

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 announcements dated 12 January 2024, 1 February 2024 and 8 February 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. On 7 February 2024, the Manager received a letter from the Requisitionists requesting to withdraw and/or modify some of the resolutions proposed in the Requisition Notice, a copy of which is annexed to the Manager's announcement dated 8 February 2024.

The Manager wishes to announce that:

- (a) on 14 February 2024, it received a letter from the Trustee addressed to the Requisitionists dated 14 February 2024 (the "Trustee 14 Feb Letter to Requisitionists") seeking further clarifications and proposing, for the consideration of the Requisitionists, certain amendments to some of the resolutions proposed in the Requisition Notice, details of which are set out in the copy of the Trustee 14 Feb Letter to Requisitionists annexed to this Announcement as Appendix 1; and
- (b) on 19 February 2024, it received, at its registered office, a letter from the Requisitionists addressed to the Trustee dated 16 February 2024 (the "Requisitionists 16 Feb Letter"). The Requisitionists 16 Feb Letter requested to further modify some of the resolutions proposed in the Requisition Notice, details of which are set out in the copy of the Requisitionists 16 Feb Letter annexed to this Announcement as Appendix 2.

The Manager is considering the Trustee 14 Feb Letter to Requisitionists and the Requisitionists 16 Feb Letter (including the reasoning for the proposed modifications set out therein) and seeking legal advice. 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 20 February 2024

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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 1

TRUSTEE 14 FEB LETTER TO REQUISITIONISTS



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

BY EMAIL ONLY

(collectively, the "**Requisitionists**")

14 February 2024

Dear Sirs,

Re: Trustee's Response to the Requisitionists' Letter Dated 7 February 2024

A. INTRODUCTION

- 1. We refer to:
 - (a) the Requisitionists' 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 "Manager") to convene an extraordinary general meeting and table certain resolutions (the "Requisitioned Resolutions") to the unitholders of Sabana Industrial REIT ("Unitholders");
 - (b) the letter from HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the "Trustee") to the Requisitionists dated 24 January 2024 ("Trustee's 24 January 2024 Letter"), which sought specific clarifications and explained the Trustee's concerns in respect of the Requisitioned Resolutions;
 - (c) the Requisitionists' response to the Trustee's 24 January 2024 Letter dated 29 January 2024 (**"Requisitionists' 29 January 2024 Letter**");
 - (d) the Trustee's statement dated 30 January 2024 to Unitholders ("Trustee's 30 January 2024 Statement"), which set out the Trustee's views on certain key matters referred to in the Requisitionists' 29 January 2024 Letter; and
 - (e) the Requisitionists' response to the Trustee's 30 January 2024 Statement ("Requisitionists' 7 February 2024 Letter").

For ease of reference, we have maintained the numbering of the original Requisitioned Resolutions notwithstanding the withdrawal of two Requisitioned Resolutions pursuant to the Requisitionists' 7 February 2024 Letter.

- 2. To summarise:
 - (a) The Trustee is of the view that there is little value and utility in convening, at this juncture, an extraordinary general meeting (the "Proposed EGM") to consider the Requisitioned Resolutions (as amended and withdrawn by the Requisitionists' 7 February 2024 Letter, the "Amended Resolutions") in their current form. The Amended Resolutions require further clarification in order for them to be actionable by the Trustee.
 - (b) The Trustee intends to convene an extraordinary general meeting when all the material workstreams of the internalisation are ready, so that Unitholders can debate, consider and approve, if appropriate, a complete internalisation plan that is capable of implementation. These workstreams include (i) regulatory clarifications/approvals/waivers; (ii) funding of the internal manager as required by regulatory requirements and operational needs; (iii) constitution of the board, senior management and staffing of the new internal manager, which will be a regulated entity

holding a capital markets services licence; and (iv) considering the viability of a potential acquisition of existing assets (including existing staff) of the Manager. Unitholders will have the opportunity, at that time, to consider and approve the key aspects of the workstreams that form part of the implementation plan for the internalisation.

- (c) In respect of certain material threshold questions which affect all Unitholders and their interests, for clarity to all parties, the Trustee has already applied for guidance from the courts of Singapore and the court process should be respected.
- (d) In the meantime, the Trustee has been and intends to continue providing periodic and material updates so that all Unitholders can be kept informed of its progress on the various internalisation workstreams.
- (e) Accordingly, the Trustee remains of the view that the convening of the Proposed EGM to consider the Amended Resolutions at this juncture (i) is premature; (ii) is not the best use of trust resources; and (iii) will not expedite or progress the internalisation (and may in fact contribute to delay and unnecessary expenses).
- 3. If the Requisitionists still intend to proceed with the Proposed EGM, further clarifications and responses to the Trustee's following queries and comments in relation to the Amended Resolutions will be necessary to ensure Unitholders can make a properly informed decision on the Amended Resolutions at the Proposed EGM. Where appropriate, the Trustee has also proposed in this letter further modifications to the Amended Resolutions to instill greater clarity in their effect, for the Requisitionists' consideration.
- 4. We hope to receive your prompt and substantive responses which we understand will be included in SGXNET announcements and/or the circular to Unitholders for the purposes of convening the Proposed EGM.

B. THE TRUSTEE'S VIEWS/CLARIFICATIONS SOUGHT ON THE AMENDED RESOLUTIONS

5. <u>Requisitioned Resolution 3</u>

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.

Clarifications from the Trustee on the Potential Asset Acquisition

- (a) The Trustee notes that the Requisitionists have stated in the Requisitionists' 29 January 2024 Letter that neither the potential acquisition of the existing Manager and/or its assets have been sanctioned and that Resolutions 1 and 2 passed at the extraordinary general meeting held on 7 August 2023 (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"¹.
- (b) The Requisitionists speak interchangeably of the acquisition of the Manager and the acquisition of the Manager's assets (which are different in nature and structure). This causes confusion and muddles the scope of the Trustee's remit in considering a potential acquisition of shares or assets of the Manager pursuant to Requisitioned Resolution 3 and Resolutions 1 and 2 passed at the 7 August 2023 EGM.
- (c) The Trustee sets out below its analysis in relation to the interplay of Resolutions 1 and 2 passed at the 7 August 2023 EGM with Requisitioned Resolution 3 as regards the potential acquisition of the shares versus the acquisition of the assets of the Manager for clarity:

¹ Paragraph 9 of the Requisitionists' 7 February 2024 Letter.

- (i) <u>Acquisition of the assets of the Manager</u>. Unlike the acquisition of the Manager (as further explained below), Resolutions 1 and 2 passed at the 7 August 2023 EGM do not restrict or prevent the Trustee from acquiring the existing assets (including existing staff) of the Manager ("**Potential Asset Acquisition**") and in fact contemplate it:
 - (1) Resolution 2(a) passed at the 7 August 2023 EGM directs the Trustee to effect the internalisation by incorporating a wholly-owned subsidiary to act as the internal manager. The resolution is broad enough to allow for a Potential Asset Acquisition for purposes of building out a newly incorporated internal manager. This is further supported by Resolution 2(c), which directs the Trustee to consider the retention of the Manager's existing staff.
 - (2) Resolutions 2(a) and 2(c) passed at the 7 August 2023 EGM are worded in general terms with no guidance on the precise steps to be undertaken to establish a functional internal manager or to retain existing staff. As such, the Trustee necessarily needs to consider, in accordance with its duty to exercise due care, diligence and vigilance in safeguarding the interests of Unitholders, the best approach and necessary steps to achieve this. As disclosed in the Trustee's Statement dated 7 November 2023, this includes but is not limited to considering the feasibility of a Potential Asset Acquisition in order to maintain the continuity of Sabana Industrial REIT's operations to implement the resolutions passed at the 7 August 2023 EGM.
 - (3) The above principles have also been alluded to by Quarz, being one of the Requisitionists, in its earlier statements issued in connection with the 7 August 2023 EGM. For instance, the following was said in Quarz's statement dated 4 July 2023, a copy of which was published on SGXNET:

"Effecting the internalization is the job of the Sabana Trustee as part of the bigger role that it has been entrusted with, namely to safeguard the interests of all unitholders. That is precisely why Resolution 2 of our Requisition Notice is phrased as such – namely, to "direct" the Trustee to carry out the various proposals that we seek as part of the internalization process, such as incorporating a wholly-owned subsidiary as the new Internal Manager, hiring and appointing qualified candidates to staff the new Internal Manager, considering the retention of Sabana REIT's existing staff for a smoother transition as well as best in class corporate governance practices and so on.

Ultimately however, it is for the Sabana Trustee to consider the best approach and necessary steps to take to carry out the internalization process in accordance with the spirit of the proposed Resolution 2 for internalization, in a manner that does not prejudice the unitholders' interests and ensures a smooth continuity of the REIT's operations." (emphasis original)

(4) Appointing suitably qualified employees for the internal manager must necessarily include considering if current employees of the Manager or any other persons who have relevant experience and/or knowledge of Sabana Industrial REIT's operations would be appropriate candidates. This is also in line with the direction provided under Resolutions 2(a) and 2(c). Assuming that these identified individuals (whether they are existing employees of the current Manager or any other company) are suitable candidates for the new internal manager and given that termination of their existing employment may not have occurred, then discussions with their present employer for the termination/transfer of their employment would also be logical and necessary.

- (5) Accordingly, the Trustee disagrees with the Requisitionists' view 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"².
- (ii) <u>Acquisition of the Manager (i.e. the shares of the Manager)</u>.
 - (1) Resolutions 1 and 2 passed at the 7 August 2023 EGM do <u>not</u> allow an acquisition of the shares of the Manager. Resolution 1 had expressly approved the removal of the Manager and Resolution 2(a) directed the Trustee to incorporate a new wholly-owned subsidiary to act as the internal manager instead.
 - (2) The combined effect of Resolutions 1 and 2(a) is clear, being to remove the Manager and create a new subsidiary of the Trustee to act as the manager. The acquisition of the shares of the removed Manager is not contemplated within what the Trustee has been directed by Unitholders to do in Resolutions 1 and 2(a).
 - (3) On that basis, the Trustee had proceeded with substantive work in respect of incorporation of the new internal manager entity and the necessary groundwork for the licensing and capitalisation of such entity. Acquiring the shares of the Manager (the removal of which has already been resolved by Unitholders) was not sanctioned at the 7 August 2023 EGM.
 - (4) Accordingly, the Trustee also disagrees with the Requisitionists' view that if Requisitioned Resolution 3 is tabled and passed, it will allow the Trustee to contemplate an acquisition of the shares of the Manager in direct contradiction of the earlier passed Resolutions 1 and 2(a).
 - (5) If the Requisitionists in fact now want this option of the acquisition of the shares in the Manager to also be considered, the proposal and Amended Resolutions will need to clearly and expressly authorise this. Absent such clear resolutions, the Trustee will continue to proceed on the basis that the Unitholders and Requisitionists do not in fact want to acquire the removed Manager which continues to serve in the interim.

Proposed Amendment to Requisitioned Resolution 3

(d) In view of the above, to avoid causing delay in the implementation of the internalisation, on the assumption that the Requisitionists do not in fact propose for the Trustee to pursue an acquisition of the shares of the removed Manager, the Trustee would like to invite the Requisitionists to consider amending Requisitioned Resolution 3 as follows (with additions in red), to align with the scope of the mandate currently conferred by Resolutions 1 and 2 passed at the 7 August 2023 EGM:

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 assets of the existing REIT Manager for the purposes of resourcing the internal manager and for the benefit of Sabana Industrial REIT, directly or indirectly for a maximum all-in offer price exceeding 10 million Singapore dollars (S\$10,000,000) and any such transaction shall not be entered into post 1 month of this resolution.

² Paragraph 9 of the Requisitionists' 7 February 2024 Letter.

- (e) In response to paragraph 7 of the Requisitionists' 7 February 2024 Letter³, as at the date of this letter and as announced in the Trustee's 30 January 2024 Statement, the workstreams for the establishment of personnel and establishment of functionality for the internal manager are still in progress. Accordingly, while initial discussions in respect of the Potential Asset Acquisition have been initiated, no formal offers have been made by the Trustee and there is currently no certainty that the Potential Asset Acquisition will materialise.
- (f) In any event, the Trustee envisages that any proposal to proceed with any Potential Asset Acquisition will be tabled to Unitholders for approval at the intended extraordinary general meeting to be convened, as contemplated in the Trustee's Statement to Unitholders dated 21 July 2023 and outlined above.

6. <u>Requisitioned Resolution 4</u>

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 <u>2 weeks month</u>, including without limitation, the costs incurred for advisors, consultants and any deviations or delays from the proposed Implementation Timeline for internalization, etc.

Clarifications from the Trustee

- (a) The Trustee reiterates that it currently already provides updates as and when there are material developments, approximately once a month. Therefore, Requisitioned Resolution 4 as amended is not necessary.
- (b) The Trustee rejects any suggestion of its "slower pace"⁴ of updates and reiterates its 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) The reference to deviations or delays from the "Implementation Timeline" is no longer relevant and is potentially confusing as Requisitioned Resolutions 1 and 2 have been withdrawn.

Proposed Amendment to Requisitioned Resolution 4

(d) In view of the above, the Trustee invites the Requisitionists to again consider withdrawing Requisitioned Resolution 4, or, alternatively, amend it as follows (with deletions in red strikethrough):

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.

7. <u>Requisitioned Resolution 5</u>

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

³ Paragraph 7 of the Requisitionists' 7 February 2024 Letter sought clarifications from the Trustee on, amongst others, whether the Trustee is currently in the process of negotiating a Potential Asset Acquisition, whether an offer price is available and related details.

⁴ Paragraph 10 of the Requisitionists' 7 February 2024 Letter.

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

Queries and Requests for Further Information from the Trustee

- (a) The Trustee notes that the Requisitionists have proposed the names of six Unitholders/Unitholder representatives to form the Internalization Committee, among others, to "support and share the responsibility of the Internalization with the Trustee, as well as provide the necessary oversight in the implementation of the Internalization"⁵. Requisitioned Resolution 5 itself provides that the Internalization Committee "shall be consulted by the Trustee and supervise the implementation of the Internalization".
- (b) The Trustee has a duty of care to all Unitholders and must act in the best interest of all Unitholders, as prescribed by the Trust Deed, statute and trust law. The Internalization Committee and the proposed committee members, who are themselves Unitholders, are not subject to the same regulatory obligations or duties as the Trustee. It is unclear how the Internalization Committee will be similarly accountable and responsible to all Unitholders. The Trustee requires clarification as to the terms of reference for the Internalization Committee, including whether the Internalization Committee, and its members, will be giving an undertaking to all Unitholders that they will act in the interests of all Unitholders.
- (c) It is unclear as to the legal basis for the suggested "supervisory" role of the Internalization Committee in the current regulatory framework applicable to the Sabana Industrial REIT, under trust law or the Trust Deed. Even if the Internalization Committee is approved by Unitholders, the Trustee will continue to be the party that is obliged to discharge its duties (as prescribed by the Trust Deed, statute and trust law) in implementing the internalisation. The Trustee may be unable to act upon directions or instructions from the Internalization Committee which conflict with its discharge of duties. Instead, further extraordinary general meetings or applications to Court to resolve any key differences of opinions and interpretation of law may be required. The Trustee requires clarification as to the terms of reference for the Internalization Committee in this context, to ensure that Requisitioned Resolution 5 does not propose a mechanism to Unitholders that has no legal basis for the discharge of its intended "supervisory" role.
- (d) The Trustee is not at liberty to disclose material information to select Unitholders under the Listing Manual and as a matter of securities law, and does not intend to do so unless the Requisitionists can provide clear proposals to address concerns of information asymmetry and potential leakage. Please confirm that if Requisitioned Resolution 5 is passed, the proposed committee members will each enter into confidentiality and dealing restriction undertakings.
- (e) Please also provide information on the profiles, experience and qualifications of the proposed committee members who are intended to be representatives of the Unitholders and their suitability for the role proposed.

Proposed Amendment to Requisitioned Resolution 5

(f) In view of the issues highlighted above in respect of the proposed Internalization Committee's powers, mandate and suitability to act, the Trustee reiterates that it does not think that the constitution of the Internalization Committee will be helpful to progressing the internalisation. If the Requisitionists still wish to proceed with tabling Requisitioned Resolution 5 at the Proposed EGM, Trustee invites the Requisitionists to consider amending it as follows (with additions in red and deletions in red strikethrough):

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

⁵ Paragraph 16 of the Requisitionists' 29 January 2024 Letter.

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, subject to the entry by the committee members into confidentiality and dealing restriction undertakings and applicable law, shall be entitled to be consulted by the Trustee, to the extent reasonable, practicable and permitted in the Trustee's discretion, as to their views on the implementation of the Internalisation. , who shall be consulted by the Trustee and supervise the implementation of Internalization as unitholder representatives.

8. <u>Requisitioned Resolutions 6, 7 and 8</u>

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.

Clarifications from the Trustee

- (a) The Trustee notes that Requisitioned Resolutions 6, 7 and 8 are not withdrawn or modified. The Trustee refers to its earlier views in respect of these Requisitioned Resolutions, as set out in the Trustee's 24 January 2024 Letter and the Trustee's 30 January 2024 Statement and further notes that the Requisitionists' 29 January 2024 Letter and Requisitionists' 7 February 2024 Letter have failed to provide any clarity as to how such Requisitioned Resolutions will interplay with the Order 32 Application if such resolutions are passed.
- (b) In the Trustee's opinion, the passing of these Requisitioned Resolutions and/or the indication of "unitholders' wishes on how the internalisation should be implemented"⁶ would not assist in resolving the issues, which have arisen in the Trustee's Order 32 Application for the Court's determination.
- (c) The Trustee had already provided its positions on the subject matters of Requisitioned Resolutions 6, 7 and 8 in the Trustee's Statement dated 9 January 2024, which formed the basis of the Trustee's application to the High Court of Singapore (the "Court") under Order 32 of the Rules of Court 2021 (the "Order 32 Application"):

⁶ Paragraph 39 of the Requisitionists' 29 January 2024 Letter.

- specifically, the proposed amendments to the Trust Deed as identified by the Trustee and disclosed in the Trustee's statement dated 9 January 2024 (the "Proposed Trust Deed Amendments") are necessary to effect the internalisation, but it cannot be said with certainty whether they will materially prejudice the interests of Unitholders;
- accordingly, the Trustee will not be providing a certification in respect of the Proposed Trust Deed Amendments, which will be subject to Unitholders' due consideration and approval at an extraordinary general meeting; and
- (iii) in respect of Requisitioned Resolution 8, the Trustee reiterates its view 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 further notes that Quarz's legal counsel shared this view, as expressed at the case conference held on 23 January 2024, and the Requisitionists agree with this view as stated in paragraph 40 of the Requisitionists' 29 January 2024 Letter. Accordingly, Requisitioned Resolution 8, which purports to direct the Trustee in the exercise of its discretion under Clause 28.2.1, is not permitted by Clause 2.9.2 of the Trust Deed and will have no effect even if passed by Unitholders.
- (d) The Trustee, therefore, reiterates that it will not be meaningful or appropriate for these Requisitioned Resolutions to be tabled to Unitholders at this juncture before the Court provides guidance and clarity on the issues under the Order 32 Application.
- (e) If Requisitioned Resolutions 6, 7 and 8 are still tabled and passed without clarity on the key issues raised above, the Trustee reserves its right to seek guidance from the Court in relation to the implementation of Requisitioned Resolutions 6, 7 and 8. This may result in delay and additional costs in the implementation of the internalisation.
- (f) The passing of these resolutions pending the outcome of the Order 32 Application will add to the clamour, noise and confusion surrounding the internalisation but not help progress the actual work that needs to be done to effect the implementation of the internalisation.
- (g) Accordingly, the Trustee would like to again request that the Requisitionists consider withdrawing Requisitioned Resolutions 6, 7 and 8 and instead await the outcome of the Order 32 Application, which will clarify these matters.

9. <u>Requisitioned Resolutions 9 and 10</u>

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.

Clarifications from the Trustee

- (a) The Trustee notes that Requisitioned Resolutions 9 and 10 are not withdrawn or modified. The Trustee further notes that the Requisitionists' 29 January 2024 Letter and the Requisitionists' 7 February 2024 Letter have failed to provide any clarity as to the rationale for seeking such resolutions in spite of the explanations provided by the Trustee as to why such governance provisions ought to be incorporated into the Trust Deed (as reproduced in sub-paragraph (d) below).
- (b) In particular, the Requisitionists have not explained why they have changed their position from Resolutions 2(d), (e) and (f) passed at the 7 August 2023 EGM, which directed the Trustee to amend the Trust Deed to provide for these matters, and why

"they would like to have their governance and unitholders' rights implemented in a certain manner"⁷.

- (c) For the avoidance of doubt, Requisitioned Resolution 9 is not necessary as a direction to the Trustee there is no objection to incorporating such governance rights into the constitution. The point of difference is that in addition to the constitution of the internal manager, these governance rights should also be in the Trust Deed.
- (d) The Trustee reiterates its views that governance provisions referred to in Requisitioned Resolutions 9 and 10 to be incorporated into the constitution of the internal manager or any "management agreement" <u>only</u> (emphasis added), and not the Trust Deed, will not be binding on or enforceable by Unitholders, given that Unitholders will not be party to such constitution or "management agreement".⁸ Accordingly, the Trustee is of the view that these provisions are necessary to be included as part of the Proposed Trust Deed Amendments to implement the internalisation, for the benefit of Unitholders as a whole.
- (e) In any case, the Proposed Trust Deed Amendments relating to the governance provisions have been provided to the Court in the Order 32 Application.
- (f) In the event that these governance rights are incorporated in both the Trust Deed and the constitution/"management agreement", additional trust expenses will be incurred, at the cost of Unitholders, in preparing the additional documentation.
- (g) Accordingly, the Trustee would like to again request that the Requisitionists consider withdrawing Requisitioned Resolutions 9 and 10 and instead await the outcome of the Order 32 Application, which will clarify these matters.

10. <u>Requisitioned Resolution 11</u>

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.

Clarifications from the Trustee

- (a) The Trustee notes that Requisitioned Resolution 11 is not withdrawn or modified.
- (b) In view of existing confidentiality obligations in respect of the matters sought to be disclosed under Requisitioned Resolution 11, if Requisitioned Resolution 11 is tabled and passed, and the relevant counterparties refuse to consent to the disclosure of such information, the Trustee, in implementing Requisitioned Resolution 11, may cause Sabana Industrial REIT to be in breach of those confidentiality obligations. In that scenario, should a successful claim be made by the relevant counterparties, the Trustee wishes to highlight to Unitholders that any remedies and compensation for such breach will need be indemnified out of Sabana Industrial REIT's assets, in accordance with the provisions of the Trust Deed.
- (c) The Trustee would also like to direct the Requisitionists to its earlier views in respect of this Requisitioned Resolution, as set out in the Trustee's 24 January 2024 Letter. In particular, the Trustee reiterates the need to obtain consent from the relevant counterparties to the existing confidentiality obligations before disclosures can be made.

Proposed Amendment to Requisitioned Resolution 11

⁷ Paragraph 22 of the Requisitionists' 29 January 2024 Letter.

⁸ Trustee's 24 January 2024 Letter and the Trustee's 30 January 2024 Statement.

(d) If the Requisitionists remain of the view that this resolution must be put forth, our view is that the following modifications (additions in red) should be made:

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, to the extent permitted by law and confidentiality obligations, 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.

11. <u>Requisitioned Resolution 12</u>

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.

Clarifications from the Trustee

- (a) The Trustee notes that the modified Requisitioned Resolution 12 seeks to direct the Trustee to seek guidance from, in addition to the SGX RegCo and the MAS, the Court as part of the Order 32 Application, on the issue of whether the Manager and its shareholders and related parties are entitled to vote on the Proposed Trust Deed Amendments ("Voting Issue").
- (b) It is the Trustee's current view that it would be premature for the Voting Issue to be placed before the Court in the absence of guidance from the Court in relation to the issues raised in the Order 32 Application. Unless and until there is clarity as to whether an extraordinary general meeting is required to consider the Proposed Trust Deed Amendments, it may not be in the interest of the Unitholders as a whole to utilise and expend trust resources to consider the Voting Issue.
- (c) The Trustee wishes to also remind Unitholders (including the Requisitionists) that as stated in the Trustee Statement dated 9 January 2024, the Order 32 Application has been made as certain Unitholders, including Quarz and the Requisitionists, take a contrary position to the Trustee's views on whether the Proposed Trust Deed Amendments are required to implement the resolutions passed on 7 August 2023 and the consequential need to convene an extraordinary general meeting to consider the Proposed Trust Deed Amendments.

C. CONCLUSION

- 12. The Trustee appreciates that the Requisitionists have considered some of the concerns put forth in the Trustee's 30 January 2024 Statement and have consequentially, issued the Requisitionists' 7 February 2024 Letter to withdraw or modify some of the Requisitioned Resolutions. Nevertheless, there are still gaps to be bridged and matters which are simply not actionable should the Requisitioned Resolutions be tabled and passed in their current form.
- 13. The Trustee has made its views clear as to how it envisages these Requisitioned Resolutions to work (or not work) if passed and where appropriate, has proposed further modifications or withdrawals.

- 14. As the Trustee continues to navigate through the complexities of the internalisation process, the Trustee remains committed to protecting the best interests of all Unitholders and supporting the long-term success of Sabana Industrial REIT. The Trustee is dedicated to carrying out the mandate from Unitholders at the 7 August 2023 EGM to the best of its ability, in an orderly and well-considered manner, despite various exigencies and inter-dependencies that have surfaced, including the Requisitioned Resolutions and the Amended Resolutions.
- 15. It should be noted that the Trustee strongly disagrees with any suggestions of lack of progress on its part, but rather than spending more time and trust resources debating this in correspondence, we respectfully suggest that we "agree to disagree" on this and focus on the actual internalisation work, the holistic package for which will be presented to Unitholders in due course.
- 16. In the interest of reaching finality on the Requisitioned Resolutions as soon as practicable before the requisitioned meeting, and to facilitate all Unitholders' understanding and decision-making on the same, the Trustee looks forward to receiving the Requisitionists' responses to the matters raised in this letter at your earliest convenience, and in any event no later than <u>5</u> pm, 16 February 2024.
- 17. 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)

debusa ____

RAHUL DESOUSA Authorised Signatory

Cc: The Manager Singapore Exchange Regulation Monetary Authority of Singapore Appendix A



APPENDIX 2

REQUISITIONISTS 16 FEB LETTER



Date: Friday 16th February 2024

Attention: 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 Desousa and Ms Liau,

<u>Clarifications and Amendments of Requisition Notice Dated 10 January 2024 in</u> <u>Response to Trustee's Request for Clarifications and Amendments Dated 14</u> <u>February 2024</u>

- The unitholders of Sabana Real Estate Investment Trust ("Sabana Industrial REIT") ("Unitholders") refer to the Trustee's letter dated 14 February 2024 ("Trustee's 14 February 2024 Letter").
- 2. The Unitholders are highly disappointed that Trustee has again not provided any real response to Unitholders' letters dated 29 January 2024 and 7 February 2024.
- 3. Since 21 August 2023 (and in our letter to MAS, SGX RegCo and Ministry of Finance dated 5 December 2023), the Unitholders have clearly and repeatedly said that the Internalization will fail if the Trustee maintains its position that:
 - a. the Trust Deed needs to be amended; and
 - b. the Trustee will not be providing the certification under Clause 28.2 of the Trust Deed, despite the fact that the internalization of the Sabana Industrial REIT ("Internalization") clearly confers value to Unitholders and the fact that under the Trust Deed, the Trustee ought to work towards effecting the Unitholders' decision to implement the Internalization passed by Unitholders at the 7 August 2023 EGM.
- 4. This is because if the matter is put to a vote at the EGM, it is clear that the Sabana Real Estate Investment Management Pte. Ltd (in its capacity as manager of the Sabana Industrial REIT) ("**Manager**"), the shareholders of the Manager, and other related parties will block any resolutions to amend the Trust Deed for Internalization. The Trustee has remained silent on whether the Manager, its shareholders and other related parties ought to be allowed to vote.
- 5. Unitholders invite the Trustee to state its position on what it intends to do in the event that the Manager, its shareholders and other related parties vote against the Trustee's proposed



amendments to the Trust Deed, given that there has already been a clear direction by a majority of Unitholders to Internalize.

- 6. The Unitholders also note that the Trustee has already spent a substantial S\$3.2 million of Unitholders' monies in 2H2023 on the Internalization process.
- 7. To this end, the Unitholders are deeply dissatisfied with the Trustee's position on Internalization and the Trustee's apparent lack of clarity and progress vis-à-vis the Internalization despite spending a substantial amount of Unitholders' monies.
- 8. That said, the Unitholders reiterate their strong interest in working together with the Trustee to ensure the successful implementation of the Internalization.
- 9. It is for this reason that the Unitholders have requisitioned this EGM.
- 10. In the Unitholders' view, this EGM will help provide clarity and direction to the Trustee as to the intentions of the Unitholders. This will in turn result in time and cost savings for the Unitholders by way of minimising the issues and need for further EGMs.
- 11. In response to the Trustee's 14 February 2024 Letter, which requested the Requisitionists to modify and/or withdraw some of the resolutions (individually, "Requisitioned Resolution", collectively, "Requisitioned Resolutions"), the Requisitionists have modified the Requisition Notice submitted on 10 January 2024 ("Requisitionists' Proposed Amendments").
- 12. The Requisitionists highlight that these modifications are done with the intention of providing clarity to the Trustee as regards the Unitholders' views on the Internalization process. The substance of the Requisitioned Resolutions remain unchanged. In this connection, the Requisitionists would be grateful if the EGM can be conducted without further changes to the existing timeline. This will lead to time and costs savings, which are ultimately beneficial to all Unitholders.
- 13. Please find the **Requisitionists' Proposed Amendments** below. For ease of reference, we have maintained the numbering of the original Requisitioned Resolutions and have also set out the Trustee's version of the Requisitioned Resolutions as set out in the Trustee's 14 February 2024 Letter ("**Trustee's Proposed Amendments**").

Trustee's Proposed Amendments

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 assets of the existing REIT Manager for the purposes of resourcing the internal manager and for the benefit of Sabana Industrial REIT, directly or indirectly for a maximum all-in offer



price exceeding 10 million Singapore dollars (S\$10,000,000) and any such transaction shall not be entered into post 1 month of this resolution.

Requisitionists' Amendments

RESOLUTION 3: That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be put on notice that Unitholders reject: (1) any proposal to acquire the existing REIT Manager (fully functioning REIT Manager with the necessary licenses, personnel, assets and an undertaking from the direct and indirect owners to fully support internalization) 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, and (2) any proposal to acquire any assets (including the employment contracts) of the existing Manager at any price.

14. In the Requisition Letter on dated 7 June 2023, it is clearly stated that:

"<u>Once Unitholders cease all payment of fees to Sabana's External Manager, it is very</u> <u>likely that the External Manager will have to terminate most of its employees</u>. This is as 100% of all revenue and profits of the External Manager are contributed by Sabana REIT and Unitholders.

<u>The new Internal Manager welcomes all management and staffs who prioritise the</u> <u>interest of and are aligned with Unitholders to join the refreshed team.</u>

We look forward to the new Internal Manager hiring the best and the brightest from this strong talent pool, complemented by hires from the old External Manager, so that it is best placed to achieve the goal of increasing DPU and unit price".

- 15. Nothing in Resolutions 1 and 2 passed at the 7 August 2023 EGM provides any explicit direction to the Trustee to purchase assets or employment contracts of the existing REIT Manager.
- As such, if the Trustee has been negotiating with the indirect or direct owner of the REIT Manager to purchase its assets (including employment contract), this has neither been sanctioned nor approved by Unitholders.
- 17. To further remove any doubt, the Unitholders have amended Requisitioned Resolution 3 to provide further clarity to the Trustee on the matter of acquiring assets from the Manager. Until Requisitioned Resolution 3 is voted on, the Trustee should stop all discussion on asset acquisition (including employment contracts) from the Manager. Please table the resolution with the latest amendments.



Trustee's Proposed Amendments

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.

Requisitionists' Amendments

NIL

18. Unitholders are agreeable to the Trustee's proposed amendment to Requisitioned Resolution 4. Please table the resolution.

Trustee's Proposed Amendments

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, subject to the entry by the committee members into confidentiality and dealing restriction undertakings and applicable law, shall be entitled to be consulted by the Trustee, to the extent reasonable, practicable and permitted in the Trustee's discretion, as to their views on the implementation of the Internalization as unitholder representatives.

Requisitionists' Amendments

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") consisting of Mr. Imran Chng Pia Ser, Mr Lim Hock Chuan, Mr. Havard Chi Cher Pan, Mr. Low Chin Yee, Mr. Jan Frederic Moermann and Mr. Saha Anshuman Manabendranath, and the Internalization Committee, in their capacity as the authorised representative of all unitholders, shall be consulted by the Trustee and supervise the implementation of Internalization.



- 19. We repeat that the direction to the Trustee to effect Internalization is provided for by Unitholders in the 7 August 2023 EGM.
- 20. In the same way, Requisitioned Resolution 5 will be tabled and voted on by the Unitholders. If Requisitioned Resolution 5 is passed, the Internalization Committee will be empowered and have the mandate to represent all Unitholders in consultations with the Trustee and in the supervision of the Internalization. For the avoidance of doubt, this means that the Internalization Committee is the authorised representative of all Unitholders.
- 21. Requisitioned Resolution 5 also signifies that the Unitholders permit the selective disclosure of information to the Internalization Committee to facilitate the Internalization process.
- 22. Schedule 1, Clause 23 of the Trust Deed clearly states that "an Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly".
- 23. As the Trustee itself has conceded, nothing in the Trust Deed or regulatory framework applicable to the Sabana Industrial REIT states that the Internalization Committee and its members cannot assume a supervisory role and be consulted by the Trustee in the Internalization process.
- 24. Further, nowhere in the Trust Deed is it stated that the Trustee cannot act upon the directions and instructions of the Internalization Committee and its members if this is voted in by Unitholders.
- 25. If the Requisitioned Resolution 5 is voted through, this will mean that Unitholders have expressed their clear intention to have the Internalization Committee be consulted by the Trustee and supervise the implementation of the Internalization.
- 26. Again, the Trustee has not identified what '*discretion expressly conferred on the Trustee*' that it wishes to exercise under Clause 2.9.2 of the Trust Deed
- 27. Requisitioned Resolution 5 is also tabled due to the challenges the Trustee has claimed to have encountered in the implementation of the Internalization (despite more than 40 REIT managers being set up in Singapore in a timely and cost-effective manner) and the substantial amount of Unitholders' monies which the Trustee has spent in the process. If Unitholders are to pass Requisitioned Resolution 5, this would clearly mean that Unitholders strongly believe and want to empower the Internalization Committee to support and supervise the Internalization process.



28. The Unitholders retain Requisitioned Resolution 5. Any potential dealing restrictions can be put in place, if strictly necessary, after the Internalization Committee and its members are voted in. Please table the resolution with the latest amendments.

Trustee's Proposed Amendments

NIL

Requisitionists' Amendments

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 the Trustee be directed to ensure that it and its advisors undertake their best endeavors to (1) implement the Internalization process without any amendments to the Trust Deed; (2) ensure that any proposed amendments to the Trust Deed are absolutely necessary to effect Internalization; (3) seek any necessary waivers from the regulators to implement Internalization; and (4) 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.

29. The Unitholders disagree with the Trustee view that Requisitioned Resolutions 6, 7 and 8 are not meaningful.



- 30. The Unitholders have consistently reiterated that while the Trustee has discretion under Clause 28.2 of the Trust Deed, this discretion must be exercised bearing in mind the beneficiaries' intentions and the parameters set out under Clause 28.2.
- 31. The Unitholders strongly 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 Court in the Order 32 Application on Unitholders' position on Internalization.
- 32. As such Unitholders will not amend Requisitioned Resolutions 6 and 7. Please table the resolutions.
- 33. Requisitioned Resolution 8 is amended to ensure that the Trustee is directed to ensure that Trustee and its advisors undertake to implement the Internalization without any amendments to the Trust Deed to the best of their ability, and to amend the Trust Deed only if it is absolutely necessary to effect Internalization.
- 34. The Unitholders have repeated many times that the Trustee should execute the Internalization in a manner which results in the least obstacles possible to Unitholders.
- 35. The passing of Requisitioned Resolution 8 will further confirm Unitholders' position on this. Please table the resolution with the latest amendments.

Trustee's Proposed Amendments

NIL

Requisitionists' Amendments

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 and no amendment to the Trust Deed is required.

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 and no amendment to the Trust Deed is required.

 As mentioned in our letter dated 29 January 2024, Requisitioned Resolutions 9 and 10, if passed by Unitholders, shall supersede Resolutions 2(d) to 2(f) passed at the 7 August 2023 EGM.



- 37. We have amended Requisitioned Resolutions 9 and 10 to provide more clarity that unitholders would like to have their governance and unitholders' rights implemented in a certain manner.
- 38. It bears mentioning that Croesus Retail trust, in its Internalization process, has also incorporated these governance rights in a similar manner.
- 39. To this end, if Requisitioned Resolutions 9 and 10 are passed by the Unitholders, the Trustee should respect the wishes of the Unitholders as to how they would like their governance and Unitholders' rights to be implemented. Please table the resolutions with the latest amendments.

Trustee's Proposed Amendments

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, to the extent permitted by law and confidentiality obligations, 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.

Requisitionists' Amendments

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, to the extent permitted by law, 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.

- 40. We repeat that the direction given to the Trustee to effect Internalization is provided for by Unitholders in the 7 August 2023 EGM. The Trustee has, on behalf of the Unitholders, undertaken discussions on the Internalization process with the owner, beneficiaries, and/or the related parties of the Manager. It is thus clear that the Unitholders, as owners of the REIT are, by extension, related parties and should also be privy to these discussions on Internalization.
- 41. In the same way as Unitholders are entitled to regular updates from the Manager (semiannual and annual reports) regarding their investment, the Unitholders are entitled to all information about the status of the Internalization. In other words, Unitholders are by nature



a necessary party to any discussions on Internalization, and no information should be withheld from them.

42. If the Trustee has signed any confidentiality agreement with these parties even though it is clear that the Unitholders and the Sabana Industrial REIT are clearly parties to any discussions on the Internalization process between the Trustee and the owners, beneficiaries, and/or the related parties of the Manager, it is also clear that the Trustee should solely bear all cost and the consequence of breaching any confidentiality agreement it has signed with the other parties without passing these costs to the Unitholders. Please table the resolution with the latest amendments.

Trustee's Proposed Amendments

RESOLUTION 12: NIL

Requisitionists' Amendments

RESOLUTION 12: NIL

Proposed Resolution with no Amendments

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, guidance and/or directions from the Monetary Authority of Singapore (MAS), 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) whether they ought to be permitted to vote in relation to any such resolution to amend the Trust Deed for the aforesaid or any other reason.

- 43. As explained above, all critical questions on the implementation of the Internalization process should be answered first before more Unitholders' monies are spent by the Trustee in effecting the same.
- 44. The Unitholders have on multiple occasions requested that the Trustee confirm its position on whether the Manager, its shareholders and/or the related parties of the Manager and/or shareholders can vote in any resolutions to amend the Trust Deed, notwithstanding the fact that these parties are interested parties and/or are parties in a position of conflict of interest. That the Trustee answer this question is critical to the success or failure of Internalization.
- 45. This is because the Manager, its shareholders and/or the related parties of the Manager and/or shareholders are clearly against Internalization. Internalization will directly impact



these parties' fee income from and the value of the Manager. In this regard, the Manager, its shareholders and/or the related parties of the Manager and/or shareholders will likely vote against any resolutions to amend the Trust Deed for the purposes of effecting Internalization (where the Trustee is of the view that such amendments are absolutely necessary for the purposes of effecting Internalization).

- 46. By having clear guidance from the regulators and the court on the above, the Unitholders will be able to better understand how to proceed with the Internalization process before more Unitholders' monies are expended by the Trustee on the same.
- 47. The Unitholders will retain and table Resolution 12 such that if the resolution is passed, unitholders propose to work together with the Trustee and/or their solicitors on the precise phrasing of any court application.
- 48. In addition, at paragraph 11(b) of the Trustee's 14 February 2024 Letter, the Trustee states that it may not be in the interest of the Unitholders "as a whole" to "utilise and expend trust resources to consider the Voting Issue". With respect, the additional costs of applying for one additional Court order is insignificant compared to the overall costs of the Trustee's Order 32 Application. Please table Resolution 12.
- 49. Please find the profile of the proposed committee members: 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

Mr. Imran Chng Pia Ser

Mr. Imran Chng Pia Ser was Account Director at UEMS Solutions Pte. Ltd., a leading Integrated Facilities Management Company in Singapore, and previously worked as a Portfolio Director at JLL Property Consultancy. He was also the Vice-President/Deputy GM at CPG Facilities Management.

Mr. Chng graduated with Bachelor of Science (Real Estate) from the National University of Singapore.

Mr. Chng is an accomplished property and facilities management professional with over 21 years of experience managing large-scale residential, industrial and retail properties with a strong financial background.

Mr. Lim Hock Chuan

Mr. Lim Hock Chuan worked as Senior Engineering Manager at RWDC, a startup company in bio-degradable plastic, from 2020 until 2023. He previously was Electrical & Control Engineering Manager at Mckeeson Consultants Pte. Ltd., with postings in Brazil and



Malaysia. Prior to that, Mr. Lim was in charge of several engineering projects at Emerson Process Management Asia Pacific and M.E.I. Project Engineers.

Mr. Lim has an Advanced Diploma in Control & Instrumentation from Singapore Polytechnic and a Diploma in Engineering & Communication Engineering from Singapore Polytechnic.

Mr. Lim has more than 20 years of experience in the project management of large scale, high value and highly complex projects

Mr. Havard Chi Cher Pan

Mr. Havard Chi Cher Pan is the Head of Research at Quarz Capital ASIA, a value investment firm that invests in undervalued equities across Developed Asia. Prior to that, he was a Portfolio Manager at Bellevue Group in Switzerland.

Mr. Chi graduated with a Master of Arts in Banking and Finance from the University of St.Gallen in Switzerland and has a Bachelor of Science in Economics from the National University of Singapore.

Mr. Chi has more than 10 years of experience in finance and macroeconomics as well as real estate investing, especially Singapore, Japan and Australian REITs.

Mr. Low Chin Yee

Mr. Low Chin Yee has over 20 years' experience in finance and investing. He has been working since 2009 as a trading representative for CGSI Securities Pte. Ltd and previously worked in Institutional Sales for JM Sassoon Securities Pte. Ltd.

Mr. Low was also one of the requisitionists at the Sabana Industrial REIT EGM in 2017.

Mr Low graduated with a degree in Accountancy from the National University of Singapore.

Mr. Jan Frederic Moermann

Mr. Jan Frederic Moermann is the Founder and Chief Investment Officer of Quarz Capital ASIA (Singapore), a value oriented and research-driven asset manager.

Mr. Moermann graduated with a M.A. in Banking and Finance from the University of St.Gallen.

Mr. Moermann has more than 15 years of investing experience including in real estate investing, especially in Singapore, Japan and Australian REITs.



Mr. Saha Anshuman Manabendranath

Mr. Saha Anshuman Manabendranath worked as Vice President (Business Development) at Pan Asia Resources in Singapore, a company focusing on IT consulting, IT solutions and management consulting.

Mr. Saha previously was Regional Sales Manager (APAC) at ATS Global, an independent solution provider for smart digital transformation.

Mr. Saha graduated with a B.E. in Chemical Engineering from the Maharaja Sayajirao University of Baroda

Yours Sincerely,

Requisitionists of the EGM

Members of Sabana Growth Internalization Committee (SGIC)



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



Jan Frederic Moermann Chief Investment Officer Quarz Capital ASIA (Singapore) Pte. Ltd



Havard Chi Unitholder and Head of Research Quarz Capital ASIA (Singapore) Pte. Ltd



Full Name of Unitholder:	
Identity Card No:	
Custodian:	
Signature:	



Full Name of Unitholder:

Identity Card No:

Custodian:

Signature:







Full Name of Unitholder:	
Identity Card No:	
Custodian:	
Signature:	







