



23 August 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") – 23 AUGUST 2024**

1. We refer to:
  - (a) the requisition notice (the "**August Requisition Notice**") from certain Unitholders of Sabana Industrial REIT (the "**Requisitionists**") dated 12 August 2024 to the Manager to convene an extraordinary general meeting ("**EGM**") to table certain resolutions (the "**Requisitioned Resolutions**"); and
  - (b) the Manager's announcements dated 13 August 2024 on the receipt of the August Requisition Notice ("**Manager's Announcement**").
2. In this regard, the Trustee wishes to provide the following update to all Unitholders as set out in the Appendix to this letter. Terms defined in the various statements released by the Trustee to date shall, unless the context otherwise requires, have the same meanings when used in this letter.
3. 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)**

RAHUL DESOUSA  
Authorised Signatory

## APPENDIX

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

1. The Trustee notes the August Requisition Notice, requesting that the Manager convene an EGM for Unitholders to consider the Requisitioned Resolutions, pertaining to the proposed appointment of six (6) individuals (the "**Requisitionists' Candidates**") as directors of the internalised manager of Sabana Industrial REIT (the "**New Internalised Manager**").
2. Having reviewed the Requisitioned Resolutions together with its legal advisors, the Trustee has on 22 August 2024 written to the Requisitionists (with the Manager in copy) to raise its concerns and offer certain proposals in respect of the Requisitioned Resolutions for the Requisitionists' consideration (the "**Trustee's 22 August Letter**"). A copy of the Trustee's 22 August Letter is attached as **Annex A**.
3. In summary, the Trustee's 22 August Letter raises certain points for the Requisitionists' consideration, including:
  - (a) The Requisitioned Resolutions, as currently drafted and put forward by the Requisitionists cannot be legally effectuated because they are not expressed to be conditional upon and subject to regulatory approval from the Monetary Authority of Singapore (the "**MAS**") (which is required under Section 96(1) of the Securities and Futures Act 2001 of Singapore before such appointment(s) can be made). The Requisitionists are urged to consider amending the Requisitioned Resolutions to subject the appointment of the Requisitionists' Candidates to MAS approval accordingly.
  - (b) The Requisitionists should work with the Requisitionists' Candidates to prepare the necessary application to the MAS for approval in respect of their appointments, and for the necessary disclosures to be included in the circular to be prepared for the EGM (if such EGM is to be convened by the Manager to consider the Requisitioned Resolutions). The Requisitionists are to assume full responsibility for the contents of the information and/or document(s) submitted to the MAS and disclosed in the circular.
4. As noted in the Trustee's Indicative Internalisation Timeline previously disclosed in the Trustee's Statement dated 5 August 2024, the Trustee continues to progress work on the application for the capital markets services licence for the New Internalised Manager.
5. 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.
6. 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 A**  
**TRUSTEE'S 22 AUGUST LETTER**



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

BY EMAIL ONLY

(collectively, the "Requisitionists")

22 August 2024

Dear Sirs,

**Re: Trustee's Response to the Requisition Notice Dated 12 August 2024**

**A. Introduction**

1. We refer to:

- (a) the Requisitionists' requisition notice ("**Requisition Notice**") dated 12 August 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 ("**EGM**") and table certain resolutions (the "**Requisitioned Resolutions**") to the unitholders of Sabana Industrial REIT ("**Unitholders**"); and
- (b) the emails from members of the Sabana Growth Internalisation Committee (the "**SGIC**") dated 13 August 2024 and 21 August 2024 (the "**SGIC Emails**").

2. HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the "**Trustee**") notes that the Requisitioned Resolutions pertain to the proposed appointment of six (6) individuals (the "**Requisitionists' Candidates**") as directors of the internalised manager of Sabana Industrial REIT (the "**New Internalised Manager**") and directions for the Trustee to effectuate such appointment forthwith [*emphasis added*].

3. Having reviewed the Requisitioned Resolutions, the Trustee would like to raise its concerns and offer certain proposals in respect of the Requisitioned Resolutions for the Requisitionists' consideration. We have copied the Manager in this letter (the "**Letter**") so that they can take into account the Trustee's views, position and suggestions when considering and acting on the Requisition Notice. Please note that this Letter does not, and is not intended to, constitute legal advice, and parties should obtain their own independent legal advice on the matters set out below.

**B. Trustee's Responses to Requisitioned Resolutions**

4. Section 96(1) of the Securities and Futures Act 2001 of Singapore ("**SFA**") provides that the holder of a capital markets services licence (in this case, the New Internalised Manager) must not, amongst others, appoint a person as its chief executive officer or director, unless it has obtained the approval of the Monetary Authority of Singapore ("**MAS**") [*emphasis added*]. Accordingly, with respect to any resolutions relating to the appointment of directors of the New Internalised Manager:

- (a) such resolutions must be conditional upon and subject to the approval of the MAS;
- (b) any proposed candidate has to meet the relevant regulatory criteria including the fit and proper criteria as set out in the Guidelines on Fit and Proper Criteria [Guideline No. FSG-G01] (the "**Fit and Proper Guidelines**") ; and

- (c) any proposed candidate not approved by the MAS cannot be appointed as a director of the New Internalised Manager (notwithstanding that Unitholders may have approved such appointment).
- 5. We understand that the Requisitionists' Candidates have not been approved by MAS to be appointed as directors, nor have the Requisitionists commenced the process of seeking such MAS approval.
- 6. Accordingly, as currently drafted, even if the Requisitioned Resolutions are approved by Unitholders, the Trustee is not in a position to legally effectuate the Requisitioned Resolutions forthwith, given that MAS approval for the appointment of the Requisitionists' Candidates as directors of the New Internalised Manager has not been obtained. The proposed EGM cannot be convened on the basis of such Requisitioned Resolutions which cannot be legally effectuated.

**C. Next Steps in respect of proposed EGM**

- 7. As mentioned at paragraph 4 above, pursuant to the requirements of the SFA:
  - (a) any proposed Requisitionists' Candidate has to meet the relevant regulatory criteria including the Fit and Proper Guidelines; and
  - (b) any proposed Requisitionists' Candidate needs to be approved by the MAS before they can be appointed as a director of the New Internalised Manager (notwithstanding that Unitholders may have approved such appointment).
- 8. In order to allow the Trustee to act on the Requisitioned Resolutions (if passed), the Trustee invites the Requisitionists to consider amending the Requisitioned Resolutions to subject the appointment of the Requisitionists' Candidates to MAS approval. By way of example, with respect to Requisitioned Resolution 1, the Trustee sets out below sample proposed amendments (with amendments in red) for the Requisitionists' consideration:

"RESOLUTION 1: That, ~~subject to the requisite approvals of the Monetary Authority of Singapore having been obtained,~~ Mr Lim Hock Chuan be appointed ~~and/or endorsed~~ as a Director of the internalised manager of Sabana Industrial REIT ~~and it is further resolved that the Trustee shall be directed to effectuate this appointment forthwith.~~"

- 9. This will allow for the EGM to be convened as expeditiously as possible whilst making clear that in compliance with Section 96(1) of the SFA, the Trustee will **only** be able to effectuate the appointment of the Requisitionists' Candidates as directors of the New Internalised Manager if the MAS has granted its approval for the appointment of such persons. We trust you will agree that this is a sensible and reasonable way forward taking into account the legal requirements.

**D. Application to MAS**

- 10. Separately and in parallel with the process for the submission of the amended resolutions and the convening of the EGM, in the interests of time, the Requisitionists should work with the Requisitionists' Candidates to urgently prepare the necessary application to MAS for approval of their appointments.
- 11. In this regard, the Trustee proposes the following next steps:
  - (a) the information and forms (including the MAS Form 11s) which the Requisitionists' Candidates would be required to provide / submit have been separately provided together with this Letter. Each of the Requisitionists' Candidates would be responsible for completing their own form and providing the requisite information in a complete

manner. Once completed, the information and forms are to be provided to the Trustee (in accordance with the deadline set out at paragraph 12(b) below); and

- (b) upon receipt of the complete submission package (as described in paragraph 11(a) above) from the Requisitionists' Candidates, the Trustee will send the information and forms provided by the Requisitionists' Candidates, as part of the full licensing application, on to the MAS for its consideration in totality. Please note that the Trustee is not in a position to examine or review the Requisitionists' Candidates forms and/or confirm the accuracy and/or completeness of the information in the submission package (as described in paragraph 11(a) above) provided by the Requisitionists' Candidates to the MAS via the Trustee. Each of the Requisitionists' Candidates assumes full responsibility for the contents of the information and/or document(s) submitted.
12. From a timing perspective, the Trustee is mindful of Resolution 2 ("**Resolution #2**") passed at the requisitioned EGM held on 6 August 2024 (the "**6 August 2024 EGM**"), which directs the Trustee to submit the necessary licensing application for the New Internalised Manager within one month of the 6 August 2024 EGM (i.e. by 7 September 2024). In the interests of time, and in view of the impending deadline for compliance with Resolution #2:
- (a) the Trustee will proceed to submit the licensing application and the submission packages in respect of its proposed candidates, with the Requisitionists' Candidates' applications to follow once they are ready; and
  - (b) the Trustee urges the Requisitionists to procure and submit the complete and executed submission packages for each of the Requisitionists' Candidates to the Trustee for onward transmission to the MAS (as set out in paragraph 11 above), as soon as practicable and in any event by no later than **Monday, 2 September 2024**. Please note that any delay by the Requisitionists in this regard could impact the internalisation timeline.

**E. Information Required in the Circular to be prepared for an EGM Convened to Consider the Requisitioned Resolutions**

13. Subject to the Manager agreeing to convene the EGM for Unitholders to consider the amended Requisitioned Resolutions in accordance with the trust deed of Sabana Industrial REIT, the Trustee also takes this opportunity to highlight to the Requisitionists the following requirements in the Listing Manual of the Securities Exchange Securities Trading Limited (the "**Listing Manual**") relating to the information required for the preparation of the circular for the EGM:
- (a) Rule 720(6) of the Listing Manual provides that when a candidate is proposed to be appointed for the first time or re-elected to the board at a general meeting, information relating to the candidate as set out in Appendix 7.4.1 of the Listing Manual must be provided in the notice of meeting, annual report or relevant circular distributed to Unitholders prior to the general meeting. An extract of Appendix 7.4.1 of the Listing Manual has been separately provided together with this Letter; and
  - (b) Rule 1206(1) of the Listing Manual provides that any circular sent by an issuer to its shareholders (in this case, the Unitholders) must contain all information necessary to allow Unitholders to make a properly informed decision.
14. In the interests of efficiency, we would suggest that each of the Requisitionists' Candidates should, in the process of preparing the information and forms required for the MAS submission above, also concurrently provide the information required (as set out at paragraph 13 above) to the Manager (with the Trustee in copy), for the preparation of the EGM Circular. As is the case for the submission to the MAS, the Requisitionists and the Requisitionists' Candidates should be prepared to assume full responsibility for the accuracy and correctness of all

information and/or documents provided and disclosed in the circular relating to Requisitionists' Candidates.

**F. Independence Requirement in respect of the Board of the New Internalised Manager**

15. The Trustee further notes that the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCBR**") and Guidelines to All Holders of a Capital Markets Services Licence for REIT Management issued by the MAS prescribes that at least one-third of the board of the REIT manager must be independent, where unitholders of the REIT have the right to vote on the director appointment. For the purposes of this requirement, a director is an independent director if he satisfies the criteria under Regulation 13D(7)(b) of the SFLCBR, which is set out below:

*"[A] director of a holder of a capital markets services licence for REIT management is an independent director if the director –*

- (i) is independent from the management of the holder and the REIT that is managed or operated by the holder;*
- (ii) is independent from any business relationship with the holder and the REIT that is managed or operated by the holder;*
- (iii) is independent from every substantial shareholder of the holder, and every substantial unitholder of the REIT;*
- (iv) is not a substantial shareholder of the holder, or a substantial unitholder of the REIT that is managed or operated by the holder; and*
- (v) has not served as a director of the holder for a continuous period of 9 years or longer."*

There are also similar requirements under the Listing Manual of the SGX-ST and the Code of Corporate Governance (the "**Code**").

- (a) An "independent director" is defined in the Code as "*one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company*". In the present context, "substantial shareholders" would refer to the substantial Unitholders of Sabana Industrial REIT.
  - (b) A "substantial unitholder", in relation to a collective investment scheme (which includes REITs), is defined in the SFA to mean "*a participant who has an interest or interests in one or more voting units in the scheme, the total votes attached to that unit, or those units, being not less than 5% of the total votes attached to all the voting units in the scheme*".
16. Such requirements would need to be borne in mind in the constitution of the board of the New Internalised Manager, as some of the Requisitionists' Candidates do not appear to meet the independence requirements set out in paragraph 15 above. Where the composition of the candidates who have been approved by both the MAS and Unitholders is such that less than one-third of the approved candidates comprise independent directors, further individuals would have to be appointed to the board of the New Internalised Manager to meet the requirement of at least one-third of the board of the New Internalised Manager being independent.

**G. Conclusion**

17. Having regard to the statutory timeline for the convening of the requisitioned meeting and the deadline to submit the necessary licensing application as prescribed in Resolution #2 passed at the 6 August 2024 EGM, 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 **Monday, 2 September 2024**.
18. 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)**



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RAHUL DESOUSA  
Authorised Signatory

Cc: The Manager



## Appendix A

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