

Statement from the Internalisation Committee and Directors Elect (“ICDE”) of Sabana Industrial REIT

Singapore, 3 February 2025

The ICDE strongly reaffirms its commitment to supporting the Trustee in the swift execution of the internalisation process. The Committee and the Directors Elect also remain focused on exploring all options to unlock and enhance value for the Sabana Industrial REIT (“**Sabana REIT**”) unitholders. This includes potentially returning the dividends retained by the current manager to boost the distribution per unit (DPU) for all Sabana unitholders as quickly as practicable.

The Capital Markets Services (CMS) license application is progressing as expected. Our objective is to transition to the new internal manager by **Q2 2025**, subject to regulatory approvals.

REQUISITIONISTS ARE NOT PART OF THE ICDE

The ICDE intends to VOTE AGAINST all the resolutions in the EGM requisitioned on 17 Jan 2025 and recommends that Sabana unitholders do the same - the Directors Elect intend to review all options to unlock value for Sabana unitholders once the Internal Manager takes over.

The ICDE is surprised by the requisition filed by certain unitholders and published on 17 January 2025 to vote on resolutions including a proposal to commence and undertake a price discovery process aimed at a potential sale of all or the majority of Sabana REIT’s assets.

Sabana REIT already engages reputable and independent valuers annually to undertake a fully independent valuation of its property portfolio, providing a well-established and credible starting point for evaluating any potential sale of the entire portfolio or parts of it. (The last valuation was done as of 31 December 2024 by Jones Lang LaSalle Property Consultants and CBRE).

To requisition an EGM to do the same valuation again less than 1 month later is a complete waste of unitholders’ money if we assume the requisitionists agree that any potential sale should be done at NAV or above.

Once the new internal manager is approved and takes over from the current manager, the ICDE plans to potentially consider a range of strategic options to maximize value for Sabana unitholders, including the sale of the entire portfolio. Recent transactions of industrial properties above NAV further highlight the attractiveness of Sabana’s portfolio.

However, it is essential that any future price discovery process be conducted rigorously, and independently, with the sole objective of achieving the highest possible value for Sabana unitholders.

Past Value-Destructive Proposal

In 2020, the current External Manager recommended a merger with another REIT at an implied exchange ratio of 94 units for every 100 Sabana REIT units

Had Sabana unitholders accepted this offer and held the other REIT's units until today, they would now face an implied value of approx. S\$0.244 per unit, ~30% below Sabana's current price and approximately ~50% below NAV, representing a significant loss of value.

The ICDE views this past recommendation as an indication that only the new Board Elect should be entrusted with a process as critical as a price discovery or a potential sale in the future.

Given the overwhelming vote by unitholders in favor of the internalisation and against the current External Manager, it is also inappropriate to entrust this process to them so shortly before the finalization of the internalisation process.

ICDE Calls on Requisitionists to Act in the Best Interest of Unitholders and Withdraw the Requisition

Since the ICDE intends to potentially consider all strategic options to unlock value for all Sabana unitholders at the appropriate time (including a sale of the entire portfolio), it urges the requisitionists to withdraw their resolutions and allow the ICDE, which has a decisive backing by unitholders, to oversee the internalisation process and lead Sabana REIT's future strategic direction thereafter.

Requisitionists Should Carefully Consider Whether They Have the Votes to Pass the Resolutions – EGM will be a Complete Waste of Unitholders' Monies if the Resolutions Are Not Passed

To safeguard the interest of Sabana unitholders, the ICDE has consulted with key Sabana unitholders who have voted for and overwhelmingly passed the internalisation resolutions. **Almost all of these independent unitholders have independently indicated that they intend to vote against the requisitionists' resolutions. This is as they support the internalisation process which will improve corporate governance at Sabana REIT.** They also trust the ICDE to execute plans to unlock value for all unitholders.

As such, the ICDE strongly urges the requisitionists to carefully consider if it has sufficient support from Sabana unitholders to pass the resolutions.

While the Internalisation Committee have requisitioned EGMs previously, all the key resolutions supporting the internalisation process were strongly supported and duly passed by Sabana unitholders. This also reflects unitholders' robust support for the internalisation as it substantially improves accountability, corporate governance and rights for all Sabana unitholders.

If the requisitionists do not have sufficient votes to pass the resolutions, the EGM will potentially be a complete waste of unitholders' money. The failure to pass the resolutions will also be in complete contradiction to the requisitionists' claim of trying to reduce costs for Sabana unitholders.

Concerns About Costs and Timing of the EGM

While the requisitionists expressed concerns about the costs incurred for internalisation, they also propose an EGM to be held in March 2025, just one month before the regularly scheduled AGM in April 2025.

If the requisitionists want to act in the best interests of Sabana unitholders, they should propose to have their resolutions tabled at the AGM, which would help save unnecessary expenses.

The ICDE remains fully committed to protecting and enhancing the value of Sabana REIT for the benefit of all unitholders.

Yours Sincerely,

Internalisation Committee and Directors Elect (ICDE)