



SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

UPDATE ON THE STATUS OF THE EGM REQUISITION

Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Industrial Real Estate Investment Trust (“**Sabana Industrial REIT**”, and the manager of Sabana Industrial REIT, the “**Manager**”), refers to its announcement dated 12 January 2024 in relation to the letter (the “**Requisition Notice**”) from several unitholders of Sabana Industrial REIT (the “**Requisitionists**”) that was deposited at the registered office of the Manager on 11 January 2024 and its announcement dated 1 February 2024 in relation to the Manager’s intention to convene an extraordinary general meeting (“**EGM**”) pursuant to the Requisition Notice.

The Manager wishes to announce that on 7 February 2024, it received a letter (the “**7 Feb Letter**”) from the Requisitionists requesting to withdraw and/or modify some of the resolutions proposed in the Requisition Notice, details of which are set out in the copy of the 7 Feb Letter annexed to this Announcement.

The Manager is considering the 7 Feb Letter (including the reasoning for the proposed withdrawals and/or modifications set out therein) and seeking legal advice. As the Trustee has been directed by unitholders to effect the internalisation exercise, the Manager will be discussing with the Trustee on their next steps. Further announcements will be made on SGXNET in due course.

Unitholders and investors are advised to refrain from taking any action in respect of their Sabana Industrial REIT units (“**Units**”) which may be prejudicial to their interests, and to exercise caution when dealing in the Units.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company Registration No: 201005493K, Capital Markets Services Licence No: CMS100169)

As Manager of Sabana Industrial Real Estate Investment Trust

Han Yong Lee (Donald)

Chief Executive Officer

8 February 2024



For enquiries, please contact:

Low Hooi Hoon
Investor Relations and Corporate Communications
Sabana Real Estate Investment Management Pte. Ltd.
DID: +65 6580 7857
Email: hooihoon.low@sabana.com.sg

Sabana Industrial REIT

Sabana Industrial REIT was listed on the SGX-ST on 26 November 2010. As at 31 December 2023, Sabana Industrial REIT has a diversified portfolio of 18 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. The total assets of the Group amount to more than S\$1.0 billion as at 31 December 2023. Sabana Industrial REIT is a constituent of the SGX S-REIT Index and MSCI Singapore Micro Cap Index.

Sabana Industrial REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana Industrial REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended, varied or supplemented from time to time). Sabana Industrial REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana Industrial REIT, please visit www.sabana-reit.com.

Important Notice

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

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



APPENDIX



Date: Wednesday 7th February 2024

**Attention: The Board of Directors
Sabana Real Estate Investment Management Pte. Ltd.
(As Manager of Sabana Industrial REIT)**
151 Lorong Chuan
2-03 New Tech Park
Singapore 556741

**HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Sabana Industrial REIT)**
10 Marina Boulevard
48-01 Marina Bay Financial Centre
Singapore 018983

Dear Mr Han, Board of Directors of Sabana Real Estate Investment Management Pte. Ltd., Mr Desousa and Ms Liau,

Response to Trustee's Update to Unitholders dated 30 January 2024

1. We refer to:
 - a. the Trustee's letter dated 24 January 2024, which requested for clarifications on and/or modifications or withdrawals of the Requisitioned Resolutions in the Requisition Notice dated 10 January 2024;
 - b. our reply dated 29 January 2024, in which we had offered to withdraw a number of resolutions in exchange for clarifications from the Trustee on several critical issues (see in particular paragraphs 28 and 37); and
 - c. the Trustee's update to Unitholders dated 30 January 2024 (the "**30 January 2024 Update**").
2. We are disappointed to note that the Trustee has not provided any real response to the offers in our letter dated 29 January 2024, or any of the clarifications we had requested the Trustee to provide.
3. We wish to state that we share the Trustee's desire for clarity and progress, and had requisitioned the EGM precisely *because* we are dissatisfied with and concerned about the Trustee's apparent lack of clarity or progress on Internalization.
4. We have also noted that the Trustee has incurred staggering additional costs of approximately S\$3.2 million to-date for the implementation of Internalization. In order to reduce costs and minimize the issues that will be discussed at the EGM, as well as the need for potential further EGMs on the basis of the existing Requisitioned Resolutions, we, the requisitionists, have



decided to **withdraw and/or modify** the following Requisitioned Resolutions as set out in red below. We also seek further clarifications on specific statements made by the Trustee in its 30 January 2024 Update. For ease of reference, we will maintain the numbering of the Requisitioned Resolutions despite the fact that two of them will be withdrawn.

ORDINARY RESOLUTIONS

RESOLVED:

~~**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.~~

5. *Explanatory Statement:* We acknowledge the Trustee's statement that it will not be able to commit to the Implementation Timeline as there are too many matters not within its control and/or subject to many inter-dependencies. We further note that the Trustee has already incurred substantial fees with little progress to show for it. Accordingly, we are prepared to **withdraw** Resolutions 1 and 2.

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 (S\$10,000,000) and any such transaction post 1 month of this resolution.

6. *Explanatory Statement:* There are no amendments to Requisitioned Resolution 3. In this regard, we wish to seek further clarification from the Trustee regarding paragraph 9(c)(1)(B) of its 30 January 2024 Update, in which it stated that "*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*".

7. We seek the Trustee's clarifications on the following:
- a. Is the Trustee currently in the process of negotiations to acquire the existing assets (including employment contracts) of the External Manager from the owner of the External Manager?
 - b. If yes to the above, is the Trustee contemplating an offer price exceeding 10 million Singapore dollars (S\$10,000,000)? If so, please provide all details of these negotiations, including the total and breakdown of the offer price as well as justifications for considering such a price.
 - c. Does the offer price include an additional sum to acquire the employment contracts of existing staff of the External Manager, in addition to the salaries that they will be paid if they are to be employed by the new Internal Manager?
8. We reiterate our position in our letter dated 29 January 2024 in which we had set out our serious reservations as to the Trustee's lack of clarity regarding its plans for the potential acquisition of the assets of the External Manager.
9. For the avoidance of any doubt, our position is 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. The 7 August 2023 EGM Resolution 2(c) specifically reads that the Trustee be directed to "*consider the retention of Sabana industrial REIT's existing staff in order to maintain the continuity of Sabana Industrial REIT's operations*". 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 to "*contemplate an acquisition of either of the shares or assets of the REIT Manager*", without any explicit sanction by unitholders.
- 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-month~~, including without limitation, the costs incurred for advisors, consultants and any deviations or delays from the proposed Implementation Timeline for internalization, etc."
10. *Explanatory Statement:* We had proposed withdrawing this resolution if the Trustee committed instead to providing monthly updates (see paragraph 37 of our 29 January 2024 letter). As the Trustee did not respond to our offer, we have modified the frequency of the written updates from 2 weeks to once a month to take into account the Trustee's slower pace of providing written updates. Given that the Trustee is already spending approximately S\$3.2



million for Internalization, we believe that the Unitholders need to know how their monies are being spent in a timely manner. This is not an onerous task that will take time away from the Trustee.

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,~~ 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, who shall be consulted by the Trustee and supervise the implementation of Internalization as unitholder representatives.

11. *Explanatory Statement:* As explained in our 29 January 2024 letter, the unitholders who wish to participate actively in the process of Internalization ought to be allowed to do so. We have modified the language of the resolution to clarify the scope of the Internalization Committee’s involvement, as pointed out by the Trustee in its 30 January 2024 Update. To save time and the expense of holding another EGM, we have also removed the mechanism for the appointment of individual Committee members by directly nominating six individuals who have stepped forward to express interest in participating in the Internalization process.

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.

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.

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.

12. *Explanatory Statement:* We do not propose any amendments to these Requisitioned Resolutions.

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 ~~and/or directions~~ from the Monetary Authority of Singapore (MAS), ~~and~~ the Singapore Exchange Securities Trading Limited ("SGX RegCo") ~~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) ~~consequently,~~ whether they ~~ought to be~~ ~~are~~ permitted to vote in relation to ~~any~~ such resolution to amend the Trust Deed ~~for the aforesaid or any other reason and if so, that the fundamental pillar of investor protection, which is to remove the manager and internalize the management function, does not exist.~~

13. *Explanatory Statement:* We had offered to withdraw Requisitioned Resolution 12 if the Trustee provided clarity on its position as to whether the Manager, its shareholders and concert/related parties ought to abstain from any vote with regards to any Trust Deed



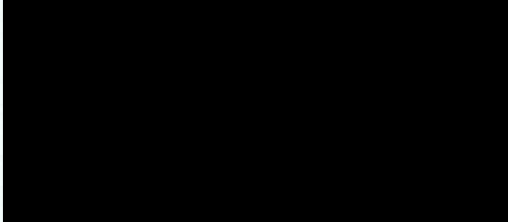
Amendments to effect internalization, given their strong prior statements against Internalization. Disappointingly, the Trustee has yet to provide this clarification. Accordingly, we are of the view that the Trustee ought to be directed to place this question to the Court. Given that there is an ongoing application in HC/OA 19/2024, it would save time and costs for this additional declaration to be placed before the Court together with the ongoing application.

Conclusion

14. We remain concerned that there are still questions as to how Internalization will be implemented and that the Trustee does not appear to be forthcoming with its plans and requests for clarifications on the same. 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. Thank you.



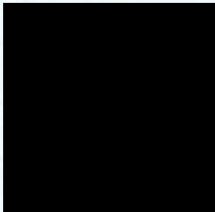
Name of Unitholder: Quarz Capital ASIA (Singapore) Pte. Ltd.



Jan Frederic Moermann

Chief Investment Officer

Quarz Capital ASIA (Singapore) Pte. Ltd.



Havard Chi Cher Pan

Unitholder and Head of Research

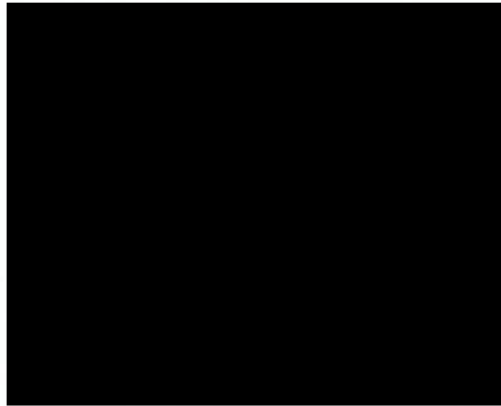
Quarz Capital ASIA (Singapore) Pte. Ltd.

Full Name of Unitholder:

Identity Card No:

Custodian:

Signature:





With reference to SGIC Requisition
to convene EGM. UW

Full Name of Unitholder: [REDACTED]

Identity Card No: [REDACTED]

Custodian: [REDACTED]

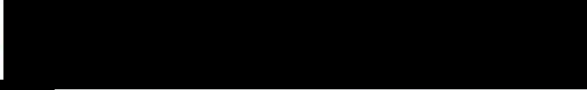
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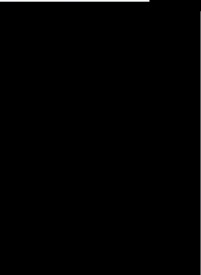
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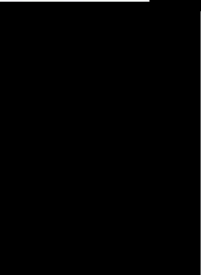
Identity Card No:



Custodian:



Signature:



Full Name of Unitholder:

Identity Card No:

Custodian:

Signature:



Full Name of Unitholder: [Redacted]
Identity Card No: [Redacted]
Custodian: [Redacted]
Signature: [Redacted]

Full Name of Unitholder: [REDACTED]

Identity Card No: [REDACTED]

Custodian: [REDACTED]

Signature: [REDACTED]

Full Name of Unitholder: [REDACTED]

Identity Card No: [REDACTED]

Custodian: [REDACTED]

Signature: [REDACTED]



With reference to requisition to convene an EGM at Sabana Industrial REIT

Full Name of Unitholder: [REDACTED]

Identity Card No: [REDACTED]

Custodian: [REDACTED]

Signature: [REDACTED]

Full Name of Unitholder:

Identity Card No:

Custodian:

Signature:

Dear Sirs,

Letter of Confirmation

My name is SAHA ANSHUMAN MANABENDRANATH (NRIC No. [REDACTED]). I am a unitholder of Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

Thank you.

[REDACTED]

Signature, date

6th Feb 2024

Dear Sirs,

Letter of Confirmation

My name is Low Chin Yee (NRIC No. [REDACTED]). I am a unitholder of Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

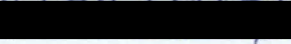
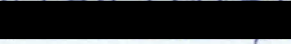
Thank you.

[REDACTED] 6 Feb 2024

Signature, date

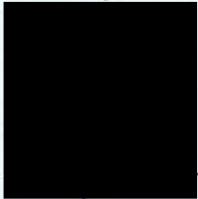
Dear Sirs,

Letter of Confirmation

My name is Lim Hock Chuan (NRIC No. 
 am a unitholder of Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

Thank you.

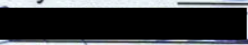


6/2/2024

Signature, date

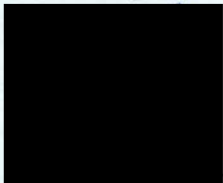
Dear Sirs,

Letter of Confirmation

My name is SMPAH CHAG PSA SER (NRIC No. ). I am a unitholder of Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

Thank you.



6/2/24.

Signature, date

Dear Sirs,

Letter of Confirmation

My name is Havard Chi Cher Pan (NRIC No. [REDACTED]). I am the Head of Research of Quarz Capital ASIA (Singapore) Pte. Ltd., which is deemed to be interested in more than 10% of the total units of SGX-listed Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

Thank you.

[REDACTED]

6/2/2024.

Signature, date

Dear Sirs,

Letter of Confirmation

My name is Jan Frederic Moermann (Passport No. [REDACTED]). I am the Chief Investment Officer of Quarz Capital ASIA (Singapore) Pte. Ltd., which is deemed to be interested in more than 10% of the total units of SGX-listed Sabana Industrial REIT.

I confirm that I would like to be proposed as a member of the Internalization Committee, as specified by Resolution 5 of the requisition tabled on 10th January 2024 (modified thereafter).

Thank you.

[REDACTED]
[REDACTED]
6 February 2024

Signature, date