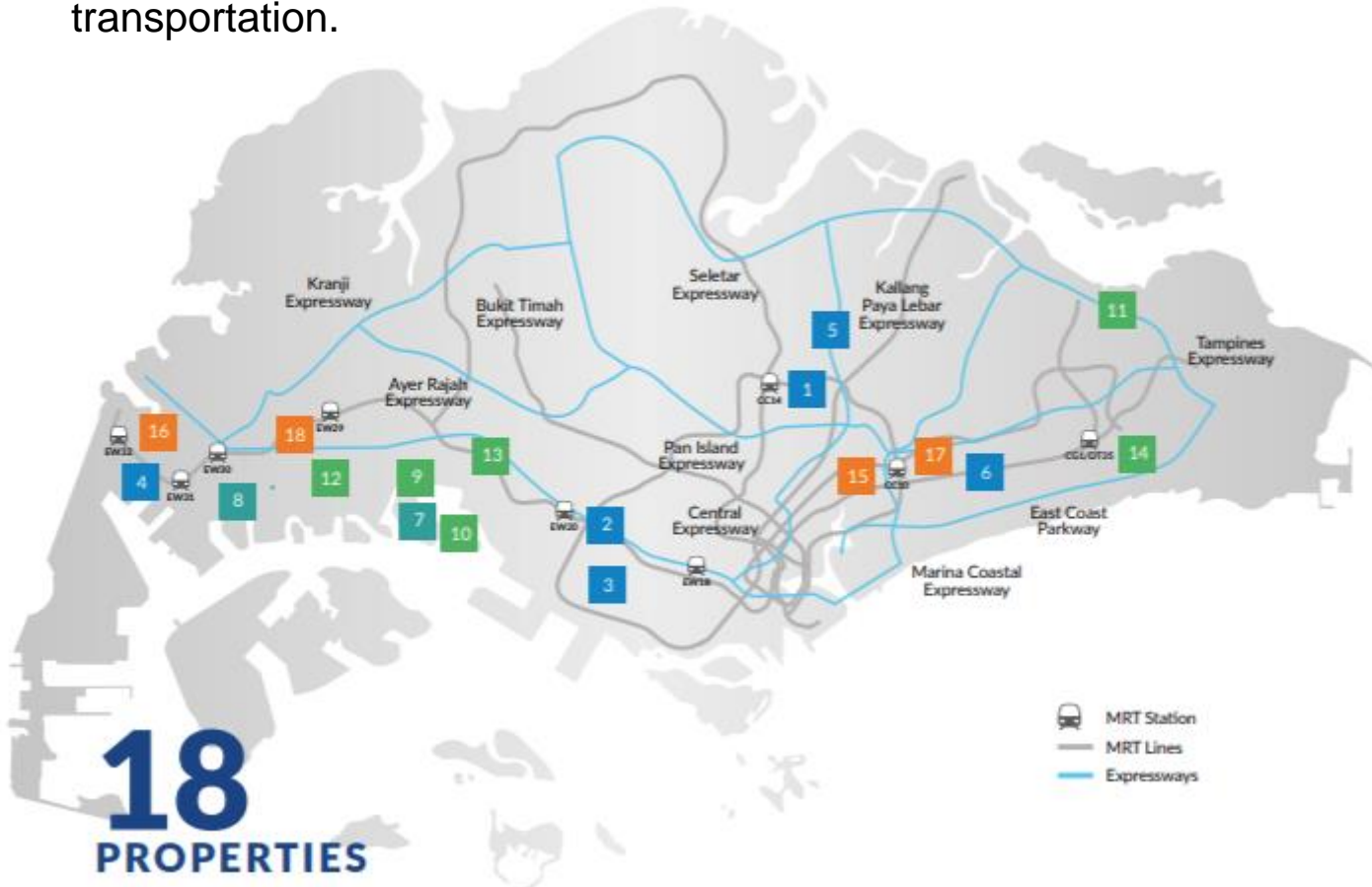
# About Sabana REIT



# Industrial-Focused REIT With Diversified Portfolio

## 4 INDUSTRIAL SEGMENTS

Diversified portfolio of 18 industrial properties in Singapore across four industrial segments, in close proximity to expressways and public transportation.



### HIGH-TECH INDUSTRIAL

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



### 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 (CG1/DT35)



### CHEMICAL WAREHOUSE & LOGISTICS

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



### GENERAL INDUSTRIAL

- 15 123 Genting Lane
- 16 30 & 32 Tuas Avenue 8  
 Tuas Crescent (EW31)  
Tuas West Road (EW32)
- 17 39 Ubi Road 1  
 MacPherson (CC10)
- 18 21 Joo Koon Crescent  
 Joo Koon (EW29)

**Portfolio Valuation**  
(as at 30 June 2021)

**\$862.2 million**

# Resilient Portfolio: At a Glance

As at 30 June 2021



Number of Properties

**18**



Portfolio Valuation (\$ million)

**862.2**



Portfolio Occupancy (%)

**83.4<sup>(1)</sup>**



Total Number of Tenants

**148**



New and Renewed Leases (sq ft)

**> 750,000**



Rental Reversion (%)

**11.8<sup>(2)</sup>**



WALE (years)

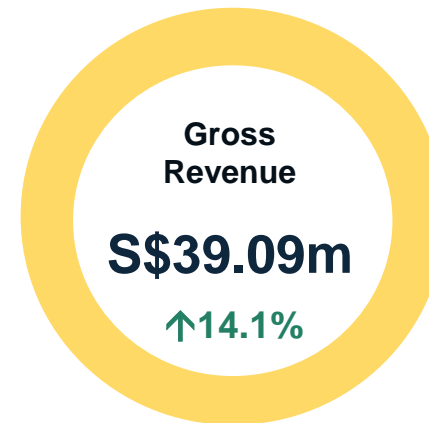
**2.8**

(1) Excluding 1 Tuas Avenue 4 ("1TA4") which is held for divestment, occupancy would have been 86.4%

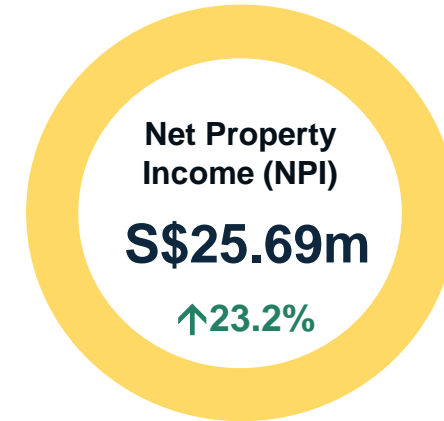
(2) At portfolio level, for 1H 2021

# Delivering on our Refreshed Strategy

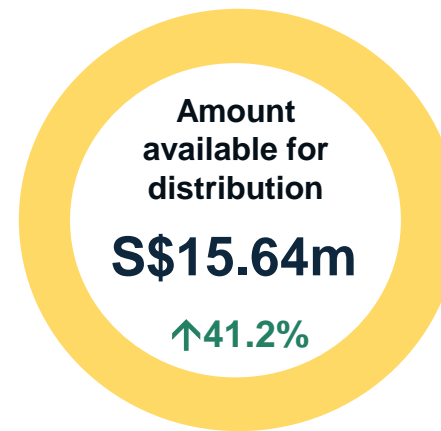
## IMPROVED 1H 2021 FINANCIAL RESULTS



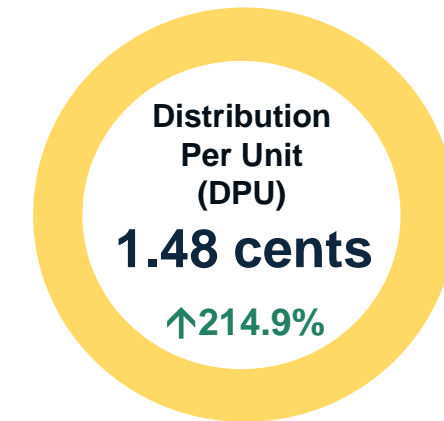
1H 2020: S\$34.26m



1H 2020: S\$20.86m



1H 2020: S\$11.08m



1H 2020: 0.47 cents<sup>(1)</sup>

(1) Approximately S\$6.1 million (DPU: 0.58 cents) was withheld from 1H 2020





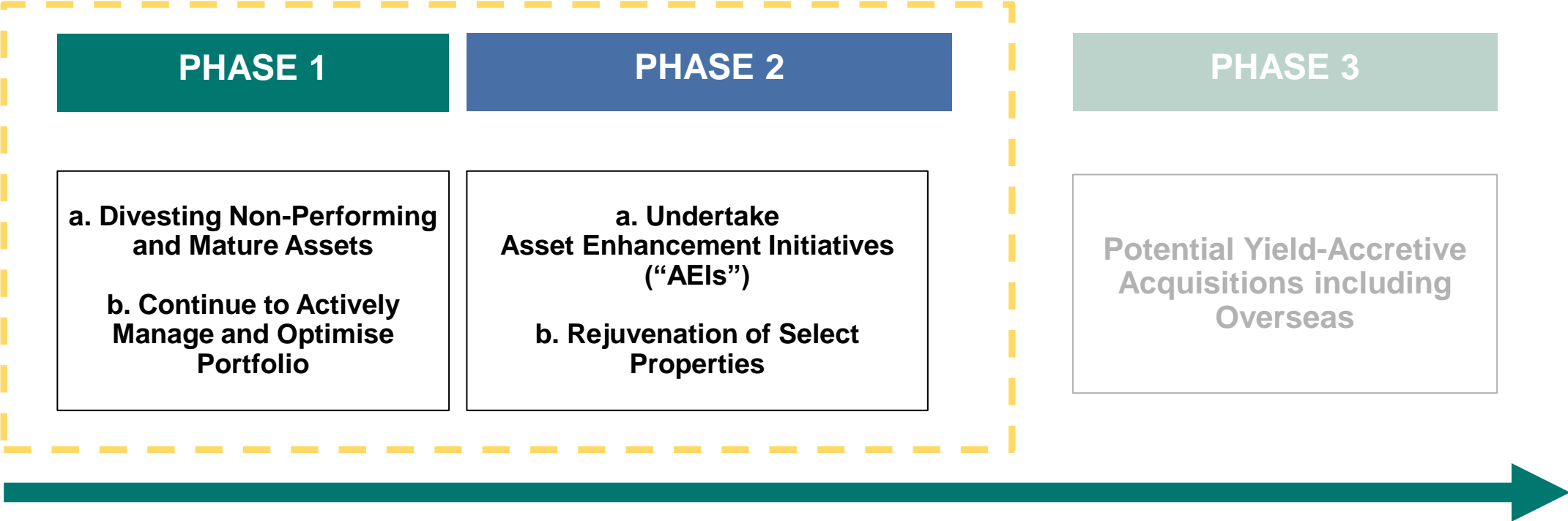
# Strategic Update

# Our Refreshed Strategy

Balancing growth and the ability to navigate daunting near-term challenges

**Priority**

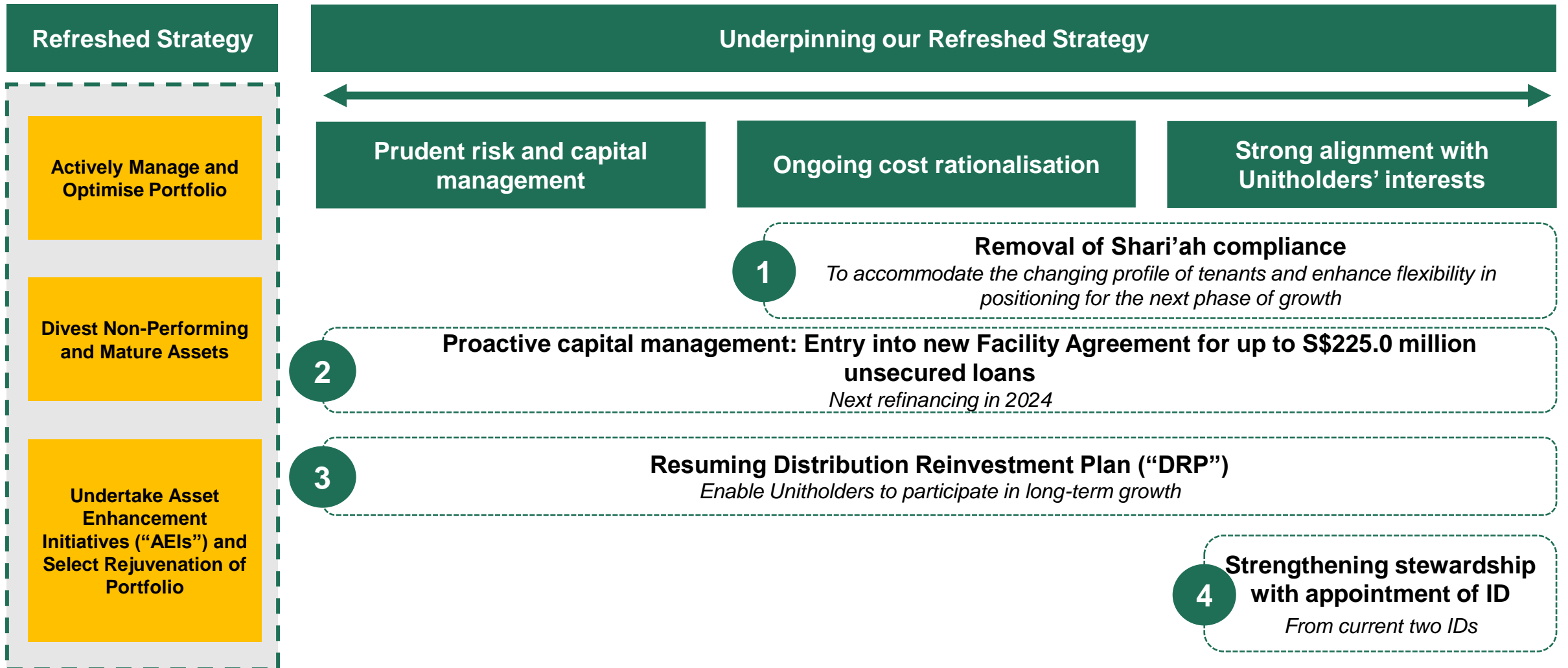
**Opportunistic**



**All underpinned by**

- Prudent Risk and Capital Management
- Ongoing Cost Rationalisation

# Strategic Update: Progressing on next phase of growth





# ① Removal of Shari'ah compliance requirement



**Why now?**



# 1. Removal of Shari'ah compliance requirement

- To accommodate the changing profile of tenants and enhance flexibility in positioning for the next phase of growth
- Decision taken based on feedback from Unitholders, feasibility studies and strategic analysis of growth opportunities
- Main changes:
  - **Investment Mandate:** Removal<sup>(1)</sup> of requirement that the investments comply with Shari'ah principles
  - **REIT's Name:** To rename as Sabana Industrial Real Estate Investment Trust
  - **When?** Effective date of change is intended on or around 21 October 2021

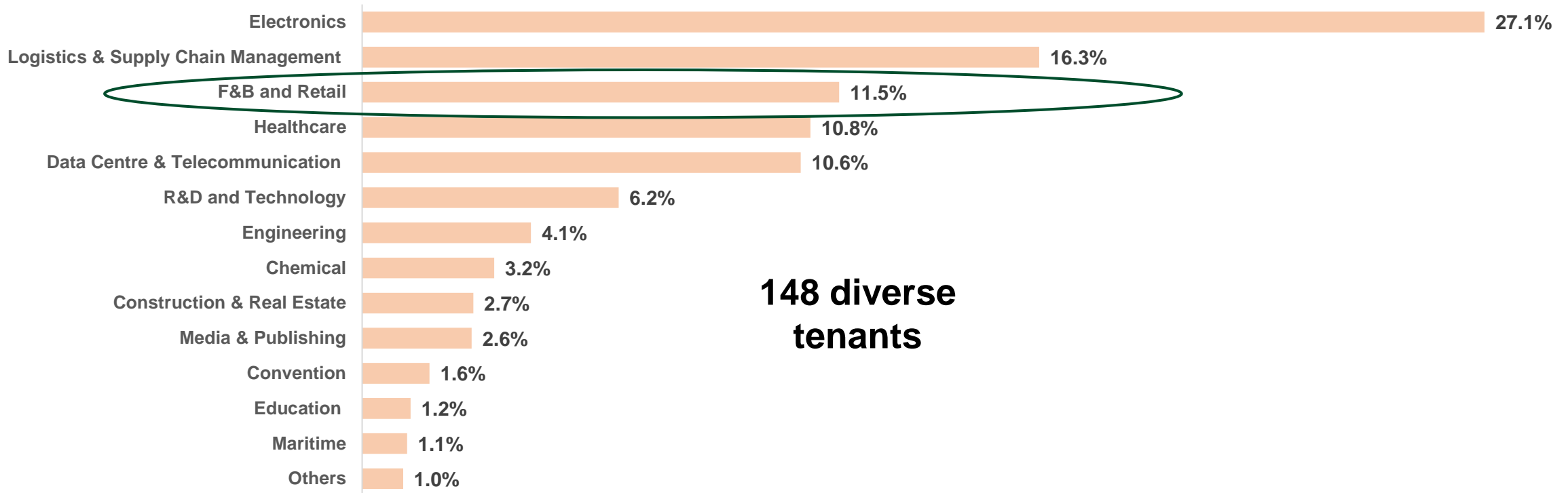
**Even with removal of Shari'ah compliance, we are exploring options to remain a viable investment for Shari'ah investors and to potentially remain on relevant indices.**

Unitholders with any queries on the removal of Shari'ah compliance may email us at [Enquiry\\_Shariah@sabana.com.sg](mailto:Enquiry_Shariah@sabana.com.sg)

(1) In accordance to relevant clauses under the Trust Deed and subject to compliance with the Listing Manual

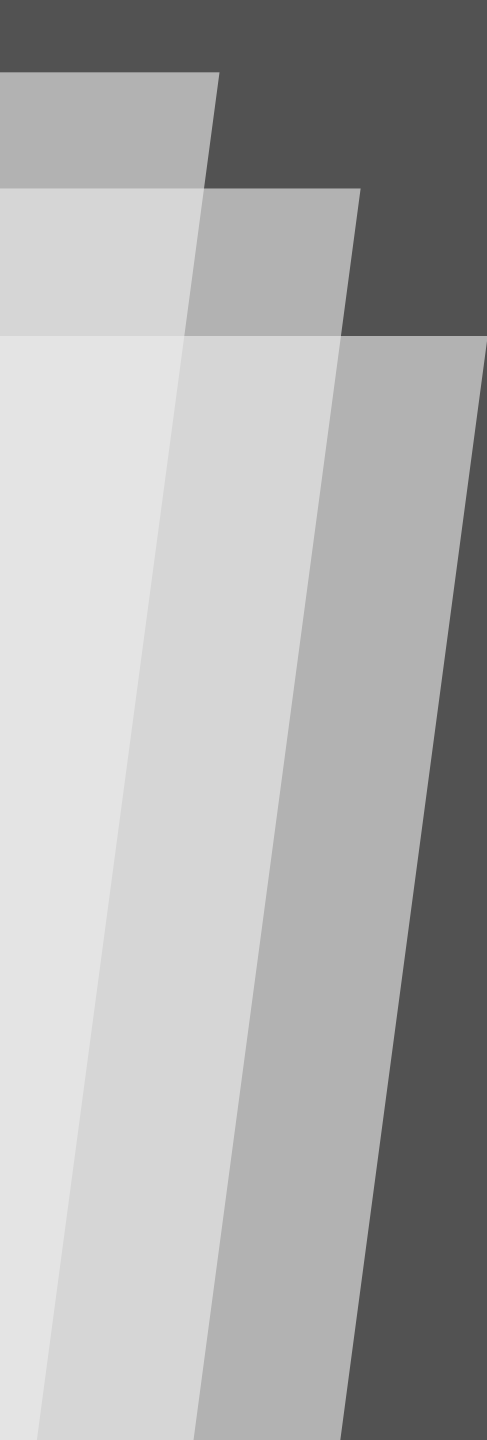
# STRENGTHENING BASE OF TENANTS IN DEFENSIVE AND GROWTH SECTORS

Trade Sectors By Gross Rental Income  
as at 30 June 2021<sup>(1)</sup>



(1) Reclassification of trade sectors based on latest updated tenants' survey as at 30 June 2021.





**Why is this  
significant?**

# 1. Removal of Shari'ah compliance requirement



**Enhanced balance sheet resilience**



**Diversification of investor base**



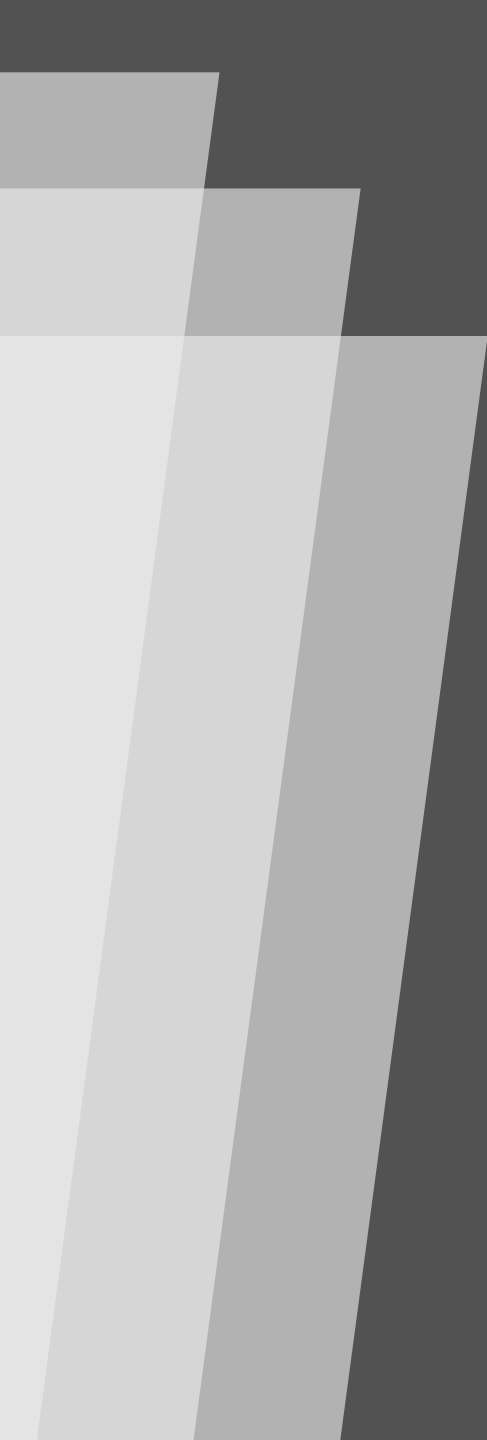
**Greater flexibility in capturing growth opportunities and delivering on Refreshed Strategy**



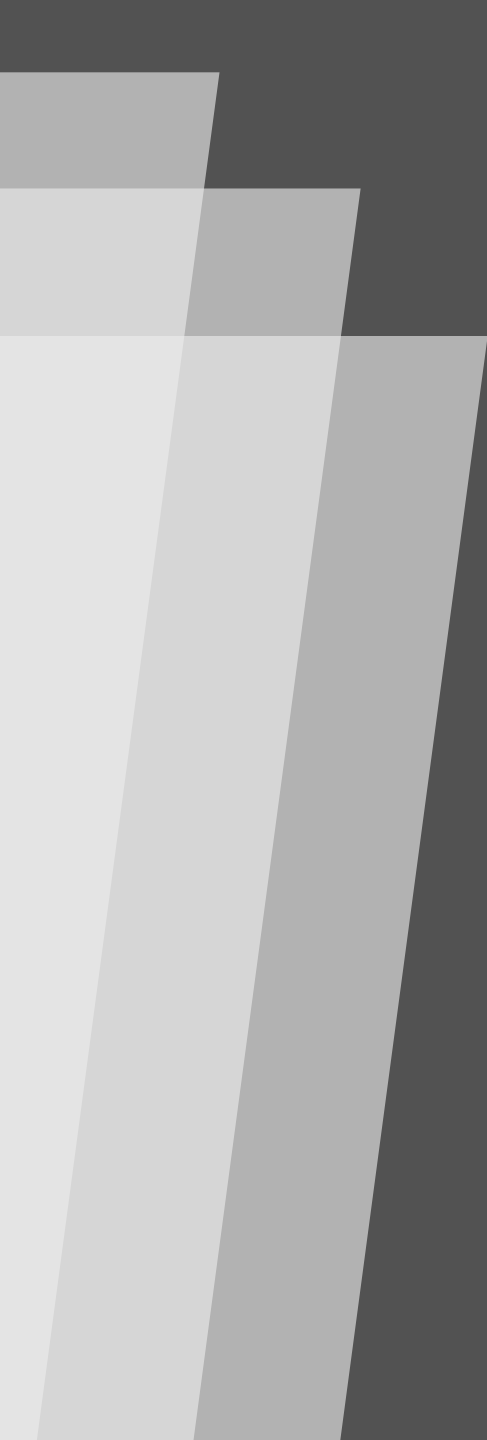
**Potential cost savings in the long-run**



## ② Proactive capital management



**Entered into new Facility Agreement  
for up to S\$225.0 million in  
unsecured loans**



**Why is this  
significant?**

## 2. Entry into new Facility Agreement for up to S\$225.0 million unsecured loans

- **Refinances majority of existing secured indebtedness** and for general corporate and working capital needs
- **Expected to lengthen the weighted average debt expiry (“WADE”)** with majority of the borrowings turning unencumbered
- **Next refinancing in 2024**



# ③ Building Capital Reserves



**Resuming DRP to enable  
Unitholders to participate in  
long-term growth**

# 3. Resuming DRP for 1H 2021

Option  
1

Cash distribution on existing Units held

Option  
2

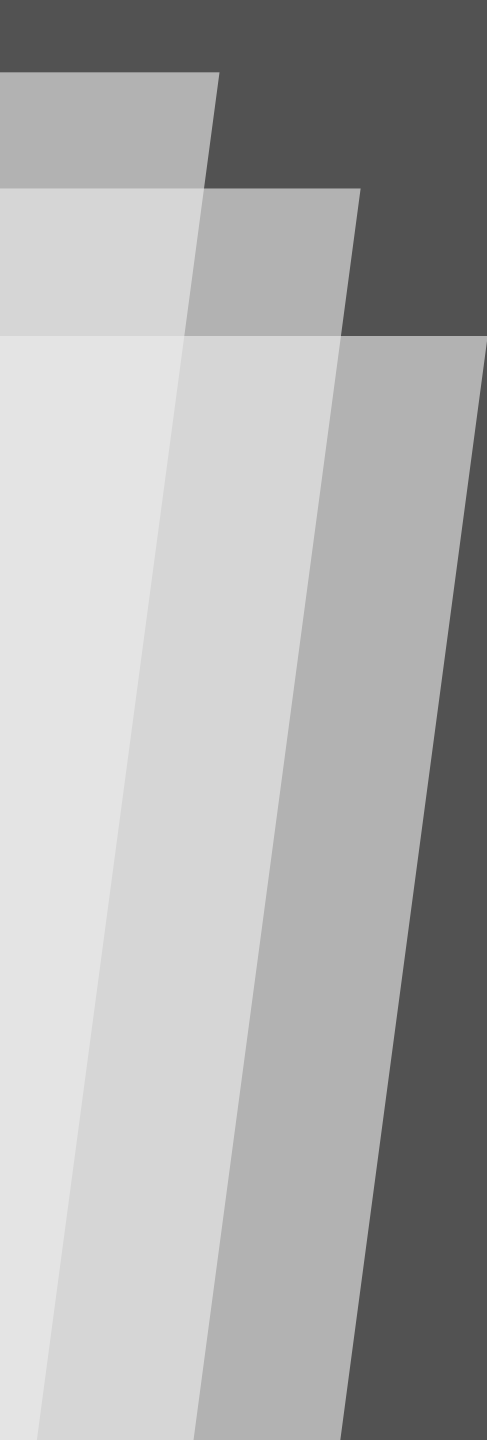
Allotment of Units credited as fully paid in lieu of the cash amount

Option  
3

Allotment of Units credited as fully paid in lieu of part of the cash amount of the distribution entitlement + remaining distribution entitlement in cash

## Timeline

<b>22 Jul 2021</b>	Announcement of implementation of DRP
<b>30 Jul 2021</b>	Announcement of DRP issue price
<b>27 Aug 2021</b>	Closing Date for submission by 5pm
<b>20 Sep 2021</b>	Payment of cash distribution / Issuance of new units



**Why is this  
significant?**



### 3. Resuming DRP for 1H 2021

- **For Unitholders**
  - Opportunity to increase unitholdings and participate in Sabana REIT's growth at a discount to the volume weighted average traded price per Unit ("**VWAP**") without brokerage or other transaction costs and stamp duty
  
- **For the REIT**
  - Strengthen working capital reserves, conserve cash from operations, financial flexibility (with more cash retained)

# 4 Strengthening stewardship



**Appointment of  
Mr Chan Wai Kheong as  
Independent Director**

## 4. Appointment of Independent Director, from current two IDs

- Effective 2 June 2021, Mr Chan Wai Kheong appointed as Independent Non-Executive Director
- Member of the Audit and Risk Committee, and the Nominating and Remuneration Committee
- The Board believes he possesses the right skillsets and experience, from his extensive capital markets and investment experience of over 35 years



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# AEI and portfolio rejuvenation





# PROACTIVE PORTFOLIO MANAGEMENT

- **Asset rejuvenations to attract tenants, including those from expansionary sectors**
  - 151 Lorong Chuan (“**151LC**”)(rejuvenation of passenger lifts and toilets underway)
  - 8 Commonwealth Lane (“**8CL**”) (Phase 1 completed; Phase 2 underway)
  - 23 Serangoon North Avenue 5 (“**23SNA5**”) (completed)
  - 10 Changi South Street 2 (“**10CSS2**”) (completed)
  
- **Proactive lease management**
  - 30 & 32 Tuas Avenue 8 (“**30&32TA8**”) (in advanced negotiations with potential master tenant)
  
- **Preliminary studies ongoing; any material updates will be announced**
  - 1TA4 (divestment and/or potential redevelopment or build-to-suit)
  - 10CSS2 (engaging stakeholders in vicinity)
  - 151LC (Phase 3, engaging authorities)



1 Tuas Avenue 4



30 & 32 Tuas Avenue 8

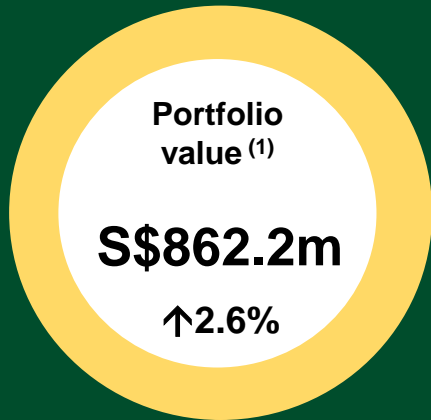


10 Changi South Street 2



8 Commonwealth Lane

# HIGHER VALUATION FROM AEI AND REJUVENATION WORKS



31 Dec 2020: S\$840.1m

**151LC**



- **Up 5.0%** to \$350.0m following completion of NTP+ lifestyle mall
- NTP now represents slightly over 40% of total portfolio value

**23SNA5**



- **Up 10.2%** to \$40.1m, the highest % increase in terms of asset value
- Onboarded major electronics tenants and completion of asset rejuvenation in early 2021

**10CCS2**



- **Up 8.0%** to \$36.4m
- Improved occupancy rate in last six months since completion of rejuvenation works in 2020

**8CL**



- **Up 2.8%** to \$55.0m
- First phase of rejuvenation completed in end-2019, second phase now underway

Conversely, the highest drop in values is collectively found within the three properties located in Penjurong precinct, mainly due to over capacity and higher demand for newer, modern ramp up logistic facilities

(1) Desktop valuations as at 30 June 2021 were carried out by independent valuers from CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd

# A POSITIVE CATALYST

- Completed AEI of NTP+ lifestyle mall at flagship property
- Occupancy stood at 97.4% as at 30 June 2021
- Proactive efforts during heightened alert measures to support business continuity of tenants while focusing on health and well-being of all stakeholders including mall patrons

## NTP+ MALL



BCA GREEN MARK



NTP+ facade



Ace Signature







A photograph of a modern outdoor lounge area at night. The scene features curved concrete planters filled with greenery, a wooden deck, and ambient lighting. A building with large glass windows is visible in the background. The overall atmosphere is sophisticated and contemporary.

**Focus moving  
forward**

# FOCUSING ON EXPANSIONARY SECTORS

Strengthening Base With Tenants in Defensive, Growth Clusters

 <p>Electronics</p>	 <p>Healthcare</p>	 <p>Data Centre &amp; Telecommunication</p>	 <p>Logistics &amp; Supply Chain Management</p>
<p>AEM Singapore Pte. Ltd. (23SNA5)</p>	<p>Thermo Fisher Scientific (3AJKC)</p>	<p>Qala Singapore (151LC)</p>	<p>Kerry Logistics Centre (Tampines) Pte. Ltd (10CSS2)</p>
<p>KLA Corporation (23SNA5)</p>			
<p>Veeco Asia Pte. Ltd. (151LC)</p>			
<p>ASML Singapore (151LC)</p>			



# OUTLOOK & KEY TAKEAWAYS

- While Singapore's economy is expected to recover, the Manager remains cautious as the macroeconomic landscape remains challenging with various unknowns in living with COVID-19, especially with new variants emerging globally
- The strategic update is timely in balancing the navigation of near-term risks with longer-term growth opportunities, with the REIT now able to draw on a wider potential pool of tenant partners and lenders
- Remains committed to the key pillars of its Refreshed Strategy
- Continue to entrench alignment with Unitholders' interests to deliver long-term sustainable value for all unitholders





**Thank you**

More information can be found  
on Sabana REIT's corporate  
website and SGXNet