



## SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

### RECEIPT OF LETTER FROM TRUSTEE TO REQUISITIONISTS

Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Industrial Real Estate Investment Trust (“**Sabana Industrial REIT**”, and the manager of Sabana Industrial REIT, the “**Manager**”), refers to:

- (a) its announcement dated 13 August 2024 (the “**13 Aug Announcement**”) in relation to the letter (the “**12 Aug Requisition Letter**”) from five unitholders of Sabana Industrial REIT (having an aggregate unitholding in Sabana Industrial REIT of more than 10%) (the “**Requisitionists**”), requesting the Manager to convene an extraordinary general meeting of Sabana Industrial REIT (“**EGM**”) to consider certain resolutions (the “**Proposed Resolutions**”), details of which are set out in the copy of the 12 Aug Requisition Letter annexed to the 13 Aug Announcement;
- (b) the statement dated 23 August 2024 from HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the “**Trustee**”), enclosing a letter from the Trustee to the Requisitionists dated 22 August 2024;
- (c) its announcement dated 3 September 2024 (the “**3 Sep Announcement**”) in relation to:
  - (i) the letter that it has received from the Requisitionists amending their Proposed Resolutions; and
  - (ii) its letter to the Trustee dated 3 September 2024 to seek the Trustee’s views on the Requisitionists’ amendments to their Proposed Resolutions (the “**Amended Proposed Resolutions**”), details of which are set out in the 3 Sep Announcement;
- (d) its announcement dated 15 September 2024 on the letter from the Trustee to the Requisitionists dated 13 September 2024;
- (e) its announcement dated 18 September 2024 on the letter from the Requisitionists to the Trustee dated 17 September 2024;
- (f) its announcement dated 19 September 2024 on the further letter from the Requisitionists to the Trustee dated 18 September 2024;
- (g) its announcement dated 24 September 2024 on the Manager’s intention to convene the EGM for the purposes of considering the Amended Proposed Resolutions and the resolutions requested to be tabled by the Trustee at the EGM in addition to the Amended Proposed Resolutions;

- (h) its announcement dated 26 September 2024 on the further letter from the Trustee to the Requisitionists dated 25 September 2024;
- (i) its announcement dated 2 October 2024 on the letter from the Requisitionists to the Trustee dated 1 October 2024 (the “**Requisitionists’ 1 Oct Letter**”); and
- (j) the Notice of Extraordinary General Meeting dated 3 October 2024, giving the holders of units of Sabana Industrial REIT (“**Unitholders**”) notice of the Extraordinary General Meeting scheduled to be held on Friday, 18 October 2024 at 10.30 a.m. (the “**EGM**”), together with the circular to Unitholders dated 3 October 2024 (the “**Circular**”).

The Manager wishes to update that it has received a further letter from the Trustee to the Requisitionists on 4 October 2024 (the “**Trustee’s 4 Oct Letter to Requisitionists**”) in response to the Requisitionists’ 1 Oct Letter, a copy of which is annexed to this Announcement as **Appendix A**.

**Unitholders and investors are advised to read carefully the Circular together with all announcements made relating to the EGM subsequent to the issuance of the Circular, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

In the meantime, Unitholders and investors are advised to refrain from taking any action in respect of their Sabana Industrial REIT units (“**Units**”) which may be prejudicial to their interests, and to exercise caution when dealing in the Units.

By Order of the Board  
Sabana Real Estate Investment Management Pte. Ltd.  
(Company Registration No: 201005493K,  
Capital Markets Services Licence No: CMS100169)  
As Manager of Sabana Industrial Real Estate Investment Trust

Han Yong Lee (Donald)  
Chief Executive Officer  
7 October 2024

**For enquiries, please contact:**

Low Hooi Hoon  
Investor Relations and Corporate Communications  
Sabana Real Estate Investment Management Pte. Ltd.  
DID: +65 6580 7857  
Email: [hooihoon.low@sabana.com.sg](mailto:hooihoon.low@sabana.com.sg)

**Sabana Industrial REIT**

Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2023, Sabana Industrial REIT has a diversified portfolio of 18 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to more than \$1.0 billion as at 31 December 2023. Sabana Industrial REIT is a constituent of the SGX S-REIT Index and MSCI Singapore Micro Cap Index.

Sabana Industrial REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana Industrial REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended, varied or supplemented from time to time). Sabana Industrial REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana Industrial REIT, please visit [www.sabana-reit.com](http://www.sabana-reit.com).

**Important Notice**

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana Industrial REIT, or any of their respective affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

## **APPENDIX A**

### **THE TRUSTEE'S 4 OCT LETTER TO REQUISITIONISTS**

The Manager assumes no responsibility for any of the contents of the Trustee's 4 Oct Letter to Requisitionists, including the accuracy, completeness or correctness of any of the information, statements or opinions made in the Trustee's 4 Oct Letter to Requisitionists.



**Quarz Capital Asia (Singapore) Pte. Ltd. ("Quarz")  
The Unitholders set out in Appendix A**

**BY EMAIL ONLY**

(collectively, the "**Requisitionists**")

4 October 2024

Dear Sirs,

**Re: Trustee's Response to the Requisitionists' Letter dated 1 October 2024**

**A. Introduction**

1. We refer to the requisition notice dated 12 August 2024 ("**Requisition Notice**") and various correspondence as set out in Appendix B. We are responding to the latest letter from the Requisitionists dated 1 October 2024 (the "**Requisitionists' 1 October 2024 Letter**"). Terms defined in the Trustee's Statements and earlier correspondence with the Requisitionists shall, unless the context otherwise requires, have the same meanings when used in this letter.
2. At the outset, it is neither constructive nor productive towards implementing the Internalisation for the Requisitionists to make incorrect, unfounded and/or misleading statements. In Section C below, the Trustee wishes to clarify such statements in the interest of clarity for Unitholders. For example, the Requisitionists made certain incorrect allegations on costs and processes, such as the Order 32 Application. These were incurred due to the contrary views held by some Unitholders, which necessitated a resolution in the Courts.
3. More importantly, the Trustee urges the Requisitionists to cease making misstatements which require time and effort to correct, and allow the Trustee to focus time and resources on the implementation of the Internalisation as quickly and efficiently as possible.
4. The Trustee is committed to progressing the Internalisation expeditiously and does not wish to engage in protracted exchanges of written correspondence with the Requisitionists. Instead, the Trustee urges the Internalisation Committee to agree to an appropriate set of non-disclosure agreements and terms of reference, which the Trustee had repeatedly sought from as early as March 2024, to facilitate constructive engagement. The Trustee looks forward to the Internalisation Committee's agreement.
5. The Trustee also urges the Requisitionists to consider the usual governance and procedures followed by listed companies and REITs in Singapore, including in relation to the determination of directors' fees.

**B. Outstanding Information Required from the Requisitionists**

6. The Trustee's 25 September 2024 Letter sets out a number of requests and clarifications which remain outstanding and unaddressed in the Requisitionists' 1 October 2024 Letter:
  - (a) For the Requisitionists' Candidates to urgently complete the consent form and provide the information required by the independent third-party service provider to commence its background checks and assessments on Requisitionists Candidates (see paragraph 12(c) of the letter). The Trustee looks forward to receiving the signed consent letters of the Requisitionists' Candidates and the

requisite information as soon as practicable, and in any case no later than **9 October 2024**.

- (b) Whether the Requisitionists have any proposals in respect of the management roles of the internalised manager of Sabana Industrial REIT (see paragraph 13(viii) of the letter).
- (c) Whether the Requisitionists have any other proposals which (A) may impact the timeline for the Internalisation process, and/or (B) should be taken into consideration by Unitholders holistically in respect of the Internalisation (see paragraph 13(xi) of the letter).

**C. Incorrect and/or Misleading Statements in the Requisitionists' 1 October 2024 Letter**

7. Given the various incorrect and/or misleading statements made in Requisitionists' 1 October 2024 Letter, and in the interests of providing clarity to all Unitholders, the Trustee sets out below key responses and clarifications on the matters raised by the Requisitionists.

Internalisation Committee Engagement

8. With respect to the suggestion that the Trustee had “*refused*” all “*meeting attempts*” by the Internalisation Committee (at paragraphs 12 to 17 of the Requisitionists' 1 October 2024 Letter):
- (a) The Trustee wishes to reiterate that it has, since the passing of Resolution 3 at the 8 March 2024 EGM, sought to engage with the Internalisation Committee.
  - (b) To facilitate this consultative process, in light of applicable securities laws and consistent with market practice, the Trustee has, from March 2024, sought to obtain the Internalisation Committee's agreement to an appropriate set of non-disclosure agreements and terms of reference. However, the Requisitionists have not to date agreed to the terms of the documents.
  - (c) Notwithstanding the difficulties faced, the Trustee remains committed to working with the Internalisation Committee in a constructive manner.

MAS Submission and Background Checks and Assessments

9. The Trustee submitted the forms provided by the Requisitionists in respect of the director candidates proposed by the Requisitionists (the “**Requisitionists' Candidates**”) to the Monetary Authority of Singapore (“**MAS**”) in September 2024.
10. In relation to the claim (at paragraphs 23 to 25 of the Requisitionists' 1 October 2024 Letter) that background checks and assessments on the Requisitionists Candidates are “*unnecessary and redundant*”, the Trustee has already explained the rationale for subjecting the Requisitionists' Candidates to background checks and assessments: see paragraph 2 and 18 of the Trustee's 13 September 2024 Letter and paragraph 12 of the Trustee's 25 September 2024 Letter. In particular, the Trustee highlighted that:
- (a) The appointment of directors to the internalised manager is an important process which can have a material impact on Unitholders' interests in Sabana Industrial REIT. It is therefore crucial that the Requisitionists' Candidates are subject to the same background checks and assessment as the Independently Identified Director Candidates.

- (b) This is the usual process typically undertaken when seeking the MAS's approval for a CMS licence, and will be conducted by an independent third-party service provider.

Requisitionists' conditions in relation to directors' fees

11. In relation to the Requisitionists' call on the Independently Identified Director Candidates to accept certain "*conditions*" (at paragraphs 18 to 20 of the Requisitionists' 1 October 2024 Letter), we refer to paragraph 9(b) of the Trustee's 25 September 2024 Letter which outlines the usual process by which listed companies and REITs determine directors' fees. Accordingly, the appropriate juncture for assessing directors' fees would be after the board is constituted.

Statements on Costs

12. As regards paragraphs 2 to 11 of the Requisitionists' 1 October 2024 Letter on the costs incurred in connection with the Order 32 Application and more broadly, the Internalisation:
- (a) Paragraph 2 of the Requisitionists' 1 October 2024 Letter suggests that the process for establishing an internal real estate investment trust ("**REIT**") manager is "*nothing new*". This is misleading. The Internalisation is a novel, complex and unprecedented process, and there is to date no internalised REIT manager in Singapore.
- (b) The Trustee had clearly cautioned Unitholders from as early as the Trustee's Statement dated 21 July 2023 that a considerable amount of time and cost will be required to internalise the REIT management function and that all costs will be reimbursed out of the assets of Sabana Industrial REIT in accordance with the terms of the trust deed. The costs incurred in the Internalisation process are also subject to events and disruptions beyond the Trustee's control, including those initiated by the Requisitionists, such as the repeated EGMs requisitioned, which divert time, attention and resources away from the Trustee's planned workstreams for the Internalisation.
- (c) The statement at paragraph 11 of the Requisitionists' 1 October 2024 Letter that the Trustee "*wasted [U]nitholders' monies by considering and proposing [in the Order 32 Application] matters not relevant to the [I]nternalisation*" is also misleading and inaccurate. The Order 32 Application was required to obtain the necessary clarity and guidance from the Court on issues which were fundamental to the progress of the Internalisation, in light of the contrary and conflicting views taken by certain Unitholders. The Court's ruling confirmed, among others, that the Trustee is not required or obliged to certify amendments to the Trust Deed, that the Trustee may convene an EGM of Unitholders to consider amendments to the Trust Deed, and that the proposed amendments to Clause 16.4 of the Trust Deed are necessary to effect the Internalisation. That is clearly contrary to the earlier statements made by certain members of the Requisitionists.<sup>1</sup>

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<sup>1</sup> See for example, SGIC's letter to the regulators dated 5 December 2023 in which the SGIC stated at paragraph 31 that "*Unitholders and their legal advisors have extensively and on their own time and dime, reviewed the Trust Deed and concluded that there is no need for the Trust Deed to be amended to effect the Internalization for the detailed reasons set out below.*"

**D. Conclusion**

13. As the Trustee believes that it is in the interests of all Unitholders for the Internalisation to be effected in an orderly, well-considered manner and as smoothly as possible, the Trustee will continue to focus resources on the implementation of the Internalisation.
14. The Trustee appeals to the Requisitionists to cease and desist from making further incorrect, unfounded and/or misleading statements which require time and effort to correct and may prejudice Sabana Industrial REIT. It is neither a constructive nor a productive approach towards implementing the Internalisation. All rights of the Trustee are reserved.

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)**



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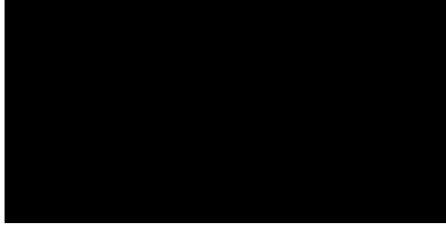
RAHUL DESOUSA  
Authorised Signatory

Cc: The Manager



## Appendix A

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- 4.
- 5.



## Appendix B

The correspondence referred to in paragraph 1 of this letter comprise the following:

1. the emails from members of the SGIC dated 13 August 2024, 21 August 2024, 4 September 2024 and 13 September 2024;
2. the letter from the Trustee to the Requisitionists dated 22 August 2024 ("**Trustee's 22 August 2024 Letter**"), which, among others, proposed certain amendments to the Requisitioned Resolutions for the Requisitionists' consideration;
3. the Requisitionists' letter dated 2 September 2024 (the "**Requisitionists' 2 September 2024 Letter**"), which sets out the Requisitionists' proposed amendments to the Requisitioned Resolutions (the "**Amended Requisitioned Resolutions**");
4. the letter from the Trustee to the Requisitionists dated 13 September 2024 ("**Trustee's 13 September 2024 Letter**") in response to the Requisitionists' 2 September 2024 Letter, which, among others, proposed for the Requisitionists to withdraw the Amended Requisitioned Resolutions or to otherwise submit a fresh requisition notice which adopts the language previously proposed by the Trustee in the Trustee's 22 August 2024 Letter;
5. the Requisitionists' letters to the Trustee dated 17 and 18 September 2024 (the "**Requisitionists' 17 September 2024 Letter**" and the "**Requisitionists' 18 September 2024 Letter**", and together, the "**Requisitionists' 17 and 18 September 2024 Letters**") which sets out, among others, the Requisitionists' (i) refusal to change the Amended Requisitioned Resolutions; (ii) decision to proceed with the requisitioned EGM; and (iii) calls for the Trustee and the Independently Identified Director Candidates to publicly state that they agree to certain conditions set out by the Requisitionists;
6. the letter from the Trustee to the Requisitionists dated 25 September 2024 ("**Trustee's 25 September 2024 Letter**") in response to the Requisitionists' 17 and 18 September 2024 Letters; and
7. the Requisitionists' 1 October 2024 Letter which, among others, sets out the Requisitionists' responses to queries raised in the Trustee's 25 September 2024 Letter.