

SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 29 October 2010

under the laws of the Republic of Singapore

Managed by Sabana Real Estate Investment Management Pte. Ltd.

(Company Registration No. 201005493K))

QUESTIONS / COMMENTS RAISED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 6 AUGUST 2024

<p>Comment/ Question 1 Unitholder No. 1</p>	<p>Unitholder No. 1 (also known as the “Requisitionists”), a representative from Quarz Capital ASIA (Singapore) Pte. Ltd. (“Quarz”), shared and summarised observations on the events which had transpired over the past year:</p> <p>On 7 August 2023, Unitholders passed two resolutions:</p> <ul style="list-style-type: none"> (i) to remove the Manager of Sabana Industrial REIT and (ii) to internalise Sabana Industrial REIT’s Management function. <p>Following the passing the above resolutions, Unitholders understood that the Internalisation process is to be implemented as efficiently and as soon as possible, and any delay may incur additional costs to the Internalisation process.</p> <p>The Requisitionists had communicated to the Trustee three (3) important issues (“Issues”) which, in the Requisitionists’ view, the Trustee ought to have taken into consideration in effecting internalisation: (1) No amendment is required to the Trust Deed. However, if any amendment(s) to the Trust Deed is required to effect internalisation, (2) the Trustee should certify such amendment(s) and the convening of an EGM is not required, (3) if an EGM is convened to put forward resolutions for the amendment(s) to the Trust Deed to effect internalisation, ESR, being an “interested party”, cannot vote on any such resolution(s).</p> <p>The above had been communicated to the Trustee at the end of August 2023 for the Internalisation to be successful.</p> <p>However, the Trustee had, according to the Requisitionists:</p> <ul style="list-style-type: none"> - refused to respond and ignored requests from Unitholders. - proceeded to take out a court application (“Order 32 Application”) to seek declarations on the Issues above, without consulting the Unitholders. In the Order 32 Application, the Trustee only submitted the first two issues for the court’s consideration, and omitted the third issue (regarding ESR’s right to vote on any resolution for the amendment of the Trust Deed). <p>As a result, according to the Requisitionists, the Unitholders had to requisition another extraordinary general meeting, held in March 2024, to include the third Issue in the Order 32 Application, which caused Sabana Industrial REIT to incur additional costs in the process.</p> <p>At an early stage of the Order 32 Application, the Requisitionists had also requested that the Trustee share the information regarding the contents of the correspondence exchanged between the Trustee and the Regulator, the Monetary Authority of Singapore (“MAS”). However, according to the Requisitionists, the Trustee refused to provide the requested information / documents. Accordingly, the Requisitionists had to take out a court application to seek the discovery of documents, through which they obtained the disclosure of documents showing that MAS waivers had been granted to support the Internalisation process for Sabana Industrial REIT.</p>
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	<p>Between March 2024 and May 2024, the Internalisation Committee had on various occasions, written to the Trustee (with such correspondence being copied to the MAS) to propose without prejudice discussions, with a view to avoiding the need for court proceedings. However, the Trustee proceeded with the Order 32 Application.</p> <p>In the Order 32 Application, the Trustee proposed various amendments to the Trust Deed (some of which the court eventually held were unnecessary), and took a neutral stance on whether ESR could vote for the resolutions on Internalisation. The Requisitionists queried why the Trustee did not communicate with the Unitholders, and suggested that the court proceedings were a waste of money.</p> <p>Following the Court's judgment on the Order 32 Application, the ESR Entities filed an appeal against the Court's decision that the ESR Entities "are prohibited from voting on proposed amendments to the Trust Deed which are required to implement the resolutions passed on 7 August 2023 for the internalisation of Sabana REIT's management". The appeal was dismissed.</p>
<p>Response 1 Representative from the Trustee (Mr Rahul DeSousa)</p>	<p>The Trustee clarified its position and approach to the Internalisation process.</p> <p>As a starting point, the Trustee acts in the best interests of all Unitholders (and not just certain group of Unitholders). Given that Unitholders had differing views on the Internalisation process, in particular, the necessity of amendments to the Trust Deed, the Trustee designed a process which was legal in nature, and which would allow all Unitholders voices to be heard: that is, for the court to be the proper avenue for seeking guidance on the appropriate course of action going forward.</p> <p>It was on this basis that the Trustee had initiated the Order 32 Application. In the proceedings, Quarz and ESR were afforded the opportunity to put forward their views, which could then be taken into account by the court in rendering its decision on various complicated issues pertaining to the necessary amendments to the Trust Deed.</p> <p>The court upheld the views of the Trustee, and held that:</p> <ul style="list-style-type: none">(a) an amendment to the Trust Deed was required; and(b) the Trustee is not obligated to certify amendments to the Trust Deed. <p>Through the Order 32 Application, the Trustee obtained clarity from the court on the internalisation process. This is precedent-setting in Singapore as no REIT has undergone the process of internalisation before. Given the unprecedented nature of the internalisation, it was crucial for Sabana Industrial REIT to undertake the process robustly otherwise in the face of divergent views among Unitholders.</p> <p>The Trustee believes that it has taken the appropriate steps in progressing the internalisation. Going forward, the Trustee is in the process of submitting the necessary licensing application with MAS.</p> <p>Unitholders are urged to allow the Trustee the time and space required for the internalisation process to be progressed and completed.</p>

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Comment/ Question 2 Unitholder No. 1	Unitholder No. 1 queried the Trustee on whether measures had been put in place to ensure that the ESR entities are not able to vote on Resolution 1. He raised the concern that issues with the vote could result in yet another court case.
Response 2 (The Chairman)	The Meeting noted the assurance given by the Manager that adequate measures have been put in place to ensure that the ESR entities are not to vote on Resolution 1, in compliance with the Court's Order 32 Ruling (as upheld on appeal).
Comment/ Question 3 Unitholder No. 2	Unitholder No. 2 asked if there is a timeline for the Internalisation process.
Response 3 Representative from the Trustee (Mr Rahul DeSousa)	The Meeting noted on Trustee's statement that was published via SGXNet on 5 August 2024 and presented at the meeting.
Comment/ Question 4 Unitholder No. 3	Unitholder No. 3 asked if the minority Unitholders are required to pay the bulk of the legal fees for Internalisation process. He also queried if there was any precedent on how costing was done. He added that speaking from the perspective of a minority shareholder, he felt being bullied.
Response 4 CEO (Mr Donald Han)	As the resolutions directing the Trustee to effect the Internalisation process was passed on 7 August 2023, there has been no proposed budget allocated for the fees required to effect internalisation, including the costs of convening (future) EGMs, legal fees etc in relation to the Internalisation process. The Manager has taken prudent capital management measures, in terms of funding unplanned internalisation costs by retaining 10% from the total income available for distribution from FY 2023 to 1H2024. Part of the expenses were funded from cash flow generated from Distribution Reinvestment Plan for the period from 1 July 2023 to 31 December 2023. The CEO further explained that the Manager would continue to retain 10% from the total distributable income, including from the second half of FY 2024 and potentially for FY 2025, until the whole process is completed.
Comment/ Question 5 Unitholder No. 4	Unitholder No. 4 suggested that the Manager to provide a variance report, on expenses budgeted, incurred and how far we are from the timeline given, so that Unitholders are aware of information on significant expenses incurred.
Response 5 (The Chairman)	The Chairman thanked him for the comment.
Comment/ Question 6 Unitholder No. 1	Unitholder No. 1 asked if all the costs unnecessarily incurred (up to \$9,000,000) attributable to the Trustee's failure to listen to Unitholders could be discounted.

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Response 6 Trustee (Mr Rahul DeSousa)	The Trustee explained that Internalisation required several steps, and the Trustee together with its advisors have been working hard to effect the various steps of Internalisation process. He added that the Trustee had disclosed to all Unitholders last year that the fees required to effect internalisation are to be borne by Sabana Industrial REIT.
Comment/ Question 7 Unitholder No. 5	Unitholder No. 5 asked about the next steps following the conclusion of the EGM, in particular, when the directors and management of the Internal Manager will be hired / appointed. He added that the Unitholders were keen to see the completion of Internalisation process, and asked if that is likely to occur this year.
Response 7 Representative from the Trustee (Mr Rahul DeSousa)	<p>The Trustee thanked Unitholder No. 5 for the feedback and he explained that following the clarity obtained from the court's ruling, the next steps are to finalise candidates for the management and the Board of Directors, and for these candidates and the business plan to be submitted to MAS for approval.</p> <p>At a subsequent EGM to be convened, Unitholders would have the opportunity to vote for the selected board of directors to be re-elected during the EGM.</p> <p>On the timeline for internalisation, the Trustee referred Unitholders to the Trustee's statement dated 5 August 2024, which sets out an indicative internalisation timeline for the completion of internalisation subject to the relevant dependencies.</p>
Comment/ Question 8 Unitholder No. 5	Unitholder No. 5 further asked if the Unitholders would have the opportunity to vote on the directors for the new Manager.
Response 8 Representative from the Trustee (Mr Rahul DeSousa)	The Trustee stated that Unitholders would be provided with the opportunity to vote on the new Board of Directors in accordance with resolutions passed at the EGM.

Disclaimer:

The Manager assumes no responsibility for accuracy or completeness or correctness of any information, statements or opinion made by any Unitholder.