



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 26 March 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 25 March 2024 and its announcement dated 15 April 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 18 April 2024, it received a letter (the “**18 Apr 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 18 Apr Letter annexed to this Announcement.

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. The Manager is seeking legal advice and 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

19 April 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.sg

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: Thursday 18th April 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 Liao,

Clarifications and Amendments of Requisition Notice Dated 25 March 2024 in Response to Trustee's Update Letter to Unitholders dated 9 April 2024

1. We refer to the letter from HSBC Institutional Trust Services (Singapore) Pte. Ltd ("Sabana Trustee", or "Trustee") dated 9 April 2024 on Sabana unitholders' Requisition Notice dated 25 March 2024 (the "2nd Requisitioned Resolutions");
2. Sabana Unitholders are disappointed to note that the Trustee has not provided any real response to the resolutions.
3. We fully reject the Trustee's comment that the 2nd Requisitioned Resolutions are to circumvent the need to table Proposed Trust Deed amendments for Unitholders' consideration and approval.
4. Firstly, Unitholders have specifically passed Resolution 6 on the 8th March 2024 EGM, which amongst other things, directs the Trustee and its advisors to undertake their best endeavors to 1) implement the Internalisation process without any amendments to the Trust Deed; 2) ensure that any proposed amendments to the Trust Deed are absolutely necessary to effect Internalisation; 3) seek any necessary waivers from the regulators to implement Internalisation.
5. In the same vein, the 2nd Requisitioned Resolutions seek to protect the best interests of Unitholders by directing the Trustee to seek the most cost effective and expedient manner to implement the Internalisation process.

6. Any proposed amendments to the Trust Deed would involve substantial delay and incur additional expenses and should therefore, in the interests of the Unitholders, be avoided unless strictly necessary to implement Internalisation. Unitholders are unconvinced that the Trustee's proposed Trust Deed amendments are strictly necessary in order to implement Internalisation.
7. Secondly, the Trustee makes a broad sweeping statement that "*the removal of the Trust Deed Amendments from the Trust Deed may result in ambiguities in the Trust Deed and cause prejudice to the operation and management of Sabana Industrial REIT and accordingly, its Unitholders*", without offering any specific examples or evidence to support such a statement. This clearly neither demonstrates nor justifies that the proposed Trust Deed amendments are necessary to effect Internalisation.
8. Unitholders also remind the Trustee that it has spent the substantial amount of more than S\$5 million of unitholders' monies and is over eight months in the Internalisation process. Similarly, questions remain over whether the Order 32 Application is strictly necessary for the Internalisation process or merely another totally unnecessary impediment created by the Trustee to potentially obstruct the speedy and successful conclusion of the Internalisation process. This is as unitholders have already given clear directions to the Trustee to implement the Internalisation without any amendments to the Trust Deed and with as few obstacles as possible.
9. Thirdly, the requisitioned EGM is the internal democratic process of the REIT, where all unitholders can vote. Unitholders' statutory right to convene a general meeting is one of the 'key rights' provided by law to unitholders to marshal all unitholders of a REIT together to provide an opportunity for them to deliberate and resolve tabled proposals that may affect the direction of the REIT.
10. The requisitioned EGM therefore offers an opportunity for all Sabana Unitholders to vote in accordance with how they would like to direct the Trustee to execute on the Internalisation.
11. We wish to highlight that, from the Trustee's update dated 9 April 2024, it appears that the Trustee has not complied with Resolution 6 passed at the 8th March 2024 EGM, in that the Trustee has continued to propose amendments to the Trust Deed without considering whether the amendments are absolutely necessary to implement Internalisation, nor has the Trustee provided any evidence to Unitholders on whether it has consulted with and sought waivers from the regulators on the amendments that it has proposed.
12. We wish to state that we share the Trustee's desire for clarity and progress. In order to reduce costs and the need for potential further EGMs on the basis of the existing Requisitioned Resolutions, we, the requisitionists, have decided to **modify** the following Requisitioned Resolutions as set out in **red** below. The modifications are done with the intention of providing clarity to the Trustee with regards to Unitholders' views and expedite the Internalisation process, while the substance of the resolutions as a whole remains unchanged.



13. In this regard, the Requisitionists, which are also members of the Internalisation Committee, would be grateful if the EGM can be conducted without any further changes of the existing timeline. This will lead to time and cost savings, which are ultimately in the best interest of and highly beneficial to all Sabana Unitholders.

ORDINARY RESOLUTIONS

RESOLVED:

RESOLUTION 1: That, ~~if the Trustee be directed not to amend the -does not provide written certification pursuant to Clause 28.2 of the Trust Deed for its new proposed Trust Deed amendments relating to the incorporation of relevant safeguards “on the manner of the Trustee’s holding of the shares of the internal manager for the benefit of Unitholders, and the governance structure put in place to ensure that the Trustee would not be able to exercise control over the internal manager’s REIT management activities” (as described by the Trustee in its presentation on 8 March 2024), the Trustee be directed to consult with and seek regulatory waivers and/or directions from the regulatory authorities to (a) enable the Trustee to provide the said written certification, and/or (b) allow the incorporation of the above in the Company’s constitution, management contract of the Internal Manager, and/or any other means, such that no Trust Deed amendments are required.~~ related to clearly and expressly authorizing Sabana Industrial REIT to hold unlisted shares in a company providing internal REIT management functions as provided in Annex C S/N 1 of the Trustee letter on 9 April 2024.

Explanatory Statements:

14. Sabana REIT’s Trust Deed already clearly specifies that the REIT is allowed to invest in all investments specified as a permissible investment in the Property Funds Appendix of the CIS Code, Real Estate Related Assets as well as unlisted shares or stock of or issued by local or foreign non property companies or corporations if permitted by the Authority.
15. The Trustee has stated in its presentation material on 8 March 2024 and its letter dated 9 April 2024 that MAS has provided the relevant waivers to enable Sabana REIT to own the Internal Manager as a permissible investment under the CIS Code and Property Funds Appendix.
16. It is therefore absolutely unnecessary to again set out expressly in the Trust Deed that Sabana Industrial REIT is permitted to operate under an internal REIT manager model, when the Trust Deed has clearly stated that the REIT is allowed to do so.
17. Ultimately, Resolution 1 is for all Sabana unitholders to vote in a democratic process on how they would like to direct the Trustee to implement the Internalisation. We urge Sabana Trustee to fully respect the wishes and implement the directions from Sabana unitholders.

RESOLUTION 2: That ~~if the Trustee still deems it necessary be directed to not to amend the Trust Deed, including Clause 16.4 of the Trust Deed, but does not provide written certification pursuant to Clause 28.2 of the Trust Deed despite the MAS waivers allowing Sabana REIT to invest in the Internal Manager and to provide initial and subsequent capital injections, the Trustee be directed to consult with and seek regulatory waivers and/or directions from the regulatory authorities to (a) enable the Trustee to provide the said written certification, and/or the Trust Deed related to investing the monies of Sabana Industrial REIT in the Manager. (b) propose and implement any other alternative solutions, such that no Trust Deed amendments are required.~~

Explanatory Statements:

18. Sabana REIT's Trust Deed already clearly specifies that the REIT is allowed to invest in all investments specified as a permissible investment in the Property Funds Appendix of the CIS Code, Real Estate Related Assets as well as unlisted shares or stock of or issued by local or foreign non property companies or corporations if permitted by the Authority.
19. The Trustee has stated in its presentation material on 8 March 2024 and its letter on 9 April 2024 that MAS has provided the relevant waivers to enable Sabana REIT to own the Internal Manager as a permissible investment under the CIS Code and Property Funds Appendix.
20. Further, there are multiple options to fund the Internal Manager as it is non-capital intensive and has low capital requirements. The Internalisation Committee is ready to discuss with the Trustee with regards to the numerous available options.
21. Ultimately, Resolution 2 is for all Sabana unitholders to vote in a democratic process on how they would like to direct the Trustee to implement the Internalisation and we urge Sabana Trustee to fully respect the wishes and implement the direction of Sabana unitholders.

RESOLUTION 3: That, ~~if the Trustee be directed to incorporate the relevant provisions of the Securities and Futures Act 2001, Guidelines to All Holders of Capital Markets Services License for Real Estate Investment Trust Management and/or any licensing conditions of the REIT manager does not provide written certification pursuant to Clause 28.2 of the Trust Deed for their new proposed Trust Deed amendments relating to the compliance with the Regulatory Requirements of the shareholders of the Internal Manager (as defined and described by the Trustee in its presentation on 8 March 2024), and in Annex C S/N 2 and 3 of its Letter on 9 April 2024 the Trustee be directed to consult with and seek regulatory waivers and/or directions from the regulatory authorities to (a) enable the Trustee to provide the said written certification, and/or (b) allow the incorporation of the above in the Company's constitution, management contract of the Internal Manager, Sabana Industrial REIT's website, circulars, annual reports and/or any other means, such that no Trust Deed amendments are required.~~

Explanatory Statements:

22. The proposed addition of the provisions of the Securities and Futures Act 2001 (“SFA”) and the Guidelines to All Holders of Capital Markets Services License for Real Estate Investment Trust Management (“Guidelines”) into the Trust Deed (“**Proposed Provisions**”) is unnecessary to effect Internalization.
23. Firstly, the Trust Deed already expressly states that the manager of Sabana REIT – be it the current External Manager or the new Internal Manager that will be implemented pursuant to Internalization (“Internal Manager”) – and its shareholders are subject to SFA and MAS requirements.
24. As the Trustee has itself admitted, the failure by any unitholder to comply with the regulatory requirements will already result in enforcement action being taken by MAS against the relevant Unitholder. MAS can impose sanctions, fines and penalties and also compel any errant unitholder, who does not comply with the regulations, to dispose of the units in Sabana REIT.
25. Leaving aside the Trust Deed, such detailed Proposed Provisions regarding the shareholders of REIT managers are not even spelled out in the company constitutions of external managers. It is already clearly understood that all shareholders of the External Manager have to comply with MAS regulations.
26. The information contained in the Proposed Provisions (the SFA, the Guidelines, and the licensing conditions) are also publicly available – unitholders are more than capable of accessing and referring to the same on their own. It is more useful if Sabana REIT states this in its public materials and on its website so that all unitholders are aware of this.
27. Amending the Trust Deed to reflect the Proposed Provisions will not make the provisions any clearer to unitholders or potential investors because the Trust Deed itself is generally inaccessible. It is not available to non-investors and is difficult to access even for unitholders as they must make an appointment and come to the office of the REIT Manager to physically inspect the Trust Deed.
28. By way of example, during the Internalisation of Croesus Retail Trust (“Croesus”), unitholders of Croesus were also subject to SFA regulatory restrictions. However, Croesus did not amend its Trust Deed in order to effect the Internalisation and instead informed its unitholders that they will be subject to these regulatory restrictions by way of a circular dated 15 June 2016 related to the Croesus Internalisation vote.
29. While Croesus proposed to amend the Trust Deed related to the regulatory restrictions, this was done only in October 2016, after the successful completion of Internalisation in August 2016. Nowhere in the Circular for the 30 June 2016 EGM, where the Internalisation was voted in, was it mentioned that the Internalisation vote would be contingent on any later amendment to the Trust Deed. Nowhere in the October 2016 Circular for the proposed Trust Deed amendment was it stated that the Internal Manager would not be able to function or the



Internalisation would fail if the proposed Trust Deed amendment was not passed. This further confirms that the proposed Trust Deed amendment was inconsequential to effect the Internalisation at Croesus.

30. Accordingly, if the Trustee is of the view that the proposed relevant provisions of the Guidelines, SFA and/or licensing conditions should be brought to the attention of unitholders, the Trustee can choose to: (a) incorporate these provisions into the company constitution of the Internal Manager; (b) inform Sabana unitholders by way of circular, in the same way Croesus had done; and/or (c) expressly provide this information in the Annual Reports, on the public website or via SGX announcements of Sabana REIT. Amending the Trust Deed to reflect the relevant Guidelines and SFA sections will not serve any purpose except to be an obstacle to Internalisation.

RESOLUTION 4: That the Trustee be directed not to incorporate any Trust Deed amendment under the existing Clause 10.12 of the Trust Deed **and/or any other clauses related to lending, external borrowing and raising money for the Manager as provided in Annex C S/N 4 of the Trustee letter on 9 April 2024.** ~~unless the Trustee is prepared to provide written certification pursuant to Clause 28.2 of the Trust Deed for its proposed amendment.~~

Explanatory Statement:

31. The proposed amendments are not necessary to effect Internalisation at Sabana REIT.
32. Croesus Retail Trust also did not amend its Trust Deed related to this matter when it successfully and fully completed its Internalisation in August 2016. While Croesus proposed to amend the Trust Deed related to the above, this was done only in October 2016, after the successful completion of the Internalisation in August 2016. Nowhere in the Circular for the 30 June 2016 EGM, when the Internalisation was voted in, was it mentioned that the Internalisation vote would be contingent on any later amendment to the Trust Deed. Nowhere in the October 2016 Circular for the proposed Trust Deed amendment was it stated that the Internal Manager would not be able to function or the Internalisation would fail if the proposed Trust Deed amendment was not passed. This confirms that the proposed Trust Deed amendment was inconsequential to effect the Internalisation at Croesus. It is also not necessary to successfully effect Internalisation at Sabana REIT.

RESOLUTION 5: That the Trustee be directed not to incorporate any Trust Deed amendment under the existing Clause 19.9 of the Trust Deed **and/or any other clauses related relating** to the establishment and/or acquisition of subsidiaries by the Manager held directly or indirectly by the Manager in or outside of Singapore **as provided in Annex C S/N 5 of the Trustee letter**

~~on 9 April 2024, unless the Trustee is prepared to provide written certification pursuant to Clause 28.2 of the Trust Deed for its proposed amendment.~~

Explanatory Statement:

33. The proposed amendments are not necessary to effect Internalisation.
34. Croesus Retail Trust also did not amend its Trust Deed related to this matter when it successfully and fully complete its Internalisation in August 2016.

RESOLUTION 6: ~~That the Trustee be directed to provide a clear timeline for when Internalisation can be completed.~~

Explanatory Statement:

35. The Trustee has provided an indicative timeline for the implementation of Internalisation in the update letter to unitholders on 9 April 2024. As such, the above resolution is no longer necessary.

RESOLUTION 7: That the Trustee be directed to **inform unitholders immediately and** consult with MAS **and the Internalisation Committee** on all **other** proposed Trust Deed amendments and seek regulatory waivers and/or directions from MAS, such that **no Trust Deed amendments are required unless Trustee certification can be provided to ensure that the** Internalisation can be successfully implemented.

Explanatory Statement:

36. This is to ensure that the Trustee does not further propose any Trust Deed amendments which are unnecessary to successfully effect Internalisation and to seek regulatory waivers and directions from MAS and consult with the Internalisation Committee on any further proposed amendments.

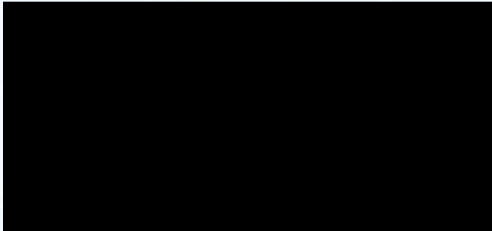
Conclusion

37. Accordingly, we are appreciative of the Trustee's attempts to better understand Sabana Unitholders' position and would like to reiterate that the EGM is the internal democratic process, in where unitholders can discuss, deliberate and resolve tabled proposals on the directions of Internalisation. We therefore ask that the EGM proceeds without any change of the existing timeline.

Thank you.



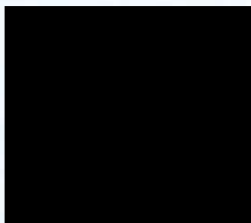
Name of Unitholder: Quarz Capital ASIA (Singapore) Pte. Ltd



Jan Frederic Moermann

Chief Investment Officer

Quarz Capital ASIA (Singapore) Pte. Ltd



Havard Chi

Unitholder and Head of Research

Quarz Capital ASIA (Singapore) Pte. Ltd

Full Name of Unitholder:

[REDACTED]

Identity Card No:

[REDACTED]

Custodian:

[REDACTED]

Signature:

[REDACTED]

Full Name of Unitholder:

Identity Card No:

Custodian:

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Full Name of Unitholder:

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