



21 January 2025

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") – 21 JANUARY 2025

1. We refer to:
 - (a) the requisition notice (the "**January 2025 Requisition Notice**") from certain Unitholders of Sabana Industrial REIT dated 14 January 2025 to the Manager to convene an extraordinary general meeting ("**EGM**") to consider certain resolutions (the "**Requisitioned Resolutions**");
 - (b) the Manager's announcement dated 17 January 2025 on the receipt of the January 2025 Requisition Notice; and
 - (c) the various statements released by the Trustee to date (the "**Trustee's Statements**").
2. 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)

RAHUL DESOUSA
Authorised Signatory

APPENDIX

Trustee's Update to Unitholders of Sabana Industrial REIT

Summary of Key Updates

- The Trustee notes the January 2025 Requisition Notice, requesting that the Manager convene an EGM for Unitholders to consider the Requisitioned Resolutions relating to a proposed Price Discovery Process (as defined below). The Trustee will await updates from the Manager on the proposed EGM but notes that the Requisitioned Resolutions do not address the Internalisation, and accordingly, the Trustee will continue to seek to implement the Internalisation in accordance with Unitholders' resolutions effected to-date.
- As previously explained, key workstreams to implement the Internalisation are now focused on finalising the CMS licence application (which requires, amongst others, the business plan for the New Internalised Manager and details of its proposed management).
- The Trustee has been engaging with (and will continue to engage with) the ICDE (as defined below) to obtain their views on these workstreams and matters relating to the Internalisation:
 - The ICDE has met with the Further Management Candidates (as defined below). Upon obtaining the ICDE's feedback on the candidates, the Trustee will, with the assistance of the change management adviser, engage with the proposed candidates with a view to executing letters of intent.
 - The ICDE is also formulating the business plan required to update the CMS licence application, which will be shared with the Trustee prior to submission to the Monetary Authority of Singapore ("**MAS**").
- The Trustee and Manager intend to execute a Fourth Supplemental Deed to amend the Trust Deed in accordance with the extraordinary resolution passed at the 6 August 2024 EGM.
- Please refer to **Annex A** for the updated indicative timeline for Internalisation setting out the workplan for 2025, prepared based on information known to date. The extended timeline takes into account the expected time required for the New Internalised Manager to establish operations following the grant of the CMS licence before it can be formally appointed as the manager of Sabana Industrial REIT.
- For the period from 1 July 2024 to 31 December 2024, an additional S\$2.47 million was incurred in connection with the Internalisation, including S\$0.44 million in respect of the Defendants' claims for costs and disbursements in the Order 32 Application.
- 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.

A. Update on the January 2025 Requisition Notice and the Requisitioned Resolutions

1. The Trustee notes the January 2025 Requisition Notice, requesting that the Manager convene an EGM for Unitholders to consider the Requisitioned Resolutions, relating to a price discovery process proposed to be commenced and undertaken with a view to achieving a possible sale of all or majority of the assets of Sabana Industrial REIT (the "**Price Discovery Process**").
2. The Trustee notes that the Requisitioned Resolutions do not address the implementation of the Internalisation. Further, it is not for the Trustee to speculate or pre-empt the outcome of any EGM to be convened pursuant to the January 2025 Requisition Notice.
3. Accordingly, the Trustee will continue to progress the various Internalisation workstreams as practicable, in accordance with Unitholders' resolutions effected to-date.

B. Updates on the Indicative Internalisation Timeline

4. Further to establishing the appropriate framework and safeguards for consultations with the Director Elects¹ and the Internalisation Committee (in its capacity as the authorised representative of all Unitholders, and together with the Director Elects, the "ICDE") (in the form of (a) an appropriate set of terms of reference and (b) a confidentiality agreement), the Trustee has been engaging with the ICDE – by way of both written correspondence, and meetings conducted on 30 October 2024, 17 November 2024 and 23 December 2024 – to obtain their views on matters relating to the Internalisation, as well as proposals and inputs required to progress the various Internalisation workstreams. Ongoing action items requiring the ICDE's feedback are recorded and shared with the ICDE on a regular basis, with a view to facilitating constructive engagement between the Trustee and the ICDE. The Trustee intends to continue engaging with the ICDE in accordance with resolution 3 passed at the 8 March 2024 EGM and resolutions 1 to 6 passed at the 18 October 2024 EGM.
5. The Trustee would like to update Unitholders on the progress made across the key Internalisation workstreams in consultation with the ICDE as follows:
 - (a) **Establishing personnel for the New Internalised Manager** – As conveyed in the Trustee's Statement dated 27 November 2024, the change management adviser has identified alternative candidates (the "**Further Management Candidates**") for the management team of the New Internalised Manager. The Trustee has arranged for the ICDE to meet with the Further Management Candidates for their consideration, and these meetings have now been completed. Upon obtaining the ICDE's feedback on the candidates, the Trustee will, with the assistance of the change management adviser, engage with such candidate(s) with a view to executing letters of intent with them, including obtaining their consent to be named in the CMS licence application as candidates for the executive management positions in the New Internalised Manager.
 - (b) **Application for CMS licence** – The CMS licence application for the New Internalised Manager which was submitted by the Trustee to the MAS in September 2024 will need to be further updated with, among others, details of the proposed management team and authorised representatives, as well as the business plan for the New Internalised Manager. The ICDE is working on formulating the business plan required to update the CMS licence application, which will be shared with the Trustee prior to submission to the MAS. In addition, as previously conveyed, MAS approval will have to be obtained before the Director Elects can be appointed to the board of the New Internalised Manager.
 - (c) **Trust Deed amendment** – The Trustee and the Manager intend to execute the Fourth Supplemental Deed to amend the Trust Deed in accordance with the extraordinary resolution passed at the extraordinary general meeting held on 6 August 2024. A draft of the Fourth Supplemental Deed has been provided to the ICDE for its review. Under the terms of the Fourth Supplemental Deed, the amendments will take effect five (5) Business Days after the receipt of the MAS' approval-in-principle in respect of the application for the CMS licence for the New Internalised Manager.
6. In this regard, please refer to **Annex A** below for the updated indicative timeline for Internalisation setting out the workplan for 2025 ("**Indicative Internalisation Timeline**"), 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. Please note that uncertainties in relation to the Internalisation (including any potential actions that may be taken by Unitholders such as the Requisitioned Resolutions), could result in additional costs and delay in the progress of the Internalisation workstreams going forward.

¹ "Director Elects" means the director candidates approved to be appointed and/or endorsed as directors of the board of the New Internalised Manager by Unitholders at the EGM of 18 October 2024, who will (if and to the extent that MAS approval is granted) comprise the board, which is expected to work closely with the key management executives of the New Internalised Manager.

C. Update on Costs Incurred in connection with the Internalisation

7. Further to the Manager's update on the financial results for Sabana Industrial REIT for the financial year ended 31 December 2024,² please refer to **Annex B** below for a breakdown of the total cost incurred in connection with the Internalisation process by nature of activity and the relevant service providers.
8. In particular, the Trustee notes that out of the total costs of S\$11.39 million³ incurred by the Trustee and the Manager up to 31 December 2024, an additional S\$2.47 million was incurred from 1 July 2024 to 31 December 2024 in respect of the Internalisation, including S\$0.44 million in respect of the Defendants' claims for costs and disbursements in the Order 32 Application.⁴
9. 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.
10. 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.

² See Sabana Industrial REIT's financial results for the period from 1 January 2024 to 31 December 2024 as published by the Manager on 21 January 2025.

³ On an unaudited basis for the period from 1 January 2024 to 31 December 2024. Please also note that all figures reported in this statement in relation to the costs incurred in connection with the Internalisation are exclusive of GST.




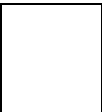







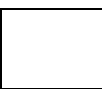
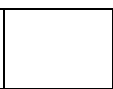












⁴ The High Court in the Order 32 Application ordered that "*all parties' costs shall be paid out of the trust fund, save that the 1st Defendant may only be paid 70% of its costs out of the trust fund*". In accordance with the Court's order, the Trustee has reached an agreement with the 1st to 4th Defendants on the total amount to be paid out of the trust fund in the sum of S\$0.44 million.

ANNEX A: Indicative Internalisation Timeline

Reference Key:

● Completed
 ● In Progress
 ● Not Started

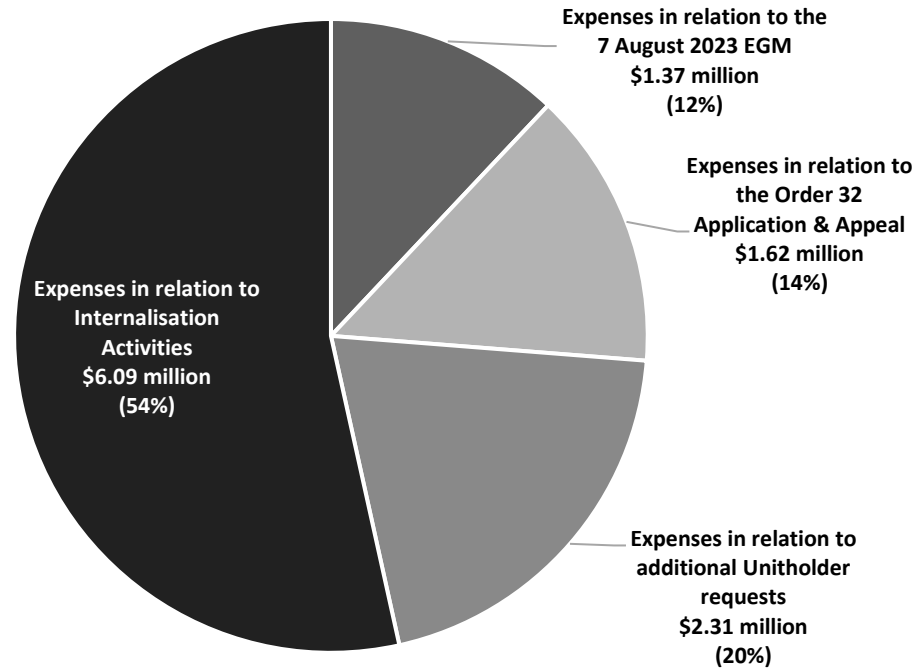
Activity:	Status:	Workplan				Comments:
		Q1 2025	Q2 2025	Q3 2025	Q4 2025	
1. Appointment of Professional Advisers	●					
2. Seek ESR's views in relation to Resolution 1 passed at the 8 March 2024 EGM	●					
3. Establish entity for New Internalised Manager	●					
4. Establish functionality for New Internalised Manager	●					
5. Review applicable regulations	●					
6. Establish Trust Deed amendments	●					
7. Order 32 application	●					
8. Establish personnel for New Internalised Manager	●					The Trustee has been engaging with the ICDE with a view to progressing the management executive workstream. Among others: (i) the Trustee met with the ICDE on 30 October 2024, 17 November 2024 and 23 December 2024 to discuss the process for reviewing candidates for executive management roles in the New Internalised Manager, and (ii) the Trustee also arranged for the ICDE to meet with the Further Management Candidates, and these meetings have now been completed.
9. Establish budget and operating plan for New Internalised Manager	●					The drafts of the budget and operating plan prepared by the Financial Adviser have been provided to the ICDE to assist them in formulating the business plan of the New Internalised Manager for the CMS licence application.

10. Licensing and applications*						The ICDE is working on formulating the business plan of the New Internalised Manager required to update the CMS licence application, which will be shared with the Trustee prior to submission to the MAS.
11. Capitalisation of new entity						Capitalisation of the entity proposed to be the New Internalised Manager is expected to take place after the approval-in-principle is granted by the MAS pursuant to the CMS licence application.
12. Transition and operationalisation						Operational actions required to set up the New Internalised Manager, including the hiring of staff, and the setting up of systems, premises, and equipment will be progressed with oversight by the Trustee.
13. 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.
14. Extraordinary general meeting(s) to implement and effect Internalisation						Further meeting(s) may be scheduled as necessary.

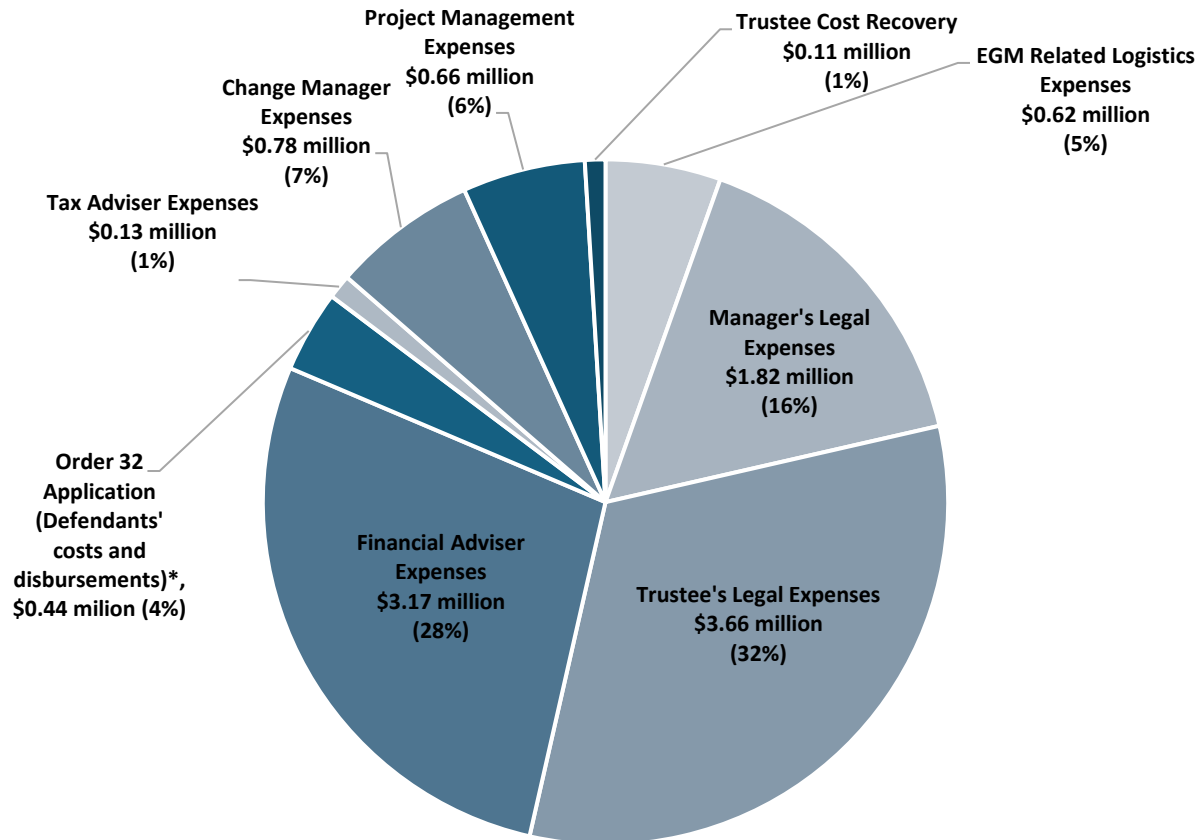
* This workstream involves the process of obtaining regulatory approval and may as a result of external dependencies and/or contingencies beyond the Trustee's control extend beyond Q2 2025.

ANNEX B: Costs Incurred up to 31 December 2024

Cost breakdown by nature of activity



Cost breakdown by provider



*The High Court in the Order 32 Application ordered that "all parties' costs shall be paid out of the trust fund, save that the 1st Defendant may only be paid 70% of its costs out of the trust fund". In accordance with the Court's order, the Trustee has reached an agreement with the 1st to 4th Defendants on the total amount to be paid out of the trust fund in the sum of S\$0.44 million.