



26 April 2024

**Sabana Real Estate Investment Management Pte. Ltd.**  
**(in its capacity as manager of Sabana Industrial Real Estate Investment Trust ("Sabana Industrial REIT")) (the "Manager")**  
151 Lorong Chuan, #02-03  
New Tech Park  
Singapore 556741

Attention: Mr Donald Han, Chief Executive Officer

Dear Sirs

**UPDATE TO UNITHOLDERS OF SABANA INDUSTRIAL REIT FROM HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SABANA INDUSTRIAL REIT) (THE "TRUSTEE") – 26 APRIL 2024**

1. We refer to (i) the Trustee's Statements dated 21 July 2023, 29 August 2023, 4 October 2023, 7 November 2023, 6 December 2023, 15 December 2023, 9 January 2024, 23 January 2024, 30 January 2024, 20 February 2024, 29 February 2024, 8 March 2024, 22 March 2024, 26 March 2024 and 9 April 2024 (collectively, the "**Trustee's Statements**"); (ii) the requisition notice from certain unitholders ("**Unitholders**") of Sabana Industrial REIT dated 25 March 2024 ("**2nd Requisition Notice**") to the Manager to convene an extraordinary general meeting ("**EGM**") and table certain resolutions (the "**2nd Requisitioned Resolutions**") to the Unitholders; and (iii) the letter dated 18 April 2024 from the Unitholders requisitioning the 2nd Requisitioned Resolutions (the "**Latest Requisitionists' 18 April 2024 Letter**"), seeking to withdraw or modify the 2nd Requisitioned Resolutions (the "**Latest Requisitioned Resolutions**"), all of which were published via SGXNet.
2. In this regard, the Trustee wishes to provide the following update and the Trustee's views on the Latest Requisitionists' 18 April 2024 Letter to all Unitholders, as set out in the Appendix to this letter.
3. Terms defined in the Trustee's Statements shall, unless the context otherwise requires, have the same meanings when used in this letter.
4. Please publish this letter as an announcement via SGXNet and to the extent that the circular in relation to the Proposed EGM has yet to be despatched to Unitholders, include this letter in the circular.
5. The Trustee urges Unitholders to carefully consider all the information that has been publicly disclosed in respect of the 2nd Requisitioned Resolutions and the Latest Requisitioned Resolutions.

Yours faithfully

For and on behalf of  
**HSBC Institutional Trust Services (Singapore) Limited**  
**(in its capacity as trustee of Sabana Industrial Real Estate Investment Trust)**

RAHUL DESOUSA  
Authorised Signatory

**HSBC Institutional Trust Services (Singapore) Limited**  
10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983  
Company Registration No : 194900022R

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## APPENDIX

### Trustee's Update to Unitholders of Sabana Industrial REIT

1. As stated in the Trustee's Statements, the Trustee will provide further updates and continue to engage with Unitholders in respect of material developments on the internalisation.
- A. Trustee's Views on the Latest Requisitioned Resolutions
2. The Trustee urges Unitholders to carefully consider all the information that has been publicly disclosed, in particular, the Trustee's Statement dated 9 April 2024, where the Trustee set out its views on the 2nd Requisitioned Resolutions, most of which remain applicable to the Latest Requisitioned Resolutions. The Trustee cautions that **the Latest Requisitioned Resolutions, if passed, may not be capable of being implemented in full or may cause prejudice to Sabana Industrial REIT and its Unitholders.**
3. In effect, by requisitioning a further EGM to direct the Trustee by ordinary resolution (i.e. more than 50% of votes) not to amend the Trust Deed altogether and accordingly to implement the internationalisation without such amendments, the Latest Requisitioned Resolutions seek to avoid the tabling of an extraordinary resolution (i.e. 75% or more of votes) relating to amendments to the Trust Deed for Unitholders' proper consideration and approval.
4. As stated previously, the Proposed Trust Deed Amendments have been carefully considered by the Trustee and its advisers. The Proposed Trust Deed Amendments are intended, holistically, to allow for a compliant, functional and sustainable internalised management structure and for the internal manager to operate going forward. The specific rationale for each category of the Proposed Trust Deed Amendments has been described in Annex C of the Trustee's Statement dated 9 April 2024.
5. The Trustee remains of the view that if the internalisation is effected without the Proposed Trust Deed Amendments, this could be prejudicial to the interests of Unitholders. The absence of clear and proper Trust Deed provisions would give rise to ambiguities, possible allegations of breach of Trust Deed provisions and/or prejudice to the operation and management of Sabana Industrial REIT.
6. Many of the issues raised by the Latest Requisitioned Resolutions are issues of law and legal interpretation, which will be appropriately considered by the Court via the Trustee's ongoing Order 32 Application. Please refer to Section B below for an update on the status of the Order 32 Application. The Trustee urges all Unitholders to wait for the Court's decision so that Unitholders' position on the Latest Requisitioned Resolutions can be informed accordingly.
7. The Trustee's specific views on the Latest Requisitioned Resolutions and other matters raised in the Latest Requisitionists' 18 April 2024 Letter are set out in the **Annex** to this Statement. This includes the Trustee's views as to why the internalisation of Croesus Retail Trust is not an appropriate analogy to draw with the present internalisation. Key amongst these reasons is that the regulatory regime for the trustee-manager of Croesus Retail Trust (a business trust) is different from the regulatory regime for the manager of Sabana Industrial REIT (a REIT).
- B. Amended Order 32 Application and Court Hearing Date
8. The Trustee wishes to update Unitholders that it amended its application in HC/OA 19/2024 on 22 April 2024 (the "**Amended Order 32 Application**", and together with the original Order 32 Application filed on 9 January 2024, the "**Order 32 Application**") to reflect the updated Proposed Trust Deed Amendments as disclosed in the Trustee's Statement dated 9 April 2024. A specific prayer has also been added pursuant to the directions of Unitholders under Resolution 10 of the resolutions tabled at the EGM held on 8 March 2024 (the "**8 March 2024 Resolutions**").
9. The Trustee wishes to update that, as the date of this Announcement, the Court hearing date for the Order 32 Application has been set for **Tuesday, 21 May 2024.**

10. For Unitholders' information, the prayers being sought in the Order 32 Application are noted below with new prayers underlined:
- (a) a declaration that amendments to the Trust Deed are required to implement the resolutions approved at the extraordinary general meeting of the Unitholders held on 7 August 2023;
  - (b) a declaration that the Trustee's power under Clause 28.2.1 of the Trust Deed to certify that amendments to the Trust Deed do not materially prejudice the interests of the Unitholders and do not operate to release to any material extent the Trustee or Manager from any responsibility to the Unitholders, is in the nature of a discretion rather than an obligation;
  - (c) a declaration that the Trustee is at liberty to convene an extraordinary general meeting of the Unitholders in accordance with the requirements of the Trust Deed and the CIS Code to consider the Proposed Trust Deed Amendments;
  - (d) liberty to apply to Court for further directions in the event an extraordinary general meeting is convened;
  - (e) in the event that the Trustee convenes an EGM of the Unitholders to consider the Proposed Trust Deed Amendments, a declaration on:
    - (i) whether the Manager and its shareholders and related parties are in a conflict of interest situation where any resolution to amend the Trust Deed, if passed, will affect their fee income from the existing Manager; and
    - (ii) whether the Manager and its shareholders and related parties ought to be permitted to vote in relation to any such resolution to amend the Trust Deed for the reason stated at the prayer described in paragraph 10(e)(i) or for any other reason,(the "**Voting Prayer**");
  - (f) in the event the Court does not grant any or all of the prayers set out in paragraphs 10(a) to 10(e), liberty to apply to Court for directions as to the method in which the Trustee shall implement the internalisation of the REIT management function;
  - (g) costs for the Order 32 Application to be provided for; and
  - (h) such further or other relief as the Court deems fit.
11. The Voting Prayer as described in paragraph 10(e) above is a new prayer, and has been added pursuant to the directions of Unitholders under Resolution 10 of the 8 March 2024 Resolutions.
12. The prayer as described in paragraph 10(f) above is a new prayer to provide the Trustee with the flexibility to seek further directions from the Court with a view to progressing the internalisation process as expeditiously as possible in the event that any or all of the prayers as described in paragraphs 10(a) to 10(e) are not granted by the Court.
13. The Trustee has also added the shareholders and related parties of the Manager, being (a) ESR Group Limited, (b) E-Shang Infinity Cayman Limited and (c) E-Shang Jupiter Cayman Limited (collectively, the "**ESR Entities**") as parties to the Amended Order 32 Application, in order to allow the ESR Entities an opportunity to put forward their views on the orders being sought in the Order 32 Application, in particular, the Voting Prayer, to the Court for its consideration.
14. In the interests of certainty, clarity and efficiency for the implementation of the internalisation, the Trustee is working with all parties to progress the Order 32 Application as expeditiously as practicable.

15. The Trustee however wishes to highlight to Unitholders that the occurrence of further contingencies and events beyond the Trustee's control which pertain to the subject matters of the Order 32 Application (including the Latest Requisitioned Resolutions) may result in further costs and delay in the progress of the Order 32 Application and the internalisation as a whole.
16. A copy of the Amended Order 32 Application will be made available to Unitholders for inspection (by appointment) during regular business hours at the registered office of the Trustee upon request by email to the following email address: [sabana.trustee@hsbc.com.sg](mailto:sabana.trustee@hsbc.com.sg). For verification, Unitholders are requested to provide their name, securities account details and identification number (where applicable) in their email request.
17. Any Unitholder who wishes to be joined as a party to the Order 32 Application is requested to consult their own legal advisers on making the necessary application to the Court, and inform the Trustee's solicitors, Rajah & Tann, of 9 Straits View #06-07, Marina One West Tower, Singapore 018937 by way of notice in writing of its intention to do so.

**The information contained in this announcement does not constitute legal or other professional advice. If any Unitholder is considering being joined as a party to the Order 32 Application or is in doubt as to the course of action they should take, they should seek their own independent professional advice immediately.**

**Any such action taken and/or professional advice sought by a Unitholder in respect of the Order 32 Application (including the joining of a Unitholder as a party to the Order 32 Application) shall be at their own cost. None of the Trustee or its respective directors, officers, employees, agents or affiliates makes any recommendation as to the course of action that Unitholders should take.**

C. Response from MAS and SGX RegCo on the Voting Issue

18. The Trustee also wishes to update Unitholders that further to its application to the MAS to seek the MAS' guidance and views on the Voting Issue (as directed by Resolution 10 of the 8 March 2024 Resolutions), the MAS has on 24 April 2024 responded that the Voting Issue relates to Rule 748(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), and that the MAS notes that the SGX RegCo has given its view on the Voting Issue. As disclosed by the Manager on 22 April 2024, the SGX RegCo is of the view that should an EGM be necessary to consider the Proposed Trust Deed Amendments, there is no requirement under the Listing Manual for ESR Group Limited and its related parties to be disenfranchised from voting on the Proposed Trust Deed Amendments, provided that the Proposed Trust Deed Amendments are not proposed to benefit the interest of any specific Unitholder, and is to effect the internalisation.

D. Update on Engagement with the Internalisation Committee

19. Further to the Trustee's Statement dated 26 March 2024 regarding the Internalisation Committee, the Trustee continues to engage with the Internalisation Committee. The Trustee and the Internalisation Committee had agreed to schedule another meeting to be held on 24 April 2024, but this was subsequently postponed. On 23 April 2024, the Internalisation Committee proposed amendments to the Trustee's proposed terms of reference for the Internalisation Committee that were disclosed in the Trustee's Statement dated 26 March 2024. The Trustee will review and consider these amendments for the protection of all Unitholders' interests, and work with the Internalisation Committee towards a consensus on this matter.

E. General Matters

20. The Trustee notes that considerable time and resources had to be incurred to consider and address each of the proposals, amendments and withdrawals from the requisitioning Unitholders for the 8 March 2024 Resolutions and the Latest Requisitioned Resolutions (the "**Requisitionists**"). This has resulted in delays and expenses on the internalisation workstreams including the Order 32 Application. The Trustee is concerned about the potential confusion and

prejudice to Unitholders which could be caused by repeated requisitions, amendments, withdrawals, and delays.

21. The Trustee would like to reiterate its previous requests to Unitholders to support a proper and orderly process for the internalisation (including awaiting the outcome of the Order 32 Application). The Trustee shares the views of SGX RegCo as stated in their letter dated 18 April 2024 (and disclosed by the Manager on 22 April 2024) that further delay in the implementation of the internalisation would not be in the interest of Unitholders.
22. The Trustee will continue to provide further updates and engage with Unitholders in respect of material developments. All updates from the Trustee will be in the form of announcements via SGXNet.
23. In addition to the communication channels established by the Manager for Sabana Industrial REIT, Unitholders may direct their enquiries to [sabana.trustee@hsbc.com.sg](mailto:sabana.trustee@hsbc.com.sg).

## ANNEX

### Trustee's Views on each of the Latest Requisitioned Resolutions

The Trustee sets out below the Latest Requisitioned Resolutions as set out in the Latest Requisitionists' 18 April 2024 Letter and elaborates on its views in respect of them. For ease of reference, the Trustee has maintained the numbering of the 2nd Requisitioned Resolutions notwithstanding the withdrawal of Resolution 6 of the 2nd Requisitioned Resolutions pursuant to the Latest Requisitionists' 18 April 2024 Letter.

**Resolution 1:** *That the Trustee be directed not to amend the Trust Deed related to [sic] 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.*

**Resolution 2:** *That the Trustee be directed not to amend the Trust Deed, including Clause 16.4 of the Trust Deed related to investing the monies of Sabana Industrial REIT in the Manager.*

**Resolution 3:** *That, 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 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 in the 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.*

**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, borrowing and raising money for the Manager as provided in Annex C S/N 4 of the Trustee letter on 9 April 2024.*

**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 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.*

#### **Trustee's Views**

- (a) The Trustee's views on Resolutions 2 to 5 of the 2nd Requisitioned Resolutions and the rationale for the Proposed Trust Deed Amendments, as set out in Annexes B and C of the Trustee's Statement dated 9 April 2024 respectively, remain applicable.
- (b) **In addition, certain provisions of the Trust Deed if not amended, may result in a breach of the Trust Deed and/or facilitate a breach of the Trust Deed by the Trustee. As such, if the resolutions are passed, there is a question as to how the internalisation may be legally effectuated without being in breach of the Trust Deed.**
- (c) The Trustee may have to incur further costs and expenses to seek clarification, including from the Court, as to their implementation if these resolutions are passed.

#### **Further Clarifications with Reference to Citing Croesus Retail Trust as a Relevant Example for Internalisation**

The Trustee also sets out below its clarifications in respect of the repeated references to the internalisation of the trustee-manager of Croesus Retail Trust in the Latest Requisitionists' 18 April 2024 Letter as a relevant example and basis of justification for the Latest Requisitioned Resolutions.

General clarification

- (a) As previously explained, the example of Croesus Retail Trust is not an appropriate analogy to draw with the internalisation of the existing Manager of Sabana Industrial REIT primarily because (i) unlike Sabana Industrial REIT, Croesus Retail Trust is a business trust and is therefore subject to a different regulatory regime, and (ii) the internalisation of the trustee-manager for Croesus Retail Trust was effected through a different structure.
- (b) While the Trustee is not able to comment or speculate as to the reasons behind why Croesus Retail Trust did not require trust deed amendments at the point of internalisation, the Trustee notes that a number of the amendments to the trust deed of Croesus Retail Trust which were introduced shortly after the internalisation did provide for matters arising from the internalisation (such as incorporating express cross-references to the terms of the trustee-manager share-trust deed, and authorising Croesus Retail Trust to lend monies to and guarantee the obligations of the trustee-manager share-trust). This is substantially similar to the current situation involving Sabana Industrial REIT, where the internalisation was approved by Unitholders at the 7 August 2023 EGM, and steps are now being taken to work towards a subsequent EGM to consider the Proposed Trust Deed Amendments.
- (c) Accordingly, the Trustee queries the basis of the Requisitionists' view at paragraph 29 of the Latest Requisitionists' 18 April 2024 Letter that trust deed amendments were "*inconsequential*" to effect the internalisation of Croesus Retail Trust.

Clarifications in respect of specific Latest Requisitioned Resolutions

- (d) **Resolutions 1 and 2:** In relation to the Requisitionists' justifications in paragraphs 14 to 21 of the Latest Requisitionists' 18 April 2024 Letter:
  - (i) as mentioned previously in the Trustee's Statement dated 9 April 2024, the Trust Deed of Sabana Industrial REIT must be clear that it is permitted to operate under an internal REIT manager model and invest monies of Sabana Industrial REIT in the internal manager. In particular, if Clause 16.4 of the Trust Deed is not amended, there is a real risk that Sabana Industrial REIT is operating in breach of its Trust Deed by investing trust monies in the internal manager through the implementation of the internalisation; and
  - (ii) based on publicly available information, it would appear that there is no provision in the trust deed of Croesus Retail Trust that is equivalent to Clause 16.4 of the Trust Deed. Accordingly, there would have been no need for an equivalent amendment to be made to the trust deed for Croesus Retail Trust given that there is no such provision to begin with.
- (e) **Resolution 3:** In relation to the justifications in paragraphs 22 to 30 of the Latest Requisitionists' 18 April 2024 Letter:
  - (i) given that the trustee-manager of Croesus Retail Trust (being a business trust) is not a capital markets services licence holder, the provisions of the Securities and Futures Act 2001 of Singapore ("**SFA**") relating to the change of control of a capital markets services licence holder are not applicable in the context of Croesus Retail Trust. Accordingly, there would have been no need for an equivalent amendment to be made to the trust deed for Croesus Retail Trust; and
  - (ii) based on publicly available information, the Trustee notes that Croesus Retail Trust had amended its trust deed to refer to unitholders' deemed interest in the shares of the internalised trustee-manager, such that the relevant provisions in the SFA which

require substantial shareholders of a trustee-manager to disclose their interests in the internalised trustee-manager would similarly apply to unitholders of Croesus Retail Trust (see the proposed new clause 5.2A at page B-22 of the circular dated 5 October 2016 issued by Croesus Retail Asset Management Pte. Ltd.).

While the Trustee does not purport to know the exact rationale for the trustee-manager of Croesus Retail Trust putting forth such an amendment to its trust deed following its internalisation, it would appear that the proposed new clause 5.2A of the trust deed of Croesus Retail Trust addresses the same concern as that underlying the Proposed Trust Deed Amendments relating to the Unitholders' obligations under the SFA on the disclosure of interests in the internal manager, as explained at S/N 3 of Annex C of the Trustee's Statement dated 9 April 2024.

**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.*

#### **Trustee's Views**

- (a) The Trustee's views on Resolution 7 of the 2nd Requisitioned Resolutions and in relation to its engagement with the MAS as set out in the Trustee's Statement dated 9 April 2024 remain applicable.
- (b) As regards to consultation with the Internalisation Committee, the Trustee wishes to reiterate the following as stated in the Trustee's Statement of 26 March 2024:
  - (i) conflicts of interest arise as the members of the Internalisation Committee are employees of Quarz (who is a party to the Order 32 Application) or other members of the Sabana Growth Internalization Committee, both of which have publicly disagreed with the Trustee on the issues under the Order 32 Application; and
  - (ii) the Internalisation Committee is therefore not the appropriate forum to discuss the Trust Deed amendments and the Order 32 Application.