



15 December 2023

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 – 15 DECEMBER 2023

1. We refer to the Trustee's Statement dated 8 August 2023 in relation to the Resolutions (the "**Trustee's Announcement**") and to the Trustee's Statements dated 21 July 2023, 29 August 2023, 4 October 2023, 7 November 2023 and 6 December 2023 (collectively, the "**Trustee's Statements**"), 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 Announcement and 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 Desouza", with a horizontal line extending to the right.

RAHUL DESOUSA
Authorised Signatory

APPENDIX

Trustee's Update to Unitholders of Sabana Industrial REIT

1. As stated in the Trustee's Statements dated 4 October 2023 and 7 November 2023, the Trustee will provide further updates and engage with Unitholders as and when there are material developments.
2. Accordingly, the Trustee provides this update to Unitholders to share further steps that have been taken to implement the Resolutions¹ since the latest Trustee's Statement dated 7 November 2023.

Appointment of Change Management Adviser and Commencement of the HR-related Workstream

3. The Trustee has, in its capacity as trustee of Sabana Industrial REIT, appointed an executive search firm to act as the change management adviser to support and advise on various human relations (HR) matters for the implementation of the Resolutions.
4. The change management adviser has commenced work on the HR-related workstream and is assessing necessary staffing requirements initially for the new internal manager. This includes assisting the Trustee with the direction from Unitholders under the Resolution to consider the retention of the existing staff for continuity of Sabana Industrial REIT's operations, supporting the hiring and appointment of new employees, and recruitment of qualified directors.
5. The appointment of the change management adviser is intended to help ensure that the new internal manager is adequately resourced to support the stable operations of Sabana Industrial REIT. Further updates on the progress and outcome of the change management process will be provided in due course.

Updates on Other Workstreams for the Internalisation

6. The Trustee continues to work with its legal advisers, Rajah & Tann Singapore LLP ("**R&T**"), tax advisers ("**KPMG Services**") and financial advisers ("**FTI**") with material progress made across these workstreams in relation to the implementation of the resolutions. These include:
 - Preparatory work by the Trustee for the incorporation of a corporate entity to serve as the new internal manager of Sabana Industrial REIT being well underway. Further to discussions with its advisers, the Trustee is also preparing for the incorporation of a second corporate entity which may be used for the purposes of running the property management and leasing functions in respect of Sabana Industrial REIT's properties once the Resolutions have been implemented in full.
 - Continuing to work with Rajah & Tann to ensure that the implementation of the Resolutions is compliant with applicable laws and regulations. To this end, the Trustee has in November 2023 submitted an application to the Monetary Authority of Singapore ("**MAS**") seeking exemptions and clarifications in respect of the application of relevant regulatory obligations in the context of an internalised manager structure ("**MAS Letter**"). The Trustee has and will continue to engage with the MAS on the matters set out in the MAS Letter as well as other regulatory matters which have arisen in connection with the implementation of the Resolutions. The Trustee is also seeking the MAS' input and guidance on how best to work through these regulatory issues identified as the Trustee progresses preparation for the implementation of the Resolutions. The Trustee will provide material updates on this matter to all Unitholders as and when appropriate.

¹ By the Resolutions passed on 7 August 2023, the Trustee is directed by Unitholders to: "Effect the internalisation of the REIT management function by incorporating a subsidiary wholly owned by the Trustee and appointing such a subsidiary to act as the (Internal Manager)".

- FTI substantially progressing its analysis of Sabana Industrial REIT including its existing management structure, the current state and cost of operations and responsibilities and has produced an advanced working draft of the requirements for the new manager in an internalised management structure.
 - Obtaining advice from KPMG Services on the implications of the internalisation from a Singapore tax perspective as well as KPMG Services' analysis and assessment of the potential structures for the internalisation (as contemplated by the Trustee with input from its professional advisers). KPMG Services will commence work on a transfer pricing study to determine an arm's length management fee for the internalised REIT manager in accordance with Singapore transfer pricing requirements.
7. The Trustee continues to engage with the Manager on a weekly basis to oversee the ongoing operations of Sabana Industrial REIT.
 8. The Trustee will provide further updates and engage with Unitholders as and when there are material developments. All updates from the Trustee will be in the form of announcements via SGXNet.
 9. 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.