

SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 29 October 2010
under the laws of the Republic of Singapore (as amended)
Managed by Sabana Real Estate Investment Management Pte. Ltd.)
(Company Registration No. 201005493K)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

<p>Comment/ Question 1 Unitholder No. 1 (Mr Harvard Chi Cher Pan)</p>	<p>Unitholder No. 1 commented that the REIT had sold 9 Tai Seng Drive to Ascendas-Singbridge group in 2019 and the current property value is about \$218 million, the value has increased more than \$100 million. If the Manager sells the property now, the proceeds could have been used to settle all debts of the REIT.</p>
<p>Response 1 CEO (Mr Donald Han)</p>	<p>CEO responded that the REIT sold 9 Tai Seng Drive at that point of time when it needed fresh funds to pare down its high gearing of almost 39% (regulatory limit then was 45%) and to urgently repay its \$100 million Sukuk (bonds) due in March/April 2019. 9 Tai Seng Drive was sold at nearly 2.5 times the then-book value. Together with an earlier sale of 6 Woodlands Loop (also above the then book value), Sabana managed to garner total proceeds of almost \$110 million, sufficient to pay off its Sukuk, reinvest into New Tech Park's asset enhancement initiative ("AEI") (now NTP+ mall) and made some capital redistribution to Unitholders. Data centres are a specialised business, requiring in-depth know-how, substantial capex and capital-intensive investments, where even larger developers have refrained from developing such.</p> <p>We understand that the buyer has invested additional capex into the property which could account for some of the increase in its property valuation.</p>
<p>Response 1(i) Chief Financial Officer ("CFO") (Mr Lim Wei Huang)</p>	<p>CFO added that the valuation should cover two components, the land price and development cost to develop the data centre.</p>
<p>Comment/ Question 2 Unitholder No. 1 (Mr Harvard Chi Cher Pan)</p>	<p>Unitholder No. 1 reminded the meeting that the Manager's Board and Management are compensated by fees paid by the REIT to the Manager. He observed that the board fees are high relative to other REITs. He commented that the occupancy rate of 91.2% had excluded 1 Tuas Avenue 4 and that the actual occupancy rate was 88.2% which was below JTC's average occupancy. He also commented that the construction cost for 1 Tuas Avenue 4 AEI was high.</p>
<p>Response 2 CEO (Mr Donald Han)</p>	<p>CEO clarified that the REIT follows market practices of other Industrial REIT peers for the computation/disclosure of the occupancy rate. As per other REITs, properties held under AEIs are not included in portfolio occupancy computations. He also highlighted that the Manager has not charged any project management fee for AEIs unlike some of the other Industrial REIT peers. In the earlier CEO's presentation, he highlighted that construction cost has stayed elevated since the pandemic, and redevelopment cost on psf basis is almost double that of additions & alternations ("A&A") cost. The A&A of 1TA4 involves the 'gutting out' of most internal structures leaving just the 'skeletal', which resembles a development process. Almost all building infrastructure works including M&E (lifts, fire protection system etc), generator, water tanks, facade and roof are brand new. There is also an increased cost to make the building more marketable and compliant to new fire codes. The indicative \$20 million cost on an ambient basis - is total development cost, inclusive of government levies/fees, forward cost, professional fees, and contingencies as per market practice/advised by project consultants.</p>

SABANA INDUSTRIAL REIT

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore (as amended) Managed by Sabana Real Estate Investment Management Pte. Ltd.)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

<p>Comments/ Question 3 Unitholder No. 1 (Mr Harvard Chi Cher Pan)</p>	<p>Unitholder No. 1 commented that the costs of AEI of \$130 psf for 1 Tuas Avenue 4 is considered very expensive. The construction has increased to about \$20 million and he wondered if the Board had overlooked and accepted the increase in costs.</p>
<p>Response 3 CEO (Mr Donald Han)</p>	<p>CEO explained the AEI project is handled by a professional consultant team, who oversees the tender process of selecting a suitable contractor and construction process. All tender processes follow the company's robust project management SOPs which are audited regularly. He clarified that the \$20 million is development cost, consisting of construction cost, professional fees, compliance fees and all the related government levies. The Management regularly apprised the Board on project AEI matters, with the Board constantly providing oversight and constructive feedback.</p>
<p>Comments/ Question 4 Unitholder No. 2 (Mr Lim Hock Chuan)</p>	<p>Unitholder No. 2 commented that he was satisfied with the CEO's performance since he joined the Manager and thanked the CEO for improving the performance of the REIT. He urged Quarz Capital Asia and Manager to resolve their conflicts and work together. On the joint venture with Keppel EaaS' decarbonisation projects, he asked if the REIT was required to pay for any capital expenditure for the installation of Photovoltaic solar panels onto its buildings.</p>
<p>Response 4 CFO (Mr Lim Wei Huang)</p>	<p>CFO thanked Unitholder No. 2 and responded that the joint venture is beneficial to the REIT. Keppel EaaS will deploy the capital and no capital expenditure would be incurred by the REIT for the installation of such solar panels. Through the partnership with Keppel EaaS, the REIT is entitled to purchase the green energy produced from the installed solar panels at a preferential rate for the respective assets (subject to the level of the solar energy produced for the respective assets). This project could improve our DPU and we would be aligned with Singapore Green Plan 2030 and for Sabana Industrial REIT to become one of the first carbon-neutral industrial REITs in Singapore.</p>
<p>Comments/ Question 5 Unitholder No. 2 (Mr Lim Hock Chuan)</p>	<p>Unitholder No. 2 asked if the REIT is entitled to any government grants for upgrading old buildings with green mark certification.</p>
<p>Response 5 CEO (Mr Donald Han)</p>	<p>CEO replied that as announced by BCA in June 2022, the government only allocated about \$63 million of grants to be shared by over 'thousands' of eligible/existing buildings which can be upgraded with improved energy performance. The \$63 million grant amount is not a lot to tap on. Notwithstanding this, the Manager would look out for existing and other government grants, if any.</p>
<p>Comment/ Question 6 Unitholder No. 2 (Mr Lim Hock Chuan)</p>	<p>On 1 Tuas Avenue 4, the cost for AEI is estimated \$20 million. The lease will expire in 2047. The REIT will have about 24 years to recover the costs of AEI. He asked if it is possible for the Manager to share the ROI for 1 Tuas Avenue 4 with Unitholders.</p>
<p>Response 6 CEO</p>	<p>CEO responded that Tuas industrial market is different from other parts, say in the central or eastern region of Singapore. There is plentiful of land supply</p>

SABANA INDUSTRIAL REIT

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore (as amended) Managed by Sabana Real Estate Investment Management Pte. Ltd.)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

(Mr Donald Han)		in Tuas, largely owned and under the control of JTC, where supply/demand imbalance can suddenly change overnight. There is less supply in the central or eastern corridors. For 1 Tuas Avenue 4, it is better to 'build fast, rent fast, secure longer leases' and keep these investments stable like a 'fixed deposit' asset. However, in industrial markets with less government supply like high-specification buildings in the central region, the Manager can take its time to do asset enhancements and rejuvenations where market rent and demand may evolve upwards with improving value and yield. NTP+ mall, post AEI, has seen almost double-digit NPI yields in 2021/2022.
Comment/ Question 7 Unitholder No. 3 (Mr Tan Cheng Keat)		Unitholder No. 3 commented that the earlier comment made by Unitholder No. 1 on the increased value of more than \$100 million on 9 Tai Seng Drive was not fair as the valuation could change due to various factors over time. On the AEI costs for 1 Tuas Avenue 4, Quarz Capital Asia could gather data and enquire the Manager and does its own analysis before making any further comment on the high AEI costs. He also commented all Unitholders including Quarz Capital Asia to work together with the Manager for the best interests of the REIT and the Unitholders.
Response 7 CEO (Mr Donald Han)		CEO thanked the Unitholder for his comments and that CEO's earlier responses had already clarified the reasons why 9 Tai Seng Drive had to be sold.
Question 8 Unitholder No. 4 (Mr Siong Kok Hong)		Unitholder No. 4 echoed Unitholder No. 3 that all Unitholders should work together for the benefit of the Unitholders. He pointed out that the lease period of 34 Penjuru Road is only left with about nine years. He asked about the lease extension cost and if the REIT intend to extend the lease or dispose of it.
Response to Question 8 CEO (Mr Donald Han)		CEO responded that 34 Penjuru Road's (34PR) short land lease was unlikely to get land lease extension, though he was currently monitoring the fate of other land leases nearby. Fortunately, the property with GFA of almost 414,000 sf (2 nd largest in the REIT's portfolio), had always performed well, with occupancy near 99% full, catering for burgeoning warehouse and logistic sector tenants. As for disposal, the Manager would keep all options open. CEO added that the Manager was currently focused on the AEIs for 1 Tuas Avenue 4 (current) and New Tech Park Phase 3 in the near term. It may acquire more properties in the future, as part of the GROW VALUE strategy.
Question 9 Unitholder No. 5 (Mr Doshi Bhavik Umesh)		<p>Unitholder No. 5 commended the Manager on the improvement in corporate governance rankings and the stronger balance sheet. On the proposed Ordinary Resolution 4, he asked why the REIT still needed to seek a mandate from unitholders for the REIT to issue Units and to make or grant convertible instruments ("20% General Mandate"). The Board should justify why the 20% General Mandate is needed. He commented that if the REIT needed a bigger headroom for AEI or acquisition, the REIT could call for an Extraordinary General Meeting.</p> <p>Unitholder No. 5 wished to know why Mrs Elaine Lim would still want to remain on the board if Ordinary Resolution No. 3 is not passed. He sought affirmation from Mrs Elaine Lim whether she is a nominee director from the ESR Group. If there is another merger, whether Mrs Elaine Lim has any conflicts of interest.</p> <p>Unitholder No. 5 commented that the Board size is small and asked if the size is adequate. He commented that the Directors' fees are considered high relative to other REITs.</p>

SABANA INDUSTRIAL REIT

(a real estate investment trust constituted on 29 October 2010
under the laws of the Republic of Singapore (as amended)
Managed by Sabana Real Estate Investment Management Pte. Ltd.)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

<p>Response 9(i) Independent Director (Mr Wong Heng Tew)</p>	<p>The Independent Director, Mr Wong Heng Tew explained that the REIT sought the 20% General Mandate once a year to allow the REIT to have flexibility and speed for fundraising, should acquisition or AEI/redevelopment opportunities arise during the year. Such mandates in the long run would allow the REIT to grow with stability.</p>
<p>Response 9(ii) Chairman (Mr Tan Cheong Hin)</p>	<p>The Chairman added that the Board scrutinizes all investment proposals from the Management and ensure that appropriate capital is to be deployed by the REIT. The 20% General Mandate was sought so that it gives the REIT the flexibility to raise funds, if necessary. The Manager will exercise this flexibility responsibly.</p> <p>The Chairman briefed the Unitholders on the history of the Board changes in the past two years. The Chairman acknowledged that the current Board size is small and the Board has been trying to appoint additional directors in the past few years. However, the situation is such that several directors had left the Manager after each of whom had served on the Board for only a brief period of time. To recap, in early 2021, two Independent Directors resigned (*after being on the Board for only about four months) when it became clear that they were not going to be endorsed at the AGM 2021. In 2022, a third independent Director was not endorsed at the AGM 2022 and he stepped down subsequent to the AGM (*after being on the Board for only 10 months). Mrs Elaine Lim is the fourth independent director to be appointed and to be proposed to unitholders (except for the ESR Group which abstained from the vote) for endorsement since 2021.</p> <p>The Chairman added that the Nominating and Remuneration Committee and the Board had selected Mrs Elaine Lim to join the Board to work as a team to improve the performance of the REIT.</p> <p>Mrs Elaine Lim complies with all the criteria of independence set out in the Singapore Code of Corporate Governance 2018, the Securities and Futures (Licensing and Conduct of Business) Regulations and the SGX's Listing Manual.</p> <p>The Chairman explained that the endorsement of Mrs Lim's independence was over and above what was otherwise generally required by the applicable laws and regulations. As such, independent Unitholders' approval was required for Mrs Lim's appointment as an Independent Non-Executive Director (and NOT for her appointment as a Director) of the Manager.</p> <p>In light of the experience since 2021 whereby highly-qualified and independent directors could not obtain endorsement, it is therefore important that Mrs Elaine Lim continue to serve on the Board as non-independent non-executive director in the event that she, too, was not endorsed. The Board requires stability of membership to function well to serve the long-term interests of unitholders.</p> <p>Chairman mentioned that five directors is the ideal size for the Board. The current Board size is small because of the high turnover of Independent Directors in the past two years as explained in the preceding paragraphs. The Board being small in size, all the Board members are very involved in the governance and business strategies/development of the REIT and maintained good and close working relationships with the Senior Management. Chairman</p>

SABANA INDUSTRIAL REIT

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore (as amended) Managed by Sabana Real Estate Investment Management Pte. Ltd.)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

		added that the Directors also spent a lot of time and effort to provide oversight and advice to the Senior Management.
Response 9(iii) Mrs Elaine Lim		<p>The Independent Director, Mrs Elaine Lim responded that there are differences between a nominee director and Non-executive director. She affirmed that she is not a nominee director of ESR Group. Mrs Elaine Lim confirmed that she has no prior relationships with the ESR Group before she joined the Board.</p> <p>If Ordinary Resolution No. 3 is not passed, she will remain as a Non-executive and Non-Independent Director to serve the REIT. She asked the representative of the REIT's lawyer, Allen & Gledhill who is present at this AGM to explain the difference between a nominee director and a Non-executive director to the Unitholders.</p> <p>Mrs Elaine Lim shared the same view with the Chairman and commented that the Board members of SREIM were working very hard to improve the business and safeguard the interests of REIT and Unitholders.</p>
Response 9(iv) Legal Advisor, A&G		<p>The legal advisor from Allen & Gledhill LLP was asked by the Board to explain, and he clarified that the issue at hand at the AGM is Mrs Elaine Lim's status as an independent director, and not her status as a director. There are clear criteria on independence under applicable law. Unitholders are being given a bigger voice in the present case, as the independence of a director of a REIT manager is not a matter which is typically voted on by unitholders of a REIT.</p> <p>The legal advisor further clarified the difference between a non-independent director and a nominee director. A nominee director is one who is nominated to a board of directors by a person to act on that person's behalf and therefore he/she is clearly non-independent. But not all non-independent directors are nominee directors</p> <p>In addition, he explained that if a takeover offer is presented in the future, the general rule is that all directors on the board (even if they are designated as a non-independent director) would have to be involved in reviewing the offer and SIC's consent would be required if the director does not participate.</p>
Comment Unitholder No. 1 (Mr Harvard Chi Cher Pan)		Unitholder No. 1 commented that Quarz Capital Asia disagreed with the proposed Ordinary Resolutions 3 and 4 and will not support these two Ordinary Resolutions and other Unitholders may follow.
Comment/ Question 10 Unitholder No. 6 (Mr Louis Lee Kim Meng)		Unitholder No. 6 commented that the occupancy rate of three out of eight high tech industrial properties was below 80% on page 57 of the 2022 Annual Report and he wished to know what could the Manager do to improve the occupancy rate of these properties and other properties.
Response 10 CEO (Mr Donald Han)		CEO responded that in the REIT's recent 1Q Interim Business update announcement, one of the high-tech industrial buildings i.e., 15 Jalan Kilang Barat had crossed 80% occupancy, from a low of 65% in 31 December 2022, thanks to the hard work of the leasing team. New Tech Park had also seen steady momentum of viewings and potential lease negotiations. More developers and industrial REITS are converting from general specification industrial buildings into high tech specifications, allowing more options for high tech tenants. The manager will adopt a competitive pricing policy, to draw in

SABANA INDUSTRIAL REIT

(a real estate investment trust constituted on 29 October 2010
under the laws of the Republic of Singapore (as amended)
Managed by Sabana Real Estate Investment Management Pte. Ltd.)

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2023

		prospective and potential tenants. There is intense competition for such buildings in the market. CEO, while acknowledging the leasing team's hard work, shared that he was not happy with where current occupancy rates were and that the Management team would continue to work hard to improve the occupancy rates, primarily for high tech buildings including New Tech Park.
Comment/ Question 11 Unitholder No. 6 (Mr Louis Lee Kim Meng)		Unitholder No. 6 noted that the REIT had a low gearing and he then commented that there were a lot of uncertainties in the global economy and many big organisations had downsized or went into bankruptcy. He asked if the Manager had taken any action to ensure that it has adequate financial resources and stability during these uncertain times.
Response 11 CFO (Mr Lim Wei Huang)		CFO responded that the REIT had stated that it had a debt headroom of about \$150 million in the 1Q Interim Business Update announcement. The REIT had an uncommitted facility of about \$110 million that could be drawn down at any time for its operational needs. Management believed that the Ordinary Resolution no. 4 if passed, could give the REIT the flexibility to raise funds, if necessary, so that the REIT would not be cash strapped.
Comment/ Question 12 Unitholder No. 7 (Mr Benjamin Kek I-Song)		Unitholder No. 7 suggested the Board to consider appointing a representative from Quarz Capital Asia on the Board of the Manager.
Response 12 Independent Director (Mr Wong Heng Tew)		The Independent Director, Mr Wong Hew Tew replied that the Board members should be independent from the major shareholder and Unitholders. The Board was still sourcing for independent candidates to be appointed as new directors of the Manager.