



22 March 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 – 22 March 2024**

1. We refer to the Trustee's Statements dated 21 July 2023, 8 August 2023, 29 August 2023, 4 October 2023, 7 November 2023, 6 December 2023, 15 December 2023, 9 January 2024, 23 January 2024, 30 January 2024, 20 February 2024 and 29 February 2024 (collectively, the "**Trustee's Statements**") and the Trustee's presentation (and accompanying notes thereto) at the extraordinary general meeting of Sabana Industrial REIT held on 8 March 2024 ("**8 March 2024 EGM**"), all of which were published via SGXNet.
2. In this regard, the Trustee wishes to provide the following update to all Unitholders as set out in the Appendix to this letter.
3. Terms defined in the Trustee's Statements shall, unless the context otherwise requires, have the same meanings when used in this letter.
4. 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 Desousa", with a horizontal line extending to the right.

RAHUL DESOUSA  
Authorised Signatory

## APPENDIX

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

#### A. Trustee's Message to Unitholders

1. The Trustee remains committed to serving Unitholders' interests and progressing the internalisation.
2. Following the conclusion of the 8 March 2024 EGM, the Trustee is working with the relevant parties to implement the resolutions passed at the 8 March 2024 EGM ("**8 March 2024 Resolutions**") in accordance with its duties and in the best interest of Unitholders while continuing to progress the internalisation.

#### B. Updates Specific to the 8 March 2024 Resolutions

3. The Trustee has identified the necessary next steps for the implementation of the 8 March 2024 Resolutions and is reviewing the impact that these resolutions have, or may have, on existing workstreams for the internalisation. Please refer to **Annex A** for more information on the next steps as well as certain additional considerations in relation to the 8 March 2024 Resolutions.
4. In particular, the Trustee would like to update that:

##### The Trustee's Letter to ESR

- (a) Following the passing of Resolution 1 of the 8 March 2024 Resolutions, the Trustee has written to ESR Group Limited and its relevant related entities (collectively "**ESR**"), in their capacity as owner of Sabana Real Estate Investment Management Pte. Ltd. (i.e., the Manager), to seek ESR's views on, amongst others, whether ESR would be willing to consider and discuss any potential acquisition of the Manager (fully functioning with the necessary licences, personnel, assets and an undertaking from ESR to fully support the internalisation) for a maximum all-in purchase price of not more than S\$10,000,000.
- (b) As at 21 March 2024, the Trustee has not received a response from ESR in respect of the above. The Trustee will keep Unitholders updated on any material developments relating to its engagement with ESR pursuant to Resolution 1 of the 8 March 2024 Resolutions.

##### Establishment of the Internalisation Committee

- (c) As directed by the passing of Resolution 3 of the 8 March 2024 Resolutions, the Trustee has on 21 March 2024 established the Internalisation Committee which comprises Mr Imran Chng Pia Ser, Mr Lim Hock Chuan, Mr Havard Chi Cher Pan, Mr Low Chin Yee, Mr Jan Frederic Moermann and Mr Saha Anshuman Manabendranath.
- (d) The Trustee has contacted the above members of the Internalisation Committee and has scheduled a meeting for 25 March 2024 (the "**Initial Committee Meeting**") to discuss the ongoing internalisation process, amongst other matters. The Initial Committee Meeting, as well as all other meetings of the Trustee and the Internalisation Committee, are intended to be conducted in accordance with a set of terms of reference, which the Trustee intends to share with Unitholders via an announcement on SGXNet following the Initial Committee Meeting.

##### Writing to MAS and SGX-ST on the Voting Issue

- (e) As directed by the passing of Resolution 10 of the 8 March 2024 Resolutions, the Trustee has also written to the Monetary Authority of Singapore ("**MAS**") and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to seek guidance on the issue of whether the Manager and its shareholders and related parties ought to be permitted to vote on any resolution to amend the Trust Deed (the "**Voting Issue**").

### Updates on the Order 32 Application

- (f) The Trustee continues to progress the originating application filed by it on 9 January 2024 under Order 32 of the Rules of Court 2021 of Singapore (the “**Order 32 Application**”) as expeditiously as possible through the Court process.
- (g) In light of the passing of Resolution 10 of the 8 March 2024 Resolutions and the MAS Responses (as defined below), Rajah & Tann Singapore LLP (“**R&T**”) has, on behalf of the Trustee, informed the Court of its intention to seek leave to amend the Order 32 Application to, amongst others, (i) modify and update the proposed amendments to the Trust Deed, and (ii) seek the guidance of the Court on the Voting Issue.
- (h) Obtaining guidance from the Court through the Order 32 Application will provide Unitholders with clarity on, amongst others, whether an extraordinary general meeting can be convened to consider the proposed Trust Deed amendments and, subsequently, which Unitholders can vote on any resolution to approve the proposed amendments to the Trust Deed.

### **C. Updates on Other Workstreams**

In addition to the Trustee’s updates on the implementation of the 8 March 2024 Resolutions, the Trustee would also like to provide the following updates in respect of the existing internalisation workstreams:

- (a) Establishing personnel for the New Internalised Manager: As previously indicated in the Trustee’s Statement of 29 February 2024, the Trustee has identified a list of qualified candidates which the Trustee is considering putting forth for the directors of the new internalised manager for Sabana Industrial REIT (“**New Internalised Manager**”).

In light of the passing of Resolution 1 of the 8 March 2024 Resolutions, the Trustee is now assessing its options to progress the workstream for the identification of qualified candidates in respect of the proposed management team for the New Internalised Manager. Please refer to **Annex A** for more information on the Trustee’s additional considerations.

- (b) Regulatory Consultation and Trust Deed Amendments: As stated in the Trustee’s Statement of 29 February 2024, the Trustee has received responses from the MAS in respect of its previous applications with the MAS (“**MAS Responses**”). The Trustee has also disclosed a list of the exemptions granted by the MAS and the MAS’ clarifications on regulatory requirements in respect of an internalised manager, as part of the accompanying notes to the Trustee’s presentation at the 8 March 2024 EGM.

The Trustee continues to work with its advisers to engage with and seek guidance from the regulators in respect of regulatory issues arising out of the internalisation and the 8 March 2024 Resolutions (including, amongst others, the fulfilment of certain conditions set out in the MAS Responses, the Voting Issue and the licensing of the New Internalised Manager).

- 5. As stated in the Trustee’s Statements, the Trustee will continue to provide updates and engage with Unitholders in respect of material developments. All updates from the Trustee will be announced via SGXNet.
- 6. 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

### NEXT STEPS AND RELEVANT CONSIDERATIONS IN RELATION TO THE 8 MARCH 2024 RESOLUTIONS

**Resolution 1:** That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be put on notice that unitholders reject: (1) any proposal to acquire the existing REIT Manager (fully functioning REIT Manager with the necessary licenses, personnel, assets and an undertaking from the direct and indirect owners to fully support internalisation) directly or indirectly for a maximum all-in offer price exceeding S\$10,000,000 and any such transaction post one month of this resolution, and (2) any proposal to acquire any assets (including the employment contracts) of the existing Manager at any price.

#### Trustee's Next Steps

- (a) Engage with ESR on the potential acquisition of the shares of the Manager for a maximum all-in purchase price of not more than S\$10 million.

**Deadline:** 8 April 2024 (being one month from the date this resolution was passed).

**Additional Considerations:** Engagement with ESR will cease by 8 April 2024 if no contractual agreement has been entered into between the parties for the acquisition of the shares of the Manager for a maximum all-in purchase price of not more than S\$10 million as per Resolution 1.

If a potential share acquisition is to materialise, the terms of this acquisition would be subject to Unitholder approval at a subsequent extraordinary general meeting (“**EGM**”) to be convened by the Trustee and would be subject to the rules relating to interested person transactions under Chapter 9 of the Listing Manual of the SGX-ST (including, without limitation, those relating to abstention from voting by interested persons, obtaining an independent financial adviser’s opinion on whether the potential share acquisition is on normal commercial terms and is prejudicial to the interests of the REIT and the minority unitholders).

- (b) If ESR is prepared to consider the potential acquisition of the shares of the Manager for a maximum all-in purchase price of not more than S\$10 million, the Trustee will (i) apply to the MAS for approval for the Trustee to acquire effective control of the Manager and any other related approvals as necessary, and (ii) engage the MAS on resolving any regulatory issues with acquiring the shares of the Manager, notwithstanding the earlier resolution for the removal of the Manager which was passed at the EGM on 7 August 2023.

In addition to the above, the Trustee will also observe the directions set out in the Requisitionists’ letter of 21 February 2024 and will:

- (c) Pause the existing workstream on the establishment of a new entity for the New Internalised Manager.

**Additional Considerations:** Substantive work which had been done in respect of the establishment of a new entity for the New Internalised Manager from scratch (as expressly directed under Resolution 2 passed at the 7 August 2023 EGM), including (i) the incorporation of the entity to serve as the New Internalised Manager and (ii) the groundwork for the licensing and capitalisation of such entity, may no longer be applicable to the Work Plan.

Pending the outcome of engagements with ESR in (a) above, the Trustee will determine whether it is necessary to resume or permanently cease the work on the establishment of a new entity to serve as the New Internalised Manager.

- (d) Not engage in discussions with the Manager in relation to any acquisition of assets (including employees) of the Manager.

**Additional Considerations:** It is common for employment contracts (particularly employment contracts for senior management) to contain notice periods and restrictions relating to potential future employment. Accordingly, without first reaching agreement in relation to exit arrangements

HSBC Institutional Trust Services (Singapore) Limited

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

Company Registration No : 194900022R

with an existing employer, including the waiver of any surviving contractual obligations, a senior employee may be precluded from working in a similar capacity for a substantial period of time, even if such employee were to cease employment on their own accord and leave on good terms.

With the passing of this Resolution 1, the Trustee will not engage in discussions with the Manager and/or ESR for the negotiated termination/transfer of employment of any existing employees of the Manager. Practically, this means that there may no longer be an opportunity to reach an agreement in relation to exit arrangements and to hire relevantly skilled employees of the Manager to properly resource and transition their employment to the New Internalised Manager.

This would potentially have an impact on the timing for and progress of the New Internalised Manager's application for a capital markets services licence, as well as on the operational continuity and handover timelines of the REIT management function from the existing Manager to the New Internalised Manager.

#### Status

- (a) The Trustee had on 14 March 2024 written to ESR to seek clarity on its position regarding the potential acquisition of the shares of the Manager for a maximum all-in purchase price of not more than S\$10 million. As at 21 March 2024, the Trustee has not yet received a response from ESR.

**Resolution 3:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed, within two weeks of this resolution, to form a committee ("Internalisation Committee") consisting of Mr. Imran Chng Pia Ser, Mr Lim Hock Chuan, Mr. Havard Chi Cher Pan, Mr. Low Chin Yee, Mr. Jan Frederic Moermann and Mr. Saha Anshuman Manabendranath, and the Internalisation Committee, in their capacity as the authorised representative of all unitholders, shall be consulted by the Trustee and supervise the implementation of internalisation.*

#### Trustee's Next Steps

- (a) Establish the Internalisation Committee and its terms of reference.

**Deadline:** 22 March 2024 (being two weeks from the date this resolution was passed).

- (b) Seek to execute a non-disclosure agreement ("**NDA**") with all members of the Internalisation Committee and establish a set of terms of reference and confidentiality for the operation of the Internalisation Committee to allow for a clear, constructive and efficient framework for consultations with the Internalisation Committee which protects the interests of all Unitholders.

Additional Considerations: To seek to ensure that confidential information of the REIT is protected for the benefit of all Unitholders and that the applicable provisions of the Securities and Futures Act 2001 are observed. Alternatively, in the absence of an NDA, members of the Internalisation Committee will be provided with publicly available information only.

- (c) Consult with the Internalisation Committee on matters relating to the implementation of the internalisation on an ongoing basis and in accordance with the terms of reference proposed by the Trustee and to be presented to the Internalisation Committee at the Initial Committee Meeting on 25 March 2024.

Additional Considerations: The implementation of Resolution 3 is to be balanced against, amongst other things, the Trustee's fiduciary duties to act in the best interest of Unitholders and Sabana Industrial REIT.

#### Status

- (a) The Internalisation Committee has been established on 21 March 2024.
- (b) Each of the members of the Internalisation Committee has received an NDA and the terms of reference for the Internalisation Committee for their consideration.

- (c) The Trustee will have the Initial Committee Meeting with the Internalisation Committee on 25 March 2024.

**Resolution 4:** That should the Trustee convene an extraordinary general meeting regarding any proposed amendments to the trust deed dated 29 October 2010 constituting Sabana Industrial REIT (as amended, varied, or supplemented from time to time) (the “Trust Deed”), the Trustee be directed to state, with respect to each proposed amendment (and any consequential amendments required) to the Trust Deed (if any): (a) whether each such proposed amendment (and any consequential amendments required) are strictly necessary to effect internalisation; and (b) the Trustee’s opinion, and reasons for such opinion, on whether, each such proposed amendment (and any consequential amendments required) necessary to effect internalisation may adversely affect the interests of the Manager and its sponsor[s], whether directly or indirectly, given that internalisation would affect the fee income of the Manager and its sponsor[s].

**Resolution 5:** That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to consider and confirm whether any proposed amendments to the Trust Deed (if any amendment is required at all) to effect internalisation of the REIT management function, “does not materially prejudice the interests of the Holders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Holders” according to Clause 28.2.1 of the Trust Deed, and if not, to provide the basis and reasons for coming to such conclusion.

**Resolution 6:** That the Trustee be directed to ensure that it and its advisors undertake their best endeavours to (1) implement the internalisation process without any amendments to the Trust Deed; (2) ensure that any proposed amendments to the Trust Deed are absolutely necessary to effect internalisation; (3) seek any necessary waivers from the regulators to implement internalisation; and (4) if any amendments to the Trust Deed referred to in Resolution 5 do not materially prejudice the interests of the Holders and do not operate to release to any material extent the Trustee or the Manager from any responsibility to the Holders, the Trustee be directed to provide such certification referred to in Clause 28.2.1 of the Trust Deed.

#### **Trustee’s Next Steps**

##### Order 32 Application

- (a) Review, modify and update the proposed Trust Deed amendments required for an internalised manager structure as a result of the 8 March 2024 Resolutions and the MAS Responses.
- (b) File the necessary documents under the Order 32 Application which will provide the Court with the updated set of proposed Trust Deed amendments and, amongst others, set out the Trustee’s views on whether (i) each such proposed amendment is strictly necessary to effect the internalisation, and (ii) each such proposed amendment necessary to effect the internalisation may adversely affect the interests of the Unitholders.
- (c) Provide updates to Unitholders in respect of the above when there are material updates.

**Deadline:** By the date to be determined by the Court as part of the Order 32 Application process. The Trustee is making all efforts to expedite the Order 32 Application process.

##### EGM

- (d) Disclose the rationale for the proposed Trust Deed amendments in the circular for the subsequent EGM to be convened by the Trustee for Unitholders to consider and vote on a complete internalisation plan that is capable of implementation when all the material workstreams of the internalisation are ready for Unitholders’ consideration in a holistic manner.

**Status**

- (a) R&T has, on behalf of the Trustee, informed the Court of its intention to seek leave to amend the Order 32 Application to, amongst others, (i) modify and update the proposed amendments to the Trust Deed, and (ii) seek the guidance of the Court on the Voting Issue.

**Resolution 7:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to incorporate the governance rights which enable unitholders to appoint, vote in, remove and re-elect directors in the constitution of the internal manager to be set up and no amendment to the Trust Deed is required.*

**Resolution 8:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to incorporate unitholder's right to approve any change of control in the internal manager in the management agreement with the internal manager and no amendment to the Trust Deed is required.*

**Trustee's Next Steps**

- (a) Modify and update the proposed Trust Deed amendments required for an internalised manager structure to remove the amendments relating to the governance structure of the New Internalised Manager as a result of Resolutions 7 and 8.
- (b) File the necessary documents under the Order 32 Application which will provide the Court with the updated set of proposed Trust Deed amendments.
- (c) Where necessary, seek confirmation from the MAS that the conditions in the MAS' rulings will be met if the governance structure and the governance rights of the New Internalised Manager are documented in the constitution of the New Internalised Manager or a separate management agreement (as the case may be) instead of the Trust Deed.

**Deadline:** By the date to be determined by the Court as part of the Order 32 Application process. The Trustee is making all efforts to expedite the Order 32 Application process.

- (d) Prepare a management agreement (which incorporates the governance structure of the New Internalised Manager) to be presented to the New Internalised Manager for its consideration.

**Additional Considerations:** While the Trustee remains of the view that these governance provisions are necessary to be included as part of the proposed Trust Deed amendments to be binding on and for the benefit of all Unitholders, the Trustee will act on the directions of Unitholders as per Resolutions 7 and 8.

**Status**

- (a) R&T has, on behalf of the Trustee, informed the Court of its intention to seek leave to amend the Order 32 Application to, amongst others, (i) modify and update the proposed amendments to the Trust Deed, and (ii) seek the guidance of the Court on the Voting Issue.

**Resolution 10:** *That if the Trust Deed is proposed to be amended in connection with the internalisation, the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to immediately seek written confirmation, guidance and/or directions from the MAS, the SGX-ST and the High Court of Singapore in the Trustee's ongoing application in HC/OA 19/2024 on (a) whether the Manager and its shareholders and related parties are in a conflict of interest situation where such resolution to amend the Trust Deed, if passed, will impact their fee income from the existing Manager; and (b) whether they ought to be permitted to vote in relation to any such resolution to amend the Trust Deed for the aforesaid or any other reason.*

<b>Trustee's Next Steps</b>
<p>(a) Include the Voting Issue in the necessary documents under the Order 32 Application and write to both the MAS and the SGX-ST on the same.</p> <p><b>Deadline:</b> By the date to be determined by the Court as part of the Order 32 Application process. The Trustee is making all efforts to expedite the Order 32 Application process.</p>
<b>Status</b>
<p>(a) The Trustee has written to both the MAS and the SGX-ST to seek its guidance on the Voting Issue.</p> <p>(b) R&amp;T has, on behalf of the Trustee, informed the Court of its intention to seek leave to amend the Order 32 Application to, amongst others, (i) modify and update the proposed amendments to the Trust Deed, and (ii) seek the guidance of the Court on the Voting Issue.</p>