

Our Ref: PC 03-15

Date: 20 July 2015

Key Executive Officers

Dear Sir / Madam

UPDATE ON HDB INDUSTRIAL PROPERTIES POLICIES

This circular updates KEOs and salespersons on the revised policies for HDB Industrial Properties.

Revised Assignment Policy

2 With effect from 16 Oct 2013, all tenants of new tenancies are not allowed to assign their industrial properties. For existing tenancies, a 3-year window period is given to help existing tenants to make business adjustments. Existing tenants can continue to assign their industrial premises till 15 Oct 2016.

3 Concession is given to existing tenants who have been operating at HDB industrial premises for at least 15 years (as of 16 Oct 2013). These tenants are allowed to assign their premises till 15 Oct 2019.

4 Thereafter, all tenants are not allowed to assign their tenancies. Tenants must return the premises to HDB for re-tender if they wish to exit from their businesses.

Revised Subletting Policy

5 With effect from 1 June 2015, all new and existing tenants are not allowed to sublet their industrial properties. Tenants who are currently subletting their premises to their wholly-owned subsidiaries or related companies¹ are not affected by this revision, and may continue their subletting arrangement. To ease the transition, tenants with existing approved sublettings may renew the subletting up to 31 Dec 2017. Thereafter, they will not be allowed to sublet the properties.

¹ "Related companies" refers to:

- a) Subtenant is wholly-owned by the tenant or vice versa; or
- b) Tenant and subtenant are 100% owned by the same parent company; or
- c) Percentage shareholding relationship (not including common individual directors and shareholders) between the tenant and the subtenant is at least 51%.

6 We would appreciate if you could disseminate the above revised policies to your salespersons. For further clarification, please contact HDB's Industrial Properties General Enquiry Line: 1800-866-3077 or email HDB at ipgmail@mailbox.hdb.gov.sg. Thank you.

Yours faithfully

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