

## 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.  
(Company Registration No. 201005493K))

### QUESTIONS / COMMENTS RAISED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 7 AUGUST 2023

<p><b>Comment/ Question 1</b> Unitholder No. 1 (Mr Havard Chi Cher Pan)</p>	<p>With the consent of the Chairman to give his comments on the Ordinary Resolutions to unitholders before casting their votes, Unitholder No. 1 commented that while the REIT Manager had reported positive performance, he was of the view that if Unitholders had voted in favour of the resolutions for the proposed merger with ESR REIT in 2020, the post-merger Unit price would have been 30 cents instead of the current unit price of 41 cents. In addition, all properties (including NTP) under the REIT's portfolio would now be owned by the ESR REIT.</p> <p>He proceeded to explain the benefits of the internalisation of the REIT Manager. If the REIT Manager were to be internalised, the projected setup costs would be in the range of \$3.0 million to \$5.0 million compared to engaging an external Manager which would cost the REIT substantially more. In addition, the projected figures which he mentioned were backed by research done by his team based on data on 15 REITs in Singapore that had listed on the Singapore Exchange, as well as independent quotations.</p> <p>He cited ESR Group and Croesus had each acquired the respective external REIT Manager at about \$35.0 million (price paid by the ESR Group to acquire the Sabana Manager in 2019) and \$50.0 million (price paid by Croesus Trust for the Croesus Manager as part of its internalisation process) respectively.</p> <p>As a Unitholder, it was not in the interest of Quarz Capital to destroy the value of Sabana Industrial REIT. He was of the view that it was unnecessary for the REIT Manager to organise forums to explain the potential negative outcomes of the internalisation of the REIT Manager. Moreover, Sabana Industrial REIT holds a high-quality portfolio. In response to the REIT Manager's claims that it was uncertain that the banks would extend loans to the REIT should there be a change of the REIT Manager, Unitholder No. 1 said that he had never come across any situation where a bank would not be willing to extend a loan to a REIT when there was a change of Manager since the criteria in extending a loan was based on the properties the REIT owned rather than the Manager.</p> <p>He also explained that there was only \$2.4 million profit before tax at the Manager as high salaries were paid by the Manager and he expected that the profit amount will be higher if an internal Manager was appointed instead.</p> <p>He emphasized that the Singapore High Court had rejected ESR Group's attempt to injunct the calling of the Meeting.</p> <p>Unitholder No.1 expected that should Resolution 1 and Resolution 2 be passed at the EGM, nothing would happen to Sabana Industrial REIT for a period of time as the current REIT Manager would be expected to stay on until the incoming REIT Manager was fully set-up and licensed.</p> <p>He reiterated that Resolution 2 included the consideration for the Trustee to retain all of the REIT Manager's staff to ensure continuity of Sabana Industrial REIT's operations. He said that the Unitholders would be committed to increase the staff incentives and to reduce the fees/salaries of the Board and the Senior Management.</p> <p>In conclusion, the internalisation of the REIT Manager benefits Unitholders by diverting profits back to Unitholders and ensures that the main focus for the Manager is increasing the DPU and unit price.</p>
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# 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 EXTRAORDINARY GENERAL MEETING HELD ON 7 AUGUST 2023

<p><b>Comment/ Question 2</b> Unitholder No. 2 (Mr Lim Hock Chuan)</p>	<p>Unitholder No. 2 commented that as a Unitholder of Sabana since IPO period, he had seen the turmoil that Sabana Industrial REIT had gone through. He was of the view that both the previous Manager and the current Manager did not act in the best interest of the REIT in terms of investment in properties and the proposal for a merger with ESR REIT. He said if not for Unitholders keeping the Manager on its toes, the REIT would not have performed well. He concluded that he would continue to support Sabana Industrial REIT even if Resolution 1 and Resolution 2 were passed at the EGM.</p>
<p><b>Comment/ Question 3</b> Unitholder No. 3 (Mr Yap Kim Ki)</p>	<p>Unitholder No. 3 expressed his sadness toward the whole process of internalisation of the management function of Sabana Industrial REIT and requested for the estimated costs and expenses incurred to date.</p>
<p><b>Response 3</b> CEO (Mr Donald Han)</p>	<p>CEO said that the costs, which include the Trustee's work and would also depend on the outcome of the Meeting, would be provided at some point in the future.</p>
<p><b>Comment/ Question 4</b> Unitholder No. 3 (Mr Yap Kim Ki)</p>	<p>Unitholder No. 3 asked for some background information on the relationship between Quarz Capital and the Manager in relation to the proposal for internalisation of the REIT Manager that had resulted in such negative publicity.</p>
<p><b>Response 4</b> CEO (Mr Donald Han)</p>	<p>CEO clarified that Management met with Quarz Capital regularly to provide updates on the REIT and seek feedback on how to improve the REIT's performance. He added there were no personal issues between them. The Meeting noted that the Manager's duty was to act in the best interests of all Unitholders.</p>
<p><b>Response 4</b> Unitholder No. 1 (Mr Havard Chi Cher Pan)</p>	<p>He also clarified there were no personal issues or interests between them. As a Unitholder, he only wanted the Manager to do better and faster, and to increase the DPU and Unit price.</p> <p>He further claimed that the CEO could be offered to join the Internal Manager.</p>
<p><b>Comment/ Question 5</b> Unitholder No. 2 (Mr Lim Hock Chuan)</p>	<p>As there was no personal interest and the performance of the REIT was supported by the increase in the DPU, he appreciated and welcomed CEO to remain in the new internal Manager.</p> <p>He then asked on the expenses incurred for the SIAS dialogue recently held prior to the Meeting. He commented that he did not agree that SIAS was a good platform for investors.</p>
<p><b>Response 5</b> CEO (Mr Donald Han)</p>	<p>CEO clarified that SIAS was known to be a good platform for Unitholders and that the expenses incurred by the REIT for the recent SIAS dialogue was not substantial.</p>
<p><b>Comment/ Question 6</b> Unitholder No. 4 (Mr Tan Siew Leong)</p>	<p>He sought comments from Volare Group as the third (subsequently clarified by CEO to be the second) largest shareholder. He opined that internalisation is the best way. However, implementation may be a problem.</p> <p>He agreed that the Manager had performed credibly and suggested that the Board should approach the ESR Group to buy over the Manager at a fair and reasonable price in order for all issues to be solved.</p>
<p><b>Response 6</b> CEO (Mr Donald Han)</p>	<p>CEO noted the comment and suggestion, and he clarified that Volare Group is the second largest Unitholder. As far as he was aware, no representative from Volare Group was present at the EGM.</p>