

CIRCULAR DATED 24 FEBRUARY 2023

THIS CIRCULAR IS ISSUED BY THE REIT MANAGER (AS DEFINED HEREIN). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units (as defined herein) held through CDP (as defined herein), you do not need to forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be electronically disseminated to the purchaser or transferee. If you have sold or transferred all your Units which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the SGX-ST (as defined herein). The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



SABANA 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.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201005493K)

CIRCULAR TO UNITHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH PARTIAL OFFER

by

RHT CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 201109968H)

for and on behalf of

VOLARE GROUP AG

(Incorporated in the Swiss Confederation)

(Company Registration No.: CHE-102.607.834)

to acquire ten per cent. (10.0%) of the issued units in the capital of Sabana Industrial REIT other than those already owned, controlled or agreed to be acquired by Volare Group AG or any party acting in concert with it

UNITHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE PARTIAL OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 10 MARCH 2023, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

UNITHOLDERS WHO WISH TO ACCEPT THE PARTIAL OFFER MUST DO SO BY 5.30 P.M. (SINGAPORE TIME) ON 10 MARCH 2023, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

TABLE OF CONTENTS

Contents	Page
DEFINITIONS	iv
LETTER TO UNITHOLDERS	10
1. INTRODUCTION	10
2. THE PARTIAL OFFER	10
3. INFORMATION ON THE OFFEROR	15
4. RATIONALE FOR THE PARTIAL OFFER AND OFFEROR'S INTENTIONS FOR THE OFFEREE	16
5. OFFEROR'S FINANCIAL EVALUATION OF THE PARTIAL OFFER	17
6. CONFIRMATION OF FINANCIAL RESOURCES	18
7. IRREVOCABLE UNDERTAKINGS	18
8. RECOMMENDATION OF THE INDEPENDENT DIRECTORS	18
9. OVERSEAS UNITHOLDERS	21
10. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS ...	23
11. ACTION TO BE TAKEN BY UNITHOLDERS	23
12. RESPONSIBILITY STATEMENT	23
APPENDIX A ADDITIONAL INFORMATION ON SABANA INDUSTRIAL REIT	A-1
APPENDIX B INFORMATION ON THE OFFEROR	B-1
APPENDIX C AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE SABANA INDUSTRIAL REIT GROUP FOR FY2021	C-1
APPENDIX D UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE SABANA INDUSTRIAL REIT GROUP FOR FY2022	D-1
APPENDIX E RELEVANT PROVISIONS OF THE SABANA INDUSTRIAL REIT TRUST DEED	E-1
APPENDIX F VALUATION CERTIFICATES	F-1

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“2H2022 Distribution”	:	Shall have the meaning ascribed to it in paragraph 2.6 of this Circular
“Annual Report”	:	The annual report of Sabana Industrial REIT
“Books Closure Date”	:	In relation to any Distribution, the date and time on which the Depository Register and Register would be closed to determine Unitholders’ entitlements to the Distribution
“C&W”	:	Cushman & Wakefield VHS Pte Ltd
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Unitholders dated 24 February 2023 from the REIT Manager containing the recommendation of the Independent Directors in relation to the Partial Offer
“Closing Date”	:	Shall have the meaning ascribed to it in paragraph 2.9 of this Circular
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act 1967 of Singapore
“Concert Parties”	:	The parties acting or deemed to be acting in concert with the Offeror in connection with the Partial Offer
“CPF”	:	Central Provident Fund of Singapore
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Units using their monies pursuant to the CPFIS
“Declared Books Closure Date”	:	5.00 p.m. on 7 February 2023, being the date and time when the Depository Register and Register were closed to determine Unitholders’ entitlements to the 2H2022 Distribution
“Directors”	:	The directors of the REIT Manager as at the Latest Practicable Date
“Distributions”	:	Shall have the meaning ascribed to it in paragraph 2.6 of this Circular

DEFINITIONS

- “Excess Units”** : Shall have the meaning ascribed to it in paragraph 2.2 of this Circular
- “Ex-Distribution Offer Price”** : Shall have the meaning ascribed to it in paragraph 2.6 of this Circular
- “FAA”** : Form of Acceptance and Authorisation, which forms part of the Offer Document and which is issued to the Relevant Unitholders whose Units are deposited with CDP
- “FAT”** : Form of Acceptance and Transfer, which forms part of the Offer Document and which is issued to the Relevant Unitholders whose Units are not deposited with CDP
- “FY”** : Financial year ended or ending 31 December
- “FY2022 Financial Statements”** : The unaudited consolidated financial statements of the Sabana Industrial REIT Group for FY2022
- “IFA”** : Independent financial adviser
- “Independent Directors”** : The directors of the REIT Manager who are considered independent for the purpose of making a recommendation to Unitholders in respect of the Partial Offer, namely Mr. Tan Cheong Hin, Mr. Wong Heng Tew and Ms. Lee Kia Jong Elaine (being all of the Directors)
- “Independent Valuers”** : C&W and Savills
- “Latest Practicable Date”** : 17 February 2023, being the latest practicable date prior to the issuance of this Circular
- “Listing Manual”** : The SGX-ST Listing Manual
- “Market Day”** : A day on which the SGX-ST is open for the trading of securities
- “Material Transaction”** : Shall have the meaning ascribed to it in paragraph 2.7.2 of this Circular
- “NAV”** : Net asset value
- “Offer Conditions”** : Shall have the meaning ascribed to it in paragraph 2.7 of this Circular
- “Offer Document”** : The formal document dated 10 February 2023 issued by or on behalf of the Offeror and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the formal document dated 10 February 2023 from time to time

DEFINITIONS

“Offer Price”	:	Shall have the meaning ascribed to it in paragraph 2.3 of this Circular
“Offer Units”	:	109,612,132 Units, representing approximately ten per cent. (10.0%) of the Relevant Units as at 6 February 2023
“Offeree Affiliate”	:	Shall have the meaning ascribed to it in paragraph 2.7.2(i) of this Circular
“Offeree Group”	:	Shall have the meaning ascribed to it in paragraph 2.7.2(i) of this Circular
“Offeror”	:	Volare Group AG
“Offeror Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of the Offeror Shares or the Offeror Securities
“Offeror Financial Adviser”	:	RHT Capital Pte. Ltd.
“Offeror Shares”	:	Equity share capital in the Offeror
“Offeror Securities”	:	Securities in the Offeror which carry substantially the same rights as any to be issued as consideration for the Partial Offer
“Overseas Unitholder”	:	The Unitholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP
“P/NAV”	:	Price-to-NAV
“Partial Offer”	:	The voluntary conditional cash partial offer made by the Offeror to acquire the Offer Units on the terms and conditions set out in the Offer Document, the FAA and the FAT, or on such revised terms, if any, as may be announced by or on behalf of the Offeror in accordance with the Code
“Partial Offer Announcement”	:	The announcement of the Partial Offer released by the Offeror on the Partial Offer Announcement Date
“Partial Offer Announcement Date”	:	20 January 2023, being the date of announcement of the Partial Offer Announcement
“Record Date”	:	5.00 p.m. on 24 February 2023, being the date on which the Depository Register and Register will be closed in order to determine the Relevant Unitholders’ entitlements to the Partial Offer

DEFINITIONS

“Register”	:	The register of holders of the Units, as maintained by the Registrar
“Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., in its capacity as the unit registrar of Sabana Industrial REIT
“Relevant Units”	:	1,096,121,325 Units, being the total number of Units in issue
“REIT Manager”	:	Sabana Real Estate Investment Management Pte. Ltd.
“Relevant Percentage Offer Units”	:	Shall have the meaning ascribed to it in paragraph 2.2 of this Circular
“Relevant Unitholders”	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Circular
“Sabana Industrial REIT” or “Offeree”	:	Sabana Industrial Real Estate Investment Trust, a real estate investment trust constituted in the Republic of Singapore pursuant to the Sabana Industrial REIT Trust Deed
“Sabana Industrial REIT Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of Sabana Industrial REIT Securities
“Sabana Industrial REIT Group”	:	Sabana Industrial REIT, its subsidiaries and associated companies
“Sabana Industrial REIT Securities”	:	Securities in Sabana Industrial REIT which are being offered for or which carry voting rights
“Sabana Industrial REIT Trust Deed”	:	The trust deed constituting Sabana Industrial REIT dated 29 October 2010 (as amended, varied or supplemented from time to time)
“Savills”	:	Savills Valuation and Professional Services (S) Pte Ltd
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	Securities and Futures Act 2001 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIC”	:	The Securities Industry Council of Singapore
“Subject Properties”	:	The 18 properties owned by Sabana Industrial REIT as set out and more particularly described in Appendix F to this Circular
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS

DEFINITIONS

“SRS Investors”	:	Investors who purchase Units pursuant to the SRS
“S\$”	:	Singapore dollars, being the lawful currency of Singapore
“Trading Peers”	:	SGX-ST listed REITs which are broadly comparable to Sabana Industrial REIT (i.e. engaged in industrial/logistics properties with a market capitalisation of less than S\$1 billion as at the Partial Offer Announcement Date)
“Unitholders”	:	The registered holders of the Units, except that where the registered holder is CDP, the term “Unitholder” shall, where the context admits, mean the Depositors whose Securities Accounts with CDP are credited with the Units
“Units”	:	Units in the issued and paid-up capital of Sabana Industrial REIT
“Unit Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Valuation Announcement”	:	The notice of valuation announcement issued by the REIT Manager on 30 January 2023 on the valuations of the Subject Properties as at 31 December 2022 conducted by the Independent Valuers
“Valuation Certificates”	:	The valuation certificates on the valuations of the Subject Properties as at 31 December 2022 conducted by the Independent Valuers
“VWAP”	:	Volume weighted average price
“%” or “per cent.”	:	Per centum or percentage

Unless otherwise defined, the term “**acting in concert**” and “**associated companies**” shall have the meaning ascribed to it in the Code.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable,

DEFINITIONS

have the same meaning assigned to it under the Companies Act, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively unless otherwise stated.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the REIT Manager’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Unitholders of Sabana Industrial REIT should not place undue reliance on such forward-looking statements, and the REIT Manager does not undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO UNITHOLDERS

SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201005493K)

Directors of the REIT Manager

Mr. Tan Cheong Hin, Chairman and Independent Non-Executive Director

Mr. Wong Heng Tew, Independent Non-Executive Director

Ms. Lee Kia Jong Elaine, Independent Non-Executive Director

Registered Address

151 Lorong Chuan
#02-03

New Tech Park
Singapore 556741

24 February 2023

To: The Unitholders

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH PARTIAL OFFER FOR THE OFFER UNITS

1. INTRODUCTION

1.1 Offer Announcement. On 20 January 2023, the Offeror Financial Adviser announced, for and on behalf of the Offeror, that the Offeror would make a voluntary conditional cash partial offer for ten per cent. (10.0%) of the Units in Sabana Industrial REIT, other than those already owned, controlled or agreed to be acquired by the Offeror or any party acting in concert with it.

1.2 Offer Document. The Offer Document has been electronically disseminated to Unitholders by the Offeror Financial Adviser, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Partial Offer. The principal terms and conditions of the Partial Offer are set out in Sections 2 to 7 of the Offer Document. Unitholders are advised to read the terms and conditions contained therein carefully.

1.3 Circular. The purpose of this Circular is to provide Unitholders with relevant information pertaining to Sabana Industrial REIT and to set out the recommendation of the Independent Directors with regard to the Partial Offer.

2. THE PARTIAL OFFER

2.1 Offer Units. Based on the Offer Document, the Offeror has made the Partial Offer to acquire the Offer Units in accordance with the Code, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT. The Partial Offer is extended to all Unitholders (other than the Offeror and parties acting in concert with it) as at the Record Date (the “**Relevant Unitholders**”). The Offer Units comprise 109,612,132 Units, representing approximately ten per cent. (10.0%) of the 1,096,121,325 Units in issue.

2.2 Acceptances. According to the Offer Document, each Relevant Unitholder is entitled to accept the Partial Offer in respect of his Relevant Percentage Offer Units, being 100 for every 1,000 Units or ten per cent. (10.0%) of the Relevant Units held as at the Record Date by the Relevant Unitholders (fractional entitlements to be disregarded), assuming that no new Units are issued or transferred between 6 February 2023 and the Record Date (the “**Relevant Percentage Offer Units**”). A Relevant Unitholder may accept the Partial Offer in respect of all or any part of his Relevant Percentage Offer Units.

Each Relevant Unitholder may, in addition, tender Units that are in excess of the number of his Relevant Percentage Offer Units (the “**Excess Units**”) for acceptance under the Partial Offer in the event that any one or more Relevant Unitholders do not accept their full entitlement under their respective Relevant Percentage Offer Units.

Please refer to the illustration in Section 5 of the Offer Document on how the number of Offer Units, the number of Relevant Percentage Offer Units, and the number of acceptances in relation to Excess Units tendered, will be calculated.

Under the terms of the Partial Offer, the Offeror is permitted to acquire only the Offer Units and is not permitted to acquire any additional Units which may be tendered for acceptance under the Partial Offer. Where the aggregate number of the Units accepted and the Excess Units tendered by the Relevant Unitholders exceed the number of the Offer Units, the Excess Units tendered will be accepted up to the number of Offer Units on a pro-rata basis (but in a manner which minimises the number of new odd-lot unitholdings as the Offeror may in its absolute discretion deem fit in the interest of the Offeror), provided that the Partial Offer becomes unconditional in all respects from such acceptance.

2.3 Offer Price. As set out in the Offer Document, the Offer Price is as follows:

For each Offer Unit: S\$0.465 in cash (the “**Offer Price**”). Due to the 2H2022 Distribution, the Ex-Distribution Offer Price will be **S\$0.4504** (please refer to paragraph 2.6 of this Circular for details).

2.4 Offeror’s Resultant Unitholding. Based on the Offer Document, assuming that the Partial Offer is successful, and no new Units are issued between the Partial Offer Announcement Date and the Closing Date, the aggregate unitholding of the Offeror and its Concert Parties will amount to 169,105,358 Units representing approximately 15.4 per cent. (15.4%) of the issued unit capital of Sabana Industrial REIT, comprising (i) the 59,493,226 Units already owned, controlled or agreed to be acquired by the Offeror or its Concert Parties; and (ii) the 109,612,132 Offer Units that are accepted and/or tendered under the Partial Offer.

2.5 No Encumbrances. Based on the Offer Document, the Offer Units are to be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attaching thereto as at the Partial Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by Sabana Industrial REIT or after the Partial Offer Announcement Date, together with all interest accrued thereon.

2.6 Adjustment for Distributions. Based on the Offer Document, the Offer Price has been determined on the basis that the Offer Units will be acquired with the right to receive any distribution or return of capital (collectively, the “**Distributions**” and each, a “**Distribution**”) that may be announced, declared, made or paid by the REIT Manager in respect of the Units on or after the Partial Offer Announcement Date. In the event of any such Distribution, the Offer Price payable to a Unitholder who validly accepts or has validly accepted the Partial Offer shall be reduced by an amount which is equal to the amount of such Distribution, depending on the settlement date in respect of the Offer Units tendered in acceptance of the Partial Offer:

- 2.6.1** if the settlement date in respect of the Offer Units accepted pursuant to the Partial Offer falls on or before the Books Closure Date for the determination of entitlement to any such Distribution, the Offeror will pay the relevant accepting Unitholder the Offer Price for each Offer Unit; and
- 2.6.2** if the settlement date in respect of the Offer Units accepted pursuant to the Partial Offer falls after the Books Closure Date, the Offeror will reduce the Offer Price by the amount of the Distribution.

As stated in the announcement by the REIT Manager on 30 January 2023, the Declared Books Closure Date is 5.00 p.m. on 7 February 2023 to determine the Unitholders’ entitlements to the Offeree’s distribution of S\$0.0146 for the distribution period from 1 July 2022 to 31 December 2022 (the “**2H2022 Distribution**”) and the payment of the 2H2022 Distribution will be on 27 March 2023.

According to the Offer Document, as the Closing Date will be after the Declared Books Closure Date, the Offer Price will be reduced by S\$0.0146 pursuant to the 2H2022 Distribution. Therefore, the ex-distribution offer price will be **S\$0.4504** (the “**Ex-Distribution Offer Price**”), which represents the Offer Price of S\$0.465 less the 2H2022 Distribution of S\$0.0146 that Unitholders will be receiving from Sabana Industrial REIT.

For the avoidance of doubt, the Partial Offer will not be extended to new Units to be issued pursuant to the 2H2022 Distribution. Any Unitholder who validly tenders Offer Units in acceptance of the Partial Offer on or after the date of the Offer Document will receive the Ex-Distribution Offer Price of S\$0.4504.

2.7 Offer Conditions. As set out in the Offer Document, the Partial Offer is subject to the following conditions (the “**Offer Conditions**”):

- 2.7.1 Minimum Acceptance.** The Offeror having received, by the Closing Date, valid acceptances and/or tenders in respect of not less than 109,612,132 Units, representing ten per cent. (10.0%) of the Units in issue of the Offeree;
- 2.7.2 No Material Transaction.** No announcement, agreement, arrangement, memorandum of understanding and/or statement of intention (whether or not legally binding) relating to any Material Transaction (as defined below) shall have been released, entered into and/or completed or consummated prior to the close of the Partial Offer.

For these purposes, “**Material Transaction**” means a transaction or proposed transaction involving:

- (i) any member of the Offeree or any of its subsidiaries (collectively, the “**Offeree Group**”) or any associated company of the Offeree (“**Offeree Affiliate**”), or to which any member of the Offeree Group or any Offeree Affiliate is a party which has a consideration or value (whether in cash or otherwise) equal to or greater than 20.0 per cent. of the unaudited net asset value of the Offeree Group as of 30 June 2022; or
- (ii) any issue of Units or securities which carry voting rights in the Offeree, or are convertible into Units or securities which carry voting rights in the Offeree, or rights to subscribe for or options in respect of such Units or securities; or
- (iii) a recommendation, declaration or payment by any member of the Offeree Group or any Offeree Affiliate of dividends or other distributions (including, without limitation, interim distributions),

whether such transaction (a) involves an acquisition, disposal, takeover offer, scheme of arrangement or reconstruction, merger, consolidation or other combination, dual-listed companies structure, joint venture, strategic alliance or otherwise; or (b) involves a single transaction or a number of related transactions and whether at one time or over a period of time.

For the avoidance of doubt, the Offeror has stated in the Offer Document that the 2H2022 Distribution declared in the interim financial information of the Offeree announced by the REIT Manager on 30 January 2023 for the period from 1 July 2022 to 31 December 2022, and for the full year from 1 January 2022 to 31 December 2022 are not deemed by the Offeror to be Material Transactions in the context of the Partial Offer;

2.7.3 No Material Adverse Change. Since 30 June 2022:

- (i) there being no material adverse change in the assets, business, financial condition, profits, liabilities, prospects or results of operations of the Offeree Group taken as a whole; or
- (ii) there being no litigation, winding up (whether initiated by creditors or otherwise), arbitration, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the Offeree Group or any Offeree Affiliate which could have a material adverse effect on the Offeree Group taken as a whole;

in each case so as to cause or to be likely to cause either the net assets or the net profit after tax of the Offeree Group to be decreased by more than five per cent.;

2.7.4 No Winding-Up. The Offeree shall not have authorised, recommended, proposed or entered into an agreement, agreement in principle or arrangement or understanding with respect to any liquidation, winding up, dissolution, merger, consolidation, release or relinquishment of any material contractual right, any material change in the Offeree's Units, or other right of the Offeree or any event having an analogous effect and not in the ordinary course of business; and

2.7.5 Continued Listing. No suspension (other than a trading halt at the request of the Offeree) by the SGX-ST of trading of Units on the SGX-ST and no removal of the Offeree by the SGX-ST from its official list.

2.8 Satisfaction of Conditions. Based on the Offer Document, the Partial Offer will not become or be capable of being declared unconditional in all respects unless all the above Offer Conditions are satisfied or waived prior to the close of the Partial Offer, and except for Offer Condition 2.7.1 above, the Offeror will not invoke any condition that will cause the Partial Offer to lapse, unless (i) the circumstances which give rise to the right to invoke the condition are of material significance to the Offeror in the context of the Partial Offer, and (ii) prior consent is obtained from the SIC.

Pursuant to Rule 22.10 of the Code, except with SIC's consent, all the Offer Conditions must be fulfilled or the Partial Offer must lapse within twenty-one (21) days of the first Closing Date or of the date the Partial Offer becomes or is declared unconditional as to acceptances, whichever is the later.

2.9 Closing Date. Based on the Offer Document, pursuant to Rule 22.3 of the Code, except insofar as the Partial Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Partial Offer will remain open for acceptances by Unitholders for a period of at least twenty-eight (28) days from 10 February 2023.

Accordingly, the Partial Offer will close at 5.30 p.m. (Singapore time) on 10 March 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "Closing Date").

2.10 Record Date. Based on the Offer Document, the Depository Register and Register will be closed on the Record Date for the purpose of determining:

2.10.1 the entitlements of the Relevant Unitholders to accept the Partial Offer; and

2.10.2 each Relevant Unitholders' Relevant Percentage Offer Units.

A Relevant Unitholder who is a Depositor and wishes to accept the Partial Offer must ensure that there are Units standing to the credit of the "Free Balance" of his Securities Account as at the Record Date. A Relevant Unitholder who is not a Depositor and wishes to accept the Partial Offer must ensure that there are Units registered in his name in the Register as at the Record Date.

2.11 Temporary Trading Counter for Trading of Odd-Lots. Based on the Offer Document, the Offeror has made arrangements with the SGX-ST for the establishment of a temporary

trading counter for the trading of odd-lots of the Units in the event that the Partial Offer becomes or is declared unconditional in all respects. A temporary trading counter will be established for a period of one month commencing after the settlement of the consideration for the Offer Units, for the trading of board lots of one Unit each if the Partial Offer becomes unconditional in all respects. Thereafter, investors can trade in the Unit Share Market of the SGX-ST for any odd-lot Units. Further details on the temporary trading counter, if applicable, will be announced by or on behalf of the Offeror in due course.

- 2.12 Further Details of the Partial Offer.** Further details of the Partial Offer are set out at Appendices A and B to the Offer Document including details on (a) the duration of the Partial Offer; (b) the settlement of the consideration for the Partial Offer; (c) the requirements relating to the announcement of level of acceptances of the Partial Offer; (d) the right of withdrawal of acceptances of the Partial Offer; and (e) the procedures for acceptance of the Partial Offer.

A copy of the Offer Document is available on the website of the SGX-ST at <https://www.sgx.com>.

3. INFORMATION ON THE OFFEROR

The Offer Document sets out information on the Offeror, which has been extracted therefrom and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“9. INFORMATION ON THE OFFEROR

- 9.1 **Offeror.** *The Offeror is a company incorporated in Switzerland on 07 October 1975. The Offeror presently holds 59,493,226 Units in the Offeree, representing approximately 5.4% of the issued Units in the Offeree. The Offeror has several lines of business undertaken by various subsidiaries as elaborated in this paragraph. The Offeror via its subsidiary Oel-Pool AG is one of Switzerland’s leading suppliers of fossil fuels. Oel-Pool AG and its subsidiary Moveri AG operate over 700 petrol stations under various brands. Another of the Offeror’s subsidiaries, Soft Car Wash AG and its subsidiaries, provide vehicle care, both with self-service jet machines and car washes. Further business lines include wood production and trade, furniture manufacturing, trading with bituminous material, construction services, road repair services, as well as investments in real estate and real estate companies. The Offeror’s investment arm holds a further portfolio of companies in different industries from food manufacturing to Information Technology (“IT”) services.*
- 9.2 **Directors of the Offeror.** *The Offeror’s board of directors comprise of: (i) Sieber, Daniel (Director and President of the Board of Directors), (ii) Duttwiler, Konrad (Director), (iii) Ramon Werner (Director), and (iv) El Kamel, Nora (Director), (collectively, “Directors”).*
- 9.3 **Concert Parties.** *Based on the latest information available to the Offeror as at the Latest Practicable Date, the Concert Parties of the Offeror do not hold any Units in the Offeree.*

9.4 **Additional Information.** *Additional information on the Offeror is set out in Appendix C of this Offer Document.*

The full text of Appendix C to the Offer Document has been extracted and is set out in *italics* in paragraph 1 of Appendix B to this Circular.

4. **RATIONALE FOR THE PARTIAL OFFER AND OFFEROR'S INTENTIONS FOR THE OFFEREE**

The full text of the rationale for the Partial Offer and the Offeror's intentions for Sabana Industrial REIT has been extracted from the Offer Document and is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Unitholders are advised to read the extract below carefully.

"11. RATIONALE FOR THE PARTIAL OFFER AND INTENTIONS FOR THE OFFEREE

11.1 Investment In the Offeree

The Partial Offer by the Offeror is for investment purpose as the Offeror wishes to diversify its business lines away from fossil fuels and increasingly build up its real estate portfolio. In this regard, the Partial Offer, if successful, would enable the Offeror to increase its direct holdings in the Offeree.

The Offeror believes that the Offeree faces a difficult and challenging environment with Real Estate Investment Trusts generally having declining yields. The distribution per Unit ("DPU") of Sabana Industrial REIT in 2H 2022 has declined by 7% year-over-year ("YoY") due to the impact of higher interest expense. The average financing cost of Sabana Industrial REIT has risen by 22.93% from 3.14% on 31 December 2021 to 3.86% on 31 December 2022.

The Sabana Industrial REIT's properties are likely to face increasing maintenance and upkeep costs which might increase over time due to inflation, and which may further reduce the DPU.

However, the Partial Offer reflects the Offeror's view that while the current business and economic outlook present a number of challenges, there is inherent long-term value in the Offeree's Units.

11.2 Fluctuation In Prices of Units In the Offeree

The Offeror wishes to increase its direct holdings in the Offeree. Based on the Offeror's knowledge and observation, the Offeree's Units are thinly traded. As such, by making the Partial Offer, it would be expedient for the Offeror to build up a meaningful stake of Offer Units in a single corporate action. In addition, due to the low liquidity in the public market, the Offeror is of the view that it would not be able to acquire such Units from the open market efficiently. Furthermore, as insufficient liquidity also prevents larger Relevant Unitholders from selling, the Partial Offer will

provide attractive exit liquidity to the Relevant Unitholders. As such, the Partial Offer presents a good and attractive opportunity for the public Relevant Unitholders to monetise their holdings or part of their holdings at a premium to the market if they so wish, without incurring brokerage fees. Unitholders can also continue to participate in the future financial performance of the Units as it will remain publicly traded following the Partial Offer.”

5. OFFEROR’S FINANCIAL EVALUATION OF THE PARTIAL OFFER

The Offer Document sets out the Offeror’s financial evaluation of the Partial Offer, which has been extracted therefrom and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“12. FINANCIAL EVALUATION OF THE PARTIAL OFFER

12.1 **Offer Price Comparison with Benchmark Prices.** *In arriving at the Offer Price, the Offeror took into account, inter alia, a comparison of the premiums offered by the Offer Price to certain benchmark prices of the Units which were trading on the SGX-ST during the periods detailed below:*

Description	Benchmark Price⁽¹⁾ (S\$)	Premium of Offer Price to Benchmark Price⁽²⁾ (%)
<i>Last transacted price quoted on the Last Trading Day</i>	<i>0.425</i>	<i>9.4</i>
<i>Volume weighted average price (“VWAP”) for the one-month period up to and including the Last Trading Day</i>	<i>0.428</i>	<i>8.6</i>
<i>VWAP for the three (3)-month period up to and including the Last Trading Day</i>	<i>0.419</i>	<i>11.0</i>
<i>VWAP for the six (6)-month period up to and including the Last Trading Day</i>	<i>0.435</i>	<i>6.9</i>
<i>VWAP for the twelve (12)-month period up to and including the Last Trading Day</i>	<i>0.438</i>	<i>6.2</i>

Notes:

(1) *The historical market prices of the Units (rounded to the nearest three (3) decimal places) are based on data extracted from Bloomberg on the Last Trading Day.*

- (2) *Figures are rounded to the nearest one (1) decimal place. The premia are based on the Offer Price of S\$0.465. Following the 2H 2022 Distribution, the Ex-Distribution Offer Price will be S\$0.4504 and the percentages of the premia above will be accordingly adjusted.*

6. CONFIRMATION OF FINANCIAL RESOURCES

The Offer Document sets out the full text of the confirmation of financial resources by the Offeror Financial Adviser, which has been extracted therefrom and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“15. CONFIRMATION OF FINANCIAL RESOURCES

RHTC, as the financial adviser to the Offeror in connection with the Partial Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Partial Offer by the Relevant Unitholders at the Offer Price.”

7. IRREVOCABLE UNDERTAKINGS

The Offer Document states that as at 6 February 2023, none of the Offeror and its Concert Parties has received any irrevocable undertaking from any holder of Offer Units to accept or reject the Partial Offer.

8. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

8.1 Independent Directors. All Directors consider themselves to be independent for the purposes of making a recommendation to Unitholders in respect of the Partial Offer.

8.2 Requirement for Competent Independent Advice. Pursuant to Note 4 to Rule 7.1 of the Code, the requirement for competent independent advice does not apply to partial offers which could not result in the offeror and persons acting in concert with it holding units carrying 30 per cent. or more of the voting rights of the offeree REIT. Accordingly, the Independent Directors have not appointed an IFA to advise on the Partial Offer, and have instead consulted a duly licensed financial adviser¹ on the financial terms of the Partial Offer.

8.3 Recommendation of Independent Directors. Having considered carefully the terms of the Partial Offer and the views of the financial adviser, the Independent Directors recommend Unitholders to **ACCEPT** the Partial Offer.

The recommendation is made based on the following key considerations:

8.3.1 the Offer Price is at a premium above the historical VWAP² of the Units over the last one-month, three-month, six-month, one-year, two-year, three-year and five-year periods³ prior and up to the Partial Offer Announcement Date, ranging from 5.7 per

¹ Holder of a capital markets services licence (advising on corporate finance) issued by the Monetary Authority of Singapore.

² Computed based on figures extracted from Bloomberg L.P.

³ Periods are calculated on a calendar day, calendar month and calendar year basis. As an illustration, the historical VWAP of the Units over the last one-month period prior and up to the Partial Offer Announcement Date is calculated

cent. to 15.4 per cent., and a premium of 9.4 per cent. above the VWAP of the Units on the Partial Offer Announcement Date. After the Partial Offer Announcement Date and after the Units had commenced trading on an ex-distribution basis, i.e. from 6 February 2023 to the Latest Practicable Date, the Ex-Distribution Offer Price represents a premium of 6.0 per cent. above the VWAP of the Units during this period;

8.3.2 the P/NAV ratio of the Units implied by the Offer Price of 0.87 times⁴ represents a premium of 11.5 per cent. above the historical average trading P/NAV ratio of 0.78 times in the last five-year period, 4.8 per cent. above the historical average trading P/NAV ratio of 0.83 times in the last two-year period and 3.6 per cent. above the historical average trading P/NAV ratio of 0.84 times in the last one-year period prior and up to the Partial Offer Announcement Date;

8.3.3 the P/NAV ratio of the Units implied by the Offer Price of 0.87 times is within the range and close to the average P/NAV ratio of 0.88 times⁵ of the selected Trading Peers (being AIMS APAC REIT and Daiwa House Logistics Trust) as at the Partial Offer Announcement Date. For a more meaningful comparison, the Trading Peers selected are SGX-ST listed industrial REITs with market capitalisations of less than S\$1 billion. The selected Trading Peers may not be exhaustive and they may not be directly comparable to Sabana Industrial REIT. Hence, any comparison made serves only as an illustrative guide;

8.3.4 the Partial Offer gives the Relevant Unitholders a cash exit opportunity for part of their holdings at prices above the prevailing market prices of the Units. The Partial Offer provides the option to Unitholders who prefer to realise some of their Units while retaining the balance of their interests in the Units as the Units will continue to be listed on the SGX-ST; and

8.3.5 as at the Latest Practicable Date, apart from the Partial Offer, there is no alternative offer or proposal from any third parties.

8.4 Other Relevant Considerations for Unitholders. Unitholders should also be aware of the following:

8.4.1 the Partial Offer is subject to the Offer Conditions, including the Minimum Acceptance Condition, and, as at the Latest Practicable Date, the Partial Offer has not become or been declared unconditional in all respects. If the Minimum Acceptance Condition is not satisfied and the Partial Offer will not become or be capable of being declared unconditional in all respects prior to the close of the Partial Offer, the Partial Offer will lapse and all Units tendered will be returned to the Relevant Unitholders. If the Partial Offer becomes unconditional in all respects,

based on trades of the Units on the SGX-ST during the period from 21 December 2022 to 20 January 2023 (both dates inclusive).

⁴ The P/NAV ratio of Sabana Industrial REIT is computed based on (a) the Offer Price and (b) the NAV of Sabana Industrial REIT as at 31 December 2022.

⁵ The P/NAV ratios of the selected Trading Peers are computed based on (a) the respective closing prices of their units as at the Partial Offer Announcement Date and (b) their respective latest published NAV attributable to unitholders as at the Partial Offer Announcement Date.

the Offeror's interest in the Units will increase by 10 per cent. from 5.43 per cent. to 15.43 per cent. and the Offeror will become the second largest Unitholder after ESR Group Limited;

8.4.2 the Relevant Unitholders will receive the Ex-Distribution Offer Price of S\$0.4504 for each Offer Unit that they have validly tendered and accepted by the Offeror. The Record Date for the determination of the Relevant Unitholders' entitlement to the Partial Offer is at 5.00 p.m. on 24 February 2023; and

8.4.3 the Offeror has made arrangements with the SGX-ST for the establishment of a temporary trading counter for the trading of odd-lots of the Units in the event that the Partial Offer becomes or is declared unconditional in all respects. A temporary trading counter will be established for a period of one month commencing after the settlement of the consideration for the Offer Units, for the trading of board lots of one Unit each if the Partial Offer becomes unconditional in all respects. Thereafter, investors can trade in the Unit Share Market of the SGX-ST for any odd-lot Units.

8.5 Parameters of Recommendation. In providing the recommendation above:

8.5.1 the Independent Directors have confined their evaluation and assessment to the financial terms of the Partial Offer, and have not taken into account the commercial risks or commercial merits of the Partial Offer. In addition, the Independent Directors do not express any advice or give any opinion on the merits of the Partial Offer relative to any other alternative transaction. The Independent Directors were not privy to the Partial Offer prior to the Partial Offer Announcement Date nor were they involved in any deliberations leading up to the decision by the Offeror to make the Partial Offer to Unitholders;

8.5.2 the recommendation of the Independent Directors does not reflect any projections on the future financial performance of the Sabana Industrial REIT Group and the Independent Directors do not express any views as to the prices at which the Units may trade after the close of the Partial Offer;

8.5.3 as set out in the Valuation Announcement, the REIT Manager had obtained independent valuations for the Subject Properties as at 31 December 2022, for corporate reporting purposes (i.e. not for the purposes of the Partial Offer). In evaluating and assessing the financial terms of the Partial Offer, the Independent Directors have taken into account, *inter alia*, the independent valuations of the Subject Properties, among other considerations set out in this paragraph 8; and

8.5.4 the information which the Independent Directors have relied on in the assessment of the Partial Offer is based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change over a relatively short period of time. Unitholders should be aware that the prices at which the Units may trade after the Latest Practicable Date are subject to possible market fluctuations and accordingly, the recommendation of the Independent Directors does not and cannot take into account the future prices at which the Units may trade.

- 8.6 No Regard to Specific Objectives.** In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, the Independent Directors recommend that Unitholders who may require advice in relation to their investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

9. OVERSEAS UNITHOLDERS

The Offer Document sets out information in relation to Overseas Unitholders, which has been extracted therefrom and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“17. OVERSEAS UNITHOLDERS

- 17.1 Overseas Unitholders.** *The making of the Partial Offer to Overseas Unitholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Unitholders should inform themselves about and observe any applicable legal requirements. Where there are potential restrictions on sending the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs and the FATs to any overseas jurisdiction, the Offeror reserves the right not to send these documents to such overseas jurisdictions.*

For the avoidance of doubt, the Partial Offer is made to all Unitholders, including those to whom the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs and the FATs have not been, or may not be, sent.

- 17.2 Copies of the Notification, FAA and FAT.** *Unitholders (including Overseas Unitholders) may (subject to compliance with applicable laws) attend in person and obtain copies of the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs, the FATs and any related documents, during normal business hours and up to 5.30 p.m. on the Closing Date, from:*

17.2.1 *The Central Depository (Pte) Limited (in the case of a Unitholder whose Offer Units are deposited with CDP) by submitting a request to CDP via CDP’s Customer Service Hotline at +65 6535 7511 during their operating hours or email CDP at asksgx@sgx.com; or*

17.2.2 *the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (in the case of a Unitholder whose Offer Units are not deposited with CDP) at its office located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.*

Alternatively, an Overseas Unitholder may, subject to compliance with applicable laws, write to:

17.2.3 the Offeror c/o The Central Depository (Pte) Limited (in the case of a Unitholder whose Offer Units are deposited with CDP) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934; or

17.2.4 the Offeror c/o Boardroom Corporate & Advisory Services Pte. Ltd. (in the case of a Unitholder whose Offer Units are not deposited with CDP) at the above-stated address of the Registrar,

to request for a copy of the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs, the FATs and any related documents to be sent to an address in Singapore by ordinary post, up to five (5) Market Days prior to the Closing Date, at his/her/its own risk.

It is the responsibility of Overseas Unitholders who wish to request for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs, the FATs and any related documents to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the FAAs, the FATs and any related documents, each of the Overseas Unitholders represents and warrants to the Offeror that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

It is the responsibility of Overseas Unitholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdictions. Such Overseas Unitholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, RHTC, CDP, the Registrar and/or any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Unitholders for any such taxes, imposts, duties or other requisite payments as the Offeror, RHTC, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In accepting the Partial Offer, each Overseas Unitholder represents and warrants to the Offeror, RHTC, CDP, the Registrar and/or any person acting on their behalf that he/she/it is in full observance of the laws of the relevant jurisdiction in that connection and that he/she/it is in full compliance with all necessary formalities or legal requirements.

Any Overseas Unitholder who is in doubt about his position should consult his professional advisor in the relevant jurisdiction.

17.3 **Notice.** *The Offeror, RHTC, CDP, the Registrar and/or any person acting on their behalf each reserves the right to notify any matter, including the fact that the Partial Offer has been made, to any or all Unitholders (including Overseas Unitholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Unitholder to receive or see such announcement or advertisement.”*

10. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

As stated in Section 18 of the Offer Document, CPFIS Investors and SRS Investors will receive further information on how to accept the Partial Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Partial Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Partial Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Partial Offer will receive the Ex-Distribution Offer Price in respect of their Offer Units validly tendered in acceptance of the Partial Offer in their respective CPF investment accounts and SRS investment accounts.

11. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders who do not wish to accept the Partial Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

Unitholders who wish to accept the Partial Offer must do so not later than **5.30 p.m. (Singapore time) on 10 March 2023**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror. The Directors would like to draw the attention of Unitholders who wish to accept the Partial Offer to the “Procedures for Acceptance” as set out in Appendix B to the Offer Document.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received by CDP (in respect of the FAA) or the Unit Registrar of Sabana Industrial REIT (in respect of the FAT), as the case may be, not later than **5.30 p.m. (Singapore time) on 10 March 2023**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

12. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in

this Circular are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
Sabana Real Estate Investment Management Pte. Ltd.
as manager of Sabana Industrial REIT

APPENDIX A
ADDITIONAL INFORMATION ON SABANA INDUSTRIAL REIT

1. DIRECTORS

The names, address and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Tan Cheong Hin	151 Lorong Chuan #02-03 New Tech Park Singapore 556741	Chairman and Independent Non-Executive Director
Mr. Wong Heng Tew	151 Lorong Chuan #02-03 New Tech Park Singapore 556741	Independent Non-Executive Director
Ms. Lee Kia Jong Elaine	151 Lorong Chuan #02-03 New Tech Park Singapore 556741	Independent Non-Executive Director

2. PRINCIPAL ACTIVITIES

Sabana Industrial REIT is a real estate investment trust listed on the Main Board of the SGX-ST since 26 November 2010, which principally invests in income-producing real estate used for industrial purposes in Asia, as well as real estate-related assets. As at the Latest Practicable Date, Sabana Industrial REIT has a diversified portfolio of 18 industrial properties in Singapore, in the High-tech Industrial, Warehouse and Logistics, Chemical Warehouse and Logistics, as well as General Industrial sectors, with a total valuation of approximately S\$886 million as at the Latest Practicable Date.

3. UNITS IN ISSUE

3.1 Issued Units

As at the Latest Practicable Date, there is only one class of units in Sabana Industrial REIT, comprising the Units.

As at the Latest Practicable Date, Sabana Industrial REIT has 1,096,121,325 issued and paid-up Units.

3.2 Rights of the Unitholders in Respect of Capital, Distribution and Voting

The rights of Unitholders in respect of capital, distributions and voting are set out in the Sabana Industrial REIT Trust Deed. The relevant provisions of the Sabana Industrial REIT Trust Deed relating to the same have been extracted and reproduced in Appendix E to this Circular.

3.3 Number of Units issued since the end of the last financial year

Since 31 December 2022, being the end of the last financial year of Sabana Industrial REIT, up to the Latest Practicable Date, no new Units were issued.

4. SABANA INDUSTRIAL REIT CONVERTIBLE SECURITIES

There are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Units or securities which carry voting rights in Sabana Industrial REIT as at the Latest Practicable Date.

5. DISCLOSURE OF INTERESTS

5.1 Interests of Sabana Industrial REIT in Offeror Shares, Offeror Securities and Offeror Convertible Securities

Neither Sabana Industrial REIT nor its subsidiary has any direct or indirect interests in Offeror Shares, Offeror Securities and Offeror Convertible Securities as at the Latest Practicable Date.

5.2 Dealings in Offeror Shares, Offeror Securities and Offeror Convertible Securities by Sabana Industrial REIT

Neither Sabana Industrial REIT nor its subsidiary has dealt in Offeror Shares, Offeror Securities and Offeror Convertible Securities during the period commencing three months prior to 20 January 2023, being the Partial Offer Announcement Date, and ending on the Latest Practicable Date.

5.3 Interests of Directors in Offeror Shares, Offeror Securities and Offeror Convertible Securities

None of the Directors has any direct or indirect interests in Offeror Shares, Offeror Securities and Offeror Convertible Securities as at the Latest Practicable Date.

5.4 Dealings in Offeror Shares, Offeror Securities and Offeror Convertible Securities by Directors

None of the Directors has dealt in Offeror Shares, Offeror Securities and Offeror Convertible Securities during the period commencing three months prior to 20 January 2023, being the Partial Offer Announcement Date, and ending on the Latest Practicable Date.

5.5 Interests of Directors in Sabana Industrial REIT Securities and Sabana Industrial REIT Convertible Securities

None of the Directors has an interest, direct or indirect, in Sabana Industrial REIT Securities and Sabana Industrial REIT Convertible Securities as at the Latest Practicable Date.

5.6 Dealings in Sabana Industrial REIT Securities and Sabana Industrial REIT Convertible Securities by Directors

None of the Directors has dealt in Sabana Industrial REIT Securities and Sabana Industrial REIT Convertible Securities during the period commencing three months prior to 20 January 2023, being the Partial Offer Announcement Date, and ending on the Latest Practicable Date.

6. ARRANGEMENTS AFFECTING DIRECTORS

6.1 Directors' Service Contracts

There are no service contracts between any Director or proposed Director with the REIT Manager or Sabana Industrial REIT's subsidiary with more than 12 months to run and which cannot be terminated by the REIT Manager within the next 12 months without paying any compensation.

In addition, there are no service contracts entered into or amended between any Director or proposed Director with the REIT Manager or Sabana Industrial REIT's subsidiary during the period between the start of six months prior to 20 January 2023, being the Partial Offer Announcement Date, and the Latest Practicable Date.

6.2 No Payment or Benefit to Directors

There is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the REIT Manager as compensation for loss of office or otherwise in connection with the Partial Offer as at the Latest Practicable Date.

6.3 No Agreement Conditional upon Outcome of Partial Offer

There are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Partial Offer as at the Latest Practicable Date.

6.4 Material Contracts entered into by Offeror

There are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect as at the Latest Practicable Date.

7. FINANCIAL INFORMATION ON THE SABANA INDUSTRIAL REIT GROUP

7.1 Consolidated Statement of Total Return

Set out below is certain financial information extracted from the audited consolidated financial statements of the Sabana Industrial REIT Group for FY2020 and FY2021 respectively and the FY2022 Financial Statements.

The financial information for FY2020 and FY2021 should be read in conjunction with the audited consolidated financial statements of the Sabana Industrial REIT Group and the accompanying notes as set out in the Annual Reports for FY2020 and FY2021 respectively, and the financial information for FY2022 should be read in conjunction with the FY2022 Financial Statements and the accompanying notes as set out in the unaudited consolidated financial statements of the Sabana Industrial REIT Group.

The audited consolidated financial statements for the Sabana Industrial REIT Group for FY2021 are set out in Appendix C to this Circular and the FY2022 Financial Statements are set out in Appendix D to this Circular.

	FY2022 (unaudited)	FY2021	FY2020
	S\$'000	S\$'000	S\$'000
Gross revenue	94,907	81,913	71,701
Property expenses	(41,624)	(29,960)	(27,058)
Net property income	53,283	51,953	44,643
Finance income	85	30	54
Finance costs	(14,459)	(12,343)	(10,378)
Finance costs relating to lease liabilities	(3,219)	(3,255)	(3,323)
Net finance costs	(17,593)	(15,568)	(13,647)
Manager's fees	(4,438)	(4,655)	(4,312)
Trustee's fees	(355)	(349)	(348)
Donation	(5)	(5)	(1)
Other trust expenses	(1,331)	(684)	(3,500)
Net income	29,561	30,692	22,835
Net change in fair value of financial derivatives	8,903	2,127	(3,107)
Net change in fair value of investment properties	14,304	15,999	(61,938)
Total return/(loss) for the year before	52,768	48,818	(42,210)

	FY2022 (unaudited) S\$'000	FY2021 S\$'000	FY2020 S\$'000
taxation and distribution			
Tax expense	*	*	*
Total return/(loss) for the year after taxation and before distribution	52,768	48,818	(42,210)
Earnings per Unit (cents)			
Basic and diluted	4.87	4.61	(4.01)
Distribution per Unit (cents)	3.05	3.05	2.76

* Less than S\$1,000

7.2 Statements of Assets and Liabilities of Sabana Industrial REIT Group

Set out below is the Sabana Industrial REIT Group's statement of financial position as at 31 December 2021 and 31 December 2022 respectively. The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, the Sabana Industrial REIT Group's audited consolidated financial statements for FY2021 as well as the FY2022 Financial Statements, including the notes thereto.

	Sabana Industrial REIT Group Unaudited as at 31 December 2022 S\$'000	Sabana Industrial REIT Group Audited as at 31 December 2021 S\$'000
Non-current assets		
Investment Property	962,179	942,913
Derivative assets	6,647	191
Total non-current assets	968,826	943,104
Current assets		
Trade and other receivables	4,646	2,688
Derivative assets	1,711	-
Cash and cash equivalents	8,009	25,856
Total current assets	14,366	28,544
Total assets	983,192	971,648

	Sabana Industrial REIT Group	Sabana Industrial REIT Group
	Unaudited as at 31 December 2022	Audited as at 31 December 2021
	S\$'000	S\$'000
Current liabilities		
Trade and other payables	20,946	17,953
Lease liabilities	1,714	1,504
Total current liabilities	22,660	19,457
Non-current liabilities		
Trade and other payables	11,059	9,426
Borrowings	288,921	311,589
Lease liabilities	74,765	75,209
Total non-current liabilities	374,745	396,224
Total liabilities	397,405	415,681
Net assets	585,787	555,967
Represented by:		
Unitholders' funds	585,787	555,967
Units issued ('000)	1,096,121	1,069,950
Net asset value and net tangible asset per Unit (\$)	0.53	0.52

Copies of the Annual Reports for FY2020 and FY2021 and the FY2022 Financial Statements are available for inspection (prior appointment required) at the registered office of the REIT Manager at 151 Lorong Chuan #02-03 New Tech Park, Singapore 556741, during normal business hours for the period which the Partial Offer remains open for acceptance.

8. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the FY2022 Statements as announced on 30 January 2023 and any other information on the Sabana Industrial REIT Group which is publicly available (including without limitation, the announcements released by the Sabana Industrial REIT Group on the SGX-ST), there have been no material changes to the financial position of Sabana Industrial REIT since 31 December 2021, being the date of the last audited accounts of Sabana Industrial REIT laid before the Unitholders in general meeting.

9. ACCOUNTING POLICIES

The significant accounting policies of the Sabana Industrial REIT Group which are disclosed in Note 3 of the audited consolidated financial statements of the Sabana Industrial REIT Group for FY2021 are reproduced in Appendix C to this Circular.

There are no changes in the accounting policy of the Sabana Industrial REIT Group which will cause the figures disclosed in paragraph 7 of this Appendix A to not be comparable to a material extent.

10. MATERIAL CONTRACTS

Save as disclosed in the Annual Reports and any other information on the Sabana Industrial REIT Group which is publicly available (including without limitation, the announcements released by the Sabana Industrial REIT Group on the SGX-ST), neither the REIT Manager nor Sabana Industrial REIT's subsidiary has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three years before 20 January 2023, being the Partial Offer Announcement Date, and ending on the Latest Practicable Date.

11. MATERIAL LITIGATION

Neither the REIT Manager nor Sabana Industrial REIT's subsidiary is engaged in any material litigation or arbitration proceedings as plaintiff or defendant, which might materially and adversely affect the financial position of the Sabana Industrial REIT Group as a whole. The Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the REIT Manager or Sabana Industrial REIT's subsidiary or of any facts likely to give rise to any such proceedings which might materially or adversely affect the financial position of the Sabana Industrial REIT Group taken as a whole.

12. VALUATION ON SUBJECT PROPERTIES

12.1 Valuation

As set out in the Valuation Announcement, the REIT Manager had obtained independent valuations for the Subject Properties as at 31 December 2022, for corporate reporting purposes (i.e. not for the purposes of the Partial Offer).

The valuations were conducted by the Independent Valuers, details of which are as follows:

No.	Property	Valuer	Valuation as at 31 December 2022 (S\$'000)
	<u>High-tech Industrial</u>		
1	151 Lorong Chuan	Savills	\$362,700
2	8 Commonwealth Lane	Savills	\$54,700
3	15 Jalan Kilang Barat	Savills	\$22,700

4	1 Tuas Avenue 4 ⁽¹⁾	Savills	\$9,000
5	23 Serangoon North Avenue 5	C&W	\$42,200
6	508 Chai Chee Lane	C&W	\$67,000
	<u>Chemical Warehouse & Logistics</u>		
7	33 & 35 Penjuru Lane	C&W	\$41,600
8	18 Gul Drive	C&W	\$19,000
	<u>Warehouse & Logistics</u>		
9	34 Penjuru Lane	C&W	\$29,500
10	51 Penjuru Road	Savills	\$30,500
11	26 Loyang Drive	C&W	\$26,200
12	3A Joo Koon Circle	C&W	\$33,900
13	2 Toh Tuck Link	C&W	\$30,500
14	10 Changi South Street 2	Savills	\$37,400
	<u>General Industrial</u>		
15	123 Genting Lane	C&W	\$16,500
16	30 & 32 Tuas Avenue 8	Savills	\$28,900
17	39 Ubi Road 1	C&W	\$18,200
18	21 Joo Koon Crescent	Savills	\$15,200
	Total		\$885,700

Note:

(1) The property is undergoing an asset enhancement initiative.

As set out in the Valuation Announcement, the Subject Properties are stated at fair value based on valuations performed by the Independent Valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction wherein the parties had each acted knowledgeably, prudently and without compulsion. The Independent Valuers have considered the capitalisation approach and discounted cash flow and/or direct comparison methods in arriving at the open market value as at the reporting date.

Please refer to Appendix F to this Circular for copies of the Valuation Certificates.

12.2 Potential Tax Liability

Under Rule 26.3 of the Code, the REIT Manager is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Subject Properties were to be sold at the amount of the valuation. Sabana Industrial REIT holds its properties for long-term investment purposes. The REIT Manager is of the view that the Subject Properties have been acquired on capital account and any gain on any hypothetical disposal of the Subject Properties will not be subject to tax. Accordingly, the potential tax liabilities that may be incurred by Sabana Industrial REIT on the hypothetical sale of the Subject Properties on an "as is" basis is therefore zero.

13. GENERAL

13.1 Costs and Expenses

All expenses and costs incurred by the REIT Manager in relation to the Partial Offer will be borne by Sabana Industrial REIT.

13.2 Transfer Restrictions

There is no restriction in the Sabana Industrial REIT Trust Deed on the right to transfer any Units, which has the effect of requiring holders of the Offer Units, before transferring them, to offer them for purchase to Unitholders or to any other person.

13.3 Consent of the Independent Valuers

Each of the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and the Valuation Certificates, as set out in Appendix F to this Circular, and all references to its name in the form and context in which it appears in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (prior appointment required) at the office of the REIT Manager at 151 Lorong Chuan #02-03 New Tech Park, Singapore 556741, during normal business hours for the period which the Partial Offer remains open for acceptance:

- (a) the Sabana Industrial REIT Trust Deed;
- (b) the Annual Reports for FY2020 and FY2021;
- (c) the FY2022 Financial Statements;
- (d) the letters of consent referred to in paragraph 13.3 above; and
- (e) the Valuation Certificates.

**APPENDIX B
INFORMATION ON THE OFFEROR**

1. THE OFFEROR

The following information on the Offeror has been extracted from Appendix C to the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document:

“1. DIRECTORS

The names, address and description of the Directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
<i>Sieber, Daniel</i>	<i>c/o Spittelweg 1, 5034 Suhr Switzerland</i>	<i>Director and President of the Board of Directors</i>
<i>Duttwiler, Konrad</i>	<i>c/o Spittelweg 1, 5034 Suhr Switzerland</i>	<i>Director</i>
<i>Ramon, Werner</i>	<i>c/o Spittelweg 1, 5034 Suhr Switzerland</i>	<i>Director</i>
<i>El Kamel, Nora</i>	<i>c/o Spittelweg 1, 5034 Suhr Switzerland</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES

The Offeror is a company incorporated in Switzerland on 07 October 1975. The Offeror has several lines of business undertaken by various subsidiaries as elaborated in this paragraph. The Offeror via its subsidiary Oel-Pool AG is one of Switzerland’s leading suppliers of fossil fuels. Oel-Pool AG and its subsidiary Moveri AG operate over 700 petrol stations under various brands. Another of the Offeror’s subsidiaries, Soft Car Wash AG and its subsidiaries, provide vehicle care, both with self-service jet machines and car washes. Further business lines include wood production and trade, furniture manufacturing, trading with bituminous material, construction services, road repair services, as well as investments in real estate and real estate companies. The Offeror’s investment arm holds a further portfolio of companies in different industries from food manufacturing to IT services.

3. FINANCIAL INFORMATION

3.1 *Set out below are certain financial information extracted from the Offeror’s audited financial statements for the financial years 2020, 2021 and 2022:*

	<i>Audited as at 30 June 2022 CHF</i>	<i>Audited as at 30 June 2021 CHF</i>	<i>Audited as at 30 June 2020 CHF</i>
<i>Revenue including net financial income</i>	16,526,541	23,093,186	27,641,311
<i>Exceptional items</i>	-120,905	-2,305,493	-3,676,628
<i>Extraordinary losses</i>	0	0	0
<i>Net profit before tax</i>	16,197,821	20,575,082	23,764,526
<i>Net profit after tax</i>	15,652,480	19,813,314	23,753,977
<i>Net earnings per share</i>	1,304	1,651	1,979

An extract of the audited balance sheet of the Offeror is set out in **Appendix G** to this Offer Document.

4. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Offer Document, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Partial Offer Announcement Date and ending on the Latest Practicable Date.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror are set out in **Appendix H** to this Offer Document.

6. CHANGES IN ACCOUNTING POLICIES

There have been no changes to the significant accounting policies of the Offeror since the date of the latest audited financial statement as at 30 June 2022, which will cause the figures set out in **Paragraph 3 (Financial Information)** above and **Appendix G** to this Offer Document to be not comparable to a material extent.

7. REGISTERED OFFICE

The registered office of the Offeror is at Spittelweg 1, 5034 Suhr, Switzerland.”

2. UNITHOLDINGS AND DEALINGS IN THE UNITS

The following information on the unitholdings of, and dealings in, the Units by the Offeror and parties acting in concert with it is extracted from Appendix E to the Offer Document:

“1. DISCLOSURE OF INTERESTS

1.1 As at the Latest Practicable Date, save as disclosed herein, based on responses received pursuant to enquiries that the Offeror has made and the latest information available to the Offeror, none of (a) the Offeror and its Directors or (b) the Offeror's Concert Parties:

1.1.1 owns, controls or has agreed to acquire any Units or Relevant Securities;

1.1.2 has dealt for value in any Relevant Securities during the period commencing three (3) months prior to 20 January 2023 (being the Partial Offer Announcement Date) and ending on the Latest Practicable Date;

1.1.3 has granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

1.1.4 has borrowed any Relevant Securities from any other person (excluding borrowed Relevant Securities which have been on-lent or sold); and

1.1.5 has lent any Relevant Securities to any other person.

2. HOLDINGS OF THE RELEVANT PERSONS

Name	Direct		Deemed		Total	
	No. of Units	%	No. of Units	%	No. of Units	%
Offeror	59,493,226	5.4	-	-	59,493,226	5.4

3. DEALINGS IN UNITS BY THE RELEVANT PERSONS

Name	Date of Transaction	No. of Units bought	Price per Unit (S\$)
Offeror	21 October 2022	500,000	0.390815
		200,000	0.390000
		153,800	0.390000
	25 October 2022	125,500	0.395000

”

APPENDIX C
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE SABANA INDUSTRIAL REIT GROUP FOR FY2021

The audited consolidated financial statements for the Sabana Industrial REIT Group for FY2021 set out below have been reproduced from Sabana Industrial REIT's Annual Report for FY2021.

Sabana Industrial REIT | Annual Report 2021

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Sabana Industrial Real Estate Investment Trust (the "Trust") and its subsidiary (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001, of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Sabana Real Estate Investment Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 October 2010 (as amended by the first supplemental deed dated 2 December 2010, the first amending and restating deed dated 24 February 2016, the second amending and restating deed dated 24 March 2016, the second supplemental deed dated 6 May 2019, the third amending and restating deed dated 7 April 2020 and the third supplemental deed dated 21 October 2021) (collectively, the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 127 to 180 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

**For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited**

Authorised signatory

Singapore
21 March 2022

STATEMENT BY THE MANAGER

In the opinion of the directors of Sabana Real Estate Investment Management Pte. Ltd. (the "Manager"), the accompanying financial statements of Sabana Industrial Real Estate Investment Trust (the "Trust") and its subsidiary (the "Group") set out on pages 127 to 180 comprising the Consolidated Statement of Financial Position and Consolidated Portfolio Statement of the Group and the Statement of Financial Position of the Trust as at 31 December 2021, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds and Consolidated Statement of Cash Flows of the Group and the Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Group and the Trust and portfolio holdings of the Group as at 31 December 2021, the total return, distributable income and movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

**For and on behalf of the Manager,
Sabana Real Estate Investment Management Pte. Ltd.**

Tan Cheong Hin
Chairman

Singapore
21 March 2022

INDEPENDENT AUDITORS' REPORT

To the Unitholders
Sabana Industrial Real Estate Investment Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2010 (as amended by the first supplemental deed dated 2 December 2010, the first amending and restating deed dated 24 February 2016, the second amending and restating deed dated 24 March 2016, the second supplemental deed dated 6 May 2019, the third amending and restating deed dated 7 April 2020 and the third supplemental deed dated 21 October 2021))

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sabana Industrial Real Estate Investment Trust (the "Trust") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group, and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 127 to 180.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2021 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties (Refer to Note 4 to the financial statements)

Risk

The Group's property portfolio with a carrying amount of \$942.9 million (2020: \$918.4 million) as at 31 December 2021, comprises 18 properties (2020: 18 properties, including one property held for divestment) located across Singapore.

The investment properties are stated at fair value. The key assumptions used and estimates applied in determining the valuation of investment properties involve significant judgement, and as a result, the valuation of investment properties is considered as a key audit matter.

Valuation reports obtained from certain external valuers highlighted that given the heightened uncertainty and unknown impact that COVID-19 pandemic might have on the real estate market, less certainty and a higher degree of caution, should be attached to

INDEPENDENT AUDITORS' REPORT

their valuations than would normally be the case. Additionally, due to the unknown future impact of the pandemic, certain external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response

The fair value of investment properties are based on independent external valuations.

We assessed the competence, capability and objectivity of the external valuers engaged by the Group. We also held discussions with the valuers and the Manager to understand the valuation methods and key assumptions used, where appropriate.

We considered the valuation methodologies adopted against those applied by other valuers for similar property types. We tested the integrity of inputs of the future cash flows used in the valuation to support leases and other documents. We benchmarked the capitalisation, discount and terminal yield rates to available industry data, taking into consideration comparability and market factors; as well as benchmarking them against other market comparables where applicable. We also discussed with certain valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

Our findings

The external valuers are members of recognised professional bodies for valuers.

The valuation methodologies adopted are consistent with market practices and the key assumptions and inputs are consistent with those adopted on comparable properties.

Other information

Sabana Real Estate Investment Management Pte. Ltd., the manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report, other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement

INDEPENDENT AUDITORS' REPORT

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Gerard Toh Wen-Wei.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
21 March 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets					
Investment properties	4	942,913	904,565	942,913	904,565
Subsidiary	5	–	–	*	*
Derivative assets	6	191	–	191	–
		<u>943,104</u>	<u>904,565</u>	<u>943,104</u>	<u>904,565</u>
Current assets					
Investment property held for divestment	4	–	13,794	–	13,794
Trade and other receivables	7	2,688	2,838	2,687	2,836
Cash and cash equivalents	8	25,856	9,520	25,856	9,520
		<u>28,544</u>	<u>26,152</u>	<u>28,543</u>	<u>26,150</u>
Total assets		<u>971,648</u>	<u>930,717</u>	<u>971,647</u>	<u>930,715</u>
Current liabilities					
Trade and other payables	9	17,953	17,417	17,961	17,424
Borrowings	10	–	158,370	–	158,370
Derivative liabilities	6	–	201	–	201
Lease liabilities	23	5,915	6,130	5,915	6,130
Total current liabilities		<u>23,868</u>	<u>182,118</u>	<u>23,876</u>	<u>182,125</u>
Non-current liabilities					
Trade and other payables	9	9,426	7,539	9,426	7,539
Borrowings	10	311,589	125,649	311,589	125,649
Derivative liabilities	6	–	3,535	–	3,535
Lease liabilities	23	70,798	72,129	70,798	72,129
		<u>391,813</u>	<u>208,852</u>	<u>391,813</u>	<u>208,852</u>
Total liabilities		<u>415,681</u>	<u>390,970</u>	<u>415,689</u>	<u>390,977</u>
Net assets		<u>555,967</u>	<u>539,747</u>	<u>555,958</u>	<u>539,738</u>
Represented by:					
Unitholders' funds		<u>555,967</u>	<u>539,747</u>	<u>555,958</u>	<u>539,738</u>
Units issued ('000)	11	<u>1,069,950</u>	<u>1,053,084</u>	<u>1,069,950</u>	<u>1,053,084</u>
Net asset value ("NAV") and net tangible asset ("NTA") per Unit (\$)		<u>0.52</u>	<u>0.51</u>	<u>0.52</u>	<u>0.51</u>

* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

For the year ended 31 December 2021

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gross revenue	13	81,913	71,701	81,913	71,701
Property expenses	14	(29,960)	(27,058)	(29,960)	(27,058)
Net property income		51,953	44,643	51,953	44,643
Finance income		30	54	30	54
Finance costs		(12,343)	(10,378)	(12,338)	(10,373)
Finance costs relating to lease liabilities		(3,255)	(3,323)	(3,255)	(3,323)
Net finance costs	15	(15,568)	(13,647)	(15,563)	(13,642)
Manager's fees		(4,655)	(4,312)	(4,655)	(4,312)
Trustee's fees		(349)	(348)	(349)	(348)
Donation of non-Shari'ah compliant income	16	(5)	(1)	(5)	(1)
Other trust expenses	17	(684)	(3,500)	(689)	(3,505)
		(5,693)	(8,161)	(5,698)	(8,166)
Net income		30,692	22,835	30,692	22,835
Net change in fair value of financial derivatives		2,127	(3,107)	2,127	(3,107)
Net change in fair value of investment properties		15,999	(61,938)	15,999	(61,938)
Total return/(loss) for the year before taxation and distribution		48,818	(42,210)	48,818	(42,210)
Tax expense	18	*	*	-	-
Total return/(loss) for the year after taxation and before distribution		48,818	(42,210)	48,818	(42,210)
Earnings per Unit (cents)					
Basic and diluted	20	4.61	(4.01)	4.61	(4.01)

* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

For the year ended 31 December 2021

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Amount available for distribution to Unitholders at beginning of the year	24,259	8,207	24,259	8,207
Total return/(loss) for the year after taxation and before distribution	48,818	(42,210)	48,818	(42,210)
Non-tax deductible/(chargeable) items:				
Amortisation of transaction costs	2,580	658	2,580	658
Trustee's fees	349	348	349	348
Donation of non-Shari'ah compliant income	5	1	5	1
Net change in fair value of financial derivatives	(2,127)	3,107	(2,127)	3,107
Net change in fair value of investment properties	(15,999)	61,938	(15,999)	61,938
Effects of recognising rental income on a straight-line basis over the lease term	(731)	178	(731)	178
Finance costs relating to lease liabilities	3,255	3,323	3,255	3,323
Land rent expenses	(4,736)	(4,799)	(4,736)	(4,799)
Other items	1,090	6,566	1,090	6,566
Net effect of non-tax deductible items	(16,314)	71,320	(16,314)	71,320
Income available for distribution to Unitholders for the year	32,504	29,110	32,504	29,110
Capital gains distribution	-	-	-	-
Total amount available for distribution to Unitholders for the year	56,763	37,317	56,763	37,317

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

For the year ended 31 December 2021

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Distribution of 0.77 cents per Unit for the period 1 October 2019 to 31 December 2019	-	(8,109)	-	(8,109)
Distribution of 0.47 cents per Unit for the period 1 January 2020 to 30 June 2020	-	(4,949)	-	(4,949)
Distribution of 2.29 cents per Unit for the period 1 July 2020 to 31 December 2020	(24,115)	-	(24,115)	-
Distribution of 1.48 cents per Unit for the period 1 January 2021 to 30 June 2021	(15,586)	-	(15,586)	-
	<u>(39,701)</u>	<u>(13,058)</u>	<u>(39,701)</u>	<u>(13,058)</u>
Amount available for distribution to Unitholders at end of the year*	<u>17,062</u>	<u>24,259</u>	<u>17,062</u>	<u>24,259</u>
Number of Units entitled to distributions ('000) (Note 11)	<u>1,069,950</u>	<u>1,053,084</u>	<u>1,069,950</u>	<u>1,053,084</u>
Distribution per Unit (cents)	<u>3.05</u>	<u>2.76</u>	<u>3.05</u>	<u>2.76</u>

* Distributions were partly paid by Sabana Industrial Real Estate Investment Trust issuing an aggregate of 16,866,738 Units amounting to approximately \$7,133,000 (2020: Not implemented for the financial year ended 31 December 2020), pursuant to the Distribution Reinvestment Plan.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 31 December 2021

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Unitholders' funds at beginning of the year	539,747	595,015	539,738	595,006
Operations				
Total return after taxation and before distribution	48,818	(42,210)	48,818	(42,210)
	588,565	552,805	588,556	552,796
Unitholders' transactions				
Distributions to Unitholders	(39,701)	(13,058)	(39,701)	(13,058)
Units issued through Distribution Reinvestment Plan	7,133	-	7,133	-
Equity issue costs pursuant to:				
- Distribution Reinvestment Plan	(30)	-	(30)	-
Net decrease in net assets resulting from Unitholders' transactions	(32,598)	(13,058)	(32,598)	(13,058)
Unitholders' funds at end of the year	555,967	539,747	555,958	539,738

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2021

Group

Description of property	Type	Leasehold term* (years)	Remaining lease term # (years)	Location
New Tech Park	High-tech industrial	45	34	151 Lorong Chuan, Singapore 556741
8 Commonwealth Lane	High-tech industrial	53	37	8 Commonwealth Lane, Singapore 149555
Frontech Centre	High-tech industrial	99	39	15 Jalan Kilang Barat, Singapore 159357
1 Tuas Avenue 4	High-tech industrial	51.3	25	1 Tuas Avenue 4, Singapore 639382
BTC Centre	High-tech industrial	50	35	23 Serangoon North Avenue 5, Singapore 554530
508 Chai Chee Lane	High-tech industrial	59	38	508 Chai Chee Lane, Singapore 469032
Freight Links Express Logisticpark	Chemical warehouse & logistics	61	27	33 & 35 Penjuru Lane, Singapore 609200/609202
18 Gul Drive	Chemical warehouse & logistics	33	17	18 Gul Drive, Singapore 629468
Penjuru Logistics Hub	Warehouse & logistics	30	11	34 Penjuru Lane, Singapore 609201
Freight Links Express Logisticcentre	Warehouse & logistics	60	33	51 Penjuru Road, Singapore 609143
26 Loyang Drive	Warehouse & logistics	48	32	26 Loyang Drive, Singapore 508970

Balance carried forward

The accompanying notes form an integral part of these financial statements.

Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to Unitholders as at	
31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
%	%	\$'000	\$'000	%	%
81	77	355,000	333,400	63.9	61.8
100	84	55,400	53,500	10.0	9.9
94	98	21,700	21,300	3.9	3.9
-	-	9,000	9,000*	1.6	1.7
85	69	40,500	36,400	7.3	6.7
99	99	66,000	63,800	11.9	11.8
100	100	40,800	42,700	7.3	7.9
100	100	19,000	19,200	3.4	3.6
99	86	29,800	33,000	5.4	6.1
93	73	29,100	32,800	5.2	6.1
100	100	24,500	24,700	4.4	4.6
		690,800	669,800	124.3	124.1

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2021

Group (continued)

Description of property	Type	Leasehold term* (years)	Remaining lease term # (years)	Location
Balance brought forward				
3A Joo Koon Circle	Warehouse & logistics	60	26	3A Joo Koon Circle, Singapore 629033
2 Toh Tuck Link	Warehouse & logistics	60	35	2 Toh Tuck Link, Singapore 596225
10 Changi South Street 2	Warehouse & logistics	57	30	10 Changi South Street 2, Singapore 486596
Yenom Industrial Building	General industrial	60	20	123 Genting Lane, Singapore 349574
30 & 32 Tuas Avenue 8	General industrial	60	35	30 & 32 Tuas Avenue 8, Singapore 639246/639247
39 Ubi Road 1	General industrial	60	30	39 Ubi Road 1, Singapore 408695
21 Joo Koon Crescent	General industrial	60	32	21 Joo Koon Crescent, Singapore 629026

Investment properties and investment property held for divestment - Fair value

Investment properties and investment property held for divestment - Right-of-use assets

Total investment properties and investment property held for divestment

Other assets and liabilities

Net assets attributable to Unitholders' Funds

The accompanying notes form an integral part of these financial statements.

Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to Unitholders as at	
31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
%	%	\$'000	\$'000	%	%
		690,800	669,800	124.3	124.1
96	56	33,500	33,800	6.0	6.3
98	98	29,800	29,800	5.4	5.5
80	64	36,700	33,700	6.6	6.2
85	83	16,400	16,400	2.9	3.0
-	100	26,200	24,200	4.7	4.5
99	67	17,700	17,400	3.2	3.2
100	100	15,100	15,000	2.7	2.8
		866,200	840,100	155.8	155.6
		76,713	78,259	13.8	14.5
		942,913	918,359	169.6	170.1
		(386,946)	(378,612)	(69.6)	(70.1)
		555,967	539,747	100.0	100.0

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2021

Group (continued)

As disclosed in the Statements of Financial Position:

	Carrying amount as at	
	31 December 2021	31 December 2020
	\$'000	\$'000
Investment properties – non-current	942,913	904,565
Investment property held for divestment – current (denoted as * in the Consolidated Portfolio Statement)	–	13,794
	<u>942,913</u>	<u>918,359</u>

* Includes the period covered by the relevant options to renew.

Remaining lease term includes optional lease term.

All properties under the Consolidated Portfolio Statement are leasehold.

The fair value of the investment properties as at 31 December 2021 were based on full independent valuations undertaken by CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd (31 December 2020: Cushman & Wakefield (S) Pte Ltd and SRE Global Pte Ltd). Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The independent valuers have appropriate professional qualifications and recent experiences in the locations and category of the properties being valued. The valuations for these properties were based on the direct comparison method, capitalisation approach and discounted cashflow analysis in arriving at the open market value as at the reporting date. Refer to Note 4 for the key assumptions used to determine the fair value of these investment properties and the net change in fair value of the portfolio. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Total return/(loss) for the year before taxation and distribution		48,818	(42,210)
Adjustments for:			
Net change in fair value of financial derivatives		(2,127)	3,107
Net change in fair value of investment properties		(15,999)	61,938
Net finance costs		15,568	13,647
		46,260	36,482
Change in trade and other receivables		150	768
Change in trade and other payables		2,423	2,855
Cash generated from operations		48,833	40,105
Ta'widh (compensation on late payment of rent) received		19	31
Net cash from operating activities		48,852	40,136
Cash flows from investing activities			
Capital expenditure on investment properties		(9,541)	(14,992)
Interest/Profit income received		11	14
Net cash used in investing activities		(9,530)	(14,978)
Cash flows from financing activities			
Proceeds from borrowings		334,830	13,345
Repayment of borrowings		(306,247)	(5,000)
Transaction costs paid		(5,522)	(168)
Payment of lease liabilities		(1,542)	(1,476)
Finance costs relating to lease liabilities		(3,255)	(3,323)
Finance costs paid		(8,652)	(10,057)
Distributions paid		(32,598)	(13,058)
Net cash used in financing activities		(22,986)	(19,737)
Net increase in cash and cash equivalents		16,336	5,421
Cash and cash equivalents at beginning of the year		9,520	4,099
Cash and cash equivalents at end of the year	8	25,856	9,520

Significant Non-Cash Transaction

16,866,738 Units amounting to approximately \$7,133,000 were issued by the Trust as part payment of distributions in respect of period from 1 January 2021 to 30 June 2021, pursuant to the Distribution Reinvestment Plan.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 21 March 2022.

1 GENERAL

Sabana Industrial Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2010 (as amended by the First Supplemental Deed dated 2 December 2010, the First Amending and Restating Deed dated 24 February 2016, the Second Amending and Restating Deed dated 24 March 2016, the Second Supplemental Deed dated 6 May 2019, the Third Amending and Restating Deed dated 7 April 2020 and the Third Supplemental Deed dated 21 October 2021) (collectively, the "Trust Deed") between the Manager and Trustee. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiary (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was a dormant private trust from the date of constitution until its acquisition of properties on 26 November 2010. It was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2010 and was included in the Central Provident Fund ("CPF") Investment Scheme on 26 November 2010.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Trust and its subsidiary (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Trust is to invest in income-producing real estate used for industrial purposes in Asia, as well as real estate-related assets. The principal activities of the subsidiary are set out on Note 5 of the financial statements.

The Trust relinquished its Shari'ah compliance designation with effect on 21 October 2021.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

1.1 Property Manager's fees

The Property Manager is entitled under the Property Management Agreement to the following management fees on each property of the Group located in Singapore under its management:

- a property management fee of 2.0% per annum of gross revenue of each property; and
- a lease management fee of 1.0% per annum of gross revenue of each property.

The property management fee and the lease management fee are payable to the Property Manager in the form of cash.

1.2 Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to the following manager's fees:

- a base fee not exceeding the rate of 0.5% per annum of the value of the gross assets of the Group ("Deposited Property"); and
- a performance fee equal to 0.5% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Group's Net Property Income in the relevant financial year, provided that the Group achieves an annual growth in distribution per Unit ("DPU") of at least 10.0% over the previous financial year (calculated after accounting for the performance fee (if any) for that financial year and after adjusting, at the discretion of the Manager, for any new Units arising from the conversion or exercise of any instruments convertible into Units which are outstanding at the time of calculation, and any rights or bonus issue, consolidation, subdivision or buy-back of Units).

The Manager has elected to receive 100.0% of the base fee in cash for both financial years ended 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 GENERAL (CONTINUED)

1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.25% per annum of the value of the Deposited Property (subject to a minimum of \$25,000 per month), excluding out-of-pocket expenses and goods and services tax ("GST").

The actual fee payable will be determined between the Manager and the Trustee from time to time.

1.4 Acquisition fees

Pursuant to the Trust Deed, the Manager is entitled to acquisition fees of 1.0% (or such lower percentage as may be determined by the Manager), of each of the following:

- the acquisition price of any real estate purchased, whether directly or indirectly through one or more Special Purpose Vehicles ("SPVs") by the Trust;
- the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any holding directly or indirectly the real estate, purchased whether directly or indirectly through one or more SPVs, by the Trust; and
- the acquisition price of any investment purchased by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities in any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured directly or indirectly by the rental income from real estate.

1.5 Divestment fees

Pursuant to the Trust Deed, the Manager is entitled to divestment fees of 0.5% (or such lower percentage as may be determined by the Manager) of each of the following:

- the sale price of real estate sold or divested, whether directly or indirectly through one or more SPVs by the Trust;
- the underlying value of any real estate which is taken into account when computing the sale price for the equity interests of any holding directly or indirectly the real estate, divested whether directly or indirectly through one or more SPVs, by the Trust; and
- the sale price of any investment sold by the Trust, whether directly or indirectly through one or more SPVs, in any debt securities in any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured directly or indirectly by the rental income from real estate.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS"). The related changes to significant accounting policies are described in Note 2.4.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except for the investment properties, investment property held for divestment and financial derivatives which are stated at fair value as set out in the accounting policies described in Notes 3.2, 3.3 and 3.5.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2 BASIS OF PREPARATION (CONTINUED)

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Manager is of the opinion that there are no critical judgement in applying the entity's accounting policies.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Investment properties and investment property held for divestment
- Note 21 – Fair values and accounting classifications of financial instruments

2.4 Changes in accounting policies

New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to FRS 116)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39 and FRS 107, FRS 104 and FRS 116)*

Other than the amendments relating to the interest rate benchmark reform – Phase 2 Amendments, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there is no impact on opening net asset balances as a result of retrospective application.

Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in FRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications to the additional changes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2 BASIS OF PREPARATION (CONTINUED)

2.4 Changes in accounting policies (continued)

Specific policies applicable from 1 January 2021 for interest rate benchmark reform (continued)

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost at initial recognition and subsequently at fair value with any changes therein recognised in the Statements of Total Return.

Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code issued by the MAS ("Property Funds Appendix").

Fair value changes are recognised in the Statements of Total Return. When an investment property is disposed of, the resulting gain or loss is recognised in the Statements of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are not depreciated. The properties are subject to continuing maintenance and are regularly revalued on the basis described above. For taxation purpose, the Group may claim capital allowances on assets that qualify as plant and machinery under the Singapore Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment property held for divestment

Investment properties that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for divestment. Immediately before classification as held for divestment, the assets and liabilities are measured in accordance with applicable FRSs. Thereafter, the assets or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell except for non-current assets that are accounted for in accordance with the fair value model in FRS 40 *Investment Property*.

Fair value changes for non-current assets that are accounted for in accordance with the fair value model in FRS 40 *Investment Property* are recognised in the Statements of Total Return. When a non-current asset held for sale is disposed of, the resulting gain or loss is recognised in the Statements of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

Non-current assets held for sale comprise investment property held for divestment.

3.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group subsequently applies the fair value model to ROU assets. Changes in fair value of ROU assets are recognised in the Statements of Total Return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- Variable lease payments that depends on an index or a rate, initially measured using index or rate as at the commencement date

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(ii) As a lessor (continued)

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue' (see Note 3.8).

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, the Group classifies financial assets as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and principal and interest/profit income on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest/profit income

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest/Profit income' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest/profit income, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest/profit income criterion if the prepayment amount substantially represents unpaid amounts of principal and interest/profit income on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest/profit expense (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest/profit rate method. The amortised cost is reduced by impairment losses. Interest/profit income, foreign exchange gains and losses and impairment are recognised in the Statements of Total Return. Any gain or loss on derecognition is recognised in the Statements of Total Return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. They are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest/profit rate method. Interest/profit expense and foreign exchange gains and losses are recognised in the Statements of Total Return.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(iii) Derecognition (continued)

Financial assets (continued)

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its Statements of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statements of Total Return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with financial institutions that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest/profit rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the Statements of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statements of Total Return.

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (continued)

(i) Non-derivative financial assets (continued)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest/profit rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (continued)

(i) Non-derivative financial assets (continued)

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and investment property held for divestment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statements of Total Return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Issue expenses

Issue expenses relate to expenses incurred in connection with the issue of Units. Such expenses are deducted directly against Unitholders' funds.

3.8 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases from investment properties is recognised in the Statements of Total Return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of total rental to be received.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Expenses

(i) Property expenses

Included in property expenses are property management fee and lease management fee under the Property Management Agreement, which are based on the applicable formula stipulated in Note 1.1, reimbursable expenses payable to the Property Manager and other property expenses in relation to the investment properties.

Property expenses are recognised as and when incurred and recorded on an accrual basis.

(ii) Manager's fees

Manager's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in Note 1.2.

(iii) Trustee's fees

Trustee's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in Note 1.3.

3.10 Finance income and finance cost

Finance income comprises interest/profit income. Finance costs comprise interest/profit expense on borrowings, amortisation of transaction costs, interest from lease liabilities and agent fees.

Finance income or costs is recognised using the effective interest/profit rate method.

The 'effective interest/profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- (i) the gross carrying amount of the financial asset; or
- (ii) the amortised cost of the financial liability.

In calculating interest/profit income and expense, the effective interest/profit rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest/profit income is calculated by applying the effective interest/profit rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest/profit income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Statements of Total Return using the effective interest/profit rate method.

3.11 Tax

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the Statements of Total Return except to the extent that it relates to a business combination, or items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiary to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Trust and its subsidiary. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Inland Revenue Authority of Singapore ("IRAS") had issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee is not subject to tax on the taxable income of the Trust, which includes profit distributions from liquid Islamic debt securities such as Sukuk that the Trust may invest in, provided that at least 90.0% of the taxable income of the Trust is distributed within the year in which the income is derived (the "tax transparency treatment"). Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of the Trust, except:

- (i) where the beneficial owners are individuals (whether resident or non-resident) who receive such distributions as investment income (excluding income received through a partnership) or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) where the beneficial owners are Qualifying Foreign Non-Individual Unitholders and Qualifying Foreign Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made up to 31 March 2025, unless concession is extended.

A Qualifying Unitholder is a Unitholder who is:

- a company which is incorporated and tax resident in Singapore;
- a Singapore branch of companies incorporated outside Singapore;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Tax (continued)

- a non-corporate constituted or registered in Singapore such as town councils, statutory boards, charities registered under the Charities Act 1994 or established by any written law, co-operative societies registered under the Co-operative Societies Act 1979 or trade unions registered under the Trade Unions Act 1940;
- a Central Provident Fund ("CPF") member who uses his CPF funds under the CPF Investment Scheme and where the distributions received are returned to the CPF accounts;
- an individual who uses his Supplementary Retirement Scheme ("SRS") funds and where the distributions received are returned to the SRS accounts;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; and
- a real estate investment trust exchange-traded fund ("REIT ETFs") which has been accorded the tax transparency treatment.

A Qualifying Foreign Non-Individual Unitholder is one which is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the Units are not obtained from that operation in Singapore.

A Qualifying Foreign Funds is one that qualifies for tax exemption under section 13D (formerly 13CA), 13U (formerly 13X), or 13V (formerly 13Y) of the Income Tax Act, is not a resident of Singapore for income tax purposes and:

- (a) does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- (b) carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains or profits from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act 1947 of Singapore and collected from the Trustee. Where the gains are capital gains, they are not subject to tax and the Trustee and the Manager may distribute the capital gains without having to deduct tax at source.

3.12 Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the year. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Manager's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Manager's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *FRS 117 Insurance Contracts and Amendments to FRS 117 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *Reference to the Conceptual Framework (Amendments to FRS 103)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4 INVESTMENT PROPERTIES AND INVESTMENT PROPERTY HELD FOR DIVESTMENT

Investment properties

	Group and Trust			31 December 2020
	31 December 2021			
	Fair value	ROU assets	Total	Total
	\$'000	\$'000	\$'000	\$'000
31 December 2021				
Balance at beginning of the year	831,100	73,465	904,565	949,241
Reclassification from investment property held for divestment	9,000	4,794	13,794	–
Capital expenditure	7,475	–	7,475	16,340
Straight-line adjustments in accordance with FRS 116	731	–	731	(178)
Net change in fair value of investment properties	17,541	(1,542)	15,999	(60,844)
Remeasurement of ROU assets	–	(4)	(4)	6
Leasing commission capitalised	353	–	353	–
Balance at end of the year	866,200	76,713	942,913	904,565

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4 INVESTMENT PROPERTIES AND INVESTMENT PROPERTY HELD FOR DIVESTMENT (CONTINUED)

Investment property held for divestment

	Group and Trust			31 December 2020 Total \$'000
	31 December 2021			
	Fair value \$'000	ROU assets \$'000	Total \$'000	
31 December 2021				
Balance at beginning of the year	9,000	4,794	13,794	14,888
Reclassification to investment properties	(9,000)	(4,794)	(13,794)	-
Net change in fair value of investment properties	-	-	-	(1,094)
Remeasurement of ROU assets	-	-	-	-
Balance at end of the year	-	-	-	13,794

As at 31 December 2021, the Manager has re-classified the investment property held for divestment to non-current investment property. The Manager having considered the current market conditions intend to hold the investment property and execute asset enhancement initiatives to generate future rental income.

Details of the investment properties are shown in the Consolidated Portfolio Statement.

Security

As at 31 December 2021, investment properties with an aggregate fair value of \$316.7 million (2020: \$788.4 million) at the Group and the Trust are pledged as security to secure certain borrowing facilities (see Note 10).

Measurement of fair value

Investment properties and investment property held for divestment

Investment properties are stated at fair value based on valuations performed by an independent professional valuer having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction wherein the parties had each acted knowledgeably prudently and without compulsion.

In determining the fair value, the valuer has used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date.

The valuer has considered the capitalisation approach and discounted cash flow and/or direct comparison methods in arriving at the open market value as at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment properties. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return ("Discount Rate") to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a Discount Rate consistent with current market requirements. The direct comparison method considered transacted prices of comparable properties.

The Group's investment properties and investment property held for divestment are carried at fair value based on Level 3 of the fair value hierarchy as inputs are unobservable.

In view of the COVID-19 outbreak, material uncertainty clauses were included in certain properties' valuation reports. The inclusion of a material uncertainty clause does not mean that the valuation cannot be relied upon, rather to ensure transparency of the fact that in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4 INVESTMENT PROPERTIES AND INVESTMENT PROPERTY HELD FOR DIVESTMENT (CONTINUED)

Measurement of fair value (continued)

Investment properties and investment property held for divestment (continued)

Certain valuation reports highlighted that given the heightened uncertainty and unknown impact that COVID-19 might have on the real estate market in the future, a degree of caution should be exercised when relying upon the valuation as at the reporting date. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, the valuer has also recommended to keep the valuation of the properties under frequent review.

Fair value hierarchy

The table below analyses investment properties and investment property held for divestment carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical investment properties that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the investment properties.

	Level 3	
	2021	2020
	\$'000	\$'000
Group and Trust		
Investment properties at fair value	866,200	831,100
Add: Carrying amount of lease liabilities	76,713	73,465
Carrying amount of investment properties	942,913	904,565
Investment property held for divestment at fair value	–	9,000
Add: Carrying amount of lease liabilities	–	4,794
Carrying amount of investment property held for divestment	–	13,794

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4 INVESTMENT PROPERTIES AND INVESTMENT PROPERTY HELD FOR DIVESTMENT (CONTINUED)

Fair value hierarchy (continued)

The following table shows the key unobservable inputs used in the valuation models for investment properties and investment property held for divestment:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties and investment property held for divestment	<ul style="list-style-type: none"> • Capitalisation rates from 5.50% to 6.50% (2020: 5.50% to 6.50%) • Discount rate of 7.25% to 7.75% (2020: 7.25%) • Terminal yield rates from 5.75% to 6.75% (2020: 5.75% to 6.75%) • Vacancy assumption rates from 1.00% to 10.00% (2020: 0.00% to 30.00%) • Rental growth rates from 1.50% to 3.50% (2020: 0.00% to 2.75%) 	<p>The estimated fair value of investment properties would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the capitalisation rates were lower/(higher); or • the discount rates were lower/(higher); or • the terminal yield rates were lower/(higher); or • the vacancy assumption rates were lower/(higher); or • the rental growth rates were higher/(lower).

The direct comparison method considered transacted prices of comparable properties. The estimated fair value of investment properties would increase/(decrease) when the transacted prices of comparable properties are higher/(lower).

5 SUBSIDIARY

	Trust	
	2021 \$'000	2020 \$'000
Equity investments at cost	*	*

* Less than \$1,000

Details of the subsidiary of the Group are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			2021	2020
Sabana Sukuk Pte. Ltd. ⁽¹⁾	Provision of treasury services	Singapore	100%	100%

⁽¹⁾ Audited by KPMG LLP Singapore

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

6 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets				
Interest/Profit rate swaps at fair value through Statements of Total Return	191	-	191	-
Current liabilities				
Interest/Profit rate swaps at fair value through Statements of Total Return	-	(201)	-	(201)
Non-current liabilities				
Interest/Profit rate swaps at fair value through Statements of Total Return	-	(3,535)	-	(3,535)
Total derivative financial instruments	191	(3,736)	191	(3,736)
Derivative financial instruments as a percentage of net assets	0.03%	0.69%	0.03%	0.69%

The Group uses interest/profit rate swaps to manage its exposure to interest/profit rate movements on its floating rate bearing Term Murabaha and Unsecured Term Loan Facilities by swapping the interest/profit rates on a proportion of these term loans from floating rates to fixed rates.

Interest/Profit rate swaps with a total notional amount of \$210.0 million (31 December 2020: \$142.5 million) had been entered into at the reporting date to provide fixed rate funding for terms of 2.0 to 3.0 years (31 December 2020: 1.0 to 2.0 years).

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Derivatives Swaps and Dealers Association ("ISDA") Master Netting Agreements. The ISDA does not meet the criteria for offsetting in the Statements of Financial Position. This is because it creates a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2021 and 31 December 2020, the Group's derivative assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

7 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables, gross	1,240	2,138	1,240	2,138
Less: Impairment losses on trade receivables	(1,055)	(1,871)	(1,055)	(1,871)
Trade receivables, net	185	267	185	267
Other receivables	1,842	1,560	1,842	1,560
Deposit	580	983	580	983
	2,607	2,810	2,607	2,810
Prepayment	81	28	80	26
	2,688	2,838	2,687	2,836

The exposures of the Group and the Trust to credit risk and impairment losses related to trade and other receivables, excluding prepayments, are disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Bank balances	25,856	9,520	25,856	9,520

9 TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Amount due to related parties, trade	1,663	1,325	1,678	1,339
Trade payables	1,573	2,449	1,573	2,449
Security deposits	13,156	10,038	13,156	10,038
Rental received in advance	718	509	718	509
Retention sums	1,162	1,024	1,162	1,024
Finance costs payable to:				
- non-related parties	979	136	979	136
Accrued operating expenses	6,055	6,717	6,055	6,717
Others	2,073	2,758	2,066	2,751
	<u>27,379</u>	<u>24,956</u>	<u>27,387</u>	<u>24,963</u>
Current	17,953	17,417	17,961	17,424
Non-current	9,426	7,539	9,426	7,539
	<u>27,379</u>	<u>24,956</u>	<u>27,387</u>	<u>24,963</u>

Outstanding balances with related parties are unsecured.

The exposures of the Group and Trust to liquidity risk related to trade and other payables are disclosed in Note 12.

10 BORROWINGS

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Secured borrowings					
Commodity Murabaha Facilities					
- Term	10(a)	-	120,000	-	120,000
- Revolving	10(a)	-	13,345	-	13,345
Murabaha Facilities					
- Term	10(b)	122,536	70,000	122,536	70,000
- Revolving	10(b)	-	50,500	-	50,500
Term Loan Facility	10(c)	-	30,000	-	30,000
Revolving Loan Facility	10(d)	-	1,000	-	1,000
Less: Unamortised capitalised transaction costs		(1,056)	(826)	(1,056)	(826)
		<u>121,480</u>	<u>284,019</u>	<u>121,480</u>	<u>284,019</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 BORROWINGS (CONTINUED)

	Note	Group		Trust	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Unsecured borrowings					
Unsecured Term Loan Facility	10(e)	193,000	–	193,000	–
Less: Unamortised capitalised transaction costs		(2,891)	–	(2,891)	–
		190,109	–	190,109	–
Total borrowings		311,589	284,019	311,589	284,019
Current		–	158,370	–	158,370
Non-current		311,589	125,649	311,589	125,649
		311,589	284,019	311,589	284,019

Terms and borrowings repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest/ profit rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
Group					
2021					
Term Murabaha Facility A	SGD	SOR*+Margin	2024	122,536	121,480
Unsecured Term Loan Facility A	SGD	SORA*+Margin	2024	100,000	98,442
Unsecured Term Loan Facility B	SGD	SORA*+Margin	2025	75,000	73,811
Unsecured Term Loan Facility C	SGD	SORA*+Margin	2025	18,000	17,856
				315,536	311,589
2020					
Term Commodity Murabaha Facility A	SGD	SOR*+Margin	2022	30,000	29,872
Term Commodity Murabaha Facility B	SGD	SOR*+Margin	2022	70,000	69,696
Term Commodity Murabaha Facility C	SGD	SOR*+Margin	2023	20,000	19,811
Revolving Commodity Murabaha Facility D	SGD	SOR*+Margin	2023	–	–
Revolving Commodity Murabaha Facility E	SGD	SOR*+Margin	2022	6,345	6,271
Term Commodity Murabaha Facility F	SGD	SOR*+Margin	2022	7,000	7,000
Term Murabaha Facility	SGD	SOR*+Margin	2021	70,000	69,948
Revolving Murabaha Facilities	SGD	SOR*+Margin	2021	50,500	50,500
Term Loan Facility	SGD	SOR*+Margin	2021	30,000	29,921
Revolving Loan Facility	SGD	SOR*+Margin	2023	1,000	1,000
				284,845	284,019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 BORROWINGS (CONTINUED)

Terms and borrowings repayment schedule (continued)

	Currency	Nominal interest/ profit rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
Trust					
2021					
Term Murabaha Facility A	SGD	SOR*+Margin	2024	122,536	121,480
Unsecured Term Loan Facility A	SGD	SORA*+Margin	2024	100,000	98,442
Unsecured Term Loan Facility B	SGD	SORA*+Margin	2025	75,000	73,811
Unsecured Term Loan Facility C	SGD	SORA*+Margin	2025	18,000	17,856
				<u>315,536</u>	<u>311,589</u>
2020					
Term Commodity Murabaha Facility A	SGD	SOR*+Margin	2022	30,000	29,872
Term Commodity Murabaha Facility B	SGD	SOR*+Margin	2022	70,000	69,696
Term Commodity Murabaha Facility C	SGD	SOR*+Margin	2023	20,000	19,811
Revolving Commodity Murabaha Facility D	SGD	SOR*+Margin	2023	-	-
Revolving Commodity Murabaha Facility E	SGD	SOR*+Margin	2022	6,345	6,271
Term Commodity Murabaha Facility F	SGD	SOR*+Margin	2022	7,000	7,000
Term Murabaha Facility	SGD	SOR*+Margin	2021	70,000	69,948
Revolving Murabaha Facilities	SGD	SOR*+Margin	2021	50,500	50,500
Term Loan Facility	SGD	SOR*+Margin	2021	30,000	29,921
Revolving Loan Facility	SGD	SOR*+Margin	2023	1,000	1,000
				<u>284,845</u>	<u>284,019</u>

* Singapore Overnight Rate Average/Swap Offer Rate

Secured borrowings

(a) Commodity Murabaha Facilities

In October 2021, the Group completed its refinancing exercise of the Commodity Murabaha Facilities with the new unsecured term loan facilities. (See Note 10(e))

(b) Murabaha Facilities

In March 2021, the Group completed its refinancing exercise of the Murabaha Facilities and obtained additional facilities to be used for general working capital.

The Murabaha Facilities consisted of:

- (i) 3-year Term Murabaha Facility of \$123.0 million maturing in March 2024; and
- (ii) The Revolving Murabaha Facilities of \$25.9 million maturing in March 2024.

As of 31 December 2021, \$122.5 million of Term Murabaha Facility and \$Nil of Revolving Murabaha Facilities was drawn (31 December 2020: \$120.5 million was drawn).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 BORROWINGS (CONTINUED)

(b) *Murabaha Facilities (continued)*

The Murabaha Facilities are secured by, inter-alia:

- A first ranking legal mortgage over 8 (31 December 2020: 7) investment properties with a combined carrying value of \$316.7 million (31 December 2020: \$267.6 million) ("Murabaha Secured Properties");
- Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Murabaha Secured Properties; and
- A fixed and floating charge over the other assets of the Trust relating to the Murabaha Secured Properties.

(c) *Term Loan Facility*

In October 2021, the Group completed its refinancing exercise of the outstanding Term Loan Facility of \$30.0 million maturing in December 2021 using the new unsecured term loan facilities. (See Note 10(e))

(d) *Revolving Loan Facility*

In November 2021, the Group completed its refinancing exercise of the outstanding Revolving Loan Facility of \$28.0 million maturing in April 2023 using the new unsecured term loan facilities. (See Note 10(e))

Unsecured borrowings

(e) *Unsecured Term Loan Facility*

The outstanding unsecured Term Loan Facility consisted of:

- (i) 3-year term loan facilities of \$100.0 million maturing in October 2024.
- (ii) 4-year term loan facilities of \$75.0 million maturing in October 2025.
- (iii) 4-year term loan facilities of \$18.0 million maturing in November 2025.

(f) *Unutilised Loan Facilities*

As of 31 December 2021, in addition to the unutilised Revolving Murabaha Facility mentioned in Note 10(b)(ii), the Group also has access to the following unutilised revolving loan facilities consisting of:

- (i) 3-year revolving facility of \$25.0 million maturing in October 2024.
- (ii) 4-year revolving facility of \$25.0 million maturing in October 2025.
- (iii) 3-year revolving facility of \$20.0 million maturing in November 2024.

As of 31 December 2020, the Group had access to the following unutilised loan facilities consisting of:

- (i) 4-year Revolving Commodity Murabaha Facility of \$20.0 million maturing in November 2023.
- (ii) Revolving Murabaha Facilities of \$2.5 million maturing in March 2021.
- (iii) 3-year term Commodity Murabaha Facility of \$7.7 million maturing in November 2022.
- (iv) 3-year revolving facility of \$27.0 million maturing in April 2023.
- (v) 3-year bank guarantee facility of \$2.0 million maturing in April 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group				
	Liabilities		Derivative financial instruments		Total \$'000
	Borrowings \$'000	Finance costs payable \$'000	Lease liabilities \$'000	Interest/ Profit rate swap -liabilities/ (assets) \$'000	
Balance at 1 January 2021	284,019	136	78,259	3,736	
Changes from financing cash flows					
Proceeds from borrowings	334,830	-	-	-	334,830
Repayment of borrowings	(304,318)	-	-	(1,929)	(306,247)
Transactions cost paid	(5,522)	-	-	-	(5,522)
Payment of lease liabilities	-	-	(1,542)	-	(1,542)
Finance costs relating to lease liabilities	-	-	(3,255)	-	(3,255)
Finance costs paid	-	(7,102)	-	(1,550)	(8,652)
Total changes from financing cash flows	24,990	(7,102)	(4,797)	(3,479)	9,612
Changes in fair value	-	-	-	(2,127)	(2,127)
Other changes					
Liability-related					
Amortisation of transaction costs	2,580	-	-	-	2,580
Interest/Profit expense	-	7,945	-	1,679	9,624
Remeasurement of lease liabilities	-	-	(4)	-	(4)
Finance costs relating to lease liabilities	-	-	3,255	-	3,255
Total liability-related other changes	2,580	7,945	3,251	1,679	15,455
Balance at 31 December 2021	311,589	979	76,713	(191)	389,090

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Group				Total \$'000
	Liabilities		Derivative financial instruments		
	Borrowings \$'000	Finance costs payable \$'000	Lease liabilities \$'000	Profit rate swap - liabilities \$'000	
Adjusted balance at 1 January 2020	275,184	802	79,729	437	356,152
Changes from financing cash flows					
Proceeds from borrowings	13,345	-	-	-	13,345
Repayment of borrowings	(5,000)	-	-	-	(5,000)
Transactions cost paid	(168)	-	-	-	(168)
Payment of lease liabilities	-	-	(1,476)	-	(1,476)
Finance costs relating to lease liabilities	-	-	(3,323)	-	(3,323)
Finance costs paid	-	(8,550)	-	(1,507)	(10,057)
Total changes from financing cash flows	8,177	(8,550)	(4,799)	(1,507)	(6,679)
Changes in fair value	-	-	-	3,107	3,107
Other changes					
Liability-related					
Amortisation of transaction costs	658	-	-	-	658
Profit expense	-	7,884	-	1,699	9,583
Remeasurement of lease liabilities	-	-	6	-	6
Finance costs relating to lease liabilities	-	-	3,323	-	3,323
Total liability-related other changes	658	7,884	3,329	1,699	13,570
Balance at 31 December 2020	284,019	136	78,259	3,736	366,150

11 UNITS IN ISSUE

	Group and Trust	
	2021 '000	2020 '000
Units in issue:		
At beginning of the year	1,053,084	1,053,084
Units issued:		
- Distribution Reinvestment Plan	16,866	-
At beginning and end of the year	1,069,950	1,053,084

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11 UNITS IN ISSUE (CONTINUED)

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per unit.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

On 1 April 2014, the Trust introduced the distribution reinvestment plan ("DRP") whereby the Unitholders have the option to receive their distribution in Units instead of cash or a combination of Units and cash.

During 2021, DRP was re-implemented for the financial year ended 31 December 2021. 16,866,738 new Units amounting to approximately \$7133,000 at issue price of \$0.4229 per Unit in lieu of distribution payments pursuant to the Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in Units instead of cash or a combination of Units and cash. (2020: Not implemented for the financial year ended 31 December 2020).

12 FINANCIAL RISK MANAGEMENT

12.1 Capital management

The Group reviews its capital management policy regularly so as to optimise the Group's funding structure. The Group also monitors its exposures to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures. The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise interest/profit rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of its Deposited Property. As at the reporting date, the Aggregate Leverage of the Group was 35.0% (2020: 33.5%) which was in compliance with the Aggregate Leverage limit of 50.0%. There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.2 Risk management framework

The Group is exposed to market risk (including interest/profit rate risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management is integral to the whole business of the Group. The Manager has implemented a system of controls in place to create an acceptable balance between the benefits derived from managing risks and the cost of managing those risks. The Manager also monitors the Group's risk management process closely to ensure an appropriate balance between control and business objectives is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's strategic direction.

The Audit Committee of the Manager assists the Board in overseeing how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's exposure to those risks. The Audit Committee is assisted in its oversight role by an internal audit function which is outsourced to an independent professional firm ("Internal Audit"). Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

12.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Group, to settle its financial and contractual obligations, as and when they fall due.

The carrying amount of financial assets represents the Group and the Trust's maximum exposure to credit risk before taking into account any security deposit held. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables [#]	2,607	2,810	2,607	2,810
Cash and cash equivalents	25,856	9,520	25,856	9,520
	<u>28,463</u>	<u>12,330</u>	<u>28,463</u>	<u>12,330</u>

[#] exclude prepayments

The Manager has an established process to evaluate the creditworthiness of its tenants and prospective tenants and monitors amounts receivable on an on-going basis to minimise potential credit risk. Credit evaluations are performed by the Property Manager and the Manager before lease agreements are entered into with tenants. Security in the form of bankers' guarantees, insurance bonds or cash security deposits are obtained prior to the commencement of the lease.

The Manager establishes an allowance account for impairment that represents its estimate of incurred losses in respect of financial assets. The main component of this allowance is estimated losses that relate to specific tenants or counterparties. The allowance account is used to provide for impairment losses. Subsequently, when the Manager is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

The Group has provided impairment losses for all trade receivables that are not expected to be collectible in excess of the security deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.3 Credit risk (continued)

The ageing of gross trade receivables at the reporting date was:

	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
Group and Trust			
31 December 2021			
Not past due	55	(1)	No
Past due 0 - 30 days	205	(99)	No
Past due 31 - 60 days	124	(105)	No
More than 60 days past due	856	(850)	Yes
	<u>1,240</u>	<u>(1,055)</u>	
	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
Group and Trust			
31 December 2020			
Not past due	63	-	No
Past due 0 - 30 days	417	(213)	No
Past due 31 - 60 days	133	(133)	No
More than 60 days past due	1,525	(1,525)	Yes
	<u>2,138</u>	<u>(1,871)</u>	

Nine tenants (2020: eight tenants) accounted for approximately \$1,109,000 (2020: \$1,905,000) of the gross trade receivables at 31 December 2021.

Impairment losses

The movements in impairment loss in respect of trade receivables are as follows:

	Group and Trust	
	2021 \$'000	2020 \$'000
At 1 January	1,871	-
Impairment losses (reversed)/recognised during the year	(790)	1,873
Utilised	(26)	(2)
At 31 December	<u>1,055</u>	<u>1,871</u>

Trade receivables are individually assessed for impairment. The impairment loss on trade receivables is \$1,055,000 (31 December 2020: \$1,873,000).

The Manager believes that no impairment loss is necessary in respect of the remaining trade receivables as these amounts mainly arise from tenants who have good payment records and the retention of sufficient security in the form of bankers' guarantees or cash security deposits from tenants.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.3 Credit risk (continued)

Other receivables and deposits

Other receivables are individually assessed for impairment. These amounts mainly arise from utilities bill recharged to the tenants. The amount of the allowance on these balances is insignificant.

Impairment on deposits has been measured on the 12-month expected loss basis and reflects the short maturity and low credit risks of the exposure. The amount of the allowance on these balances is insignificant.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

12.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the Group has committed and undrawn secured revolving credit facilities from various financial institutions to meet its operating expenses and its liabilities when due. The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The following are the contractual undiscounted cash flows of financial liabilities, including estimated interest/profit payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Less than 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
Group					
2021					
Non-derivative financial liabilities					
Murabaha Facilities	121,480	(131,277)	(3,963)	(127,314)	-
Unsecured Term Loan Facilities	190,109	(207,648)	(4,399)	(203,249)	-
Trade and other payables*	26,661	(26,661)	(17,235)	(8,970)	(456)
Lease liabilities	76,713	(134,032)	(4,800)	(24,000)	(105,232)
	414,963	(499,618)	(30,397)	(363,533)	(105,688)

* Trade and other payables exclude rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.4 Liquidity risk (continued)

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Less than 1 year \$'000	Between 1 to 5 years \$'000	More than 5 years \$'000
Group					
2020					
Non-derivative financial liabilities					
Commodity Murabaha Facilities	132,650	(139,616)	(3,043)	(136,573)	-
Murabaha Facilities	120,448	(121,014)	(121,014)	-	-
Term Loan Facility	29,921	(30,627)	(30,627)	-	-
Revolving Loan Facility	1,000	(2,066)	(27)	(2,039)	-
Trade and other payables*	24,447	(24,447)	(16,908)	(7,179)	(360)
Lease liabilities	78,259	(138,723)	(4,796)	(23,981)	(109,946)
	<u>386,725</u>	<u>(456,493)</u>	<u>(176,415)</u>	<u>(169,772)</u>	<u>(110,306)</u>
Derivative financial liabilities					
Profit rate swaps (net-settled)	3,736	(5,396)	(2,067)	(1,829)	(1,500)
Trust					
2021					
Non-derivative financial liabilities					
Murabaha Facilities	121,480	(131,277)	(3,963)	(127,314)	-
Unsecured Term Loan Facilities	190,109	(207,648)	(4,399)	(203,249)	-
Trade and other payables*	26,669	(26,669)	(17,243)	(8,970)	(456)
Lease liabilities	76,713	(134,032)	(4,800)	(24,000)	(105,232)
	<u>414,971</u>	<u>(499,626)</u>	<u>(30,405)</u>	<u>(363,533)</u>	<u>(105,688)</u>
2020					
Non-derivative financial liabilities					
Commodity Murabaha Facilities	132,650	(139,616)	(3,043)	(136,573)	-
Murabaha Facilities	120,448	(121,014)	(121,014)	-	-
Term Loan Facility	29,921	(30,627)	(30,627)	-	-
Revolving Loan Facility	1,000	(2,066)	(27)	(2,039)	-
Trade and other payables*	24,454	(24,454)	(16,915)	(7,179)	(360)
Lease liabilities	78,259	(138,723)	(4,796)	(23,981)	(109,946)
	<u>386,732</u>	<u>(456,500)</u>	<u>(176,422)</u>	<u>(169,772)</u>	<u>(110,306)</u>
Derivative financial liabilities					
Profit rate swaps (net-settled)	3,736	(5,396)	(2,067)	(1,829)	(1,500)

* Trade and other payables exclude rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.4 Liquidity risk (continued)

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their earliest possible contractual maturity. For derivative financial instruments, the cash inflows/(outflows) represent the contractual undiscounted cash flows relating to these instruments. The amounts are compiled on a net basis for derivatives that are net-settled.

It is not expected that the cash flows included in the maturity analysis of the Group and the Trust could occur significantly earlier, or at significantly different amounts.

12.5 Market risk

Market risk is the risk that changes in market prices, such as interest/profit rates, foreign exchange rates and equity prices will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group does not have any exposure to foreign exchange rates and equity price risks.

12.6 Interest/Profit rate risk

The Group's exposure to changes in interest/profit rates relates primarily to interest/profit-bearing financial liabilities. Interest/Profit rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest/profit expense could be affected by adverse movements in interest/profit rates. The Group adopts a policy of ensuring that majority of its exposures to changes in interest/profit rates on borrowings is on a fixed-rate basis. This is achieved by entering into interest/profit rate swaps and fixed rate borrowings.

A fundamental reform of major interest/profit rate benchmarks is being undertaken globally, including replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's main IBOR exposure at 31 December 2021 was partially indexed to SOR. In Singapore, the Steering Committee for SOR transition to SORA (SC-STIS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR is by the end of June 2023 and December 2024 respectively.

The Manager monitors and manages the transition to alternative rates. The Manager evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 included secured bank loans indexed to SOR. The Group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet been agreed.

Derivatives

The Group holds interest/profit rate swaps to manage its exposure to interest/profit rate movements on its floating rate bearing Term Murabaha and Unsecured Term Loan Facilities by swapping the interest/profit rates on a proportion of these term loans from floating rates to fixed rates. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet been agreed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.6 Interest/Profit rate risk (continued)

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2021. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
Group and Trust		
31 December 2021		
Financial liabilities		
Secured bank loans	121,480	121,480
Derivatives		
Interest rate swaps	122,536	-

As at the reporting date, the Group had entered into interest/profit rate swaps with total contracted notional amounts of \$210.0 million (2020: \$142.5 million) whereby the Group had agreed with counterparties to exchange, at specified intervals, the difference between the floating rate pegged to the Singapore dollar SOR/SORA and fixed rate interest/profit amounts calculated by reference to the contracted notional amounts of the borrowings.

The Group's derivative instruments are governed by contracts based on International Swaps and Derivatives Association (ISDA)'s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. No derivative instruments have been modified as at 31 December 2021.

Interest/Profit rate profile

As at the reporting date, the interest/profit rate profile of interest/profit-bearing financial instruments was:

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Variable rate instruments				
Financial liabilities	(315,536)	(284,845)	(315,536)	(284,845)
Effects of interest/profit rate swaps	210,036	142,500	210,036	142,500
	105,500	(142,345)	105,500	(142,345)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

12.6 Interest/Profit rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through Statements of Total Return and the Group does not designate interest/profit rate swaps as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest/profit rates at the reporting date would not affect the Statements of Total Return.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest/profit rate at the reporting date would (decrease)/increase total return for the year by the amounts shown below. The analysis assumes that all variables remain constant. The analysis is performed on the same basis for 2020.

	Total return for the year	
	50 bp increase \$'000	50 bp decrease \$'000
Group and Trust		
2021		
Financial liabilities	(528)	528
2020		
Financial liabilities	(712)	712

13 GROSS REVENUE

	Group and Trust	
	2021 \$'000	2020 \$'000
Property rental income	64,244	58,071
Other operating income	17,669	13,630
	<u>81,913</u>	<u>71,701</u>

14 PROPERTY EXPENSES

	Group and Trust	
	2021 \$'000	2020 \$'000
Service, repair and maintenance expenses	7,991	6,902
Property and lease management fees	2,410	2,088
Property tax	6,690	6,571
Utilities	13,041	8,298
Impairment loss on trade receivables	(790)	1,873
Others	618	1,326
	<u>29,960</u>	<u>27,058</u>

Property expenses represent the direct operating expenses arising from rental of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

15 FINANCE INCOME AND COSTS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Finance income:				
Interest/Profit income from fixed deposits with Islamic financial institutions	11	14	11	14
Ta'widh (compensation on late payment of rent)	19	40	19	40
	30	54	30	54
Finance costs:				
Commodity Murabaha Facilities	2,382	3,580	2,382	3,580
Murabahah Facilities	3,681	3,382	3,681	3,382
Term Loan Facility	1,366	833	1,366	833
Revolving Loan Facility	516	89	516	89
Interest/Profit rate swaps*	1,679	1,699	1,679	1,699
Amortisation of transaction costs	2,580	658	2,580	658
Brokerage and agent fees	139	137	134	132
	12,343	10,378	12,338	10,373
Finance costs relating to lease liabilities	3,255	3,323	3,255	3,323
	15,598	13,701	15,593	13,696
Net finance costs	15,568	13,647	15,563	13,642

* Except for the finance costs arising from interest/profit rate swaps, all other finance income and cost items represent the interest/profit income and expenses in respect of financial assets and liabilities not carried at fair value through the Statements of Total Return.

16 DONATION OF NON-SHARI'AH COMPLIANT INCOME

During the year till the date of the Group's de-designation of its Shari'ah compliant status, donations that had been approved by the Independent Shari'ah Committee included The Invictus Fund (2020: Bright Hill Evergreen Home and SG Enable Ltd - Mediacorp Enable Fund).

17 OTHER TRUST EXPENSES

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Auditors' remuneration				
- audit fees	212	214	210	212
- non-audit fees	69	69	67	69
Valuation fees	100	62	100	62
Professional fees	43	2,687	36	2,680
Service fees payable to a subsidiary	-	-	18	19
Other expenses	260	468	258	463
	684	3,500	689	3,505

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

18 TAX EXPENSE

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Tax expense				
Current year	*	*	-	-
Reconciliation of effective tax rate				
Total return/(loss) for the year before taxation and distribution	48,818	(42,210)	48,818	(42,210)
Tax using Singapore tax rate of 17% (2020: 17%)	8,299	(7,176)	8,299	(7,176)
Non-tax deductible items	(1,968)	12,910	(1,968)	12,910
Income not subject to tax	(805)	(786)	(805)	(786)
Tax transparency	(5,526)	(4,948)	(5,526)	(4,948)
	*	*	-	-

* Less than \$1,000

19 CONTINGENT LIABILITIES

The Group has obtained banker's guarantee of \$1,079,000 (31 December 2020: nil) during the year for deposits required by certain utility providers.

20 EARNINGS PER UNIT

Basic and diluted earnings per Unit

The calculation of basic earnings per Unit is based on the total return for the year and weighted average number of Units during the year.

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Total return/(loss) for the year after taxation and before distribution	48,818	(42,210)	48,818	(42,210)
Number of Units				
	Group		Trust	
	2021 '000	2020 '000	2021 '000	2020 '000
Weighted average number of Units at beginning of year	1,053,084	1,053,084	1,053,084	1,053,084
Effect of issue of new Units:				
- Distribution Reinvestment Plan	4,759	-	4,759	-
Weighted average number of Units at end of year	1,057,843	1,053,084	1,057,843	1,053,084
Earnings per unit (cents)	4.61	(4.01)	4.61	(4.01)

The diluted earnings per Unit is the same as the basic earnings per Unit for the Group and the Trust as there are no EPU dilutive financial instruments in issue.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

21 FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values of non-financial assets and liabilities are disclosed in the relevant notes specific to that non-financial asset or liability.

Fair values of financial instruments are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability.

If the inputs used to measure the fair values of a financial instrument fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfer between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

21 FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (continued)

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL - others	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021									
Financial assets not measured at fair value									
Trade and other receivables [#]	7	-	2,607	-	2,607				
Cash and cash equivalents	8	-	25,856	-	25,856				
		-	28,463	-	28,463				
Financial assets measured at fair value									
Derivative assets	6	191	-	-	191	-	191	-	191
Financial liabilities not measured at fair value									
Trade and other payables*	9	-	-	(13,505)	(13,505)				
Security deposits	9	-	-	(13,156)	(13,156)	-	-	(13,156)	(13,156)
Borrowings	10	-	-	(311,589)	(311,589)	-	(311,589)	-	(311,589)
		-	-	(338,250)	(338,250)				

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL - others	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020									
Financial assets not measured at fair value									
Trade and other receivables [#]	7	-	2,810	-	2,810				
Cash and cash equivalents	8	-	9,520	-	9,520				
		-	12,330	-	12,330				
Financial liabilities measured at fair value									
Derivative liabilities	6	(3,736)	-	-	(3,736)	-	(3,736)	-	(3,736)
Financial liabilities not measured at fair value									
Trade and other payables*	9	-	-	(14,409)	(14,409)				
Security deposits	9	-	-	(10,038)	(10,038)	-	-	(9,350)	(9,350)
Borrowings	10	-	-	(284,019)	(284,019)	-	(284,019)	-	(284,019)
		-	-	(308,466)	(308,466)				

[#] exclude prepayments

* exclude security deposits and rental received in advance

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

21 FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (continued)

Trust	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2021									
Financial assets not measured at fair value									
Trade and other receivables [#]	7	-	2,607	-	2,607				
Cash and cash equivalents	8	-	25,856	-	25,856				
		-	28,463	-	28,463				
Financial assets measured at fair value									
Derivative assets	6	191	-	-	191	-	191	-	191
Financial liabilities not measured at fair value									
Trade and other payables [*]	9	-	-	(13,513)	(13,513)				
Security deposits	9	-	-	(13,156)	(13,156)	-	-	(13,156)	(13,156)
Borrowings	10	-	-	(311,589)	(311,589)	-	(311,589)	-	(311,589)
		-	-	(338,258)	(338,258)				

Trust	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL - others \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2020									
Financial assets not measured at fair value									
Trade and other receivables [#]	7	-	2,810	-	2,810				
Cash and cash equivalents	8	-	9,520	-	9,520				
		-	12,330	-	12,330				
Financial liabilities measured at fair value									
Derivative liabilities	6	(3,736)	-	-	(3,736)	-	(3,736)	-	(3,736)
Financial liabilities not measured at fair value									
Trade and other payables [*]	9	-	-	(14,416)	(14,416)				
Security deposits	9	-	-	(10,038)	(10,038)	-	-	(9,350)	(9,350)
Borrowings	10	-	-	(284,019)	(284,019)	-	(284,019)	-	(284,019)
		-	-	(308,473)	(308,473)				

[#] exclude prepayments^{*} exclude security deposits and rental received in advance

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

21 FAIR VALUES AND ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values

The following shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Group and Trust

Type	Valuation technique	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Interest/ Profit rate swaps	The fair value of interest/profit rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest/profit rates for a similar instrument at the measurement date.	Not applicable	Not applicable

Financial instruments not measured at fair value

Borrowings

The carrying amounts of interest/profit-bearing borrowings which are repriced within 3 months from the reporting date approximate their fair values.

Lease liabilities

The carrying amounts of lease liabilities uses discounted cash flows model to consider the present value of expected payment, discounted using an incremental borrowing rate.

22 OPERATING SEGMENTS

The operating segment information is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the Manager's CEO (the chief operating decision maker).

Segment gross revenue comprises mainly income generated from tenants. Segment net property income represents the income earned by each segment after allocating property expenses.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, other receivables, borrowings and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22 OPERATING SEGMENTS (CONTINUED)

The Group has four reportable segments whose information are presented in the tables below:

	← Group →				
	High-tech industrial \$'000	Chemical warehouse & logistics \$'000	Warehouse & logistics \$'000	General industrial \$'000	Total \$'000
2021					
Gross revenue	52,675	6,529	17,928	4,781	81,913
Property expenses	(21,702)	(486)	(6,027)	(1,745)	(29,960)
Segment net property income	30,973	6,043	11,901	3,036	51,953
Net change in fair value of investment properties	23,020	(2,748)	(5,981)	1,708	15,999
					67,952
Unallocated amounts:					
- Finance income					30
- Finance costs					(12,343)
- Finance costs relating to lease liabilities					(3,255)
- Other expenses					(5,693)
- Net change in fair value of financial derivatives					2,127
Total return for the year before taxation					48,818
Assets and liabilities					
Segment assets:					
- Investment properties	564,628	73,433	211,629	93,223	942,913
- Others	332	-	63	13	408
Unallocated assets					28,327
Total assets					971,648
Segment liabilities:					
- Lease liabilities	17,029	13,633	28,229	17,822	76,713
- Others	17,842	656	3,662	1,606	23,766
Unallocated liabilities:					
- Borrowings					311,589
- Others					3,613
Total liabilities					415,681
Other segment information					
Capital expenditure	6,607	-	756	112	7,475

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22 OPERATING SEGMENTS (CONTINUED)

	← Group →				
	High-tech industrial \$'000	Chemical warehouse & logistics \$'000	Warehouse & logistics \$'000	General industrial \$'000	Total \$'000
2020					
Gross revenue	41,961	6,817	16,653	6,270	71,701
Property expenses	(18,858)	(475)	(5,390)	(2,335)	(27,058)
Segment net property income	23,103	6,342	11,263	3,935	44,643
Net change in fair value of investment properties and investment property held for divestment	(9,590)	(9,530)	(35,398)	(7,420)	(61,938)
					(17,295)
Unallocated amounts:					
- Finance income					54
- Finance costs					(10,378)
- Finance costs relating to lease liabilities					(3,323)
- Other expenses					(8,161)
- Net change in fair value of financial derivatives					(3,107)
Total loss for the year before taxation					(42,210)
Assets and liabilities					
Segment assets:					
- Investment properties	520,969	75,834	216,674	91,088	904,565
- Investment property held for divestment	13,794	-	-	-	13,794
- Others	1,303	(174)	(55)	102	1,176
Unallocated assets					11,182
Total assets					930,717
Segment liabilities:					
- Lease liabilities	17,364	13,934	28,874	18,087	78,259
- Others	16,401	206	2,430	1,445	20,482
Unallocated liabilities:					
- Borrowings					284,019
- Others					8,210
Total liabilities					390,970
Other segment information					
Capital expenditure	15,604	-	655	81	16,340

Geographical segments

Segment information in respect of the Group's geographical segments is not presented as the Group's activities for the years ended 31 December 2021 and 31 December 2020 related wholly to properties located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22 OPERATING SEGMENTS (CONTINUED)

Major customer

A major customer group contributed approximately \$4.8 million (2020: \$6.3 million) of the Group's total revenues from the High-tech industrial (2020: Chemical warehouse and logistics and Warehouse & logistics segments) for the year ended 31 December 2021.

23 LEASES

Leases as lessee

As a lessee, the Group pays land rent to JTC on an annual basis for certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. Previously, these leases were classified as operating leases under FRS 17.

Lease liabilities included in the Statements of Financial Position at 31 December 2021

	Group and Trust	
	2021	2020
	\$'000	\$'000
Current	5,915	6,130
Non-current	70,798	72,129
	<u>76,713</u>	<u>78,259</u>

Amounts recognised in Statements of Total Return

	Group and Trust	
	2021	2020
	\$'000	\$'000
<u>Leases under FRS 116</u>		
Finance costs relating to lease liabilities	3,255	3,323

Amounts recognised in Consolidated Statement of Cash Flows

	Group and Trust	
	2021	2020
	\$'000	\$'000
Total cash outflow for leases	<u>4,797</u>	<u>4,799</u>

Extension options

Some land leases contain extension options exercisable by the Group at the expiry of the lease term. The Group assessed that it is reasonably certain to exercise the extension options and have included the optional land lease term in the measurement of lease liabilities. Lease liabilities arising from the optional land lease term included in lease liabilities as at 31 December 2021 amounted to \$43.1 million (2020: \$44.4 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 LEASES (CONTINUED)

Leases as lessor

As a lessor, the Group leases out their investment properties under operating lease agreements. Note 3.4(ii) sets out information about the operating leases of investment property.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021	2020
	\$'000	\$'000
Operating leases under FRS 116		
Less than 1 year	60,643	56,069
1 to 2 years	43,267	40,865
2 to 3 years	25,829	31,110
3 to 4 years	17,670	17,534
4 to 5 years	11,073	13,298
More than 5 years	20,566	24,739
Total lease receivables	179,048	183,615

24 RELATED PARTIES

In the normal course of its business, the Group carried out transactions with parties on terms agreed between the parties. During the financial year, in addition to those disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group and Trust	
	2021	2020
	\$'000	\$'000
Manager's fees and reimbursables paid/payable to the Manager	4,655	4,312
Property/lease management fees and reimbursables paid/payable to the Property Manager	2,410	2,088
Trustee fees paid/payable to the Trustee	349	348

25 FINANCIAL RATIOS

	Group	
	2021	2020
	%	%
Ratio of expenses to weighted average net assets ⁽¹⁾		
- including performance component of Manager's fees	1.05	1.45
- excluding performance component of Manager's fees	1.00	1.45
Portfolio turnover rate ⁽²⁾	-	-

⁽¹⁾ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance costs and tax expense.

⁽²⁾ The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

26 SUBSEQUENT EVENTS

On 28 February 2022, the Group entered into new unsecured loan facilities which consists of:

- 4-year term loan facility of \$50.0 million maturing in March 2026.
- 5-year term loan facility of \$50.0 million maturing in March 2027.
- 4-year revolving facility of \$25.0 million maturing in March 2026.
- 5-year revolving facility of \$25.0 million maturing in March 2027.

As at the date of statement by the Manager, collectively \$112.5 million of the above unsecured loan facilities were drawn down.

APPENDIX D
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE SABANA INDUSTRIAL REIT GROUP FOR FY2022

The unaudited consolidated financial statements of the Sabana Industrial REIT Group for FY2022 set out below have been extracted from the announcement by the REIT Manager on 30 January 2023, and was not specifically prepared for inclusion in this Circular. The figures have not been audited.

Sabana Industrial Real Estate Investment Trust
and its subsidiary

(Constituted in the Republic of Singapore pursuant to a
trust deed dated 29 October 2010 (as amended))

Interim Financial Information
Year ended 31 December 2022

**Statements of Financial Position
As at 31 December 2022**

	Note	Group		Trust	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Non-current assets					
Investment properties	4	962,179	942,913	962,179	942,913
Subsidiary	5	–	–	*	*
Derivative assets	7	6,647	191	6,647	191
Total non-current assets		<u>968,826</u>	<u>943,104</u>	<u>968,826</u>	<u>943,104</u>
Current assets					
Trade and other receivables		4,646	2,688	4,646	2,687
Derivative assets	7	1,711	–	1,711	–
Cash and cash equivalents		8,009	25,856	8,009	25,856
Total current assets		<u>14,366</u>	<u>28,544</u>	<u>14,366</u>	<u>28,543</u>
Total assets		<u>983,192</u>	<u>971,648</u>	<u>983,192</u>	<u>971,647</u>
Current liabilities					
Trade and other payables		20,946	17,953	20,955	17,961
Lease liabilities		1,714	1,504	1,714	1,504
Total current liabilities		<u>22,660</u>	<u>19,457</u>	<u>22,669</u>	<u>19,465</u>
Non-current liabilities					
Trade and other payables		11,059	9,426	11,059	9,426
Borrowings	6	288,921	311,589	288,921	311,589
Lease liabilities		74,765	75,209	74,765	75,209
Total non-current liabilities		<u>374,745</u>	<u>396,224</u>	<u>374,745</u>	<u>396,224</u>
Total liabilities		<u>397,405</u>	<u>415,681</u>	<u>397,414</u>	<u>415,689</u>
Net assets		<u>585,787</u>	<u>555,967</u>	<u>585,778</u>	<u>555,958</u>
Represented by:					
Unitholders' funds		<u>585,787</u>	<u>555,967</u>	<u>585,778</u>	<u>555,958</u>
Units in issue ('000)	8	<u>1,096,121</u>	<u>1,069,950</u>	<u>1,096,121</u>	<u>1,069,950</u>
Net asset value ("NAV") and net tangible asset ("NTA") per unit (S\$)		<u>0.53</u>	<u>0.52</u>	<u>0.53</u>	<u>0.52</u>

* Less than \$1,000

Approval by:

Tan Cheong Hin
Chairman

26 January 2023

The accompanying notes form an integral part of this interim financial information.

FS1

**Consolidated Statement of Total Return
Half-year ended and year ended 31 December 2022**

		<-----Group----->			
		1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Note					
	Gross revenue	50,057	42,821	94,907	81,913
	Property expenses	(23,803)	(16,566)	(41,624)	(29,960)
	Net property income	26,254	26,255	53,283	51,953
	Finance income	57	15	85	30
	Finance costs	(6,481)	(6,964)	(14,459)	(12,343)
	Finance costs relating to lease liabilities	(1,604)	(1,620)	(3,219)	(3,255)
	Net finance costs	(8,028)	(8,569)	(17,593)	(15,568)
	Manager's fees	(2,255)	(2,520)	(4,438)	(4,655)
	Trustee's fees	(179)	(179)	(355)	(349)
	Donation	—	(5)	(5)	(5)
	Other trust expenses	(517)	(655)	(1,331)	(684)
	Net income	15,275	14,327	29,561	30,692
	Net change in fair value of financial derivatives	1,814	1,021	8,903	2,127
	Net change in fair value of investment properties	11,004	(1,051)	14,304	15,999
	Total return for the period/year before tax and distribution	28,093	14,297	52,768	48,818
	Tax expense	*	*	*	*
	Total return for the period/year after tax and before distribution	28,093	14,297	52,768	48,818
	Earnings per Unit (cents)				
	Basic	2.58	1.35	4.87	4.61
	Diluted	2.58	1.35	4.87	4.61

* Less than \$1,000

The accompanying notes form an integral part of this interim financial information.

**Consolidated Distribution Statement
Half-year ended and year ended 31 December 2022**

	Group			
	1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Amount available for distribution to Unitholders at beginning of the period/year	17,411	15,786	17,062	24,259
Total return for the period/year after tax and before distribution	28,093	14,297	52,768	48,818
Non-tax deductible/ (chargeable) items:				
Amortisation of transaction costs	717	1,912	3,527	2,580
Trustee's fees	179	179	355	349
Net change in fair value of financial derivatives	(1,814)	(1,021)	(8,903)	(2,127)
Net change in fair value of investment properties	(11,004)	1,051	(14,304)	(15,999)
Effects of recognising rental income on a straight-line basis over the lease term	(415)	(351)	(192)	(731)
Finance costs relating to lease liabilities	1,604	1,620	3,219	3,255
Land rent expenses	(2,794)	(2,339)	(4,843)	(4,736)
Other items	1,357	1,514	1,443	1,095
Net effect of non-tax deductible items	(12,170)	2,565	(19,698)	(16,314)
Income available for distribution to Unitholders for the period/year	15,923	16,862	33,070	32,504
Capital gains	–	–	–	–
Total amount available for distribution to Unitholders for the period/year	33,334	32,648	50,132	56,763

The accompanying notes form an integral part of this interim financial information.

**Consolidated Distribution Statements (cont'd)
Half-year ended and year ended 31 December 2022**

	Group			
	1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Distribution of 2.29 cents per Unit for the period 1 July 2020 to 31 December 2020	–	–	–	(24,115)
Distribution of 1.48 cents per Unit for the period 1 January 2021 to 30 June 2021	–	(15,586)	–	(15,586)
Distribution of 1.57 cents per Unit for the period 1 July 2021 to 31 December 2021	–	–	(16,798)	–
Distribution of 1.59 cents per Unit for the period 1 January 2022 to 30 June 2022	(17,206)	–	(17,206)	–
	(17,206)	(15,586)	(34,004)	(39,701)
Amount available for distribution to Unitholders at end of the period/year*	16,128	17,062	16,128	17,062
Number of Units entitled to distributions ('000) (Note 8)	1,096,121	1,069,950	1,096,121	1,069,950
Distribution per Unit (cents)	1.46	1.57	3.05	3.05

* 26,171,057 Units (2021: 16,866,738 Units) amounting to approximately \$11,119,000 (2021: \$7,133,000) were issued by the Trust as part payment of distributions in respect of period from 1 July 2021 to 30 June 2022 (2021: 1 January 2021 to 30 June 2021), pursuant to the Distribution Reinvestment Plan.

The accompanying notes form an integral part of this interim financial information.

FS4

**Statements of Movements in Unitholders' Funds
Year ended 31 December 2022**

	Group		Trust	
	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Balance at beginning of the period/year	555,967	539,747	555,958	539,738
Operations				
Total return after tax and before distribution	52,768	48,818	52,768	48,818
Unitholders' transactions				
Distributions declared to Unitholders	(34,004)	(39,701)	(34,004)	(39,701)
Unit issued through Distribution Reinvestment Plan	11,119	7,133	11,119	7,133
Equity issue costs pursuant to: Distribution Reinvestment Plan	(63)	(30)	(63)	(30)
Net decrease in net assets resulting from Unitholders' transactions	(22,948)	(32,598)	(22,948)	(32,598)
Unitholders' funds at end of the period/year	585,787	555,967	585,778	555,958

The accompanying notes form an integral part of this interim financial information.

Consolidated Portfolio Statement
As at 31 December 2022

Group

Description of property	Type	Leasehold term ^a (years)	Remaining lease term [#] (years)	Location	Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to	
					31 December 2022	31 December 2021	31 December 2022	31 December 2021	2022	2021
					%	%	\$'000	\$'000	%	%
New Tech Park	High-tech industrial	45	33	151 Lorong Chuan	77	81	362,700	355,000	61.9	63.9
8 Commonwealth Lane	High-tech industrial	53	36	8 Commonwealth Lane	82	100	54,700	55,400	9.3	10.0
Frontech Centre	High-tech industrial	99	38	15 Jalan Kilang Barat	66	94	22,700	21,700	3.9	3.9
1 Tuas Avenue 4*	High-tech industrial	51.3	24	1 Tuas Avenue 4	–	–	9,000	9,000	1.5	1.6
BTC Centre	High-tech industrial	50	34	23 Serangoon North Avenue 5	96	85	42,200	40,500	7.2	7.3
508 Chat Chee Lane	High-tech industrial	59	37	508 Chat Chee Lane	99	99	67,000	66,000	11.4	11.9
33 & 35 Penjuru Lane	Chemical warehouse & logistics	61	26	33 & 35 Penjuru Lane	100	100	41,600	40,800	7.1	7.3
18 Gul Drive	Chemical warehouse & logistics	33	16	18 Gul Drive	100	100	19,000	19,000	3.2	3.4
Penjuru Logistics Hub	Warehouse & logistics	30	10	34 Penjuru Lane	99	99	29,500	29,800	5.0	5.4
Freight Links Express Logisticcentre	Warehouse & logistics	60	32	51 Penjuru Road	93	93	30,500	29,100	5.2	5.2
26 Loyang Drive	Warehouse & logistics	48	31	26 Loyang Drive	100	100	26,200	24,500	4.5	4.4
<i>Balance carried forward</i>							705,100	690,800	120.2	124.3

The accompanying notes form an integral part of this interim financial information.

FS6

**Consolidated Portfolio Statement
As at 31 December 2022 (continued)**

Group

Description of property	Type	Leasehold term ^a (years)	Remaining lease term [#] (years)	Location	Committed occupancy rate as at		Carrying amount as at		% of net assets attributable to	
					31 December 2022	31 December 2021	31 December 2022	31 December 2021	Unitholders as at 31 December 2022	Unitholders as at 31 December 2021
					%	%	\$'000	\$'000	%	%
<i>Balance brought forward</i>										
3A Joo Koon Circle	Warehouse & logistics	60	25	3A Joo Koon Circle	96	96	33,900	33,500	5.8	6.0
2 Toh Tuck Link	Warehouse & logistics	60	34	2 Toh Tuck Link	98	98	30,500	29,800	5.2	5.4
10 Changi South Street 2	Warehouse & logistics	57	29	10 Changi South Street 2	74	80	37,400	36,700	6.4	6.6
123 Genting Lane	General industrial	60	19	123 Genting Lane	85	85	16,500	16,400	2.8	2.9
30 & 32 Tuas Avenue 8	General industrial	60	34	30 & 32 Tuas Avenue 8	100	–	28,900	26,200	4.9	4.7
39 Ubi Road 1	General industrial	60	29	39 Ubi Road 1	99	99	18,200	17,700	3.1	3.2
21 Joo Koon Crescent	General industrial	60	31	21 Joo Koon Crescent	100	100	15,200	15,100	2.6	2.7
Investment properties – Fair value							885,700	866,200	151.0	155.8
Investment properties – Right-of-use assets							76,479	76,713	13.1	13.8
Total investment properties							962,179	942,913	164.1	169.6
Other assets and liabilities							(376,392)	(386,946)	(64.1)	(69.6)
Net assets attributable to Unitholders' Funds							585,787	555,967	100.0	100.0

The accompanying notes form an integral part of this interim financial information.

FS7

**Consolidated Portfolio Statement
As at 31 December 2022 (continued)**

Carrying values as at	
31 December 2022	31 December 2021
\$'000	\$'000
962,179	942,913

As disclosed in the Statements of Financial Position:

Investment properties – non-current

- * Includes the period covered by the relevant options to renew
- # Remaining lease term includes optional lease term.

The carrying amount of the investment properties and investment property held for divestment as at 31 December 2022 were based on independent valuations undertaken by Cushman & Wakefield VHS Pte Ltd. and Savills Valuation And Professional Services (S) Pte Ltd. (31 December 2021: Full valuations undertaken by CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd). Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment schemes issued by the Monetary Authority of Singapore.

Investment properties comprise properties used for the purpose of high-tech industrial, chemical warehouse and logistics, warehouse and logistics and general industrial use. Generally, the leases contain an initial non-cancellable period of three to ten years. Subsequent renewals are negotiated with the lessee. As at 31 December 2022, 151 Lorong Chuan, 8 Commonweath Lane, 123 Genting Lane, 508 Chai Chee Lane, 2 Toh Tuck Link, 23 Serangoon North Avenue 5, 34 Penjuru Lane, 15 Jalan Kilang Barat, 39 Ubi Road 1, 10 Changi South Street 2, 51 Penjuru Road and 3A Joo Koon Circle are leased on individual lease agreements, 1 Tuas Avenue 4 is vacant and the other investment properties are leased on master lease agreements. (31 December 2021: 151 Lorong Chuan, 8 Commonweath Lane, 123 Genting Lane, 508 Chai Chee Lane, 2 Toh Tuck Link, 23 Serangoon North Avenue 5, 34 Penjuru Lane, 15 Jalan Kilang Barat, 39 Ubi Road 1, 10 Changi South Street 2, 51 Penjuru Road and 3A Joo Koon Circle are leased on individual lease agreements, 1 Tuas Avenue 4 and 30 & 32 Tuas Avenue 8 are vacant and the other investment properties are leased on master lease agreements)

The accompanying notes form an integral part of this interim financial information.

**Consolidated Statement of Cash Flows
For the year ended 31 December 2022**

	Group	
	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Cash flows from operating activities		
Total return for the year after taxation and before distribution	52,768	48,818
Adjustments for:		
Net change in fair value of financial derivatives	(8,903)	(2,127)
Net change in fair value of investment properties	(14,304)	(15,999)
Net finance costs	17,593	15,568
	47,154	46,260
Change in trade and other receivables	(2,512)	150
Change in trade and other payables	3,806	2,423
Cash generated from operations	48,448	48,833
Interest on late payment of rent received / Ta'widh (compensation on late payment of rent) received	80	19
Net cash from operating activities	48,528	48,852
Cash flows from investing activities		
Capital expenditure on investment properties	(2,680)	(9,541)
Interest/Profit income received	5	11
Net cash used in investing activities	(2,675)	(9,530)
Cash flows from financing activities		
Proceeds from borrowings	120,500	334,830
Repayment of borrowings	(141,847)	(306,247)
Transaction costs paid	(3,583)	(5,522)
Payment of lease liabilities	(1,624)	(1,542)
Finance costs relating to lease liabilities	(3,219)	(3,255)
Finance costs paid	(10,979)	(8,652)
Distributions paid	(22,948)	(32,598)
Net cash used in financing activities	(63,700)	(22,986)
Net (decrease)/increase in cash and cash equivalents	(17,847)	16,336
Cash and cash equivalents at beginning of the year	25,856	9,520
Cash and cash equivalents at end of the year	8,009	25,856

Significant non-cash transactions

26,171,057 Units (2021: 16,866,738 Units) amounting to approximately \$11,119,000 (2021: \$7,133,000) were issued by the Trust as part payment of distributions in respect of period from 1 July 2021 to 30 June 2022 (2021: 1 January 2021 to 30 June 2021), pursuant to the Distribution Reinvestment Plan.

The accompanying notes form an integral part of this interim financial information.

FS9

Notes to the Interim Financial Information

These notes form an integral part of the interim financial information (“Financial Information”).

1 General

Sabana Industrial Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2010 (as amended by the First Supplemental Deed dated 2 December 2010, First Amending and Restating Deed dated 24 February 2016, Second Amending and Restating Deed dated 24 March 2016, Third Amending and Restating Deed dated 7 April 2020 and Third Supplemental Deed dated 21 October 2021) (collectively, the “Trust Deed”) between Sabana Real Estate Investment Management Pte. Ltd. (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiary (collectively, the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 26 November 2010 and was included in the Central Provident Fund (“CPF”) Investment Scheme on 26 November 2010.

The Financial Information of the Group as at and for the year ended 31 December 2022 comprises the Trust and its subsidiary (together referred to as the “Group” and individually as “Group entities”).

The principal activity of the Trust is to invest in income producing real estate used for industrial purposes in Asia, as well as real estate-related assets. The principal activities of the subsidiary are set out on Note 5 of the Financial Information.

The Trust relinquished its Shari’ah compliance designation with effect on 21 October 2021.

2 Summary of significant accounting policies

2.1 Basis of preparation

The Financial Information has been prepared in accordance with provisions of the *Statement of Recommended Accounting Practice (“RAP”) 7 “Reporting Framework for Investment Funds”* applicable to interim financial information issued by the Institute of Singapore Chartered Accountants. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

The Financial Information does not contain all of the information required for full annual financial statements.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The Financial Information is prepared on a historical cost basis, except for investment properties and financial instruments which are stated at fair value.

The Financial Information is presented in Singapore dollars which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are described in Notes 4 and 17 to the Financial Information.

The accounting policies applied by the Group in this Financial Information are the same as those applied by the Group in its audited financial statements for the year ended 31 December 2021, apart from the adoption of the new or amended standards which are effective from 1 January 2022.

2.2 Going concern

As at 31 December 2022, the Group is in a net current liabilities of \$8.3 million (31 December 2021: net current asset of \$9.1 million) mainly due to the Group's net repayment of non-current bank loans of \$20.0 million and \$2.5 million of revolving credit facility. Notwithstanding the above, the Interim Financial Information has been prepared on a going concern basis as the Manager believes that the Group will be able to meet its funding requirements to enable continuation of its operations for the next twelve months.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Investment properties

Investment properties

	31 December 2022			31 December 2021
	Fair value \$'000	ROU assets \$'000	Total \$'000	Total \$'000
Group and Trust				
Balance at beginning of the year	866,200	76,713	942,913	904,565
Reclassification from investment property held for divestment	–	–	–	13,794
Capital expenditure	3,018	–	3,018	7,475
Straight-line adjustments in accordance with FRS 116	192	–	192	731
Net change in fair value of investment properties	15,928	(1,624)	14,304	15,999
Remeasurement of ROU assets	–	1,390	1,390	(4)
Capitalisation of leasing commission	636	–	636	353
Amortisation of leasing commission	(274)	–	(274)	–
Balance at end of the year	<u>885,700</u>	<u>76,479</u>	<u>962,179</u>	<u>942,913</u>

Investment property held for divestment

	31 December 2021 Total \$'000
Group and Trust	
Balance at beginning of the year	13,794
Reclassification to investment properties	<u>(13,794)</u>
Balance at end of the year	<u>–</u>

As at 31 December 2021, the management had re-classified the investment property held for divestment to non-current investment property. The Manager having considered the current market conditions intended to hold the investment property and execute asset enhancement initiative to generate future rental income.

Details of the investment properties are shown in the Consolidated Portfolio Statement.

Security

As at 31 December 2022, all investment properties of the Group and the trust are subject to a negative pledge in connection with the borrowing facilities.

As at 31 December 2021, investment properties with an aggregate fair value of \$316.7 million at the Group and the Trust are pledged as security to secure certain borrowing facilities (see Note 6).

4 Investment properties (continued)

Measurement of fair value

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction wherein the parties had each acted knowledgeably prudently and without compulsion.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date.

The valuers have considered the capitalisation approach, discounted cash flow and direct comparison methods, and/or residual method, in arriving at the open market value as at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment properties. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return ("Discount Rate") to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a Discount Rate consistent with current market requirements. The direct comparison method considered transacted price of comparable properties. The residual method involves the estimation of the gross development value and development costs to completion to arrive at the market value.

The Group's investment properties and investment properties held for divestment are carried at fair value based on Level 3 of the fair value hierarchy as inputs are unobservable.

Certain investment properties' valuation reports highlighted that in light of the heightened macro-economic, geopolitical and supply chain risks as well as continued and escalating COVID-related risks (in some location), global economic uncertainty has surged. While the local property markets have continued to perform and that the liquidity in the market remained strong, the ongoing geopolitical headwinds, economic uncertainty and rising interest rate cost may have impact on the Singapore economy and the property market. Hence, the valuer continues to monitor the situation closely and in due course, it may be appropriate to reflect any potential impact on the value.

4 Investment properties (continued)

Measurement of fair value (continued)

The following table shows the key unobservable inputs used in the valuation models for investment properties and investment properties held for divestment:

<u>Type</u>	<u>Key unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Investment properties and investment properties held for divestment	<ul style="list-style-type: none"> • Capitalisation rates from 5.50% to 6.25% (2021 5.50% to 6.50%) • Discount rates at 7.25% to 7.50% (2021: 7.25% to 7.75%) • Terminal yield rates from 5.75% to 6.25% (2021: 5.75% to 6.75%) • Vacancy assumption rates from 0.00% to 21.00% (2021: 1.00% to 10.00%) • Rental growth rates from 2.21% to 12.20% (2021: 1.50% to 3.50%) 	<p>The estimated fair value of investment properties would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the capitalisation rates were lower/(higher); • the discount rates were lower/(higher); • the terminal yield rates were lower/(higher); • the vacancy assumption rates were lower/(higher); or • the rental growth rates were higher/(lower).

The direct comparison method considered transacted prices of comparable properties. The estimated fair value of investment properties would increase/(decrease) when the transacted prices of comparable properties are higher/(lower).

The residual method considered the gross development value and development cost to complete for the property. The estimated fair value of the investment property would increase/(decrease) when the gross development value and the development cost to completion are higher/(lower).

5 Subsidiary

	Trust	
	31 December 2022 \$'000	31 December 2021 \$'000
Equity investments at cost	*	*

* Less than \$1,000

5 Subsidiary (continued)

Details of the subsidiary of the Group are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group	
			31 December 2022	31 December 2021
Sabana Sukuk Pte. Ltd. ⁽¹⁾	Provision of treasury services	Singapore	100%	100%

⁽¹⁾ Audited by KPMG LLP Singapore in 2021. Exempted from statutory audit under Companies Act section 201A in 2022.

6 Borrowings

	Note	Group		Trust	
		31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Secured borrowings					
Murabahah Facilities					
- Term	6(a)	–	122,536	–	122,536
Less: Unamortised capitalised transaction costs		–	(1,056)	–	(1,056)
Total borrowings ⁽¹⁾		–	121,480	–	121,480
Unsecured borrowings					
Unsecured Term Loan Facility					
Less: Unamortised capitalised transaction costs	6(b)	293,000	193,000	293,000	193,000
		(4,079)	(2,891)	(4,079)	(2,891)
		288,921	190,109	288,921	190,109
Total non-current borrowings ⁽¹⁾		288,921	311,589	288,921	311,589

⁽¹⁾ All the borrowings have a nominal interest rate of Singapore Overnight Rate Average + Margin (31 December 2021: a nominal interest rate of Swap Offer Rate/ Singapore Overnight Rate Average + Margin)

6 Borrowings (continued)

(a) Murabahah Facilities

In March 2022, the Group completed its refinancing exercise of the Facilities with the new unsecured term loan and revolving facilities. (See Note 6(b))

(b) Unsecured Term Loan Facility

The outstanding unsecured Term Loan Facility consisted of:

- (i) 3-year term loan facilities of \$100.0 million maturing in October 2024.
- (ii) 4-year term loan facilities of \$75.0 million maturing in October 2025.
- (iii) 4-year term loan facilities of \$18.0 million maturing in November 2025.
- (iv) 4-year term loan facilities of \$50.0 million maturing in March 2026.
- (v) 5-year term loan facilities of \$50.0 million maturing in March 2027.

7 Derivative financial instruments

	Group		Trust	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Non-current assets				
Interest/Profit rate swaps at fair value through Statement of Total Return	6,647	191	6,647	191
Current assets				
Interest/Profit rate swaps at fair value through Statement of Total Return	1,711	-	1,711	-
Total derivative financial instruments	8,358	191	8,358	191
Derivative financial instruments as a percentage of net assets	1.43%	0.03%	1.43%	0.03%

The Group uses interest/profit rate swaps to manage its exposure to interest/profit rate movements on its floating rate bearing loan facilities by swapping the interest/profit rates on a proportion of these term loans from floating rates to fixed rates.

Interest/Profit rate swaps with a total notional amount of \$242.5 million (31 December 2021: \$210.0 million) had been entered into at the reporting date to provide fixed rate funding for terms of 1.0 to 4.0 years (31 December 2021: 2.0 to 3.0 years).

8 Units in issue and to be issued

	Group and Trust	
	31 December 2022 '000	31 December 2021 '000
Units in issue:		
At beginning of the year	1,069,950	1,053,084
Units issued:		
- Distribution Reinvestment Plan	26,171	16,866
Total issued Units at the end of the year	1,096,121	1,069,950

9 Property expenses

Included in property expenses is a net write off of impairment loss of \$267,565 on trade receivables for the period (1 July 2021 to 31 December 2021: \$31,667) and \$41,668 of impairment loss for the year (1 January 2021 to 31 December 2021: \$789,782).

10 Net finance cost

	<-----Group----->			
	1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Finance income				
Interest income from fixed deposit	2	3	5	11
Interest on late payment of rent / Ta'widh (compensation on late payment of rent)	55	12	80	19
	57	15	85	30
Finance costs:				
Interest expense:				
Commodity Murabaha facilities	-	918	-	2,382
Murabahah facilities	-	1,985	793	3,681
Term loan facility	6,866	1,021	10,071	1,366
Revolving loan facility	365	327	730	516
Lease liabilities	1,604	1,620	3,219	3,255
Interest/Profit rate swaps	(1,502)	739	(737)	1,679
Amortisation of transaction costs	717	1,912	3,527	2,580
Brokerage and agent fees	35	62	75	139
Finance expenses	8,085	8,584	17,678	15,598
Net financing costs	8,028	8,569	17,593	15,568

11 Other trust expenses

Included in other trust expenses are:

	-----Group----->			
	1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Audit fees	109	145	218	212
Non-audit fees	48	21	80	69
Valuation fees	50	50	100	100
Professional fees	236	217	638	43
Other expenses	74	222	295	260
	517	655	1,331	684

12 Tax expense

	-----Group----->			
	1 July 2022 to 31 December 2022 \$'000	1 July 2021 to 31 December 2021 \$'000	1 January 2022 to 31 December 2022 \$'000	1 January 2021 to 31 December 2021 \$'000
Tax expense				
Current period/year	*	*	*	*
Reconciliation of effective tax rate				
Total return for the period/year before taxation and distribution	28,093	14,297	52,768	48,818
Tax calculated using Singapore tax rate of 17% (31 December 2021: 17%)	4,776	2,430	8,971	8,299
Non-tax chargeable items	(2,250)	(233)	(3,978)	(3,206)
Non-tax deductible items	656	1,067	1,453	1,238
Tax exempt income	(475)	(398)	(823)	(805)
Tax transparency	(2,707)	(2,866)	(5,623)	(5,526)
	*	*	*	*

* Less than \$1,000

13 Contingent liabilities

As at 31 December 2022, the Group has obtained banker's guarantee of \$768,000 (31 December 2021: \$1,079,000) during the year for deposits required by utilities providers.

14 Earnings per Unit

Basic and diluted earnings per Unit is based on:

	Group			
	1 July 2022 to 31 December 2022 '000	1 July 2021 to 31 December 2021 '000	1 January 2022 to 31 December 2022 '000	1 January 2021 to 31 December 2021 '000
Total return for the period/year after taxation and before distribution	28,093	14,297	52,768	48,818
Number of Units				
Weighted average number of Units	1,090,348	1,062,525	1,083,640	1,057,843
Earnings per unit (cents)	2.58	1.35	4.87	4.61

The diluted earnings per Unit is the same as the basic earnings per Unit for the Group as there are no EPU dilutive financial instruments.

15 Related parties

In the normal course of its business, the Group and the Trust carried out transactions with related parties on terms agreed between the parties. During the financial period/year, in addition to those disclosed elsewhere in the financial information, there were the following significant related party transactions:

	Group and Trust			
	1 July 2022 to 31 December 2022 S'000	1 July 2021 to 31 December 2021 S'000	1 January 2022 to 31 December 2022 S'000	1 January 2021 to 31 December 2021 S'000
Manager's fees and reimbursables paid/payable to the Manager	2,255	2,520	4,438	4,655
Property/lease management fees and reimbursables paid/payable to the Property Manager	1,462	1,262	2,811	2,410
Trustee fees paid/payable to the Trustee	179	179	355	349

16 Significant areas of estimation uncertainty and critical judgements in applying accounting policies

Other than as disclosed elsewhere in this Financial Information, the significant areas of estimation uncertainty and critical judgements in applying the entity's accounting policies are set out below:

(i) *Derivatives*

The fair value of interest/profit rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest/profit rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account of the credit risk of the Group, and counterparties when appropriate.

(ii) *Borrowings*

The fair values of the fixed rate and floating rate borrowings are estimated using the discounted cash flow technique. Future cash flows are based on management's best estimates and the discount rate is based on a market-related rate for a similar instrument at the reporting date.

The carrying amounts of floating rate borrowings which are repriced within 3 months from the reporting date approximate their fair values.

17 Financial ratios

	Group	
	31 December 2022	31 December 2021
	%	%
Ratio of expenses to weighted average net assets ⁽¹⁾		
- including performance component of Manager's fees	1.08	1.05
- excluding performance component of Manager's fees	1.08	1.00

⁽¹⁾ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, profit expense and income tax expense.

Other Information Required by Listing Rule Appendix 7.2

- 1 (a)(i) Statement of Total Return and Distribution Statement (FY 2022 vs FY 2021)**
Please refer to page FS2, FS3 and FS4 of the Interim Financial Information.
- (b)(i) Statement of Financial position, together with comparatives as at the end of the immediate preceding financial year**
Please refer to page FS1 of the Interim Financial Information.
- (b)(ii) Aggregate amount of borrowings and debt securities**
Please refer to page FS15, Note 6 of the Interim Financial Information.
- (c) Statement of Cash Flows**
Please refer to page FS9 of the Interim Financial Information.
- (d)(i) Statement of Movements in Unitholders' Funds**
Please refer to page FS5 of the Interim Financial Information.
- (d)(ii) Details of any changes in the Units**
Please refer to page FS17, Note 8 of the Interim Financial Information.
- (d)(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period**
Not applicable.
- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**
The figures have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".
- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**
Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2021.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU") of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Please refer to page FS2 and FS4 of the Interim Financial Information.

7. Net asset value per unit and net tangible asset per unit based on units issued at the end of the financial period and immediately preceding financial year

Please refer to Appendix 1.

8. Review of performance of the Group

Please refer to Appendix 2.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Manager has not disclosed any financial forecast to the market. However, as indicated in the previous interim business update dated 19 October 2022, the Manager will continue its focus on executing its growth plan through active asset management and progressing on asset enhancement initiatives.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Based on advance estimates by the Ministry of Trade and Industry ("MTI"), the Singapore economy grew by 2.2% year-on-year ("y-o-y") in the fourth quarter of 2022, moderating from the 4.2% growth in the previous quarter. For 2022, Singapore's Gross Domestic Product ("GDP") grew by 3.8%, slower than the 7.6% growth in 2021. The manufacturing sector contracted by 3.0% y-o-y in the fourth quarter of 2022, a reversal from the 1.4% growth in the previous quarter.

This came on the back of output contractions in the electronics, chemicals, and biomedical manufacturing clusters¹.

According to data from the Singapore Institute of Purchasing and Materials Management (SIPMM), the Purchasing Managers' Index (PMI) dipped 0.1 point from the previous month to 49.7 in December 2022, the fourth consecutive month of contraction in overall activity².

According to JTC, the overall occupancy rate for the industrial property market stood at 89.4% in 4Q 2022. This was a fall of 0.3 percentage points compared to the previous quarter, as new completions picked up significantly in the 4Q 2022 and new supply has exceeded new demand. Notwithstanding the drop in occupancy, the all-industrial rental index and all-industrial price index for 4Q 2022 rose by 2.1% and 1.7% respectively, as compared to the previous quarter³.

MTI has launched 7.16 hectares of industrial land for tender in the Industrial Government Land Sales programme for the first half of 2023, compared to 4.48 hectares and 6.36 hectares offered in the first half and second half of the 2022 programme, respectively⁴.

Based on CBRE research, while the full-year rental growth for prime logistics and warehouse reached 10.2% and 6.6% y-o-y respectively, attributed to occupiers raising inventory levels, this pace is expected to moderate in 2023 due to weakened economic outlook and as occupiers become more cost sensitive⁵. According to Cushman & Wakefield Singapore Market Outlook 2023, warehouse demand could slow in 2023 amid lower e-commerce demand, and an expected easing of supply chain disruptions in 2023 would slow stockpiling demand⁶.

While Singapore's economy gradually recovers, the global economy continues to face steep challenges, namely from the lingering impact of the Ukraine war, an ever-increasing likelihood of a recession, broadening inflation pressures, and the slowdown in China. According to IMF's latest forecasts, global growth is projected to remain unchanged in 2022 at 3.2% and to slow to 2.7% in 2023, with a 25% probability that it could fall below 2%⁷. Furthermore, rising energy prices and interest rates amid an uncertain macroeconomic environment are expected to continue for the coming quarters⁸.

Since early 2022, the Manager has taken proactive measures to reduce overall utility consumption across the portfolio and initiated the process at 508 Chai Chee Lane. It is continuing with its efforts to implement energy and cost-saving measures across the portfolio and at the same time, further optimise the capital structure of REIT.

On a broader level, the Manager continues to see steady demand in the Singapore industrial sector and remains cautiously optimistic in its mid-term outlook. The Manager will stay focused on proactive lease management and enhancing its existing properties to cater to the changing tenant requirements. Sabana Industrial REIT will also continue to manage its costs prudently, optimise its funding sources and seize opportunities to enhance its portfolio resilience, to deliver long-term sustainable value for all Unitholders.

¹ MTI - Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022 – 3 Jan 2023

² Singapore Institute of Purchasing and Materials Management (SIPMM) – Singapore PMI summary as of December 2022

³ JTC Quarterly Market Report for 4Q2022 – 26 January 2023

⁴ "Launch of first half 2023 Industrial Government Land Sales programme". Ministry of Trade and Industry Singapore. 28 December 2022

⁵ CBRE Research – Q4 2022 – 11 Jan 2023

⁶ Cushman & Wakefield Research – Singapore Market Outlook 2023

⁷ IMF – World Economic Outlook, Countering the Cost-of-Living Crisis – Oct 2022

⁸ JP Morgan – Investment Outlook 2023

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Period of distribution : Distribution for 1 July 2022 to 31 December 2022

Distribution Type	Distribution Rate (cents)
Taxable Income	1.46
Tax Exempt Income	–
Capital	–
Total	1.46

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Period of distribution : Distribution for 1 July 2021 to 31 December 2021

Distribution Type	Distribution Rate (cents)
Taxable Income	1.42
Tax Exempt Income	0.15
Capital	–
Total	1.57

(c) Tax rate : Taxable income

These distributions are made out of Sabana Industrial REIT taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at the level of these individuals at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Sabana Industrial REIT.

(d) Book closure date : 7 February 2023

(e) Date payable : 27 March 2023

12. If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13. Distribution policy

The distribution policy is to distribute at least 90.0% of its distributable income to Unitholders on a half-yearly basis at the discretion of the Manager, having regards to funding requirements and other capital management considerations.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Please refer to Appendix 3.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Appendix 2 for the review of the actual performance.

16. Breakdown of sales as follows:

	Group		
	YTD		Fav / (Unfav)
	31/12/22	31/12/21	
	S\$'000	S\$'000	%
(a) Gross revenue reported for first half year	44,850	39,092	14.7
(b) Total return after tax before distribution for first half year	24,675	34,521	(28.5)
(c) Gross revenue reported for second half year	50,057	42,821	16.9
(d) Total return after tax before distribution for second half year	28,093	14,297	96.5

17. A breakdown of the total annual distribution for the latest full year and its previous full year:

	Group	
	YTD	
	31/12/22	31/12/21
	S\$'000	S\$'000
In respect of the half year from:		
1 July 2022 - 31 December 2022 ^(a)	15,894	-
1 January 2022 - 30 June 2022	17,206	-
1 July 2021 - 31 December 2021	-	16,798
1 January 2021 - 30 June 2021	-	15,586
	33,100	32,384

Note:

(a) The distribution for the half year from 1 July 2022 to 31 December 2022 is payable in March 2023.

18. General mandate for Interested Person Transactions

The Trust has not obtained a general mandate from Unitholders for interested person transactions.

19. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of the Trust (the “Manager”) which may render the unaudited interim financial statements of the Group and Trust (comprising the statement of financial position as at 31 December 2022, statement of total return & distribution statements, statement of cash flows and statement of movements in Unitholders’ funds for the full-year ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

20. Procured Undertakings By the Board and Executive Officers to Rule 720(1)

The Manager of Sabana Industrial REIT confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Sabana Real Estate Investment Management Pte. Ltd. (the "Company"), being the Manager of the Trust, confirms that there is no person occupying a managerial position in the Company, the Trust or any of the Trust's subsidiary, who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of the Trust.

**On behalf of the Board of Directors of
Sabana Real Estate Investment Management Pte. Ltd.
(Company registration number 201005493K)
as Manager of Sabana Industrial Real Estate Investment Trust**

Tan Cheong Hin
Director

Wong Heng Tew
Director

By Order of the Board
Cho Form Po
Company Secretary
Sabana Real Estate Investment Management Pte. Ltd.
(Company registration number 201005493K)
as Manager of Sabana Industrial Real Estate Investment Trust

26 January 2023

Appendix 1

	Group		Trust	
	As at 31/12/2022	As at 31/12/2021	As at 31/12/2022	As at 31/12/2021
Net asset value (“NAV”) and net tangible asset (“NTA”) per unit (S\$) ^(a)	0.53 ^(b)	0.52	0.53 ^(b)	0.52

Note:

- (a) The number of units used to compute NAV per unit and NTA per unit is 1,096,121,325 (31 December 2021: 1,069,950,268).
- (b) The increase in NAV and NTA per unit is mainly due to the revaluation of investment properties based on independent valuations of the properties undertaken by independent valuers.

Appendix 2

Review of the Performance of the Group for the current financial period reported on

2H 2022 vs 2H 2021

<u>Statement of Total Return</u>	Group		
	2H 2022	2H 2021	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue	50,057	42,821	16.9
Property expenses	(23,803)	(16,566)	(43.7)
Net property income ^(a)	26,254	26,255	–
Finance income ^(b)	57	15	280.0
Finance costs ^(c)	(6,481)	(6,964)	6.9
Finance costs relating to lease liabilities	(1,604)	(1,620)	1.0
Net finance costs	(8,028)	(8,569)	6.3
Manager's fees ^(d)	(2,255)	(2,520)	10.5
Trustee's fees	(179)	(179)	–
Donation	–	(5)	–
Other trust expenses ^(e)	(517)	(655)	21.1
Net income	15,275	14,327	6.6
Net change in fair value of financial derivatives ^(f)	1,814	1,021	n.m
Net change in fair value of investment properties ^(g)	11,004	(1,051)	n.m
Total return for the period before taxation	28,093	14,297	n.m
Tax expense	*	*	–
Total return for the period after taxation	28,093	14,297	n.m
Distribution adjustments	(12,170)	2,565	n.m
Total income available for distribution to Unitholders for the period ^(h)	15,923	16,862	(5.6)
Total distribution amount declared to Unitholders for the period ⁽ⁱ⁾	15,923	16,862	(5.6)

n.m denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) Net property income for 2H 2022 remained consistent with prior period.
- (b) Higher finance income mainly due to higher charges on late payment of rent to the tenants.
- (c) Finance costs decreased by 6.9% mainly due to lower one-off amortisation of upfront fees of the new loan facilities in 2H 2022 over 2H 2021, and partially offset by the increase in interest rates in 2H 2022.
- (d) Manager's fees decreased by 10.5% mainly due to a one-off performance fees incurred in 2H 2021, which are chargeable when the REIT achieves a 10.0% annual growth in DPU over the previous financial year.
- (e) Other trust expenses decreased mainly due to lower professional fees in 2H 2022.
- (f) The net change in fair value of financial derivatives relates to the fair value change of the interest rate swaps recognised.
- (g) The net change in fair value of investment properties mainly relates to the adjustments in ROU assets and the valuation movement based on the independent valuations of the properties undertaken by the Independent Valuers as at the reporting date.
- (h) Income available for distribution decreased by 5.6% mainly due to higher finance costs (excluding amortisation of transaction costs) in 2H 2022 over 2H 2021.
- (i) The Trust's distribution policy is to distribute at least 90.0% of its distributable income to Unitholders.

Review of the Performance of the Group for the current financial period reported on

FY 2022 vs FY 2021

<u>Statement of Total Return</u>	Group		
	FY 2022	FY 2021	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue	94,907	81,913	15.9
Property expenses	(41,624)	(29,960)	(38.9)
Net property income ^(a)	53,283	51,953	2.6
Finance income ^(b)	85	30	183.3
Finance costs ^(c)	(14,459)	(12,343)	(17.1)
Finance costs relating to lease liabilities	(3,219)	(3,255)	1.1
Net finance costs	(17,593)	(15,568)	(13.0)
Manager's fees ^(d)	(4,438)	(4,655)	4.7
Trustee's fees	(355)	(349)	(1.7)
Donation	(5)	(5)	—
Other trust expenses ^(e)	(1,331)	(684)	(94.6)
Net income	29,561	30,692	(3.7)
Net change in fair value of financial derivatives ^(f)	8,903	2,127	n.m
Net change in fair value of investment properties ^(g)	14,304	15,999	n.m
Total return for the period before taxation	52,768	48,818	n.m
Tax expense	*	*	—
Total return for the period after taxation	52,768	48,818	n.m
Distribution adjustments	(19,698)	(16,314)	n.m
Total income available for distribution to Unitholders for the period ^(h)	33,070	32,504	1.7
Total distribution amount declared to Unitholders for the period ⁽ⁱ⁾	33,070	32,504	1.7

n.m denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) Net property income for FY 2022 increased by 2.6% mainly due to higher contribution from 10 Changi South Street 2, 23 Serangoon North Avenue 5, 30 & 32 Tuas Avenue 8, 34 Penjuru Lane, 39 Ubi Road 1, 3A Joo Koon Circle, 508 Chai Chee Lane and 51 Penjuru Road, partially offset by the surge in utilities cost.
- (b) Higher finance income mainly due to higher charges on late payment of rent to the tenants.
- (c) Finance costs increased by 17.1% mainly due to the increase in interest expenses and higher amortisation of upfront fees in FY 2022 over FY 2021.
- (d) Manager's fees decreased by 4.7% mainly due to a one-off performance fees incurred in FY 2021, which are chargeable when the REIT achieves a 10.0% annual growth in DPU over the previous financial year.
- (e) Other trust expenses increased by 94.6% mainly due to a one-off reversal of non-tax deductible professional fees in FY 2021.
- (f) The net change in fair value of financial derivatives relates to the fair value change of the interest rate swaps recognised.
- (g) The net change in fair value of investment properties mainly relates to the adjustments in ROU assets and the valuation movement based on the independent valuations of the properties undertaken by the Independent Valuers as at the reporting date.
- (h) Income available for distribution increased by 1.7% mainly due to higher net property income in FY 2022 over FY 2021 and partially offset by higher finance costs (excluding amortisation of transaction costs)
- (i) The Trust's distribution policy is to distribute at least 90.0% of its distributable income to Unitholders.

Appendix 3

Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Total gross revenue by property types	Group		
	YTD		Fav / (Unfav)
	31/12/22	31/12/21	
	S\$'000	S\$'000	%
High-tech Industrial	63,092	52,675	19.8
Chemical Warehouse & Logistics	5,589	6,529	(14.4)
Warehouse & Logistics	19,490	17,928	8.7
General Industrial	6,736	4,781	40.9
	94,907	81,913	15.9

Total net property income by property types	Group		
	YTD		Fav / (Unfav)
	31/12/22	31/12/21	
	S\$'000	S\$'000	%
High-tech Industrial	31,428	30,973	1.5
Chemical Warehouse & Logistics	4,187	6,043	(30.7)
Warehouse & Logistics	13,138	11,901	10.4
General Industrial	4,530	3,036	49.2
	53,283	51,953	2.6



KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone +65 6213 3388
Fax +65 6225 0984
Website kpmg.com.sg

The Board of Directors
Sabana Real Estate Investment Management Pte. Ltd.
(in its capacity as Manager of Sabana Industrial Real
Estate Investment Trust)
151 Lorong Chuan
#02-03 New Tech Park
Singapore 556741

26 January 2023

Dear Sirs

**Sabana Industrial Real Estate Investment Trust
Review of Interim Financial Information**

Introduction

We have reviewed the accompanying Interim Financial Information of Sabana Industrial Real Estate Investment Trust (the “Trust”) and its subsidiary (collectively the “Group”) for the half-year and the year ended 31 December 2022 as set out on pages FS1 to FS20. The Interim Financial Information comprise the following:

- Statements of financial position of the Group and the Trust as at 31 December 2022;
- Consolidated portfolio statement of the Group as at 31 December 2022;
- Consolidated statement of total return of the Group for the half-year and the year ended 31 December 2022;
- Consolidated distribution statement of the Group for the half-year and the year ended 31 December 2022;
- Statements of movements in unitholders’ funds of the Group and the Trust for the year ended 31 December 2022;
- Consolidated statement of cash flows of the Group for the year ended 31 December 2022; and
- Notes to the above Interim Financial Information.

The management of Sabana Real Estate Investment Management Pte. Ltd. (the “Manager” of the Trust) is responsible for the preparation and presentation of the Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice (“RAP”) *7 Reporting Framework for Investment Funds* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on the Interim Financial Information based on our review.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act 2005 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust in meeting the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited's Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its Interim Financial Information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

APPENDIX E
RELEVANT PROVISIONS OF THE SABANA INDUSTRIAL REIT TRUST DEED

The rights of Unitholders in respect of capital, distribution and voting as extracted and reproduced from the Sabana Industrial REIT Trust Deed are set out below.

All capitalised terms used in the following extracts shall have the same meanings given to them in the Sabana Industrial REIT Trust Deed, a copy of which will be available for inspection (prior appointment required) at the office of the REIT Manager at 151 Lorong Chuan #02-03 New Tech Park, Singapore 556741, during normal business hours for the period which the Partial Offer remains open for acceptance.

I. The rights of Unitholders in respect of capital

“2. Provisions as to Units, Holders and Statements of Holdings

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager shall, pursuant to the Depository Services Agreement, appoint the Depository as the Unit depository for the Trust, and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

2.1.2 For so long as the Trust is Listed on the SGX-ST, the Manager or the agent appointed by the Manager shall issue to the Depository not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

*2.2.1 In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.*

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall issue to each Depositor such contract statements,

confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository's terms and conditions for operation of Securities Accounts.

2.3 Sub-division and Consolidation of Units

The Manager may at any time, with the approval of the Trustee and on prior written notice, given by the Manager to each Holder or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to the Depository (for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee shall cause the Depository to alter the Depository Register accordingly in respect of each Depositor's Securities Account to reflect the new number of Units held by each Depositor as a result of such sub-division or consolidation.

2.4 Terms and Conditions of Trust Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and of any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.

2.5 Availability of Trust Deed and Supplemental Deeds

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S\$10 per copy document.

2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.7 Variation of Rights

Whenever the capital of the Trust is divided into different classes of Units, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued Units of the class or with the sanction of an Extraordinary Resolution at a separate meeting of holders of the Units of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Units of the class and that any holder of Units of the class present in person or by proxy shall on a poll have one vote for every Unit of the class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the holders of three-quarters of the issued Units of the class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any class as if each group of Units of the class differently treated formed a separate class the special rights whereof are to be varied.

2.8 Rights of Manager in Respect of Units Not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

2.9 Restrictions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) if it would require the Manager or Trustee to do or omit from doing anything which may result in:

- 2.9.1 the Trust ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange for so long as the Trust is Listed and such other Relevant Laws, Regulations and Guidelines; or*
- 2.9.2 the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.*

3. Registration of Holders

3.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the Trustee or the Registrar in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee or the Registrar shall record the Depository as the registered holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee or the Registrar shall record each Holder as the registered holder of Units held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

- 3.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);*
- 3.1.2 the number of Units held by each Holder;*
- 3.1.3 the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;*
- 3.1.4 the date on which any transfer is registered and the name and address of the transferee; and*
- 3.1.5 where applicable, the date on which a Holder ceases or ceased to be a Holder of Units.*

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

3.3 Listed Units

For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect. For so long as the Trust is Listed, the Manager shall have entered into the

Depository Services Agreement for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.5 in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register, and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Agreement, two or more persons may be registered as Joint Depositors of Units. The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository, that the Depository Register is incorrect.

3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

3.5 Inspection of Register

3.5.1 The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with or without notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto. Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.5.2 If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents

and records relating thereto in its possession. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

3.7.1 For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof.

3.7.2 For so long as the Trust is Unlisted, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:

- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve). The instrument of transfer need not be a deed;

- (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;
- (iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and
- (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.

3.7.3 Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.

3.7.4 For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer effected in respect of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.

3.7.5 For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.

3.7.6 For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.

3.7.7 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.8 Death of Holders

The executors or administrators of a deceased Holder of Units (not being a Joint Holder) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he

attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, subject to Clause 3.13, be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such

Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 *The Manager may retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.*

3.12 Payment of Fee

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

3.14 Registrar

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

5. Issue of Units

5.1 General

5.1.1 *Subject to the provisions of this Deed, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit PROVIDED THAT, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 100 Units (or such other number of Units as may be determined by the Manager) and for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws,*

Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

- 5.1.2 The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.*
- 5.1.3 Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.*
- 5.1.4 The Manager has power to issue further preference capital ranking equally with, or in priority to, preference Units already issued.*
- 5.1.5 The Trust may be Listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.*
- 5.1.6 Subject to Clause 5.1.7, for so long as the Trust is Listed, the Manager may issue Units provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.*
- 5.1.7 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units*

shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as the circumstances admit, to the number of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Manager may dispose of those Units in such manner as it thinks most beneficial to the Trust. The Manager may likewise so dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Manager, be conveniently offered under this Clause 5.1.7.

5.2 Issue Price of Units When the Trust is Unlisted and the Initial Offering Price

5.2.1 Prior to the Listing Date, the Manager may issue Units at any time to any person at any issue price per Unit ("**Issue Price**") and on such terms and conditions as the Manager may determine in its absolute discretion.

5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering.

The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed between the Manager and the Trustee, subject to the prevailing laws, rules and regulations.

5.2.3 Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price under an initial public offering of Units to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with the Listing Rules and any Relevant Laws, Regulations and Guidelines.

5.2.4 The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.3.2 and 5.3.3 and to such laws, rules and regulations as may be applicable, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 For so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders provided that the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

5.3.3 Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 No Units shall be issued on an unpaid or partly paid basis, unless such issue is approved by an Extraordinary Resolution of a meeting of Holders duly convened and held in accordance with the provisions of Schedule 1. In the event such issue is approved, capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

5.5.2 In the event that the Manager issues Units on an unpaid or partly paid basis, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

5.5.3 Calls on Units

- (i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.*
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.*
- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
- (v) The Manager may on the issue of Units differentiate between the holders as to the amount of calls to be paid and the times of payment.*

- (vi) *The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.*

5.5.4 Forfeiture and Lien

- (i) *If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.*
- (ii) *The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.*
- (iii) *If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture.*
- (iv) *A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.*
- (v) *A Holder whose Units have been forfeited shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture remain liable to pay to the Trust all moneys which at the date of forfeiture were payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or waive payment in whole or in part.*

- (vi) *The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distributions from time to time declared in respect of such Units provided that such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the holder or deceased holder. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.*
- (vii) *The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.*
- (viii) *The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.*
- (ix) *A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.*

5.6 Units Issued to Persons Resident Outside Singapore

If a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore. In relation to any rights issue or (as the case may be) any preferential offering, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue or preferential offering to those Holders whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Units of such Holders may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders PROVIDED THAT, where the proceeds payable to any single Holder is less than S\$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

5.7 Updating of Securities Account

For so long as the Trust is Listed, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

5.8 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.9 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included

in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

5.10 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but nothing in this Clause 5.10 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

5.11 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange while the Trust is Listed, suspend the issue of Units during any of the following events:

- 5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;*
- 5.11.2 the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;*
- 5.11.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;*
- 5.11.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;*
- 5.11.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority;*
- 5.11.6 in relation to any general meeting of the Holders, any 72 hour period before such general meeting or any adjournment thereof; or*
- 5.11.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising*

from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

7. Valuation

7.1 Repurchase and Redemption Restrictions when Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.1.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.2. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix. The Manager may, subject to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

7.3 Repurchase Price

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be:

7.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager's offer to repurchase or cause the redemption of Units is accepted; and

7.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), the Current Unit Value of the relevant Units

on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

- 7.4.1 to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);*
- 7.4.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or*
- 7.4.3 PROVIDED THAT there is sufficient Cash in the Trust, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other liabilities of the Trust, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other liabilities of the Trust if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow or enter into financing arrangements to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.3.*

7.5 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the

Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.6 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.”

II. The rights of Unitholders in respect of distributions

“11. Distributions

11.1 Distribution of Income

For so long as the Trust is Unlisted, and subject to this Clause 11, the Manager may at its discretion declare distributions of Income to Holders at such other intervals as the Manager shall decide in its absolute discretion.

For so long as the Trust is Listed, and subject to this Clause 11, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion) of:

11.1.1 the Net Taxable Income (excluding gains from sale of Authorised Investments determined by the IRAS to be trading gains); and

11.1.2 the Net Tax-Exempt Income,

to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

11.2 Manager to Collect

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital, the Manager may apply it to any item in the balance sheet of the Trust including, without limitation, Holders’ funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 Frequency of Distribution of Income

For so long as the Trust is Unlisted, the Manager shall have the discretion to determine the frequency of each distribution of Income.

For so long as the Trust is Listed, the Manager will endeavour to ensure that for each Financial Year there is at least one distribution and the last distribution covers the period up to the last day of the Financial Year.

For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11.

11.5 Distribution Entitlement

11.5.1 *"Distribution Amount" for a Distribution Period is to be determined in accordance with the following formula:*

$$DA = NTI + I + E + C$$

Where:

"DA" is the Distribution Amount;

"NTI" (for any Distribution Period where the Trust is Unlisted) is the Net Taxable Income determined by the Manager; and

(for any Distribution Period where the Trust is Listed) is the Net Taxable Income for the Distribution Period determined by the Manager less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee;

"I" (for any Distribution Period where the Trust is Unlisted) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Distribution Period preceding the Distribution Period for which the Distribution Amount is being calculated, exceeds or is less than the Net Taxable Income for that preceding Distribution Period distributed pursuant to this Clause as NTI, but so that the amount is only taken into account in determining the Distribution Amount for the Distribution Period prior to the Listing Date and in which the agreement between the IRAS and the Manager is reached; and

(for any Distribution Period where the Trust is Listed) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Financial Year preceding the Financial Year in which the Distribution Period occurs (less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee), exceeds or is less than the Net Taxable Income for that preceding Financial Year distributed pursuant to this Clause 11 as NTI but so that the amount is only taken into account

in determining the Distribution Amount for the Distribution Period in which the agreement between the IRAS and the Manager is reached;

“E” *is any amount of Net Tax-Exempt Income which the Manager has determined is to be distributed; and*

“C” *is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.*

11.5.2 *Each Holder’s Distribution Entitlement is to be determined in accordance with the following formula:*

$$DE = DA \times \frac{UH}{UI}$$

where:

“DE” *is the Distribution Entitlement;*

“DA” *is the Distribution Amount;*

“UH” *is the number of Units held by the Holder, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount; and*

“UI” *is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distribution Amount.*

11.6 Distribution of Entitlement

11.6.1 *The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.*

11.6.2 *For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in the Income of that Distribution Period.*

11.6.3 *The Manager and the Trustee must deduct from each Holder’s Distribution Entitlement all amounts which:*

(i) *are necessary to avoid distributing a fraction of a cent;*

- (ii) *the Manager determines not to be practical to distribute on a Distribution Date;*
- (iii) *equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Holder or the amount of the distribution otherwise distributable to such Holder;*
- (iv) *are required to be deducted by law, the Tax Ruling or this Deed; or*
- (v) *are payable by the Holder to the Trustee or the Manager.*

11.6.4 *The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.*

11.7 Holder Notification

Each Holder must as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder of:

11.8.1 *the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital; and*

11.8.2 *any amounts deducted under Clauses 11.6.3(iii) and 11.6.3(iv).*

11.9 Tax Declaration Forms and Tax Distribution Vouchers

11.9.1 *The Manager shall where necessary in respect of each Distribution Period before the Distribution Amounts are paid out send to each Holder, a tax declaration form for the purpose of each Holder declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distribution Amount. If a Holder fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distribution Amount due to that Holder.*

11.9.2 *On a distribution having been made, the Trustee shall where necessary issue to each Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS. In the case of any distribution made on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any tax payable by the Trustee on income and gains attributable to the Holders.*

11.10 Categories and Sources of Income

11.10.1 For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder.

11.10.2 The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.

11.11 Distribution Policy

The Manager and the Trustee acknowledge that subject to Clause 11.1, the Trust's distribution policy for so long as the Trust is Listed is to distribute as much of its income as practicable.

11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Property Funds Appendix, the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders.

11.13 Capitalisation of Undistributed Distribution Amount

For so long as the Trust is Unlisted, the Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distribution Amount.

11.14 Distribution of Capital and Unrealised Gains

The Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of an amount which represents:

11.14.1 part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust; or

11.14.2 part or all of the unrealised gains due to the increase in the capital value of the Real Estate held by the Trust arising from asset enhancement.

12. Place and Conditions of Payment

12.1 Place and Conditions of Payment

Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.

No amount payable to any Holder or Depositor shall bear interest or earn any profit or income.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

Neither the Manager or the Trustee shall be liable to account to a Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to

any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Moneys Account**”) from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys. Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.”

III. The rights of Unitholders in respect of voting

“13 Voting Rights in Respect of the Deposited Property

13.1 Manager’s Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 10.4 relating to Special Purpose Vehicles owned by the Trustee, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder or (as the case may be) Depositor shall have any right to interfere or complain.

The Trustee shall, upon written request by and at the expense of the Manager from time to time, execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

The Manager shall be entitled to exercise the said rights in what the Manager may consider to be the best interests of the Holders or (as the case may be) the Depositors, but neither the Manager nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Manager whether in person or by proxy, and neither the Trustee nor the Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or

any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee or the Manager or by the holder of such proxy or power of attorney under this Deed; and the Trustee shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by the Manager or by any such proxy or attorney.

The Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give the Trustee and any Holder or (as the case may be) any Depositor reasonable access to such record and allow the Trustee and any Holder or (as the case may be) any Depositor to inspect such record but neither the Trustee nor any Holder or (as the case may be) any Depositor shall be entitled to remove the same or to make any entries therein or alterations thereto, PROVIDED ALWAYS THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

13.2 Construction of Voting Rights

The phrase “rights of voting” or the word “vote” used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

30. Meeting of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

Schedule 1

MEETING OF HOLDERS

- 1. A general meeting to be called the “Annual General Meeting” shall, in addition to any other meeting of Holders, be held once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting, but so long as the Trust holds its first Annual General Meeting within 18 months of its constitution, the Trust need not hold it in the year of its constitution or in the following year. Save as set out above and in Clause 21, all Annual General Meetings may be held at such time and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.*
- 2. The Trustee or the Manager (and the Manager shall at the request in writing of not less than 50 Holders or Holders representing not less than 10.0% of the issued Units of the Trust) may at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. Any such meeting convened shall be held in Singapore.*

3. *For so long as the Trust is Unlisted, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.*
4. *For so long as the Trust is Listed, the Manager or (being a Holder), the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall subject to paragraph 5(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules and/or the listing rules of other relevant Recognised Stock Exchange) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for the purposes of the following provisions of this Schedule, Units held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting.*
5. *A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:*
 - (i) *Extraordinary Resolution to:*
 - (a) *sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;*
 - (b) *sanction a supplemental deed (including an amending and restating deed) increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;*
 - (c) *remove the Auditors and appoint other Auditors in their place as provided in Clause 22.3 of this Deed;*
 - (d) *remove the Trustee as provided in Clause 23.3.4 of this Deed;*
 - (e) *direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act (relating to the winding up of the Trust);*
 - (f) *delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed; and*
 - (g) *issue Units on an unpaid or partly paid basis pursuant to Clause 5.5 of this Deed; and*

- (ii) a resolution duly proposed and passed as such by a simple majority of Holders present and voting at a general meeting, with no Holder being disenfranchised, to remove the Manager as provided in Clause 24.1.4 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) to (ii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the Securities and Futures Act, the Code or the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange.

- 5.1 Subject to paragraphs 5.2 and 5.3 below, at least 2 days' notice (in the case of Holders' meetings where the Trust is Unlisted) or 14 days' notice (in the case of Holders' meetings to pass an Ordinary Resolution where the Trust is Listed) or 21 days' notice (in the case of Holders' meetings to pass an Extraordinary Resolution where the Trust is Listed) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. For as long as the Trust is Listed, at least 14 days' notice of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange on which the Trust is listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.
- 5.2 Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act.
- 5.3 Notwithstanding anything to the contrary in this Deed, in the event that a notice of a general meeting of Holders has been given to Holders and such meeting is required to be postponed or cancelled pursuant to or can no longer be held in accordance with the Relevant Laws, Regulations and Guidelines or any changes thereto, the Manager may postpone or cancel such general meeting by giving a notice to Holders of such postponement or cancellation via an announcement on the SGXNet, subject to compliance with the Relevant Laws, Regulations and Guidelines (including the provision of any other notice as may be prescribed in any waiver, exemption or other direction issued by the relevant authorities or any conditions pursuant to such waiver, exemption or direction). Notice of the date and time of the postponed meeting, when fixed, shall be given to Holders in accordance with the Listing Rules and the provisions in this Deed concerning notices of general meetings.
- 6. Where there is more than one Holder, the quorum shall be not less than two Holders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units for the time being in issue. Where there is only one Holder, that Holder shall constitute the quorum. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

7. *If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.*
8. *A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.*
9. *The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.*
10. *At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing applicable law or regulations, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.*
11. *A poll shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted.*
12. *A poll shall be taken at such time and place as the Chairman directs. The Chairman shall, subject to the requirements of the prevailing applicable laws or regulations, appoint at least one scrutineer and may (and if so directed by the meeting shall) adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
13. *On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.*
14. *In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.*
15. *On a poll, votes may be given either personally or by proxy.*
16. *The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.*
17. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the*

notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 72 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

18. *An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.*
19. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given Provided That no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.*
20. *Notwithstanding anything in this Deed, where a Holder is a Relevant Intermediary, the Holder may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and Class shall be specified).*
21. *Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.*
22. *A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.*
23. *For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 72 hours before the time of such meeting as certified by the Depository to the Manager.*

An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

24. *A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.*
25. *For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.*
26. *Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.*
27. *Notwithstanding anything in this Deed, Holders who have used their CPF monies to subscribe or purchase Units through the CPF Investment Scheme are allowed to attend any general meetings as observers, PROVIDED THAT such Holders have submitted their requests to attend the general meeting through their CPF agent banks.”*

APPENDIX F VALUATION CERTIFICATES



Cushman & Wakefield VHS Pte. Ltd.
88 Market Street #47-01
CapitaSpring
Singapore 048948
Tel +65 6535 3232
Fax +65 6535 1028
www.cushmanwakefield.com
Company Registration No. 200708839D

9 February 2023

HSBC Institutional Trust Services (Singapore) Limited
c/o Sabana Real Estate Investment Management Pte. Ltd.
151 Lorong Chuan #02-03 (Lobby B), New Tech Park
Singapore 556741

Dear Sirs

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST (THE "PROPERTIES")

1. 33 & 35 PENJURU LANE, SINGAPORE 609200 & 609202
2. 18 GUL DRIVE, SINGAPORE 629468
3. 3A JOO KOON CIRCLE, SINGAPORE 629033
4. 26 LOYANG DRIVE, SINGAPORE 508970
5. 508 CHAI CHEE LANE, SINGAPORE 469032
6. 23 SERANGOON NORTH AVENUE 5, SINGAPORE 554530
7. 123 GENTING LANE, SINGAPORE 349574
8. 39 UBI ROAD 1, SINGAPORE 408695
9. 34 PENJURU LANE, SINGAPORE 609201
10. 2 TOH TUCK LINK, SINGAPORE 596225

Cushman & Wakefield ("C&W") has been instructed by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Sabana Industrial REIT) ("the client"), to provide the Market Value as at 31 December 2022 and valuation report in respect of the abovementioned Properties for corporate reporting purposes.

The valuations and reports have been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2022 Edition

The Properties have been valued on the basis of Market Value as at the Valuation Date.

"Market Value" is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

We have valued the Properties taking into consideration the existing tenancy details, based on the information provided.

Our valuations have been made on the assumption that the Properties are sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement other than that mentioned, that would serve to alter the value of the Properties.

Where Market Value is assessed, it reflects the full contract value and no allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect value.

We have also assumed that all the leases are legally valid and enforceable and the Properties have proper legal title that can be freely transferable, leased and sub-leased in the market. Cushman & Wakefield has no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.

We provide a valuation summary on the Properties together with the key factors that have been considered in determining the market value of the Properties. The value conclusion reflects all information known by the valuers of C&W who worked on the valuation in respect to the Properties, market conditions and available data.

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
Reliance on This Letter

This letter is a summary of the report that C&W has prepared and it does not contain all the necessary information, assumptions, disclaimers, limitations and qualifications that are included in the valuation report(s). Further reference may be made to the report(s), copies of which are held by the client.

The valuation contained in the report(s) is a not guarantee or prediction but is based on the information obtained from reliable and reputable agencies and sources, the client and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by the client or other reliable and reputable agencies.

We have not conducted structural surveys nor tested the building services as this is not part of our terms of reference and, as such, we cannot report that the Properties are free from rot, infestation or any other structural defects. For the purpose of this valuation, the Properties are assumed to be in sound structural condition and all the services in good working order.

We have not carried out any environmental baseline study as this is outside our terms of engagement. We will reserve the right to review the valuation if we are subsequently provided with any environmental study that may adversely affect the valuation of the Properties.

The Properties

No.	Address	Land Area (sq m)	Gross Floor Area (sq m)	Net Lettable Area (sq m)	Balance Lease (years)
1	33 & 35 Penjuru Lane	25,756.10	26,588.11	26,588.11	26.1
2	18 Gul Drive	8,588.80	12,344.82	12,344.82	15.7
3	3A Joo Koon Circle	14,553.20	20,243.50	19,986.81	24.6
4	26 Loyang Drive	18,157.30	13,858.00	13,858.00	31.0
5	508 Chai Chee Lane	10,562.10	29,702.80	22,300.30	37.3
6	23 Serangoon North Ave 5	5,999.60	14,807.25	12,914.65	33.7
7	123 Genting Lane	6,017.40	14,763.00	12,530.40	18.7
8	39 Ubi Road 1	5,136.10	12,589.50	10,060.90	29.0
9	34 Penjuru Lane	15,410.10	38,487.00	34,135.68	9.6
10	2 Toh Tuck Link	6,732.50	16,880.95	13,159.64	34.0

Valuation Methodology and Rationale

We have adopted the Discounted Cash Flow Method, Capitalisation Approach and Comparison Method and placed equal weightage on each method to arrive at our opinion of the market value of each property.

The income approaches, where used, are based on our professional opinion and estimates of the future results and are not guarantees or predictions. Each methodology is based on a set of assumptions as to the income and expenses taking into consideration the changes in economic conditions and other relevant factors affecting the property. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in the reports. For further information on that, reference should be made to the reports to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

Discounted Cash Flow Analysis

The discounted cash flow analyses were carried out over a 10-year investment horizon in which we have assumed that each property is sold at the commencement of the eleventh year of the cash flow period; except where properties have balance land tenures of less than 10 years. This form of analysis allows an investor to make an assessment of the long-term return that is likely to be derived from a property with a combination of both net income/rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

of assumptions were made including a target discount rate, rental trend, sale price of the property at the end of the investment horizon as well as costs associated with its disposal of the property.

We have investigated the current market requirements for a return over the investment period from the relevant market sector in order to determine the appropriate discount rates for the property.

Our selected terminal capitalisation rate used to estimate the terminal sale price, where applicable, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building at the end of the investment period. The adopted terminal capitalisation rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period.

Capitalisation Approach

We have also utilized the Capitalisation Approach which takes into consideration the estimated gross annual income for the property which is adjusted for outgoings such as property outgoings, property tax and an allowance for vacancy to derive at the net income. The net income is then capitalised at an appropriate rate of return that reflects the current market investment criteria over the remaining lease term in order to reflect the certain and potential risks acceptable to a prudent investor.

Comparison Method

In the Comparison Method, comparison is made with sales of similar developments in the vicinity or in similar standard localities. Adjustments are made for differences in location, size, dates of transaction, age and condition and land tenure amongst other factors, before arriving at the value of the property.

Summary of Valuation

The valuation of the Properties are summarized as follows:

No.	Address	Market Value as at 31 December 2022 (SGD)
1	33 & 35 Penjuru Lane, Singapore 609200 & 609202	S\$41,600,000
2	18 Gul Drive, Singapore 629468	S\$19,000,000
3	3A Joo Koon Circle, Singapore 629033	S\$33,900,000
4	26 Loyang Drive, Singapore 508970	S\$26,200,000
5	508 Chai Chee Lane, Singapore 469032	S\$67,000,000
6	23 Serangoon North Ave 5, Singapore 554530	S\$42,200,000
7	123 Genting Lane, Singapore 349574	S\$16,500,000
8	39 Ubi Road 1, Singapore 408695	S\$18,200,000
9	34 Penjuru Lane, Singapore 609201	S\$29,500,000
10	2 Toh Tuck Link, Singapore 596225	S\$30,500,000

Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificates containing more property details are attached.

Disclaimers and General Comments

We have prepared this valuation summary on the Properties for the purpose mentioned above. We only make warranty or representation as to the accuracy of the information in this valuation summary and the reports.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the client is contracting with.

**VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE
INVESTMENT TRUST**

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have the necessary experience in valuing similar types of properties.

Yours faithfully,

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE. LTD.



Chew May Yen
Executive Director
Valuation & Advisory
MSISV, Licensed Appraiser No. AD 041-2004419H



Claire Woo
Director
Valuation & Advisory
MSISV, Licensed Appraiser No. AD 041-2006273E

Enc: Valuation Certificates

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	33 and 35 Penjuru Lane, Singapore 609200 and 609202
Brief Description of Property:	The warehouse complex comprises three buildings – Block A, a 4-storey warehouse building; Block B, a part 1-storey/ part 3-storey with basement warehouse building with a VNA (Very-Narrow-Aisle) storage area; and Block C, a single-storey with mezzanine warehouse building. The Certificate of Statutory Completion (CSC) for original completion of Block A was issued on 29 August 1994 and CSC for addition and alteration (A+A) works was issued on 9 October 2008. The CSC for Block B was issued on 9 October 2008. The CSC for original completion of Block C was issued on 11 May 1992 and CSC for A+A works was issued on 24 April 2009. According to information provided, JTC has granted an in-principle approval for the change of use of the premises for warehousing and storage of dangerous goods and cargo, drumming and other related processing and logistics services as a chemical logistics hub.
Legal Description:	Lot 8480C of Mukim 5
Tenure/ Interest Valued:	Leasehold 30 years from 16 February 1988 with a further term of 31 years (balance lease term of about 26.1 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned “Business 2” use with plot ratio 2.5
Land Area:	25,756.1 sq m
Gross Floor Area (GFA):	26,588.11 sq m – according to information provided
Net Lettable Area (“NLA”):	26,588.11 sq m – according to information provided
Condition:	Fairly good
Tenancy Details:	According to the information provided, the Property has been master leased to the existing tenant starting from 1 March 2022 and expiring on 28 February 2027. The initial monthly rent is S\$228,954.00, reflecting S\$0.80 per sq ft per month over NLA. The master tenant is responsible for property maintenance, property tax and land rent. The Landlord shall pay insurance and capital expenditure of a structural nature. The Property has been leased to the master tenant on a 100% GFA basis, subject to JTC’s approval. At the time of valuation, the premises is approved for the tenant’s specific usage on a generic subletting and is awaiting for anchor subletting approval from JTC.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$41,600,000/- (Singapore Dollars Forty-One Million and Six Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$145

**VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE
INVESTMENT TRUST**
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	18 Gul Drive, Singapore 629468
Brief Description of Property:	A purpose-built part 2/part 4-storey single-user chemical warehouse with ancillary offices. We understand that the Certificate of Statutory Completion was issued on 24 June 2010.
Legal Description:	Lot 244C of Mukim 7
Tenure/ Interest Valued:	Leasehold for 13 years 10 months and 12 days from 1 November 2004 with a further term of 20 years (balance lease term of about 15.7 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 1.4
Land Area:	8,588.8 sq m
Gross Floor Area (GFA):	12,344.82 sq m – according to information provided
Net Lettable Area ("NLA"):	12,344.82 sq m – according to information provided
Condition:	Good
Tenancy Details:	<p>According to the information provided, the Property has been master leased to VWR Singapore Pte. Ltd. ("Master Tenant") starting from 1 January 2020 and expiring on 31 December 2029. The initial monthly rent is S\$182,043.00, reflecting S\$1.37 per sq ft per month over NLA.</p> <p>The Master Tenant is responsible for property maintenance. The Landlord shall pay the property tax, insurance, land rent and capital expenditure of a structural nature.</p>
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$19,000,000/- (Singapore Dollars Nineteen Million Only)
Value Per Sq Ft of GFA:	S\$143

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	3A Joo Koon Circle, Singapore 629033
Brief Description of Property:	The property comprises a 2-storey warehouse building with mezzanine floor and a part 3-/part 4-storey factory building. A Certificate of Statutory Completion (CSC) was issued on 30 November 1990 for the 3-storey with part 4-storey industrial building and on 23 October 2008, a CSC was issued for the additions and alterations involving the erection of 2-storey warehouse with mezzanine.
Legal Description:	Lot 1463T of Mukim 7
Tenure/ Interest Valued:	Leasehold for 30 years from 1 August 1987 with a further term of 30 years (balance lease term of about 24.6 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 1.4
Land Area:	14,553.2 sq m
Gross Floor Area (GFA):	20,243.50 sq m – according to information provided
Net Lettable Area ("NLA"):	19,986.81 sq m – according to information provided
Condition:	Fairly good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rental is around \$1.12 psfpm and the occupancy is around 96.5%. The Landlord is responsible for all property outgoings and lease and property management fees. The WALE by NLA is around 2.13 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$33,900,000/- (Singapore Dollars Thirty-Three Million and Nine Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$156

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	For corporate reporting purposes.
Property:	26 Loyang Drive, Singapore 508970
Brief Description of Property:	A purpose-built single-storey industrial building with mezzanine floors. According to information provided, The Certificate of Statutory Completion (CSC) for the Property was issued on 1 November 2007.
Legal Description:	Lot 4432W of Mukim 31
Tenure/ Interest Valued:	Leasehold for 30 years from 1 January 2006 with a further term of 18 years (balance lease term of about 31.0 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 2.5
Land Area:	18,157.3 sq m
Gross Floor Area (GFA):	13,858.0 sq m – according to information provided
Net Lettable Area ("NLA"):	13,858.0 sq m – according to information provided
Condition:	Good
Tenancy Details:	According to the information provided, the Property is master leased to the tenant starting from 26 November 2018 and expiring on 31 December 2026. The current rent payable is S\$2,577,600, reflecting S\$1.44 per sq ft per month over the Gross Lettable Area. The Master Tenant is responsible for property maintenance of the tenanted areas.. The Landlord shall pay the property tax, insurance, land rent and capital expenditure of a structural nature.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$26,200,000/- (Singapore Dollars Twenty-Six Million and Two Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$176/-

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	For corporate reporting purposes.
Property:	508 Chai Chee Lane, Singapore 469032
Brief Description of Property:	A 7-storey high-tech industrial building with 2 basement levels. According to information provided, we understand the original Certificate of Statutory Completion ("CSC") was issued on 8 October 2003. Subsequent CSC's for addition and alteration works were issued on 27 July 2007, 4 December 2007 and 9 February 2011.
Legal Description:	Lot 6084K of Mukim 28
Tenure/ Interest Valued:	Leasehold for 30 years from 16 April 2001 with a further term of 29 years (balance lease term of about 37.3 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 1" use with plot ratio 2.5
Land Area:	10,562.1 sq m
Gross Floor Area (GFA):	29,702.8 sq m – according to information provided
Net Lettable Area ("NLA"):	22,300.3 sq m – according to information provided
Condition:	Good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the occupancy is around 99.2%. The Landlord is responsible for property maintenance, property tax, insurance and lease and property management fees. The WALE by NLA is around 1.24 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	5.75%
Terminal Capitalisation Rate:	6.00%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$67,000,000/- (Singapore Dollars Sixty-Seven Million Only)
Value Per Sq Ft of GFA:	S\$210/-

**VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE
INVESTMENT TRUST**
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	23 Serangoon North Avenue 5, Singapore 554530
Brief Description of Property:	The Property is a purpose-built 6-storey industrial development. The Certificate of Statutory Completion (CSC) was issued on 20 November 2008.
Legal Description:	Lot 16685X of Mukim 18
Tenure/ Interest Valued:	Leasehold 30 years from 16 September 2006 and a further term of 20 years and 15 days (balance lease term of about 33.7 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 1" use with plot ratio 2.5
Land Area:	5,999.6 sq m
Gross Floor Area (GFA):	14,807.25 sq m – according to information provided
Net Lettable Area ("NLA"):	12,914.65 sq m – according to information provided
Condition:	Good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rental is around \$2.55 psfpm and the occupancy is around 94.6%. The Landlord is responsible for all property outgoings and lease and property management fees. The WALE by NLA is around 1.63 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	5.75%
Terminal Capitalisation Rate:	6.00%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$42,200,000/- (Singapore Dollars Forty-Two Million and Two Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$268

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	123 Genting Lane, Singapore 349574
Brief Description of Property:	The Property is a purpose-built 8-storey industrial development. A Certificate of Statutory Completion (CSC) was issued on 17 January 1996 for the 8-storey industrial building. A CSC was issued on 20 September 2001 for addition and alteration works involving the installation of a liquid nitrogen tank gas yard facility. A CSC was issued on 3 January 2007 for the demolition of a single-storey refuse bin centre.
Legal Description:	Lot 5872T of Mukim 24
Tenure/ Interest Valued:	Leasehold 60 years from 1 September 1981 (balance lease term of about 18.7 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 1" use with plot ratio 2.5
Land Area:	6,017.4 sq m
Gross Floor Area (GFA):	14,763.0 sq m – according to information provided
Net Lettable Area ("NLA"):	12,530.4 sq m – according to information provided
Condition:	Fairly good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rental is around \$1.37 psfpm and the occupancy is around 84.7%. The Landlord is responsible for all property outgoings and lease and property management fees. The WALE by NLA is around 1.02 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$16,500,000/- (Singapore Dollars Sixteen Million and Five Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$105

VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	For corporate reporting purposes.
Property:	39 Ubi Road 1, Singapore 408695
Brief Description of Property:	A 8-storey light industrial building. According to information provided, we understand the Certificate of Statutory Completion (“CSC”) for the original 6-storey building was issued on 24 September 1998 and Temporary Occupation Permit issued on 1 December 1995. We understand two more floors added in November 2011.
Legal Description:	Lot 4610M of Mukim 23
Tenure/ Interest Valued:	Leasehold for 30 years from 1 January 2022 (balance lease term of about 29.0 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned “Business 1” use with plot ratio 2.5
Land Area:	5,136.1 sq m
Gross Floor Area (GFA):	12,589.5 sq m – according to information provided
Net Lettable Area (“NLA”):	10,060.9 sq m – according to information provided
Condition:	Good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rent is presently around S\$1.59 psfpm and the occupancy is around 98.8%. The Landlord is responsible for property maintenance, property tax, insurance and lease and property management fees. The WALE by NLA is around 2.67 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.00%
Terminal Capitalisation Rate:	6.25%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$18,200,000/- (Singapore Dollars Eighteen Million and Two Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$134/-

**VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE
INVESTMENT TRUST**
VALUATION CERTIFICATE



Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	34 Penjuru Lane, Singapore 609201
Brief Description of Property:	The Property is a purpose-built 5-storey warehouse development with ancillary office areas. The Certificate of Statutory Completion (CSC) was issued on 12 May 2009.
Legal Description:	Lot 7871A of Mukim 5
Tenure/ Interest Valued:	Leasehold 30 years from 16 August 2002 (balance lease term of about 9.6 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 2.5
Land Area:	15,410.1 sq m
Gross Floor Area (GFA):	38,487.00 sq m – according to information provided
Net Lettable Area ("NLA"):	34,135.68 sq m – according to information provided
Condition:	Fairly good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rental is around \$1.15 psfpm and the occupancy is around 98.8%. The Landlord is responsible for all property outgoings and lease and property management fees. The WALE by NLA is around 1.62 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	6.25%
Terminal Capitalisation Rate:	Not Applicable
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$29,500,000/- (Singapore Dollars Twenty-Nine Million and Five Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$71

**VALUATION OF 10 INDUSTRIAL ASSETS FORMING PART OF SABANA INDUSTRIAL REAL ESTATE
INVESTMENT TRUST**
VALUATION CERTIFICATE

Date of Valuation:	31 December 2022
Valuation Purpose:	Corporate reporting purposes.
Property:	2 Toh Tuck Link, Singapore 596225
Brief Description of Property:	The Property is a purpose-built part 4-storey/ part 6-storey warehouse development with basement carpark. A Certificate of Statutory Completion (CSC) was issued on 31 May 2001 for the part-single/ part 6-storey single purpose/ single occupier warehouse building with ancillary office. A CSC was issued on 17 July 2008 for addition and alteration works and the conversion of the part single-storey/ part 6-storey warehouse to part 4-storey/ part 6-storey warehouse with basement.
Legal Description:	Lot 7792W of Mukim 5
Tenure/ Interest Valued:	Leasehold 30 years from 16 September 1996 with a further term of 30 years (balance lease term of about 34.0 years)
Registered Proprietor:	The Property is held in trust by HSBC Institutional Trust Services (Singapore) Limited
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 2.5
Land Area:	6,732.5 sq m
Gross Floor Area (GFA):	16,880.95 sq m – according to information provided
Net Lettable Area ("NLA"):	13,159.64 sq m – according to information provided
Condition:	Good
Tenancy Details:	The Property is multi-tenanted and according to tenancy information provided, the gross passing rental is around \$1.53 psfpm and the occupancy is around 98.0%. The Landlord is responsible for all property outgoings and lease and property management fees. The WALE by NLA is around 2.83 years.
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
Capitalisation Rate:	5.75%
Terminal Capitalisation Rate:	6.00%
Discount Rate:	7.25%
Market Value as at 31 December 2022:	S\$30,500,000/- (Singapore Dollars Thirty Million and Five Hundred Thousand Only)
Value Per Sq Ft of GFA:	S\$168

Valuation Certificate





Address of Property	151 Lorong Chuan, Singapore 556741
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)
Purpose of Valuation	Financial Reporting
Legal Description	Lot 13157C Mukim 18
Tenure	Leasehold for 45 years commencing on 26 November 2010
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)
Brief Description	The property is located near to the junction of Lorong Chuan and Serangoon Avenue 3, approximately 9 km from the City Centre. It is also situated right next to Lorong Chuan MRT Station on the Circle Line. It comprises a 6-storey multi-user hi-spec industrial building with approved commercial uses on part of its 1 st and 2 nd storeys. The commercial section of the development, known as NTP+, comprises food & beverage outlets, retail shops, a fitness centre, a supermarket, an enrichment centre, a medical clinic and a foodcourt on the 2 nd storey. We understand that the subject property was completed in the early 1990s while the Temporary Occupation Permit and Certificate of Statutory Completion for the conversion of part of the building to commercial use were obtained in March 2021 and December 2022 respectively. The property appeared to be in good condition as at the date of our inspection.
Site Area	39,796.9 sm or thereabouts, subject to government's re-survey
Gross Floor Area	Approximately 80,467.2 sm including 76,559.2 sm for industrial use and 3,908 sm for commercial use, as provided and subject to final survey
Lettable Floor Area	Approximately 58,821 sm including 55,586.8 sm for industrial use and 3,234.1 sm for commercial use, as provided and subject to final survey
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the industrial section is about 75.8% let with total monthly gross rent of \$1,698,036 while the commercial section is 99.4% occupied with monthly gross rental income of \$281,391.
Master Plan Zoning (2019)	"Business 1" with a gross plot ratio of 2.5
Annual Value	\$22,481,000
Land Rent (pa)	Nominal land rent of \$12 per annum is waived until further notice.
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Date of Valuation	31 December 2022
Capitalisation Rate	5.50%
Terminal Capitalisation Rate	5.75%
Discount Rate	7.50%
Recommended Market Value	\$362,700,000 (Singapore Dollars Three Hundred Sixty-Two Million And Seven Hundred Thousand Only)
Rate over Lettable Floor Area	\$6,166 psm
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.
Prepared by	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Goh Seow Leng B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B </div> <div style="text-align: center;">  Liaw Hin Sai M.Sc. (Real Estate), MSISV Licensed Appraiser No. AD041-20071081 </div> </div>
Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate





Address of Property	1 Tuas Avenue 4, Singapore 639382	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 4485P Mukim 7	
Tenure	Leasehold for 30+21 years and 4 months commencing on 1 January 1996 (we are instructed to value based on balance un-expired interest of about 24.3 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	The property is located at the northern junction of Tuas Avenue 4 and Pioneer Road, approximately 28 km from the City Centre. It comprises a 3-storey general industrial building. We understand that the Temporary Occupation Permit was issued on 25 June 1999. URA Grant of Written Permission for addition and alteration works was granted in 2015. However, the addition and alteration works were abandoned mid-way. The property appeared to be in poor condition as at the date of our inspection. We understand that Asset Enhancement Initiative (AEI) works of approximately \$15,000,000 will commence around January 2023, subject to relevant authorities' approval.	
Site Area	13,039.2 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 14,898.0 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 14,898.0 sm, as provided and subject to final survey	
Tenancy Brief	The property is currently vacant.	
Master Plan Zoning (2019)	"Business 2" with a gross plot ratio of 2.5	
Annual Value	\$2,360,000	
Land Rent (pa)	We understand that the land rent payable to JTC is \$289,731 per annum (excluding GST)	
Basis of Valuation	As-Is basis and taken into account potential AEI works, and the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Direct Comparison Method and Residual Method	
Date of Valuation	31 December 2022	
Recommended Market Value	\$9,000,000 (Singapore Dollars Nine Million Only)	
Rate over Lettable Floor Area	\$604 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Cynthia Ng B.Sc (Est. Mgt.), FSISV Licensed Appraiser No. AD041-2003388A	 Jacqueline Tan M.Sc (Real Estate), MSISV Licensed Appraiser No. AD041-2009422G
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate





Address of Property	15 Jalan Kilang Barat, Singapore 159357	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 2923X Mukim 1	
Tenure	Leasehold for 99 years commencing on 1 January 1962 (we are instructed to value based on balance un-expired interest of about 38.0 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	The property is located at the northern side of Jalan Kilang Barat, off Jalan Bukit Merah and approximately 6 km from the City Centre. It comprises an 8-storey light industrial building with a multi-storey car park at levels 2 and 3. We understand that the Temporary Occupation Permit and Certificate of Statutory Completion was issued on 24 January 2002 and 5 May 2003 respectively. The property appeared to be in average condition as at the date of our inspection.	
Site Area	2,337.2 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 6,868.2 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 5,580.8 sm, as provided and subject to final survey	
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the property is 65.9% let at a total monthly gross rent of \$112,310.	
Master Plan Zoning (2019)	"Business 1" with a gross plot ratio of 2.5	
Annual Value	\$1,670,200	
Land Rent (pa)	Nominal land rent of \$12 per annum is waived until further notice.	
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	5.75%	
Terminal Capitalisation Rate	6.00%	
Discount Rate	7.50%	
Recommended Market Value	\$22,700,000 (Singapore Dollars Twenty-Two Million And Seven Hundred Thousand Only)	
Rate over Lettable Floor Area	\$4,068 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Goh Seow Leng B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B	 Cassandra Tan B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2008452H
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate





Address of Property	21 Joo Koon Crescent, Singapore 629026	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 2191X Mukim 7	
Tenure	Leasehold for 30 + 30 years commencing on 16 February 1994 (we are instructed to value based on balance un-expired interest of about 31.1 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	<p>The subject property is located on the eastern side of Joo Koon Crescent, off Benoi Road, and approximately 24 km from the City Centre. It comprises a 3-storey factory building with ancillary office. We understand that the Temporary Occupation Permit was issued on 18 March 1998 and the property has undergone several addition and alteration works subsequently with the latest Certificate of Statutory Completion issued on 1 June 2010.</p> <p>The property appeared to be in average condition as at the date of our inspection.</p>	
Site Area	8,992.2 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 9,250.8 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 9,250.8 sm, as provided and subject to final survey	
Tenancy Brief	The property is fully leased to a master tenant for 5 years commencing on 1 November 2019. The tenant is responsible for all outgoings except for lease/property management fee.	
Master Plan Zoning (2019)	"Business 2" with a gross plot ratio of 1.4	
Annual Value	\$1,238,000	
Land Rent (pa)	We understand that the land rent payable to JTC is \$173,835 per annum (excluding GST)	
Basis of Valuation	As-Is basis, subject to the existing tenancy and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	6.00%	
Terminal Capitalisation Rate	6.25%	
Discount Rate	7.50%	
Recommended Market Value	<p>\$15,200,000</p> <p>(Singapore Dollars Fifteen Million And Two Hundred Thousand Only)</p>	
Rate over Lettable Floor Area	\$1,643 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Goh Seow Leng B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B	 Li Lishan B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2006962D
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate



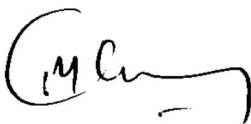

Address of Property	8 Commonwealth Lane, Singapore 149555	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 4185X Mukim 3	
Tenure	Leasehold for 30+23 years commencing on 1 February 2006 (we are instructed to value based on balance un-expired interest of about 36.1 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	The property is located at the north-western side of Commonwealth Lane, off Commonwealth Avenue/Queensway, and approximately 7.5 km from the City Centre. It comprises a 4-storey hi-tech industrial building with a 6-storey annex. We understand that the Temporary Occupation Permit and the Certificate of Statutory Completion for the main building were issued on 18 December 2006 and 30 April 2007 respectively while the Temporary Occupation Permit and Certificate of Statutory Completion for the 6-storey annex were issued on 10 January 2011 and 7 June 2011 respectively. The property appeared to be in average condition as at the date of our inspection.	
Site Area	6,017.6 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 15,033.1 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 12,746.6 sm, as provided and subject to final survey	
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the property is 82.2% let at a total monthly gross rent of \$341,240.	
Master Plan Zoning (2019)	"Business 1" with a gross plot ratio of 2.5	
Annual Value	\$4,084,100	
Land Rent (pa)	We understand that the land rent payable to JTC is \$373,399 per annum (excluding GST).	
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	5.85%	
Terminal Capitalisation Rate	6.10%	
Discount Rate	7.50%	
Recommended Market Value	\$54,700,000 (Singapore Dollars Fifty-Four Million And Seven Hundred Thousand Only)	
Rate over Lettable Floor Area	\$4,291 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Goh Seow Leng B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B	 Cassandra Tan B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2008452H
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate





Address of Property	10 Changi South Street 2, Singapore 486596	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 9513M Mukim 27	
Tenure	Leasehold for 30+27 years commencing on 1 October 1994 (we are instructed to value based on balance un-expired interest of about 28.7 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	The subject property is located at the northern side of Changi South Street 2, bounded by Changi South Avenue 2, off Xilin Avenue and approximately 15 km from the City Centre. It comprises a part single/part 6-storey warehouse building with ancillary offices and a 5-storey annex. We understand that the Temporary Occupation Permit was issued on 25 March 1996 and 3 October 2007; and the Certificate of Statutory Completion was obtained on 28 November 2017. The property appeared to be in average condition as at the date of our inspection.	
Site Area	15,824.4 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 22,191.1 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 19,291.3 sm, as provided and subject to final survey	
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the property is 74.4% let at a total monthly gross rent of \$244,004.	
Master Plan Zoning (2019)	"Business 2" with a gross plot ratio of 2.0	
Annual Value	\$3,059,000	
Land Rent (pa)	The nominal land rent of \$12 per annum is waived until further notice.	
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	6.00%	
Terminal Capitalisation Rate	6.25%	
Discount Rate	7.50%	
Recommended Market Value	\$37,400,000 (Singapore Dollars Thirty-Seven Million And Four Hundred Thousand Only)	
Rate over Lettable Floor Area	\$1,939 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Cynthia Ng B.Sc (Est. Mgt.), FSISV Licensed Appraiser No. AD041-2003388A	 Jacqueline Tan M.Sc (Real Estate), MSISV Licensed Appraiser No. AD041-2009422G
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate





Address of Property	30 & 32 Tuas Avenue 8, Singapore 639246/47	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 2927N Mukim 7	
Tenure	Leasehold for 30+30 years commencing on 1 September 1996 (we are instructed to value based on balance un-expired interest of about 33.7 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	The property is located at the eastern junction of Tuas Avenue 8 and Tuas Avenue 1, approximately 29 km from the City Centre. It comprises two JTC Standard E8 factories with an adjoining 4-storey factory and ancillary offices. We understand that the Temporary Occupation Permit was issued circa 21 November 1995 and Certificate of Statutory Completion was issued on 27 November 2002. The property appeared to be in average condition as at the date of our inspection.	
Site Area	14,598.9 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 14,757.3 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 14,757.3 sm, as provided and subject to final survey	
Tenancy Brief	The property is fully leased to a single master tenant for 10 years commencing from 1 January 2023. The tenant is responsible for all outgoings except for lease/property management fee.	
Master Plan Zoning (2019)	"Business 2" with a gross plot ratio of 1.4	
Annual Value	\$1,982,000	
Land Rent (pa)	We understand that the land rent payable to JTC is \$224,143 per annum (excluding GST)	
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	6.00%	
Terminal Capitalisation Rate	6.25%	
Discount Rate	7.50%	
Recommended Market Value	\$28,900,000 (Singapore Dollars Twenty-Eight Million And Nine Hundred Thousand Only)	
Rate over Lettable Floor Area	\$1,958 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Cynthia Ng B.Sc (Est. Mgt.), FSISV Licensed Appraiser No. AD041-2003388A	 Jacqueline Tan M.Sc (Real Estate), MSISV Licensed Appraiser No. AD041-2009422G
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

Valuation Certificate



Address of Property	51 Penjuru Road, Singapore 699143	
Client	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Purpose of Valuation	Financial Reporting	
Legal Description	Lot 7829M Mukim 5	
Tenure	Leasehold for 30 + 30 years commencing on 1 January 1995 (we are instructed to value based on balance un-expired interest of about 32.0 years)	
Registered Lessee	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT)	
Brief Description	<p>The subject property is located on the eastern side of Penjuru Road, off Jalan Buroh, approximately 16 km from the City Centre. It comprises a part single-storey automated warehouse/part 4-storey conventional warehouse building with a mezzanine level.</p> <p>We understand that the Temporary Occupation Permit was issued on 25 February 1999 while the Certificate of Statutory Completion was issued on 2 November 1999.</p> <p>The property appeared to be in average condition as at the date of our inspection.</p>	
Site Area	14,591.7 sm or thereabouts, subject to government's re-survey	
Gross Floor Area	Approximately 22,889.1 sm, as provided and subject to final survey	
Lettable Floor Area	Approximately 20,013.8 sm, as provided and subject to final survey	
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the property is 93.1% let and has a total monthly gross rent of \$222,615 (including committed leases).	
Master Plan Zoning (2019)	"Business 2" with a gross plot ratio of 2.5	
Annual Value	\$3,749,000	
Land Rent (pa)	We understand that the land rent payable to JTC is \$417,323 per annum (excluding GST)	
Basis of Valuation	As-Is basis, subject to the existing tenancies and taken into account the SFRS(I) 13 on Fair Value Measurement	
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method	
Date of Valuation	31 December 2022	
Capitalisation Rate	6.00%	
Terminal Capitalisation Rate	6.25%	
Discount Rate	7.50%	
Recommended Market Value	<p>\$30,500,000</p> <p>(Singapore Dollars Thirty Million And Five Hundred Thousand Only)</p>	
Rate over Lettable Floor Area	\$1,524 psm	
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.	
Prepared by	 Goh Seow Leng B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B	 Li Lishan B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2006962D
	Savills Valuation And Professional Services (S) Pte Ltd	

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in local currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.