



SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

Requisition of Extraordinary General Meeting

1. BACKGROUND

The Board of Directors (the "**Board**") of Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**", and the manager of Sabana REIT, the "**Sabana Manager**"), refers to the proposed merger of ESR-REIT and Sabana REIT through the acquisition by the ESR-REIT Trustee of all the Sabana Units by way of a trust scheme of arrangement in accordance with the Singapore Code on Take-overs and Mergers, as announced in a joint announcement released by the ESR-REIT Manager and the Sabana Manager on 16 July 2020 ("**Joint Announcement**").

Unless otherwise defined, all capitalised terms in this Announcement shall bear the same meaning as set out in the Joint Announcement.

2. REQUISITION NOTICE

The Sabana Manager wishes to announce that it had on 10 November 2020 received a letter (the "**Requisition Notice**") from Quarz Capital Management and Black Crane Capital requesting the Sabana Manager to convene an extraordinary general meeting to consider certain resolutions, details of which are set out in the copy of the Requisition Notice annexed to this Announcement.

The Sabana Manager is considering the Requisition Notice and seeking legal advice, and will make further announcements on SGXNET in due course.

Sabana Unitholders and investors are advised to refrain from taking any action in respect of their Sabana Units which may be prejudicial to their interests, and to exercise caution when dealing in the Sabana Units.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Sabana Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to ESR-REIT and/or the ESR-REIT Manager) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the Sabana Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including ESR-REIT and the ESR-REIT Manager), the sole responsibility of the directors of the Sabana Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Sabana Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company registration number: 201005493K, Capital markets services licence number: CMS100169)

As Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust

Han Yong Lee (Donald)

Chief Executive Officer

11 November 2020

For enquiries, please contact:

The Sabana Manager

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Investor Relations

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Primary Investor Contact

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Important Notice

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

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

Date: 10 November 2020

Attention: The Board of Directors

Sabana Real Estate Investment Management Pte. Ltd.
(As Manager of Sabana Shari'ah Compliant REIT)
151 Lorong Chuan
2-03 New Tech Park
Singapore 556741

Dear Sirs,

RE: REQUISITION TO CONVENE AN EXTRAORDINARY GENERAL MEETING PURSUANT TO PARA 4.1(b) OF APPENDIX 6 OF THE CODE ON COLLECTIVE INVESTMENT SCHEMES

1. Quarz Capital and Black Crane Capital advise entities that collectively hold more than 11% of the total units of SGX-listed Sabana Shari'ah Compliant Industrial REIT ("**Sabana REIT**", "**Sabana**" or "**Trust**") managed by Sabana Real Estate Investment Pte Ltd ("**Sabana REIT Manager**", "**SREI**", "**Manager**" or "**Sabana Manager**").
2. We hereby give you notice pursuant to Para 4.1(b) of Appendix 6 of the Code on Collective Investment Schemes to convene an Extraordinary General Meeting ("**EGM**") and table the following resolutions to unitholders for the purposes of passing the following resolutions:-

Ordinary resolutions

RESOLVED:

RESOLUTION 1: That the Board of Directors be directed to clarify and disclose to unitholders the basis and reasons for which the Board of Directors, in particular the Nomination and Remuneration Committee ("**NRC**") which comprises Mr Tan Cheong Hin and Mr Wong Heng Tew, assessed Ms Ng Shin Ein ("**Ms Ng**") to be independent, and in support of the foregoing, to:

- (A) make full disclosure and release of all full Board meeting minutes to the unitholders concerning or otherwise in connection with the appointment and designation of Ms Ng as an independent director;
- (B) clarify whether, the Board in assessing the 'independence' of Ms Ng, had relied on any declarations or disclosures made by Ms Ng and further whether the Board had caused any independent enquiries or investigations to be made of Ms Ng's relationship with ESR Cayman, and if so, to disclose the results of such independent enquiries or investigations;
- (C) make full disclosure and release to the unitholders of the declarations made by Ms Ng to the Board concerning her substantial business relationships with ESR Cayman and its affiliates, including details as to:
 - (i) the date, price and valuation at which ESR Cayman/its affiliates acquired an initial 30% stake in Blackwood Investment Pte. Ltd. ("**Blackwood**") (which owns a 45% stake in Sabana REIT Manager);
 - (ii) the date, price and valuation at which Ms Ng sold her 10% stake in Blackwood (indirect 4.5% stake in Sabana REIT Manager) to ESR Cayman and/or its affiliates;

- (iii) whether the valuation of the sale of her 10% Blackwood stake was higher than that compared with the Blackwood shareholder who sold his initial 30% Blackwood stake and other Blackwood shareholders who sold their remaining combined 60% Blackwood stake to ESR Cayman/its affiliates;
 - (iv) the total quantum of all payments received by Ms Ng from ESR Cayman and its affiliates in the immediate year prior to her being appointed as independent director of Sabana REIT Manager whether in connection with any share purchases and/or any other services and fees whatsoever; and
 - (v) whether there were any other payments or arrangements for payments of money between ESR Cayman and/or its affiliates and Ms Ng and the quantum of such payments, to the extent disclosed to or otherwise known to the Board by whatever means.
- (D) other than the sale of Ms Ng's own 10% stake in Blackwood to ESR Cayman and/or its affiliates, clarify:
- (i) whether the Board was aware of or had any reason to believe or suspect that Ms Ng had assisted, facilitated or had any involvement or role to play in ESR Cayman's acquisition of the other 90% shares of Blackwood; and, in particular, whether Ms Ng had potentially worked together with ESR Cayman and/or its affiliates by using her contractual right of first refusal to broker or aid the initial sale of the 30% stake in Blackwood to ESR Cayman and/or its affiliates, and also potentially the sale of the balance 60% stake of Blackwood from other Blackwood shareholders.
 - (ii) whether the Board was aware of or had any reason to believe or suspect that Ms Ng and ESR Cayman had any other ancillary arrangements concerning Blackwood/Sabana, in particular, in view of: (a) her subsequent appointment as director (and later, independent director) of Sabana; and (b) her subsequent appointment as director of Blackwood immediately after ESR Cayman purchased their initial 30% stake in Blackwood in September 2018, and later, the sole director of Blackwood during the period from December 2018 to August 2019;
 - (iii) in light of sub-paragraph (ii) above, whether the Board had independently verified or considered the veracity of the disclosure in the addendum to Sabana's 2019 annual report that Ms Ng was a mere non-executive director despite her being the sole director of Blackwood.

RESOLUTION 2: That:

- (A) the Board of Directors be directed to clarify and disclose to unitholders the rationale behind the hiring of 3 ex-ESR employees as mentioned in paragraph (B) below (out of a total of 4 members of the senior management team) at Sabana REIT Manager, notwithstanding the serious conflict of interests potentially arising due to the said ex-ESR employees' long-standing relationship with ESR Cayman, and further, in support of the foregoing, to:

- (i) make full disclosure and release to the unitholders of all of the full board meeting minutes concerning or otherwise in connection with the hiring of the 3 ex-ESR employees to senior management roles at Sabana REIT Manager; and
 - (ii) disclose whether the Board was aware of the past employment history of the 3 ex-ESR employees, whether the potential conflict of interests posed by such relationships were considered in making hiring decisions; if so, the basis of and matters considered by the Board in hiring the 3 ex-ESR employees despite the potential for conflict;
 - (iii) disclose whether the Board had considered any other similarly qualified and experienced candidates before making the decision to hire the 3 ex-ESR employees.
- (B) the Board of Directors confirm whether they were aware of the following:
- (i) that Ms Amy Low (Sabana REIT Manager Director of Finance) was employed by ESR REIT for more than 5 years immediately prior to her employment by Sabana REIT Manager;
 - (ii) that Mr Lim Wei Huang (Sabana REIT Manager Senior Vice President Finance (SVP) or Chief Financial Officer (CFO)) was employed by ESR Singapore for more than 5 years immediately prior to his employment by Sabana REIT Manager; and
 - (iii) that Ms Pamela Siow (Head of Asset Management) spent more than 5 years with ESR REIT/Cambridge Industrial Trust REIT.

RESOLUTION 3: That, in view of the fact that certain members of the Board of Directors and the majority of the senior management team have prior substantial and long-term relationship with ESR REIT (the bidder of the proposed merger), its sponsor and also the current CEO of ESR REIT, the Board of Directors be directed to clarify and disclose to unitholders the basis and reasons for recommending the proposed merger, and in support of the foregoing, to make full disclosure and release to the unitholders of the full board meeting minutes concerning or otherwise in connection with the proposed merger.

RESOLUTION 4: That the Board of Directors be directed to:

- (A) make further study and investigations of the merits of the proposed merger in light of issues raised by independent unitholders in their open letters to the Sabana Manager and the REIT;
- (B) to disclose to the unitholders the steps taken by the Board of Directors in this connection and the results of such further study and investigation of the merits of the proposed merger;
- (C) to suspend all actions relating to the proposed merger with a view to termination of the proposed merger, where appropriate, and to recommend that Sabana REIT Manager takes full accountability and bears all fees in connection with the proposed merger.

RESOLUTION 5: That the Board of Directors be directed to consider and recommend the immediate distribution to unitholders of:

(A) 50% of the previously withheld distribution amount for first half of 2020 of 0.58 cents per unit; and

(B) the distributable income from July to Sept 2020

3. By tabling the above resolutions, we aim to seek clarification from the Manager on the various issues which have or had a significant bearing on the proposed merger, and in so doing, to assist the Independent Expert in reaching its conclusions and finally the Unitholders in making their decision on the proposed merger.

WE REITERATE OUR INTENTION TO VOTE AGAINST THE PROPOSED MERGER OF SABANA AND ESR REITS AT THE CURRENT TERMS (0.94 ESR REIT UNIT FOR 1 SABANA REIT UNIT).

Yours faithfully,

Jan F. Moermann
CIO, Quarz Capital Management

Peter Kennan
CIO, Black Crane Capital