



5 August 2024

**Sabana Real Estate Investment Management Pte. Ltd.**  
**(in its capacity as manager of Sabana Industrial Real Estate Investment Trust ("Sabana Industrial REIT")) (the "Manager")**  
151 Lorong Chuan, #02-03  
New Tech Park  
Singapore 556741

Attention: Mr Donald Han, Chief Executive Officer

Dear Sirs

**UPDATE TO UNITHOLDERS OF SABANA INDUSTRIAL REIT FROM HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SABANA INDUSTRIAL REIT) (THE "TRUSTEE") – 5 AUGUST 2024**

1. We refer to the various statements released by the Trustee to date (collectively, the "**Trustee's Statements**").
2. In this regard, the Trustee wishes to provide the following update to all Unitholders as set out in the Appendix to this letter. Terms defined in the Trustee's Statements shall, unless the context otherwise requires, have the same meanings when used in this letter.
3. Please publish this letter as an announcement via SGXNet.

Yours faithfully

For and on behalf of  
**HSBC Institutional Trust Services (Singapore) Limited**  
**(in its capacity as trustee of Sabana Industrial Real Estate Investment Trust)**

A handwritten signature in blue ink, appearing to read "Rahul Desouza", with a long horizontal stroke extending to the right.

RAHUL DESOUSA  
Authorised Signatory

## APPENDIX

### Trustee's Update to Unitholders of Sabana Industrial REIT

#### A. Trustee's updates on Indicative Internalisation Timeline

1. Following the conclusion of the Order 32 Application and the ESR Appeal, as outlined in the Trustee's Statements dated 24 May 2024 and 26 July 2024, the Court has provided the necessary clarity required to progress the Internalisation, and guidance as to the path forward in view of the divergent views from certain Unitholders on the path to Internalisation. The Trustee will work with its advisers on the appropriate next steps, taking into account the Order 32 Ruling and ESR Appeal Ruling.
2. The Trustee wishes to update Unitholders on the progress made in respect of the key Internalisation workstreams. In this regard, please refer to **Annex A** for the updated indicative timeline for Internalisation ("**Indicative Internalisation Timeline**") up to December 2024, prepared based on information known to date. This Indicative Internalisation Timeline remains subject to change from time-to-time and is being reviewed by the Trustee on an ongoing basis with input from its advisers.
3. Further to the establishment of a new wholly-owned entity for the purposes of acting as the New Internalised Manager, the Trustee has identified and executed letters of intent with candidates whom the Trustee intends to propose as directors and senior management of the New Internal Manager.
4. The Trustee is also progressing work on the application for a capital markets services licence for the New Internalised Manager. This involves preparing the necessary forms, information and documents comprising the application for the Regulator's consideration, including the financial information, shareholder information, organisation structure, the proposed business plan of the New Internalised Manager, and addressing the fit and proper criteria including in respect of the proposed directors and Chief Executive Officer of the New Internalised Manager.
5. Further to the Manager's update on the financial results for the Sabana Industrial REIT for the first half financial year ended 30 June 2024,<sup>1</sup> please refer to **Annex B** for a breakdown of the total cost incurred in connection with the Internalisation process by nature of activity and the relevant service providers. In particular, the Trustee notes that out of the total costs of S\$8.92 million<sup>2</sup> incurred by the Trustee and the Manager up to 30 June 2024:
  - (a) approximately S\$1.38m (16%)<sup>3</sup> in costs was incurred by relevant service providers in considering and responding to correspondence and proposals from certain Unitholders in relation to the Internalisation, including proposals for requisitioned resolutions and the convening of additional EGMs<sup>4</sup> that were not contemplated in the Trustee's Work Plan;
  - (b) approximately S\$1.11m (12%)<sup>5</sup> in expenses was incurred by the Trustee and the Manager in connection with, amongst others, the Order 32 Application and ESR Appeal to obtain the necessary clarity and guidance from the Court in circumstances where there were divergent views amongst Unitholders on issues which are fundamental to the progress of the Internalisation as well as the Trustee's proposed path to Internalisation; and
  - (c) approximately S\$1.37m (15%) in costs was incurred in connection with pre-Internalisation activities, including but not limited to legal costs incurred by the Manager and the Trustee in preparing for the 7 August 2023 EGM and the logistical costs of convening that EGM.

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<sup>1</sup> See Sabana Industrial REIT's financial results for the period 1 January 2024 to 30 June 2024 as published by the Manager on 23 July 2024.

<sup>2</sup> On an unaudited basis for the period 1 Jan – 30 June 2024.

<sup>3</sup> This comprises S\$0.31m for financial adviser expenses, S\$0.39m for Trustee's legal expenses, S\$0.53m for Manager's legal expenses and S\$0.15m for expenses incurred in connection with the logistics of the EGMs convened.

<sup>4</sup> This includes the 8 March 2024 EGM and the EGM originally scheduled on 24 May 2024, which pursuant to an order from the Court, was requested to be "modified" by the requisitionists, and which eventually amounted to a withdrawal of their requisition notice.

<sup>5</sup> This comprises S\$1.04m in Trustee's legal expenses and S\$0.07m in Manager's legal expenses.

**HSBC Institutional Trust Services (Singapore) Limited**

**10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983**

Company Registration No : 194900022R

6. The Trustee will continue to provide further updates and engage with Unitholders in respect of material developments. All updates from the Trustee will be in the form of announcements via SGXNet.
7. In addition to the communication channels established by the Manager for Sabana Industrial REIT, Unitholders may direct their enquiries to [sabana.trustee@hsbc.com.sg](mailto:sabana.trustee@hsbc.com.sg).

## ANNEX A: Indicative Internalisation Timeline

**Reference Key:**

● Completed   ● In Progress   ● Not Started

Activity:	Status:	Workplan			Comments:
		Q2 2024	Q3 2024	Q4 2024	
1. Appointment of Professional Advisers	●				
2. Seek ESR's views in relation to Resolution 1 passed at the 8 March 2024 EGM	●				
3. Establish entity for New Internal Manager	●				
4. Establish personnel for New Internal Manager	●				The Trustee has identified and executed letters of intent with preferred candidates whom the Trustee intends to propose as directors and senior management of the New Internalised Manager
5. Establish functionality for New Internal Manager	●				
6. Establish budget and operating plan for New Internal Manager	●				A draft of the budget and operating plan has been created and will be presented to the new board of directors and senior management following their appointment / commencement of their employment with the New Internalised Manager
7. Review applicable regulations	●				
8. Establish Trust Deed amendments	●				
9. Order 32 application	●				
10. Unitholder communications	●				The Trustee will continue to provide updates to Unitholders in respect of material developments. All updates from the Trustee will be in the form of announcements via SGXNet.
11. Licensing and applications	●				The capital markets services licence application is currently being prepared and will be submitted to the Regulator.*
12. Extraordinary general meeting(s) to implement and effect Internalisation	●				An EGM to consider the necessary Trust Deed amendments to effect the Internalisation has been scheduled for 6 August 2024.**
13. Transition and operationalisation	●				

\*Timing is subject to the regulatory licensing process and contingent upon regulatory approvals

\*\*The Trustee notes that a further EGM will be required if Resolution 4 of the 6 August 2024 EGM passes, for the Trustee to, among others, "put up each director individually for the endorsement of unitholders after they are appointed; and remove any director who is not endorsed by unitholders with immediate effect."

**HSBC Institutional Trust Services (Singapore) Limited**

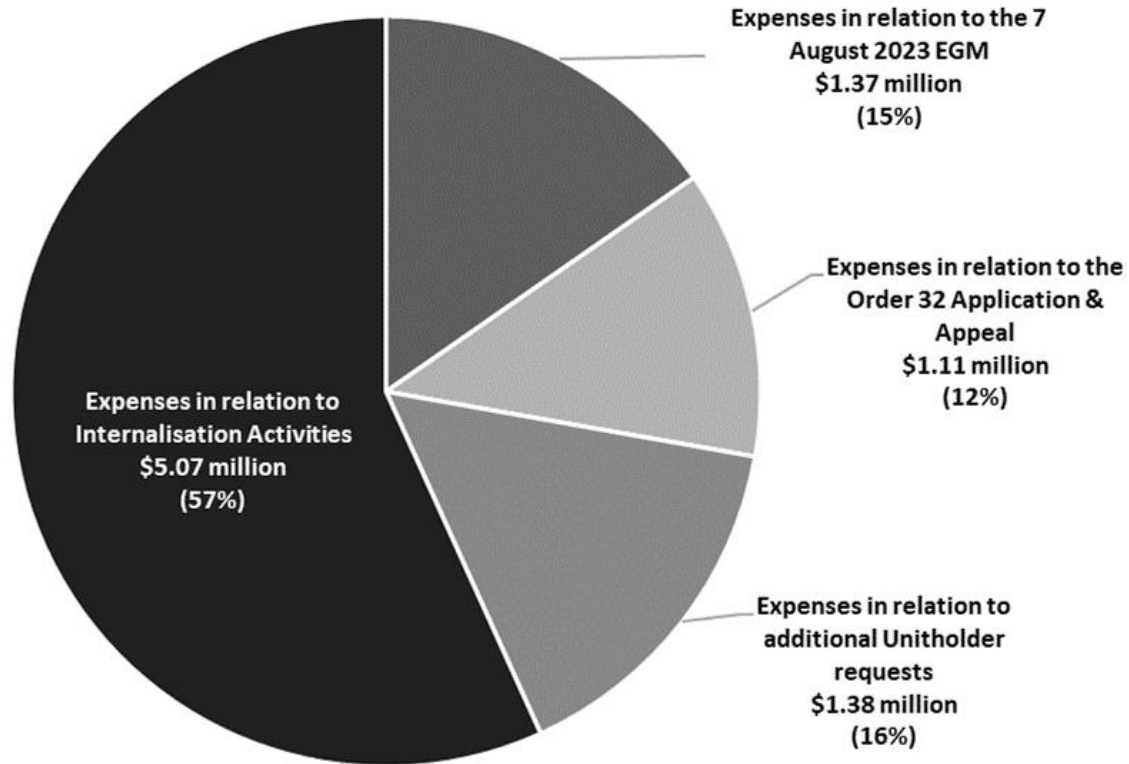
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**ANNEX B: Costs Incurred up to 30 June 2024**

**Cost breakdown by nature of activity<sup>6</sup>**



<sup>6</sup> Please refer to paragraph 5 of the Appendix above for further details on the cost breakdown by nature of activity.

**Cost breakdown by provider**

