

8 April 2024

Sabana Real Estate Investment Management Pte. Ltd.

151 Lorong Chuan
#02-03 New Tech Park
Singapore 556741

Attention: Mr Tan Cheong Hin, Chairman
Mr Donald Han, Chief Executive Officer

Dear Sirs,

LETTER FROM ESR GROUP

1. We have prepared a short statement regarding the resolution of our Singapore High Court defamation action against Quarz.
2. We would be grateful if you could publish a copy of the enclosed statement as an announcement via SGXNET.

Yours faithfully



ESR GROUP LIMITED

ESR Group Limited

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ESR Group's response to the successful resolution of the Singapore High Court defamation action against Quarz.

ESR Group is pleased to note the successful resolution of its Singapore High Court defamation action against Quarz. ESR Group took legal action against Quarz and its executives (Jan Frederic Moermann, Havard Chi and Klaus Wille) for claims of defamation, malicious falsehoods and conspiracy in connection with various publications spanning from 7 June 2023 up to 26 July 2023. These publications were shared widely on Quarz's website and other sources within their control in the lead-up to the EGM on 7 August 2023 for the internalisation requisition.

Quarz has agreed to remove all of these publications as part of a settlement and its allegations against ESR Group and in respect of the internalisation have been shown to be erroneous or misguided.

- As part of its settlement, Quarz has clearly stated that its cost-saving figure was incorrect and erroneous: *"cost savings to Sabana REIT of about ~S\$7.25m of fees' was incorrect, and an error"*.
- It has admitted that its statements *"should not be understood to mean that [ESR Group] had acted or were acting in actual or potential conflict of interest"*.
- It has admitted that it was not alleging that ESR Group used *"scare tactics"* against unitholders of Sabana REIT.

Quarz has also confirmed that it will not be making the above allegations against ESR Group in the future.

We have always maintained that the cost-savings of internalisation have been grossly overstated and Quarz's proposal does not take into full consideration the complexities of the internalisation process and the significant time and costs it will take, as per the Trustee's comments. The entire episode has resulted in a diminished value of the unit price of Sabana REIT. The lost value does not even take into account the costs of about S\$3.27million incurred (as at 31 December 2023) from the internalisation process. The mounting costs that the unitholders will have to bear is also exacerbated by the 8 March 2024 EGM which was convened pursuant to the SGIC's requisition (where Quarz is a leading member), resulting in delays to the Trustee's Court action. All these factors impact Sabana REIT's performance and its DPU. For us, the only goal is to achieve unity and profitability for all unitholders. We seek to work with all parties to ensure an outcome that is in the best interests of all unitholders.

We would like to point out that the choice made by ESR Group to pursue an amicable approach instead of legal action was to prioritise the REIT and unitholders. This ensures that information disseminated to unitholders is clear, accurate and not misleading so that informed choices can be made moving forward.

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