



30 January 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 – 30 JANUARY 2024**

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, 6 December 2023, 15 December 2023, 9 January 2024 and 23 January 2024 (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, the Trustee will provide further updates and engage with Unitholders in respect of material developments.
2. The Trustee notes the requisition notice dated 10 January 2024 (the "**10 January 2024 Requisition Notice**") from several Unitholders (the "**Requisitionists**") to the Manager to convene an extraordinary general meeting and table certain resolutions (the "**Requisitioned Resolutions**") to Unitholders.

#### Updates on Summary of Work Plan and Advancement of Other Workstreams for the Internalisation

3. Further to the Trustee's Statement dated 7 November 2023, please refer to Annex A which sets out an updated summary of the Trustee's Work Plan ("**Work Plan**") based on current progress. The Work Plan may need to be adjusted, supplemented or amended as work on various workstreams and discussions progress. The Trustee will update Unitholders with material updates as and when appropriate.

#### Trustee's Letter to Requisitionists in respect of the Requisition Notice Dated 10 January 2024

4. The Trustee further notes that the Requisitioned Resolutions are substantially similar to the resolutions stated in the earlier requisition notice dated 21 December 2023 (the "**21 December 2023 Requisition Notice**"). In response to the 21 December 2023 Requisition Notice, the Trustee provided its preliminary views in the Trustee's Statement dated 9 January 2024 that it would not be beneficial to the progress of the internalisation for an extraordinary general meeting to be convened or to consider these resolutions at this juncture, having regard to the following:
  - (a) to do so will add additional work over and above the current Work Plan which is likely to cause distraction and may be counter-productive to ongoing efforts to implement the internalisation as expeditiously as possible;
  - (b) some of the resolutions would require further clarification and modifications, and may not be actionable as proposed; and
  - (c) some of the resolutions are the subject matter of the Order 32 Application filed by the Trustee on 9 January 2024. Accordingly, it may not be meaningful for these resolutions to be tabled to Unitholders before the Court provides guidance and clarity on the prayers sought in the Order 32 Application (as set out in paragraph 7 of the Trustee's Statement dated 9 January 2024).
5. Accordingly, in light of the 10 January 2024 Requisition Notice, the Trustee issued a letter to the Requisitionists on 24 January 2024 (the "**Letter to Requisitionists**"):
  - (a) seeking specific clarifications on certain Requisitioned Resolutions to facilitate the Trustee's understanding and assessment of the Requisitioned Resolutions and in order to, amongst others, consider the Trustee's ability to implement the Requisitioned Resolutions should they be tabled and subsequently passed at an extraordinary general meeting to be convened; and
  - (b) explaining in further detail some of the Trustee's concerns in respect of certain Requisitioned Resolutions for the Requisitionists' consideration.
6. The Trustee's concerns and clarifications sought in the Letter to Requisitionists include:
  - (a) some of the Requisitioned Resolutions seek to impose specific directions and timelines on the Trustee's implementation of the internalisation. The Trustee is actively working with its advisers to progress various workstreams for the internalisation, many of which

are nuanced and inter-connected, and at times subject to dependencies and/or with timelines beyond the control of the Trustee. Accordingly, such Requisitioned Resolutions, even if approved by Unitholders, may not be capable of being practically implemented within the constraints of any implementation timeline; and

- (b) further clarity will be required from the Requisitionists on how some of the Requisitioned Resolutions are to be reconciled with directions given to the Trustee under the earlier resolutions passed at the extraordinary general meeting on 7 August 2023 (the "**7 August 2023 EGM**"), which have formed the basis of the significant work which the Trustee has already undertaken in its ongoing internalisation efforts. If the Manager proceeds to convene the requisitioned meeting in the absence of clarity from the Requisitionists, the Trustee may need to consider pausing certain workstreams until such clarity is obtained in the best interests of Unitholders as a whole. This may result in additional delay to the overall implementation timeline.

Further details of the Trustee's concerns and clarifications sought are set out in the Letter to Requisitionists, a copy of which is attached as Annex B.

- 7. Having regard to the issues and points of clarification identified in the Letter to Requisitionists, the Trustee invited the Requisitionists to consider withdrawing these Requisitioned Resolutions and allowing the Trustee and its advisors to concentrate resources on the core internalisation work at this critical juncture instead.

#### Requisitionists' Response to the Letter to Requisitionists Dated 24 January 2024

- 8. The Trustee has on the evening of 29 January 2024 received a response to its Letter to Requisitionists ("**Response Letter**"), a copy of which is attached as Annex C. The Trustee notes the contents of the Response Letter and is seeking legal advice with regard to its contents.
- 9. While the Trustee is seeking legal advice on the Response Letter, in view of the approaching statutory deadline for the convening (or otherwise) of an extraordinary general meeting to table the Requisitioned Resolutions, the Trustee's views on certain key matters referred to in the Response Letter are summarised as follows for the benefit of all Unitholders:
  - (a) The Trustee disagrees with any suggestion of wrongdoing or delay on its part. Since the 7 August 2023 EGM, the Trustee has been focused on executing Unitholders' mandate by working to ensure the implementation is orderly, well-considered and advised, in the best interests of all Unitholders. Whilst the Trustee understands the Requisitionists' focus on progress, the Trustee would like to take this opportunity to reiterate the importance of avoiding a case of "more haste, less speed", which could be detrimental to the interests of Sabana Industrial REIT and its Unitholders, if the internalisation, being an unprecedented and complex process, is effected without proper regard to compliance with applicable regulations, policy and/or the provisions of the Trust Deed.
  - (b) With reference to the various references in the Response Letter to the requisition being part of the internal democratic process of Sabana Industrial REIT:
    - (i) The Trustee would like to clarify that it respects that Unitholders are rightfully entitled to requisition meetings in accordance with the provisions of the Trust Deed.
    - (ii) Rather, the Trustee's concern is that it would not be beneficial to the progress of the internalisation for the Requisitioned Resolutions, as currently worded, to be tabled to Unitholders at this juncture, for the reasons already stated. The Trustee is concerned that more confusion, costs, delay and distraction will arise from the Requisitioned Resolutions than actual clarity and progress.
    - (iii) It is in this spirit that the Trustee had issued the Letter to Requisitionists to facilitate a better understanding and assessment of the Requisitioned Resolutions, and to invite the Requisitionists to reconsider the need to convene

an extraordinary general meeting at this juncture to table the Requisitioned Resolutions in light of the Trustee's concerns and explanations.

(c) Having considered the Requisitionists' responses in the Response Letter, the Trustee remains of its earlier view as set out in paragraph 4 above. Whilst not exhaustive, the Trustee's views on the clarifications and responses provided in the Response Letter include:

(i) in respect of the Requisitioned Resolutions on which the Trustee sought clarifications, it is still not clear to the Trustee how the Requisitionists perceive them to be implemented. For instance:

(1) for Requisitioned Resolution 3, the Trustee notes that in the Response Letter, the Requisitionists have:

(A) on one hand stated that "*Resolutions 1 and 2 passed at the 7 August 2023 EGM do not provide for the Trustee to negotiate for the acquisition of any assets (including employment contracts) from the Manager, as well as the entirety of the Manager*"; but

(B) on the other hand provided that "*Requisitioned Resolution 3 has been tabled for unitholders to vote on the maximum all-in price which Sabana unitholders will pay for the acquisition of the entire manager...*".

It is also unclear how this may be reconciled with Resolution 2(c) of the resolutions passed on the 7 August 2023 EGM which expressly directs the Trustee to consider the retention of Sabana Industrial REIT's existing staff in order to maintain the continuity of Sabana Industrial REIT's operations, especially when such existing staff remain in the employment of the Manager.

If Requisitioned Resolution 3 is tabled to Unitholders in its current form, in light of the foregoing conflicting mandates, the Trustee may need to pause and reassess its existing workstreams to establish a wholly-owned subsidiary to act as the internal manager, with a potential acquisition of existing assets (including employment contracts) of the Manager until such time when clarity is obtained as to whether Requisitioned Resolution 3 is passed;

(2) for Requisitioned Resolution 5, there is still no clarity from the Response Letter on the functions and powers of the "Internalization Committee" in overseeing the internalisation process. In the absence of such clarity, it is unclear how this is to be reconciled with other provisions under general law and the Trust Deed which regulate the Trustee's conduct of the internalisation; and

(3) for Requisitioned Resolutions 9 and 10, there is still no clarity from the Response Letter on how the Requisitionists' proposal to incorporate the relevant provisions into the constitution of the internal manager or any "management agreement" can confer binding legal rights for the benefit of all Unitholders, who will not be parties to such documents; and

(ii) In respect of the Requisitioned Resolutions where the Trustee expressed concerns as to their appropriateness or actionability, the Trustee's concerns still remain. For instance:

(1) for Requisitioned Resolutions 1, 2 and 4, while the Trustee is prepared to and has in fact been providing updates on an approximately monthly basis, additional monthly reporting/updates on any deviations or delays

from the Trustee's Work Plan and/or any other implementation timeline would be highly impracticable and in any event need to be treated in a sensitive manner as they may relate to matters which are subject to dependencies and external stakeholder engagement beyond the Trustee's control; and

- (2) for Requisitioned Resolutions 6, 7 and 8, the Trustee would like to reiterate that they are the subject matter of the Order 32 Application filed by the Trustee on 9 January 2024. The passing of the Requisitioned Resolutions and/or the indication of "*unitholders' wishes on how the internalization should be implemented*" would not assist in resolving the issues, which have arisen in the Trustee's Order 32 Application for the Court's determination. Accordingly, it would not be meaningful for these resolutions to be tabled to Unitholders before the Court provides guidance and clarity on the prayers sought in the Order 32 Application.
10. The Trustee remains committed to continuing its progress on the implementation of the internalisation and will continue to provide further updates and engage with Unitholders in respect of material developments as appropriate.
11. 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).

#### **Important Information**

**Unitholders are advised to read this statement carefully. 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 Requisitioned Resolution(s) or the business, financial condition, operations and prospects of Sabana Industrial REIT. The Trustee does not hold a capital markets services licence for real estate investment trust management. Unitholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

## Annex A

**Reference Key:**

● Completed   
 ● In Progress   
 ● Not Started

Updated Summary of Work Plan		Status:
<b>1. Appointment of Professional Advisers</b>	Identify and appoint financial, legal, tax, and executive search professional advisers.	<span style="color: green;">●</span>
<b>2. Establish entity for internal manager</b>	Assess tax impact of establishing new entity.	<span style="color: green;">●</span>
	Finalise transfer pricing study to determine an arm's length management fee for the new internalised manager for Sabana Industrial REIT (" <b>New Internalised Manager</b> ") in accordance with Singapore transfer pricing requirements.	<span style="color: blue;">●</span>
	Incorporate a corporate entity to serve as the New Internalised Manager.	<span style="color: blue;">●</span>
<b>3. Establish personnel for New Internalised Manager</b>	Conduct search for and finalise qualified directors of the New Internalised Manager.	<span style="color: blue;">●</span>
	Conduct search for, assessment of and finalise management team of the New Internalised Manager.	<span style="color: blue;">●</span>
<b>4. Establish functionality for New Internalised Manager</b>	Conduct due diligence of Sabana Industrial REIT including its existing management structure, the current state and cost of operations and responsibilities. Identify the requirements for the new manager in an internalised management structure.	<span style="color: green;">●</span>
	Identify the assets required by the New Internalised Manager to fulfill its function.	<span style="color: blue;">●</span>
	Assess commercial options to resource and build out a functioning New Internalised Manager.	<span style="color: blue;">●</span>
<b>5. Establish budget and operating plan</b>	Develop financial analysis, operating protocols, etc. to enable the New Internalised Manager to operate as a licensed entity.	<span style="color: blue;">●</span>
	Establish the cost of setup.	<span style="color: blue;">●</span>
	Assessment of options for and funding of the setup of the New Internalised Manager.*	<span style="color: blue;">●</span>
<b>6. Review applicable regulations</b>	Review and identify applicable and affected regulations in respect of the New Internalised Manager.	<span style="color: green;">●</span>
	Consider the application of the Code on Collective Investment Schemes of Singapore and the applicable provisions of the Listing Manual of the SGX-ST to the current circumstances and identify waivers/amendments required (if applicable) and engaging with regulators as appropriate.	<span style="color: blue;">●</span>
<b>7. Establish Trust Deed amendments</b>	Identify amendments to the Trust Deed required to implement the internalisation.**	<span style="color: blue;">●</span>
<b>8. Order 32 application</b>	File Order 32 application.	<span style="color: green;">●</span>
	Court hearing and receiving judgement.***	<span style="color: blue;">●</span>
<b>9. Unitholder communications</b>	Continue to provide periodic updates to unitholders on material developments.	<span style="color: blue;">●</span>
<b>10. Licensing and applications</b>	Prepare and submit the required applications for relevant licenses and authorisations.	<span style="color: blue;">●</span>
<b>11. Extraordinary general meeting(s)</b>	Prepare for extraordinary general meeting(s) to be convened by the Trustee in relation to the Trust Deed amendments and other internalisation related matters as set out in this workplan.	<span style="color: blue;">●</span>
<b>12. Transition and operationalisation</b>	Commence handover and transition to New Internalised Manager.	<span style="color: grey;">●</span>

\* Disbursement of funds to New Internalised Manager may be subject to unitholder approval.

\*\* The Trustee has, with the help of its advisers, substantially identified the amendments to the Trust Deed required to provide for an internalised management structure and to implement the Resolutions. A summary of the Proposed Trust Deed Amendments and the brief rationale for such amendments is set out in the Annex to the Trustee statement dated 9 January 2024. However, the summary does not purport to contain a final or exhaustive list of all Proposed Trust Deed Amendments required for the purposes of the internalisation, and the amendments remain subject to ongoing review of the Trustee with its advisers, as well as related workstreams including ongoing regulatory consult, as the internalisation process progresses.

\*\*\* Timing of this workstream is at the discretion of The High Court of Singapore.

## **Annex B**

### Letter to Requisitionists





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

BY EMAIL ONLY

(collectively, the "Requisitionists")

24 January 2024

Dear Sirs,

**Trustee's Requests for Clarifications on, and Responses to, the Requisitioned Resolutions in the Requisition Notice Dated 10 January 2024**

**A. Introduction**

1. We refer to the requisition notice ("**Requisition Notice**") dated 10 January 2024 to Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as manager of Sabana Industrial Real Estate Investment Trust ("**Sabana Industrial REIT**")) (the "**REIT Manager**") to convene an extraordinary general meeting and table certain resolutions (the "**Requisitioned Resolutions**") to the unitholders ("**Unitholders**") of Sabana Industrial REIT.
2. HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the "**Trustee**") notes that the Requisitioned Resolutions pertain to the Trustee's ongoing implementation of the internalisation of Sabana Industrial REIT's management function (the "**Internalisation**") pursuant to Unitholders' resolutions passed at the extraordinary general meeting on 7 August 2023 (the "**7 August 2023 EGM**").
3. Having reviewed and considered the Requisitioned Resolutions, the Trustee would like to seek clarifications on certain Requisitioned Resolutions to facilitate the Trustee's understanding and assessment of the Requisitioned Resolutions in order to, *inter alia*, consider the Trustee's ability to implement the Requisitioned Resolutions should they be tabled and subsequently passed at an extraordinary general meeting to be convened pursuant to the Requisition Notice. Where appropriate, the Trustee also takes this opportunity to raise some of its concerns in respect of certain Requisitioned Resolutions for the Requisitionists' consideration.

**B. Clarifications in respect of Requisitioned Resolutions**

1. Clarifications in respect of Requisitioned Resolution 3

- (a) Requisitioned Resolution 3 is reproduced below:

**"RESOLUTION 3:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be put on notice that unitholders reject any proposal to acquire the existing REIT Manager directly or indirectly for a maximum all-in offer price exceeding 10 million Singapore dollars (\$10,000,000) and any such transaction post 1 month of this resolution.*"

- (b) The Trustee would like to seek the following clarifications on how Requisitioned Resolution 3 interacts with existing resolutions passed at the 7 August 2023 EGM and how it is intended to operate if adopted:
- (i) First, with reference to the phrase "*any proposal to acquire the existing REIT Manager directly or indirectly*", the Trustee would like to clarify whether Requisitioned Resolution 3 would allow the Trustee to contemplate an acquisition of either of the shares or assets of the REIT Manager. If the

intention is for Requisitioned Resolution 3 to permit the acquisition of the shares of the REIT Manager, the Trustee would like to further clarify whether and how this may be reconciled with the following resolutions passed at the 7 August 2023 EGM:

- (1) Resolution 1, which approved the removal of the REIT Manager as manager of Sabana Industrial REIT. In particular, assuming that the shares of the REIT Manager are acquired, how do the Requisitionists envisage the REIT Manager continuing to manage Sabana Industrial REIT given that this resolution has called for its removal; and
- (2) Resolution 2(a), which directed the Trustee to incorporate a wholly-owned subsidiary to act as the internal manager.

It should be noted that, pursuant to the resolutions passed at the 7 August 2023 EGM, the Trustee has already undertaken significant work on the basis of a new entity to be established by Sabana Industrial REIT to act as the internal manager.

- (ii) Second, with reference to the phrase "post 1 month of this resolution", the Trustee would like to clarify:
  - (1) whether the intention is that the Trustee would not be allowed to enter into any transaction to acquire the REIT Manager and/or the assets of the REIT Manager after the expiry of the 1-month period from the date Requisitioned Resolution 3 is passed (regardless of the proposed price for such acquisition);
  - (2) how the 1-month period was determined; and
  - (3) how the 1-month period is to operate practically, having regard that any acquisition of the shares of the REIT Manager will require the prior approval of the Monetary Authority of Singapore pursuant to applicable statutory requirements.
- (iii) Third, the Trustee notes the reference to a maximum all-in offer price of S\$10,000,000. In this regard, the Trustee would appreciate if the Requisitionists could provide further clarity on the following:
  - (1) the basis of the S\$10,000,000 figure, including the details of any valuation analysis conducted by the Requisitionists in proposing this figure; and
  - (2) the parameters of an "all-in offer price" and whether this "all-in offer price" should take into consideration the cost incurred in respect of the Internalisation (i.e. other than the offer price proposed to acquire the existing REIT Manager).

## 2. Clarifications in respect of Requisitioned Resolution 5

- (a) Requisitioned Resolution 5 is reproduced below:

***"RESOLUTION 5: That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed, within 2 weeks of this resolution, to form a committee ("**Internalization Committee**") comprising of at least 5 individuals to oversee the internalization process according to the Implementation Timeline, of which at least 2 individuals shall be proposed by the Sabana Growth Internalization Committee (SGIC) and the remaining 3 individuals shall be proposed, appointed and/or removed by majority vote of the unitholders."***

- (b) The Trustee would like to seek the following clarifications on how Requisitioned Resolution 5 is intended to operate if adopted:
- (i) First, the Trustee notes that the Internalization Committee will "oversee the internalisation process according to the Implementation Timeline". The Trustee would like to clarify the scope of the proposed powers of the Internalization Committee in exercising its oversight and how such powers can be reconciled with the following principles:
- (1) from an information disclosure perspective, the Trustee is generally not allowed to disclose material information to select groups of Unitholders to the exclusion of others, pursuant to, amongst others, paragraph 23 of Appendix 7.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Accordingly, the Trustee will not practically be able to provide any material information to the Internalization Committee beyond what has already been disclosed in the public domain at that point in time;
  - (2) from an oversight perspective, if it is contemplated that the Internalization Committee will be given substantive decision-making powers in respect of the Trustee's implementation of the Internalisation, such powers would potentially conflict with the general principle under the trust deed ("**Trust Deed**") constituting Sabana Industrial REIT (e.g. Clause 2.9.2) and general law that Unitholders cannot seek to control the exercise of the Trustee's discretion; and
  - (3) on a general level, and as mentioned in various public update statements, the Trustee is committed to implementing the Internalisation in the best interests of all Unitholders. In doing so, the Trustee remains open to listening to feedback from all Unitholders and endeavours to treat all Unitholders equally. The Trustee is not able to assess the capabilities and suitability of the individuals ultimately appointed to the Internalization Committee, who will not be under any legal or fiduciary obligation to act for the benefit of all Unitholders. Accordingly, the formation of an Internalization Committee with special oversight and information rights over the Internalisation potentially undermines the Trustee's commitment to serve the interests of all Unitholders and as a result may compromise the Trustee's impartiality.
- (ii) Second, the Trustee would appreciate if the Requisitionists could provide further clarity on the precise mechanisms for the appointment of Internalization Committee members, including the following:
- (1) in respect of the two individuals to be appointed by the Sabana Growth Internalization Committee ("**SGIC**"):
    - (A) whether the two individuals would be automatically appointed upon nomination by the SGIC or would still be subject to Unitholder approval by way of vote; and
    - (B) how the Trustee would be able to verify nominations, given that the Trustee has no visibility on how the SGIC is constituted;
  - (2) in respect of the remaining three individuals, how they are envisaged to be proposed, appointed and/or removed by the Unitholders; and

- (3) in the event that fewer than five individuals are proposed and/or appointed to the Internalization Committee or there are vacancies after its formation, how the Internalization Committee is intended to function.

3. Clarifications in respect of Requisitioned Resolutions 9 and 10

- (a) Requisitioned Resolutions 9 and 10 are reproduced below:

**"RESOLUTION 9:** *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.*

**RESOLUTION 10:** *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."*

- (b) The Trustee would like to clarify:

- (i) whether Requisitioned Resolutions 9 and 10 are intended to direct the Trustee to incorporate the relevant provisions into the constitution of the internal manager or the "management agreement", and accordingly exclude them from the proposed amendments to the Trust Deed ("**Proposed Trust Deed Amendments**") to effect the Internalisation as further described in the Trustee's public statement dated 9 January 2024 (the "**9 January 2024 Statement**"), and if so:

- (1) how Requisitioned Resolutions 9 and 10 can be reconciled with resolutions 2(d) to 2(f) passed at the 7 August 2023 EGM, which specifically directed the Trustee to amend the provisions of the Trust Deed to provide for these matters; and

- (2) how the provisions to be incorporated into the constitution of the internal manager or any "management agreement" can be binding on or enforceable by Unitholders, given that Unitholders will not be party to such constitution or "management agreement"; and

- (ii) alternatively, whether the Requisitionists would be prepared to consider withdrawing Requisitioned Resolutions 9 and 10, if the relevant provisions are to be incorporated in the Proposed Trust Deed Amendments (whether subject to unitholder approval or otherwise, and depending on the outcome of the Trustee's application to the High Court of Singapore under Order 32 of the Rules of Court 2021 (the "**Order 32 Application**")), as disclosed in the 9 January 2024 Statement.

4. Clarifications in respect of Requisitioned Resolution 11

- (a) Requisitioned Resolution 11 is reproduced below:

**"RESOLUTION 11:** *That in view that the Trustee has indicated in its statement of 7 November 2023 that "it is and will remain, neutral and independent of the Manager", the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to disclose a list of all correspondence, emails, letters, meetings, calls, timing and dates with each owner or beneficiary (and/or their related parties) of the Sabana REIT Manager (if any) since 7th August 2023, together with a summary of the matters discussed."*

- (b) The Trustee would like to seek clarification from the Requisitionists as to whether they are prepared to withdraw Requisition Resolution 11 if, subject to existing confidentiality obligations in respect of the matters sought to be disclosed under Requisitioned Resolution 11 and the Trustee obtaining consent to such disclosure from the relevant counterparties, a summary of the Trustee's engagement with the owners of the REIT Manager in respect of the Internalisation from 7 August 2023 to date is provided in an upcoming Trustee statement.

5. Clarifications in respect of Requisitioned Resolution 12

- (a) Requisitioned Resolution 12 is reproduced below:

**"RESOLUTION 12:** *That if the Trust Deed is proposed to be amended in connection with the internalization, the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to immediately seek written confirmation and guidance from the Monetary Authority of Singapore (MAS) and the Singapore Exchange Securities Trading Limited ("SGX RegCo") 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) consequently, whether they are permitted to vote in relation to such resolution to amend the Trust Deed, and if so, that the fundamental pillar of investor protection, which is to remove the manager and internalize the management function, does not exist."*

- (b) The Trustee would like to seek clarification from the Requisitionists as to whether they are prepared to withdraw Requisition Resolution 12, where the Trustee writes to the relevant regulatory authority(ies) to seek guidance as to whether any Unitholder is required to abstain from the voting on any resolution to approve the Proposed Trust Deed Amendments.

6. As stated above, these requests for clarifications are intended to assist the Trustee in better understanding the Requisitionists' requests and for the Trustee's overall assessment of the appropriate steps for the Trustee to take in implementing the Internalisation having regard to the best interests of the Unitholders as a whole. These requests for clarification should not be taken as indications that the Trustee agrees with or considers that these Requisitioned Resolutions are necessary, advisable, appropriate, actionable and/or in the best interests of the Unitholders as a whole at this juncture.

7. To the extent that the Requisitionists nonetheless are of the view that the abovementioned Requisitioned Resolutions are still necessary, the Trustee would appreciate if the Requisitionists could propose appropriate modifications to the abovementioned Requisitioned Resolutions to reflect the clarifications to be provided.

**C. Trustee's Responses to Requisitioned Resolutions for Requisitionists' Consideration**

8. Responses to Requisitioned Resolutions 1 and 2

- (a) Requisitioned Resolutions 1 and 2 are reproduced below:

**"RESOLUTION 1:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to consider, and if thought fit, to adopt the proposed implementation timeline for the setting up of a new internal manager and the internalization process as set out in the Annex (the "**Implementation Timeline**") with or without modifications, and to provide the reasons and basis for any modifications of the proposed Implementation Timeline.*

**RESOLUTION 2:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to ensure that the Implementation Timeline*

*shall concurrently be carried out without delay, notwithstanding any consideration of, or ongoing negotiation for, any potential acquisition of the existing REIT Manager."*

- (b) In the Trustee's view, the imposition of the Implementation Timeline (with or without modifications) on the Trustee's implementation of the Internalisation will not be practicable for the following reasons:
  - (i) First, the Implementation Timeline was provided by the Requisitionists without full visibility of the Trustee's work plan. While some of the activities involved have been captured in the Implementation Timeline, there are others (included in the Trustee's work plan) which have not been reflected in the Implementation Timeline provided by the Requisitionists. These include, for instance, regulatory consultations on the compliance requirements of the internal manager, consideration of the financial modeling, budget and operating plan of the internal manager and tax analysis. The Trustee will provide separately for all Unitholders' reference, by way of an SGXNET announcement, an update on the Trustee's Internalisation work plan based on information known to date and the current status of each workstream.
  - (ii) Further, as previously mentioned in various public update statements from the Trustee to Unitholders, the process of Internalisation is expected to take at least 12 months and potentially significantly longer. The Trustee believes that the current progress is in line with the Trustee's earlier indicative timeline.
- (c) The Trustee notes that Requisitioned Resolution 1 allows the Trustee to propose modifications to the Implementation Timeline with reasons. However, as was disclosed previously, the Trustee's work plan is necessarily indicative and subject to ongoing review and change, as many of the Internalisation workstreams are nuanced, interconnected and at times subject to dependencies beyond the control of the Trustee (for instance, ongoing regulatory consultations, availability of suitable candidates for key management and board roles, financing arrangements and potential actions by interested stakeholders etc.). In light of the fluidity and interdependency of the workstreams (and more generally the complexity and unprecedented nature of the Internalisation process), the Trustee will not be in a position to ensure that any Implementation Timeline (with or without modifications) adopted in connection with Requisitioned Resolutions 1 and 2 will be achievable.
- (d) In view of the above, the Trustee believes that Requisitioned Resolutions 1 and 2 may not be actionable even if adopted by Unitholders. The Trustee cannot commit to and accordingly should not be directed to adopt a timeline for matters which are not within its control and/or are subject to many inter-dependencies. In any event, the Trustee has already been making meaningful progress on the Trustee's work plan as disclosed in the Trustee's ongoing public updates.
- (e) Accordingly, the Trustee would like to invite the Requisitionists to consider withdrawing Requisitioned Resolutions 1 and 2.

9. Responses to Requisitioned Resolution 4

- (a) Requisitioned Resolution 4 is reproduced below:

**"RESOLUTION 4:** *That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to provide all Sabana unitholders with a written update on the internalization process every 2 weeks, including without limitation, the costs incurred for advisors, consultants and any deviations or delays from the proposed Implementation Timeline for internalization, etc."*
- (b) The Trustee currently provides updates as and when there are material developments in the implementation of the Internalisation. As at the date of this letter, after the 7

August 2023 EGM, the Trustee has provided updates on 29 August 2023, 4 October 2023, 7 November 2023, 15 December 2023, 9 January 2024 and 23 January 2024 (approximately once a month since 4 October 2023 with two updates in January 2024). The Trustee is of the view that the current frequency and content of updates are designed to support the execution of the Internalisation while balancing the interest of Unitholders to receive material updates in a timely manner.

- (c) There is limited value in providing updates every 2 weeks due to the nature of the Internalisation, where material developments with respect to the various activities and workstreams may take longer than 2 weeks to materialise and in certain cases, must be treated in a sensitive way.
- (d) Furthermore, additional reporting/updates every 2 weeks may result in increased costs to Sabana Industrial REIT and all Unitholders as resources will have to be diverted away from core Internalisation tasks to reporting activities. This may be counter-productive to the ongoing efforts to implement the Internalisation as efficiently and expeditiously as possible.
- (e) Accordingly, the Trustee would like to invite Requisitionists to consider withdrawing Requisitioned Resolution 4, particularly as the Trustee has a demonstrated track record of providing (and intends to continue to provide) updates to Unitholders as and when there are material developments in the implementation of the Internalisation.

10. Responses to Requisitioned Resolutions 6, 7 and 8

- (a) Requisitioned Resolutions 6, 7 and 8 are reproduced below:

***RESOLUTION 6:*** *That should the Trustee convene an extraordinary general meeting regarding any proposed amendments to 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 internalization; 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 internalization may adversely affect the interests of the Manager and its sponsors, whether directly or indirectly, given that internalization would affect the fee income of the Manager and its sponsors.*

***RESOLUTION 7:*** *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 internalization 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 8:*** *That if any amendments to the Trust Deed referred to in Resolution 7 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."*

- (b) In respect of Requisitioned Resolutions 6, 7 and 8, the Trustee has already provided its views on these issues in the 9 January 2024 Statement, subject to the outcome of the Trustee's Order 32 Application.
- (c) As the prayers being sought in the Order 32 Application seek guidance on the issues highlighted by Requisitioned Resolutions 6, 7 and 8, the Trustee believes that it will not

be meaningful for these Requisitioned Resolutions to be tabled to Unitholders at this juncture before the High Court provides guidance and clarity on the prayers sought. Even if these resolutions are tabled and adopted by Unitholders, they may not be actionable if the High Court subsequently provides guidance to the contrary pursuant to the Order 32 Application. Accordingly, the Trustee would like to invite the Requisitionists to consider withdrawing Requisitioned Resolutions 6, 7 and 8 and reassess when there is clarity on the outcome of the Order 32 Application.

- (d) Notwithstanding the foregoing, the Trustee notes the view expressed by Providence Law Asia, legal counsel acting for Quarz, at the case conference for the Order 32 Application held on 23 January 2024, that the Trustee's power under Clause 28.2.1 of the Trust Deed is in the nature of a discretion and not an obligation. The Trustee would like to understand how this position can be reconciled with Resolution 8, which seeks to direct the Trustee to provide a certification in respect of the Proposed Trust Deed Amendments pursuant to Clause 28.2.1 of the Trust Deed, having regard to the general principle under the Trust Deed (e.g. Clause 2.9.2) and general law that Unitholders cannot seek to control the exercise of the Trustee's discretion.

#### **D. Conclusion**

11. The Trustee appreciates the Requisitionists' views, as expressed through the Requisition Notice and the Requisitioned Resolutions, on the uncertainties of the Internalisation. Such uncertainties are only natural in a complex and unprecedented process like the present.
12. The Trustee would like to re-assure all Unitholders that the Trustee has been and will continue to be focused on implementing the Internalisation in the interests of all Unitholders and in an expeditious manner.
13. As a professional, licensed, reputable and responsible trustee, the Trustee takes its duties to safeguard the rights and interests of Unitholders seriously. The Trustee is well-cognisant of the need to exercise all due diligence and vigilance in implementing the Internalisation and has been diligently progressing all workstreams with a view to achieving Internalisation in an orderly, prudent, compliant and expeditious manner. Whilst the Trustee understands the Requisitionists' focus on progress, the Trustee would respectfully like to raise for your kind consideration that allowing the Trustee and the advisors to concentrate resources on the Internalisation work at this critical juncture would be in the Unitholders' greater interests (and also align with the Requisitionists' focus on progress).
14. The Trustee accordingly remains of the view that, having regard to the issues and points of clarification highlighted in this letter, it would not be beneficial to the progress of the Internalisation for an extraordinary general meeting to be convened or to consider the Requisitioned Resolutions (as currently proposed) at this juncture. Rather, existing trust resources are best used towards progressing the core Internalisation workstreams.
15. In view of the time sensitivities of this matter, the Trustee looks forward to the Requisitionists' responses to the issues and points of clarification raised in this letter at your earliest convenience (with the REIT Manager, the Singapore Exchange Regulation and the Monetary Authority of Singapore in copy), and in any event no later than **12 noon on 29 January 2024**.
16. Thank you.



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)**

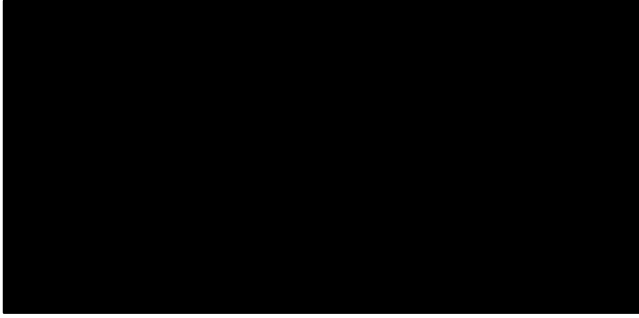


\_\_\_\_\_  
RAHUL DESOUSA  
Authorised Signatory

Cc: The REIT Manager  
Singapore Exchange Regulation  
Monetary Authority of Singapore

## Appendix A

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.



## **Annex C**

### **Response Letter**

*The Trustee assumes no responsibility for any of the contents of the Response Letter, including the accuracy, completeness or correctness of any of the information statements or opinions made or reports contained in the Response Letter. The views expressed in the Response Letter should not be construed in any way as representing the views of the Trustee.*



29 January 2024

Dear Sirs,

**RESPONSE TO TRUSTEE'S REQUESTS FOR CLARIFICATIONS ON THE REQUISITION  
NOTICE DATED 10 JANUARY 2024**

1. We refer to the Trustee's letter dated 24 January 2024 and set out our responses herein.

Clarifications in respect of Requisitioned Resolution 3 (Section B, paragraph 1)

2. First, in respect of Section B, paragraph 1(b)(i) of your letter, as we have repeatedly reiterated, Resolutions 1 and 2 passed at the 7 August 2023 EGM do not provide for the Trustee to negotiate for the acquisition of any assets (including employment contracts) from the Manager, as well as the entirety of the Manager.
3. However, the Trustee in the Trustee's Letter dated 7 November 2023 stated that *"This also requires the Trustee to engage with a wide range of stakeholders to assess various commercial options to adequately resource and build out a functioning internal management entity. This includes but is not limited to considering the feasibility of the potential acquisition of existing assets and the potential retention of existing staff of the Manager in order to maintain the continuity of Sabana Industrial REIT's operations to implement the Resolutions."*
4. We are concerned that this statement suggests the Trustee is assessing the potential acquisition of the Manager and/or its assets, despite the fact that neither option has been sanctioned by unitholders and/or the resolutions on 7 August 2023. The Trustee has not provided any clarity on which party conferred the Trustee with the direction and discretion to negotiate and consider the feasibility of the potential acquisition of existing assets of and/or the Manager on behalf of unitholders. This discretion is not provided for in the Trust Deed.
5. Accordingly, Requisitioned Resolution 3 has been tabled for unitholders to vote on the maximum all-in price which Sabana unitholders will pay for the acquisition of the entire manager in the event that the Trustee proceeds nevertheless to *"contemplate an*



*acquisition of either of the shares or assets of the REIT Manager”, as you put it, without any explicit sanction by unitholders.*

6. Second, with reference to Section B, paragraph 1(b)(ii) of your letter, a 1-month period has been determined to minimize any delay in Internalization. Post the expiry of the 1-month period, the intention is that the Trustee shall not be allowed to enter into any transaction to acquire the REIT Manager and/or the assets of the REIT Manager if Resolution 3 is passed by unitholders regardless of the proposed price for such acquisition.
7. For completeness, the 1-month period does not include the approval by Monetary Authority of Singapore (“MAS”) pursuant to applicable statutory requirement. The 1-month period is for concluding any discussions to purchase the REIT Manager, any transaction to be executed is subject to MAS approval thereafter.
8. Third, the S\$10,000,000 figure takes into account various qualitative and quantitative parameters including financial metrics and considerations such as, the fact that 100% of the REIT Manager’s revenue and profit comes from Sabana REIT; the high attrition rate of the Manager (as stated in a 23<sup>rd</sup> January 2024 Business Times article where unitholders are highly concerned whether the Trustee is fulfilling its responsibility in ensuring that the current Manager meets MAS’s obligation to be a REIT Manager and the service standards required by unitholders); and, the net asset value, earnings visibility and balance sheet.
9. The S\$10,000,000 does not take into account the costs incurred in respect of the internalization.
10. If a transaction to purchase the existing Manager for not more than S\$10,000,000 can be completed, the existing Manager will become the new Internal Manager. The transaction should include definitive terms that ensures that the seller is supportive of Internalization.
11. Ultimately, Requisitioned Resolution 3 has been tabled for Sabana unitholders to vote on whether they agree that S\$10,000,000 should be the maximum all-in offer price to directly or indirectly acquire the existing Manager. This is part of the internal democratic process of a company and by extension of a REIT where the case law is clear that the courts should be very slow to interfere.
12. If further clarifications are needed, we welcome an open dialogue with the Trustee to address any further concerns.

Clarifications in respect of Requisitioned Resolution 5 (Section B, paragraph 2)

13. First, in respect of paragraph 2(b)(i) of your letter, we note that paragraph 24 of Appendix 7.1 of the SGX-ST Listing Manual clearly states that the Exchange recognizes that there may be limited instances where selective disclosure is necessary, and in such cases, disclosure may be made on a need to know basis and subject to appropriate confidentiality restraints. If unitholders pass Requisitioned Resolution 5, this would signify that unitholders permit the selective disclosure of information to the Internalization Committee to facilitate the internalization exercise.
14. In respect of paragraph 2(b)(ii) of your letter, we disagree that there is any conflict with the general principle under the Trust Deed. In the first place, you have not identified what *“discretion expressly conferred on the Trustee”* it is that you wish to exercise under Clause 2.9.2 of the Trust Deed. We reiterate that the direction to the Trustee to effect Internalization is provided for by unitholders in the 7 August 2023 EGM. Correspondingly, it makes sense that unitholders participate in the process and share the responsibility with the Trustee in the implementation of Resolution 2. There is no conflict with the general principle under the Trust Deed.
15. Further, the Trustee has often claimed on numerous occasions that 1) it anticipates additional cost, time and resource may be needed (on 23 Jan 2024); 2) Internalization is ‘complex and unprecedented’ (even though more than 40 REIT Managers have already been set up in Singapore in a timely and cost effective manner); and 3) the division of roles and responsibilities between the Manager and Trustee have been disrupted which leaves the Trustee as the ‘main driver’.
16. Due to these challenges as claimed repeatedly by the Trustee, we strongly believe that the Internalization Committee will be able to help support and share the responsibility of Internalization with the Trustee, as well as provide the necessary oversight in the implementation of Internalization.
17. Second, the appointments from SGIC as well as all appointments/removal are subject to unitholders’ approval. The Committee can work with fewer than five individuals.
18. Ultimately, Requisitioned Resolution 5 has been tabled for Sabana unitholders to vote on whether they want to direct the Trustee to form a committee to oversee Internalization.



This is part of the internal democratic process of a company and by extension of a REIT, where the case law is clear that the courts should be very slow to interfere.

19. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.

#### Clarifications in respect of Requisitioned Resolutions 9 and 10 (Section B, paragraph 3)

20. In respect of Section B, paragraph 3(b)(i)(1) of your letter, Resolutions 9 and 10, if passed by unitholders, shall supersede resolutions 2(d) to 2(f) passed at the 7 August 2023 EGM.
21. Croesus Retail Trust, in its internalization process, also incorporated these governance rights in a similar manner.
22. Ultimately, Resolutions 9 and 10 are tabled for Sabana unitholders to vote on whether they would like to have their governance and unitholders' rights implemented in a certain manner. This is part of the internal democratic process of a company and by extension of a REIT, where the case law is clear that the courts should be very slow to interfere.
23. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.

#### Clarifications in respect of Requisitioned Resolution 11 (Section B, paragraph 4)

24. Ultimately, Resolution 11 is tabled for Sabana unitholders to vote on whether they would like to direct the Trustee to disclose a list of all correspondence, emails, letters meetings, calls, timings, and dates with each owner or beneficiary (and/or their related parties) of the Sabana REIT Manager since 7<sup>th</sup> August 2023, together with a summary of the matters discussed. This is part of the internal democratic process of a company and by extension of a REIT, where the case law is clear that the courts should be very slow to interfere.
25. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.



Clarifications in respect of Requisitioned Resolution 12 (Section B, paragraph 5)

26. Unitholders have requested the Trustee on multiple occasions to provide its position on whether the current Manager, its shareholders and concert/related parties would be permitted to vote on any resolutions concerning the Trust Deed amendments to effect Internalization, given their clear position of conflict. This is as the proposed Trust Deed amendments to effect the internalization will directly impact the fees of the current Manager, its shareholder and concert/related parties.
27. To-date, it is puzzling that the Trustee has not responded to unitholders' repeated requests for its position given that this issue is fundamentally critical to the success or failure of Internalization. It is no secret that the Manager, its shareholders and concert/related parties are against Internalization and will, if permitted to vote at an EGM, seek to block any Trust Deed amendments. Yet we do not know if the Trustee has even bothered to seek guidance from the regulators on this critical question.
28. Unitholders are prepared to withdraw this resolution if there is clarity and certainty that the parties with vested interests, namely the Manager, its shareholders and concert/related parties will abstain from any vote with regards to any Trust Deed Amendments to effect internalization.

Responses to Section C, paragraph 8

29. First, the unitholders strongly disagree that the Trustee "*has already been making meaningful progress on the Trustee's work plan as disclosed in the Trustee's ongoing public updates*". In fact, we are highly dissatisfied and concerned about the Trustee's lack of progress on the internalization, which was voted in close to 7 months ago. Instead of actively engaging with unitholders on the matters of internalization, the Trustee has gone ahead on its own interpretation of how the internalization should be implemented, despite unitholders' disagreement with their position.
30. With regards to the timeliness of execution, unitholders are also highly concerned that by 6 November 2023 (three months after the EGM), the Trustee had only announced the appointment of a professional advisor and a legal advisor.
31. In fact, it is even more troubling that nearly 7 months post the internalization vote, the Trustee has not provided clarity on the key question which would determine whether Internalization would succeed or fail, i.e., whether the Manager, its shareholders and





concert/related parties should abstain from voting in any resolution to amend the Trust Deed to effect Internalization.

32. As pointed out by the Trustee, unitholders have not been provided with the full visibility of the Trustee's work plan. We welcome the Trustee to provide its full work plan to the unitholders. As Resolution 1 allows the Trustee to propose modifications to the Implementation Timeline with reasons, the Trustee can and should incorporate its full work plan into the Implementation Timeline.
33. Many REIT Managers have already been set up in Singapore in a timely and cost-effective manner of less than 12 months, with some even taking lesser time. This is also the reason why unitholders have tabled Resolution 5 to support the Trustee in its efforts.
34. We are of the view that unitholders are entitled to a more exact indication of how much time the internalization will take (in the opinion of the Trustee) and that the Trustee should be able to commit to such a timeline.
35. It is due to the above that unitholders have tabled Resolutions 1 and 2 to direct the Trustee to implement the execution timeline. This is part of the internal democratic process of a company and by an extension, of a REIT which the case law is clear that the courts should be very slow to interfere.
36. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.

#### Responses to Section C, paragraph 9

37. We note that the Trustee has been providing almost monthly updates to the unitholders. We are agreeable to withdraw Resolution 4 **if** the Trustee commits to providing a monthly update on Internalization, including without limitation, the cost incurred for each advisor, consultant and any deviations or delays from the Implementation Timeline for internalization.
38. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.



Responses to Section C, paragraph 10

39. First, we disagree that *“it will not be meaningful for these Requisitioned Resolutions to be tabled to Unitholders at this juncture before the High Court provides guidance and clarity on the prayers sought.”* On the contrary, these resolutions will provide further clarity to the High Court as regards the unitholders’ wishes on how the internalization should be implemented.
40. In respect of the Trustee’s Order 32 Application in OA 19, we have always acknowledged that the Trustee has a discretion under Clause 28.2 of the Trust Deed. Any discretion by the Trustee, however, has to be exercised properly, bearing in mind the beneficiaries’ intentions and the parameters set out under Clause 28.2.
41. We believe that the outcome of the EGM, based on the democratic rights of unitholders to exercise their rights to vote, may provide clarification to the High Court on unitholders’ wishes.
42. Ultimately, Resolutions 6, 7 and 8 are tabled for Sabana unitholders to vote on and express their views. This is part of the internal democratic process of a company in which the Court should be very slow to interfere.
43. If further clarifications are needed, unitholders welcome an open dialogue with the Trustee.

**Conclusion**

44. We appreciate the Trustee’s expressed view that its trust resources are best used towards progressing Internalization. However, we remain concerned that there are still questions as to how Internalization will be implemented. Accordingly, while we are appreciative of the Trustee’s attempts to better understand our position, we would like to reiterate that the EGM is the internal democratic process in which unitholders can discuss and engage on these questions in an open dialogue. We therefore ask that the EGM proceed without any delay.
45. Thank you.