



SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

RESPONSE TO SGX REGCO QUERY DATED 27 JULY 2023

Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Industrial Real Estate Investment Trust (“**Sabana Industrial REIT**”, and the manager of Sabana Industrial REIT, the “**Manager**”), refers to its “Financial Statements And Related Announcement - Half Yearly Results” posted on SGXNet on 19 July 2023 and wishes to provide the responses to the query raised by SGX RegCo on 27 July 2023.

SGX-ST’s Query

We note from the Consolidated Portfolio Statement that the fair value of the investment properties has increased by S\$1.8 million from S\$885.7 million as at 31 December 2022 to S\$887.5 million as at 30 June 2023. Please reconcile this to the Consolidated Statement of Total Return which shows a negative change in fair value of investment properties of S\$4.5 million, and explain the discrepancy.

Manager’s Response

Please refer to the published Interim Financial Information¹, Note 4 (“**Investment Properties**”) on FS11 for the details and the investment properties reconciliation table for period ended 30 June 2023.

The net change in fair value of investment properties \$4.50 million consists of revaluation loss of investment properties of \$3.64 million and the amortisation of the right-of-use assets of \$0.86 million.

Total value of investment properties has increased by \$1.80 million to \$887.5 million as of 30 June 2023. The increase is mainly due to the increase in capital expenditure of \$4.87 million

¹ https://sabana.listedcompany.com/newsroom/20230719_181456_M1GU_UN4BKW7UKUB3CF01.1.pdf



and capitalisation of leasing commission of \$0.86 million, partially offset by the revaluation loss of investment properties, amounting to \$3.64 million for period ended 30 June 2023.

For the definition and accounting policy adopted in regards to the amortisation of the right-of-use assets, please refer to the REIT's FY2022 Annual Report² page 145, under note 3.3 *Leases*.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company Registration Number No: 201005493K, Capital Markets Services Licence No: CMS100169)

As Manager of Sabana Industrial Real Estate Investment Trust

Han Yong Lee (Donald)

Chief Executive Officer

28 July 2023

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² https://sabana.listedcompany.com/misc/agm2023/Sabana%20Annual_Report_2022.pdf

APPENDIX - Extracted from interim financial information, Note 4, FS11

4	Investment properties	30 June 2023		
		Fair value S'000	ROU assets S'000	Total S'000
	<i>Investment properties</i>			
	Group and Trust			
	Balance at beginning of the period	885,700	76,479	962,179
	Capital expenditure	4,876	–	4,876
	Straight-line adjustments in accordance with FRS 116	(102)	–	(102)
	Net change in fair value of investment properties	(3,647)	(858)	(4,505)
	Remeasurement of ROU assets	–	1,314	1,314
	Capitalisation of leasing commission	859	–	859
	Amortisation of leasing commission	(186)	–	(186)
	Balance at end of the period	887,500	76,935	964,435



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 a constituent of the SGX S-REIT Index, MSCI Singapore Micro Cap Index, and FTSE ST Singapore Shariah Index.

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.

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 SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.