



2 August 2023

Sabana Real Estate Investment Management Pte. Ltd.
(in its capacity as manager of Sabana Industrial Real Estate Investment Trust (“Sabana REIT”))
(the “Manager”)

151 Lorong Chuan, #02-03
New Tech Park
Singapore 556741

Attention: Mr Donald Han, Chief Executive Officer

Dear Sirs

SUPPLEMENT TO THE STATEMENT DATED 21 JULY 2023 ISSUED BY HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SABANA REIT) IN RELATION TO THE RESOLUTIONS (AS DEFINED BELOW)

1. We refer to:
 - a) the resolutions (the “**Resolutions**”) contained in the requisition notice by Quarz Capital ASIA (Singapore) Pte. Ltd. on 7 June 2023 requesting the Manager to convene an extraordinary general meeting of Sabana REIT; and
 - b) our letters to the Manager dated 14 July 2023 and 21 July 2023 (the “**Letters**”). Terms defined in the Letters shall, unless the context otherwise requires, have the same meaning when used in this letter.
2. Since the issue of the Letters, we note that there has been some commentary in the market regarding the Trustee’s position on the following:
 - a) If Resolution 2 is passed, the timeline on setting up the new internal manager; and
 - b) if Resolution 2 is passed, the timeline for the removal of the Manager.
3. We wish to highlight that the Trustee’s position has not changed and remains as described in the Trustee’s Statement dated 21 July 2023 (the “**Trustee’s Statement**”), a copy of which is attached in the Appendix to this letter. Unitholders should read the Trustee’s Statement in full when referring to any market commentary.
4. In this regard, we set out below extracts of bullet points 5, 8 and 12 from our Trustee’s Statement.

“If Resolution 2 is passed, an internalised management structure that does not currently exist will need to be identified, established and then approved by Unitholders. Unitholders should be aware that a considerable amount of time (it is not currently possible to estimate, however it is expected to be at least 12 months and potentially significantly longer) and cost will be required to internalise the REIT management function.”

During the transition period, the Trustee will look to ensure the ongoing and stable operations of Sabana REIT. The Trustee will expect SREIM to continue to serve as interim manager until a replacement external or internal manager is appointed, including to engage with lenders and regulatory authorities, as required. The Trustee will have to rely on the existing property manager for continuity of the operational and day-to-day aspects of Sabana REIT. If there is



any actual or potential disruption to the management of Sabana REIT, the Trustee will, together with its professional advisers, oversee the management of Sabana REIT in the interests of Unitholders and work with SREIM (if possible) to seek to minimise such disruption risks. In doing so, the Trustee is, and will remain, neutral and independent of any particular group of Unitholders and the lenders of Sabana REIT.

For completeness:

- (i) If Resolution 2 is passed but Resolution 1 is not passed, the same considerations outlined in this statement with regard to the passing of Resolution 2 will apply and the Trustee will expect SREIM to continue to serve as manager of Sabana REIT until an internal manager is appointed to replace SREIM. ...”*

5. 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.

Name: Rahul Desousa
Authorised signatory

APPENDIX

TRUSTEE'S STATEMENT TO UNITHOLDERS OF SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST ("SABANA REIT")

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana REIT) (the "**Trustee**") refers to the Resolutions 1 and 2 (each a "**Resolution**" and together, the "**Resolutions**") in the notice of extraordinary general meeting dated 21 July 2023 issued by Sabana Real Estate Investment Management Pte. Ltd. ("**SREIM**") set out on page D-1 of the Unitholders' Circular dated 21 July 2023.

TRUSTEE'S VIEW

- The purpose of this statement is to:
 - (i) provide unitholders of Sabana REIT ("**Unitholders**") with a summary on how the Trustee currently intends to respond if one or both Resolutions are passed; and
 - (ii) highlight to Unitholders that there are risks and uncertainties associated with the implementation of the Resolution(s), which should be carefully considered before voting.
- It is important to note that the Trustee does not provide any advice or recommendation to Unitholders either in support of, or against, the Resolutions including whether the passing of the Resolution(s) and the implementation of them by the Trustee will lead to a better outcome for Sabana REIT.
- If either or both Resolutions are passed, the Trustee will be directed by Unitholders to remove SREIM as manager and/or set up an internalised management structure, without a replacement manager having been identified or an internalised management structure in place to transition the management of Sabana REIT to. An estimate of time and costs involved in this exercise is not available. All fees, costs and expenses of such exercise will be reimbursed out of the assets of Sabana REIT in accordance with the terms of the trust deed constituting the Sabana REIT ("**Trust Deed**").
- If Resolution 1 is passed and Resolution 2 is not passed, a replacement external manager will need to be appointed. There is no estimate available of the time it would take to identify a replacement external manager and there can be no assurance that such replacement manager will agree to the same fee structure as SREIM.
- If Resolution 2 is passed, an internalised management structure that does not currently exist will need to be identified, established and then approved by Unitholders. Unitholders should be aware that a considerable amount of time (it is not currently possible to estimate, however it is expected to be at least 12 months and potentially significantly longer) and cost will be required to internalise the REIT management function.
- If either or both Resolutions are passed, the Trustee will appoint professional advisers, which may include investment, legal, financial, tax, property and other advisers ("**professional advisers**"), to advise it on the implementation of the Resolution(s) and (if applicable) to provide guidance and support on the ongoing management of Sabana REIT. The fees, costs and expenses of professional advisers will be reimbursed out of the assets of Sabana REIT in accordance with the terms of the Trust Deed.
- In addition, the Trustee currently expects to have to hold two or more further extraordinary general meetings ("**Further EGM(s)**") to seek Unitholders' directions on specific matters to carry out the Resolution(s), potentially including but not limited to:

- (i) If Resolution 2 is passed, to approve the necessary and specific amendments to the Trust Deed by way of extraordinary resolution(s) of the Unitholders.
 - (ii) To obtain further directions from Unitholders on the implementation of the Resolution(s) or ongoing operation of Sabana REIT.
 - (iii) To approve the appointment of a replacement external manager or the internalised management structure, once identified or established (as relevant).
- During the transition period, the Trustee will look to ensure the ongoing and stable operations of Sabana REIT. The Trustee will expect SREIM to continue to serve as interim manager until a replacement external or internal manager is appointed, including to engage with lenders and regulatory authorities, as required. The Trustee will have to rely on the existing property manager for continuity of the operational and day-to-day aspects of Sabana REIT. If there is any actual or potential disruption to the management of Sabana REIT, the Trustee will, together with its professional advisers, oversee the management of Sabana REIT in the interests of Unitholders and work with SREIM (if possible) to seek to minimise such disruption risks. In doing so, the Trustee is, and will remain, neutral and independent of any particular group of Unitholders and the lenders of Sabana REIT.
 - In the event the Resolution(s) are passed and cannot be implemented at all or within a reasonable timeframe (for example, because the resolutions put to Unitholders at the Further EGM(s) do not pass or the necessary regulatory approvals are unable to be obtained) or the operations or management of Sabana REIT are materially disrupted during the transition period (for example, because financing does not remain in place), the Trustee will, together with its professional advisers, assess all options in the best interests of Unitholders, including the options of an orderly winding-up of Sabana REIT and/or applying for court orders to take such actions as required or necessary in relation to Sabana REIT. The fees, costs and expenses of such actions will be reimbursed out of the assets of Sabana REIT in accordance with the terms of the Trust Deed.
 - It is important that Unitholders carefully consider the Resolutions and note that there is uncertainty and risks associated with either or both the Resolutions, including but not limited to the risk of actual or potential disruption to the management or operations of Sabana REIT while the Resolution(s) are being implemented. Further, the timeframe and costs to implement the Resolution(s) are not currently known and the implementation of the Resolution(s) is subject to dependencies beyond the control of the Trustee (for example, the passing of resolutions (including extraordinary resolutions) at Further EGM(s), regulatory approvals, availability of suitable candidates for key roles, financing remaining in place), resulting in a range of potential outcomes, which may include the Resolution(s) not being successfully implemented and/or the winding up of Sabana REIT.
 - The risks outlined in this statement are not exhaustive or comprehensive and the Trustee recommends Unitholders carefully consider, together with their financial, legal or other advisers, all the information that has been publicly disclosed in respect of the Resolutions.
 - For completeness:
 - (i) If Resolution 2 is passed but Resolution 1 is not passed, the same considerations outlined in this statement with regard to the passing of Resolution 2 will apply and the Trustee will expect SREIM to continue to serve as manager of Sabana REIT until an internal manager is appointed to replace SREIM.
 - (ii) If neither Resolution is passed, the Trustee will not proceed to implement the Resolutions and SREIM will remain as the manager of Sabana REIT.

CONCLUSION

The Trustee is, and will remain, neutral and independent of SREIM, any particular group of Unitholders and the lenders of Sabana REIT. If either or both Resolutions are passed, the Trustee will support the Unitholders through this period of transition, while bearing in mind the range of risks referred to above. The Trustee will, in implementing the Resolution(s), in all instances act in the best interests of Unitholders.

Important Information

Unitholders are advised to read this statement carefully. Unitholders should consider carefully the information contained in this statement before voting on the Resolutions. The risks described in this statement are by no means exhaustive or comprehensive, and there may be other risks in addition to those in this statement which are not known to the Trustee, or which may not be material now but may turn out to be material in the future. Additional risks, whether known or unknown, may in the future have an impact on the implementation of the Resolution(s) or the business, financial condition, operations and prospects of Sabana REIT.

The Trustee wishes to emphasise that there is no certainty or assurance as at the date of this statement that any discussion or prospects to implement the Resolution(s) will be successfully concluded or any definitive agreements or arrangements in relation to any matters set out in this statement will materialise or be entered into. The Trustee does not hold a capital markets services licence for real estate investment trust management. In particular, the implementation of Resolution 2 is not within the usual scope of work and expertise of professional trustees in Singapore. Before voting on the Resolutions, Unitholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.