



12 June 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") – 12 JUNE 2024

1. We refer to:

- (i) the Trustee's previous statements in connection with the Trustee's application to the High Court of Singapore in HC/OA 19/2024 (the "**Order 32 Application**"), including the statements dated 9 January 2024, 9 April 2024, 26 April 2024, 24 May 2024 and 31 May 2024 (collectively, the "**Trustee's Statements**");
- (ii) the requisition notice from certain unitholders of Sabana Industrial REIT (the "**Requisitionists**") dated 25 March 2024 to the Manager to convene an extraordinary general meeting ("**EGM**") to table certain resolutions and the Requisitionists' letter dated 18 April 2024 requesting to withdraw and/or modify some of the resolutions proposed in the 25 March 2024 letter (the two letters, together, the "**March Requisition Notice**");
- (iii) the Requisitionists' letter dated 29 May 2024, requesting to modify the resolutions proposed in the March Requisition Notice; and
- (iv) the Manager's announcement dated 3 June 2024, stating that the Requisitionists' letter dated 29 May 2024 amounted to a withdrawal of the March Requisition Notice and the Manager is considering the new resolutions proposed in the letter;
- (v) the Requisitionists' letter dated 6 June 2024, setting out the latest proposed requisitioned resolutions (the "**Latest Requisitioned Resolutions**"); and
- (vi) the Manager's announcement dated 7 June 2024 stating, amongst others, that the Manager is considering the Latest Requisitioned Resolutions,

all of which have been published via SGXNet.

2. The Trustee wishes to provide its response to the above 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

1. As stated in the Trustee's Statements, the Trustee will provide further updates and continue to engage with Unitholders in respect of material developments on the Internalisation via announcements on SGXNet.

Trustee's Updates Further to the Order 32 Ruling and the Latest Requisitioned Resolutions

2. The Trustee has been diligently working on, and has progressed, various workstreams to effect the Internalisation. Unitholders may wish to refer to the various Trustee's Statements dated 30 January 2024, 29 February 2024 and 9 April 2024, disclosing the Trustee's progress in its Work Plan.
3. The Trustee wishes to update that it has established a new wholly-owned entity for purposes of acting as the New Internalised Manager, and is now progressing the remaining outstanding workstreams, including:
 - (a) identifying and continuing to engage with a list of qualified candidates whom the Trustee intends to propose as directors and senior management of the New Internalised Manager;
 - (b) formulating a funding and operational model for the New Internalised Manager, which is contingent on the confirmation of senior management; and
 - (c) upon the finalisation of the above two workstreams, progressing work on the application for a capital markets services licence for the New Internalised Manager.

Perceived uncertainties as to how the Internalisation will be concluded, including publicly expressed contrary views by various parties, could lead to difficulties in securing the proposed employment and appointment of suitable candidates for the New Internalised Manager. While the Trustee and its advisors continue to progress this workstream, this remains one of the key risks to the Internalisation timeline.

4. The Order 32 Ruling confirms amongst others, that:
 - (a) the Trustee's proposed amendments to Clause 16.4 of the Trust Deed are necessary to effect the Internalisation; and
 - (b) the Trustee may convene an EGM of Unitholders to consider amendments to the Trust Deed.
5. In light of the Order 32 Ruling, Trustee intends to work expeditiously to convene an extraordinary general meeting for Unitholders to approve proposed amendments to the Trust Deed, to provide clarity and certainty for the Internalisation process in the interests of Unitholders and to facilitate progress of workstreams which had been previously delayed due to various uncertainties.
6. The Trustee intends to call an EGM, setting out in the notice of such EGM the relevant resolutions for the Trust Deed amendments (covering separately the amendments necessary to effect the Internalisation and those which, in the Trustee's view, are necessary for a compliant, functional and sustainable internalised management structure). The notice of EGM and the accompanying circular will be despatched to Unitholders as soon as practicable, subject to regulatory clearance (the "**Trustee's Intended EGM**").
7. The Trustee however notes that the Requisitionists have, in the Requisitionists' letters dated 29 May and/or 6 June 2024 (as the case may be) (i) proposed the Latest Requisitioned Resolutions; (ii) invited the Trustee to table its resolutions at the same EGM which may be convened to consider the Latest Requisitioned Resolutions; and/or (iii) sought to direct the Trustee on matters which the Trustee had already completed or factored into the Trustee's Work Plan (taking into account

practical and operational realities). The Trustee notes that the Manager is in the process of considering the Latest Requisitioned Resolutions and seeking legal advice.

8. To the extent that the Manager decides to convene an EGM to table the Latest Requisitioned Resolutions (the “**Requisitionists’ EGM**”), the Trustee will endeavour to table other resolutions relevant to the Internalisation, including those from the Trustee’s Intended EGM (the “**Other Internalisation Resolutions**”) at the Requisitionists’ EGM. This is so that as far as possible, the Latest Requisitioned Resolutions and any Other Internalisation Resolutions can be tabled for Unitholders to consider and approve at a single EGM (the “**Combined EGM**”) in a holistic, orderly and efficient manner, which would be in the interests of all Unitholders.
9. However, there are statutory timelines for holding the Combined EGM (which is in part driven by the Requisitionists). As such, there are some Other Internalisation Resolutions which may only be finalised after such statutory timelines, and therefore could require further EGM(s) to be convened. Furthermore, developments which arise outside of the Trustee’s Work Plan or other organisational or operational matters such as those pertaining to hiring and staffing of the New Internalised Manager could also require further EGM(s) to be convened.
10. Without the limitation imposed by the statutory timelines for holding the Combined EGM, the Trustee will be better placed to table a more complete set of resolutions relevant to the Internalisation, at the Trustee’s Intended EGM. Accordingly, if the Trustee’s Intended EGM is convened instead of the Combined EGM, the Trustee envisages that the need for subsequent EGM(s) will be reduced. The Trustee will update Unitholders of any material developments in this regard.

ESR Appeal to Order 32 Ruling

11. As stated in the Trustee’s Statement on 31 May 2023, the ESR Entities have filed a notice of appeal against the Court’s decision in the Order 32 Ruling that the ESR Entities “*are prohibited... from voting on proposed amendments to the Trust Deed which are required to implement the resolutions passed on 7 August 2023 for the internalisation of Sabana REIT’s management*”. The ESR Entities have also notified the Trustee in writing that, unless the Trustee confirms that no EGM will be convened to consider proposed amendments to the Trust Deed (pending the full and final disposal of the ESR Appeal), the ESR Entities may apply to the Court to restrain the calling of any such EGM.
12. The Trustee considers the convening of the Trustee’s Intended EGM (or if appropriate, the Combined EGM convened by the Manager) a logical and necessary next step in the Internalisation process. The Order 32 Ruling has already provided in unequivocal terms clarity and certainty for the Trustee’s proposed next steps in relation to the Trust Deed amendments as set out in paragraph 4 of this Appendix, whilst there is currently no clarity as to the timing and outcome of the ESR Appeal.
13. Accordingly, consistent with the Trustee’s commitment to effect the Internalisation as expeditiously as possible and in the interests of all Unitholders and absent any contrary guidance from the Court, the Trustee will proceed to act on the clear guidance provided by the Order 32 Ruling and work together with all relevant parties to convene the Trustee’s Intended EGM (or, as the case may be, the Combined EGM) as soon as practicable.

Process and Conclusion

14. In view of the Trustee’s intentions as stated above, the Trustee looks forward to engaging with relevant parties to achieve an orderly and efficient convening of the Trustee’s Intended EGM (or the Combined EGM, as applicable), so that the Internalisation can be effected expeditiously with minimal distractions, delays and unnecessary costs.
15. 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.