



## **SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

### **ANNOUNCEMENT**

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#### **RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

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Sabana Real Estate Investment Management Pte. Ltd., as the Manager of Sabana Industrial Real Estate Investment Trust (“**Sabana Industrial REIT**”, and the manager of Sabana Industrial REIT, the “**Manager**”), would like to thank Unitholders of Sabana Industrial REIT (“**Unitholders**”) for submitting their questions by the announced deadline of 10 April 2023, 10.00 a.m. in advance of the Annual General Meeting (“**AGM**”) to be held by way of a physical format at Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741 on Tuesday, 25 April 2023 at 10.00 a.m. The Manager’s responses to the questions can be found in Appendix A to this announcement.

For Unitholders who were unable to meet the question submission deadline or have additional questions, you are invited to pose the questions at the AGM.

By Order of the Board  
Sabana Real Estate Investment Management Pte. Ltd.  
(Company Registration No: 201005493K, Capital Markets Services Licence No: CMS100169)  
As Manager of Sabana Industrial Real Estate Investment Trust

Han Yong Lee (Donald)  
Chief Executive Officer  
19 April 2023

**For enquiries, please contact:**

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## Appendix A

1. **I note that there is a new shareholder, Volare. Coincidentally, both Volare and Quartz are both Swiss-based entities. Are Volare and Quartz related? Have either Volare and/or Quartz asked for a Board seat in Sabana? Has Sabana management held any engagement session with Volare, the up and coming minority shareholder of Sabana? Would Volare's relationship with the Sabana board be similarly acrimonious, like the relationship with Quartz? What is Sabana management doing to ensure that its relationship with the new substantial minority shareholder Volare is not similarly acrimonious like that with Quartz?**

We do not have information on whether our substantial Unitholders as named above are related, unless the information is disclosed to us or such information is made publicly available.

We are committed to open and transparent communication with all our Unitholders and to this end, have updated Volare on the performance of, and publicly-announced developments at, the REIT.

We appreciate the support of our Unitholders, substantial or minority, and seek to maintain good relationships and welcome their constructive feedback in creating long-term, sustainable value for the REIT.

Should there be any material developments with Volare or any other party, we would make the necessary announcements on SGXNet and post them on our corporate website.

2. **I note that ESR has recently announced a rights cum placement issue. Are there plans by ESR to launch another takeover or merger bid for Sabana once again? If so, can you please ensure that any offer for Sabana by ESR is priced at minimally above Sabana NAV and to steadfastly and resolutely reject any low-ball offers by ESR below Sabana NAV?**

We do not have any information on the matters cited above. As we are independently-managed and not a party to any future plans of our Sponsor or any other third-party, we are not in the position to influence or comment on any of these future plans. As with any material developments, we will post them on SGXNet and our corporate website as and when they arise.

3. **I note that in the Annual Report, under Mr Donald Han biography, his employment history in HSR Global was not mentioned. From the various news articles, Mr Donald Han joined HSR Global in Feb 2012. (see link below) Why is this important information (about Mr Donald Han's past employment with HSR) omitted from the Annual Report?**  
<https://sg.news.yahoo.com/donald-han-joins-hsr-special-adviser-053050911.html>

Mr Donald Han's association with HSR Global Ltd ("HSR"), a residential real estate agency, was relatively short, from February 2012 to April 2013. He was a non-executive special adviser to the then executive officers i.e. the CEO and COO of the company. His bio page in the Annual Report remains largely similar since he joined Sabana Industrial REIT ("Sabana") in 2018, providing brief relevant experience of Mr Donald Han's executive appointments and career progression.

4. **I note that the Independent Director, Ms Elaine Lim was a Director of HSR from 2011 to 2013. Ms Elaine Lim's employment as a Director of HSR coincided with Mr Donald Han's employment in HSR. Today, once again, Mr Donald Han and Ms Elaine Lim are colleagues in Sabana REIT. Would Ms Elaine Lim and Mr Donald Han's past working relationship in HSR affect Ms Elaine Lim's independence? How independent is Ms Elaine**

**Lim? I believe there are many suitable candidates for Independent Directors out there, why have the company decided to once again choose an independent director that is "in the grey area"? Why don't the company choose a candidate that is fully clean, with no prior working relationship or links with the management and substantial shareholder? Please explain and elaborate.**

Mr Donald Han and Mrs Elaine Lim were not colleagues at HSR. Mr Donald Han was a non-executive special adviser to the CEO and COO of HSR (and not a board director) whilst Mrs Elaine Lim was a non-executive independent director. During the short overlap of their respective tenure at HSR, their interaction was limited. They have had no interaction since 2013. It was SIAS that recommended Mrs Elaine Lim to the current Sabana board and she complies with all the criteria of independence, as identified in the Singapore Code of Corporate Governance 2018, the Securities and Futures (Licensing and Conduct of Business) Regulations and the Listing Manual of the Singapore Exchange Securities Trading Limited. The process that Sabana's Nominating and Remuneration Committee and Board took to review and approve her appointment is detailed in the company's announcement (please refer to <https://sabana.listedcompany.com/news.html/id/2395021>), posted on SGXNet on 6 July 2022.

- 5. On the latest valuation certificate by Savills on 1 Tuas Avenue 4, I noticed that the asset enhancement initiative ("AEI") cost has been earmarked at \$15m on 31 December 2022. May I ask what drove this significant 33% cost increase in a short span of four months?**

The asset enhancement initiative cost of \$15 million was a preliminary construction cost figure estimated by the project consultants in 4Q 2022. Between January and February 2023, pre-qualified contractors were invited to tender and be interviewed. During the selection process, it was highlighted that modification of construction methodology for certain items were necessary to ensure compliance with authorities' requirements and to make the space more marketable. For these reasons, the estimated construction cost has increased.

The development cost of approximately \$20 million announced on 4 April 2023 comprises construction costs, professional fees, forward works, contingency costs (as advised by consultants for prudence) and government fees, amongst others. The development cost is based on the current design, which comprises an approximate 156,000 square foot warehouse, production and ancillary office on an ambient basis. As the property is currently being marketed, this estimated cost may be subject to change, depending on the need to further enhance its market attractiveness and rental levels, or any further modifications relating to prospective tenants' requirements.

- Ends -

## **Sabana Industrial REIT**

Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2022, Sabana Industrial REIT has a diversified portfolio of 18 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to more than S\$0.9 billion as at 31 December 2022.

Sabana Industrial REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana Industrial REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended, varied or supplemented from time to time). Sabana Industrial REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana Industrial REIT, please visit [www.sabana-reit.com](http://www.sabana-reit.com).

## **Important Notice**

The value of units in Sabana Industrial REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana Industrial REIT, or any of their respective affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the SGXST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.