



23 July 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 TRUSTE SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SABANA INDUSTRIAL REIT) (THE "TRUSTEE") – 23 July 2024

1. We refer to Sabana Industrial REIT's release of its financial results for the period 1 January 2024 to 30 June 2024 ("**1H 2024 Financial Results**") as published by the Manager on 23 July 2024 and to the various statements released by the Trustee to date including the Trustee's Statements dated 9 April 2024 and 31 May 2024 (collectively, the "**Trustee's Statements**").
2. In this regard, the Trustee wishes to provide the following update to all Unitholders as set out in the Appendix to this letter.
3. Terms defined in the Trustee's Statements and the 1H 2024 Financial Results as published by the Manager on 23 July 2024 shall, unless the context otherwise requires, have the same meanings when used in this letter.
4. Please publish this letter as an announcement via SGXNet.

Yours faithfully

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

A handwritten signature in blue ink, appearing to read "Rahul Desouza", with a horizontal line extending to the right.

RAHUL DESOUSA
Authorised Signatory

APPENDIX

Trustee's Update to Unitholders of Sabana Industrial REIT

A. Further Information on Costs Incurred up to 30 June 2024 to effect the internalisation

1. The Trustee refers to Sabana Industrial REIT's release of its 1H 2024 Financial Results as published by the Manager on 23 July 2024 via SGXNet. In that regard, the Trustee would like to elaborate on the costs incurred in the period between 1 January 2024 and 30 June 2024, in connection with the internalisation.
2. For the period between 1 January 2024 to 30 June 2024, the Trustee has incurred expenses of S\$3.53 million¹ in connection with the internalisation comprising (i) S\$2.13 million (1 Jan – 31 Mar) and (ii) S\$1.40 million (1 Apr – 30 Jun).
3. This includes expenses relating to (i) costs incurred in considering and responding to correspondence and proposals from certain unitholders in relation to the internalisation, (ii) additional requisitioned extraordinary general meetings ("EGMs"), and stakeholder engagement in connection with the requisitioned EGMs, that were not contemplated in the Trustee's indicative internalisation timeline, (iii) the application to the High Court of Singapore in HC/OA 19/2024 ("Order 32 Application"), (iv) interactions with the Internalisation Committee, and (v) the appeal to the Appellate Division of the High Court in AD/CA 37/2024 ("ESR Appeal").²
4. The Trustee notes that the Manager has reported³ a year-on-year decline in Sabana Industrial REIT's declared distribution per unit ("DPU") for 1H 2024 by 16.8%. As disclosed by the Manager, the income available for distribution per unit was reduced mainly due to the increased financing costs on the back of higher borrowings and borrowing costs, as well as an enlarged unit base following the distribution reinvestment plan. The declared DPU was impacted by the Manager's retention of approximately 10% of the total income available for distribution for prudent capital management in view of the costs incurred and to be incurred in connection with the internalisation.

B. Next Steps Leading to the 6 August EGM

5. As indicated in the Manager's Notice of EGM published on 15 July 2024, an EGM is scheduled to be held on 6 August 2024 to consider resolutions requisitioned by Quarz as well as resolutions put forth by the Trustee pertaining to the internalisation.
6. Additionally, as mentioned in the Trustee's Statement dated 31 May 2024, the ESR Entities have filed an appeal against the High Court's decision in the Order 32 Application, and the hearing has been fixed on Thursday, 25 July 2024. Following the hearing, the Trustee will consider the outcome of the ESR Appeal with its advisors in light of ongoing developments in respect of the internalisation process and the anticipated timeline.
7. The Trustee remains committed to serving all Unitholders and 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.
8. 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.

¹ On an unaudited basis

² Note: In the Order 32 Application, the Court has ordered that Quarz's and the ESR Entities' costs of the proceedings be paid out of Sabana Industrial REIT ("REIT"), save that Quarz may only claim 70% of its costs out of the REIT. With respect to the ESR Appeal, the Appellate Division of the High Court has not yet determined whether parties' costs should be paid out of the REIT. The quantum of costs in both the Order 32 Application and AD 37 Appeal remains undetermined at this juncture.

³ See Sabana Industrial REIT 1H 2024 Results Presentation dated 23 July 2024 issued by Manager.