



SABANA INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 29 October 2010 under the laws of the Republic of Singapore)

RECEIPT OF LETTER FROM REQUISITIONISTS TO TRUSTEE

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:

- (a) its announcement dated 13 August 2024 (the “**13 Aug Announcement**”) in relation to the letter (the “**12 Aug Requisition Letter**”) from five unitholders of Sabana Industrial REIT (having an aggregate unitholding in Sabana Industrial REIT of more than 10%) (the “**Requisitionists**”), requesting the Manager to convene an extraordinary general meeting of Sabana Industrial REIT (“**EGM**”) to consider certain resolutions (the “**Proposed Resolutions**”), details of which are set out in the copy of the 12 Aug Requisition Letter annexed to the 13 Aug Announcement;
- (b) the statement dated 23 August 2024 from HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the “**Trustee**”), enclosing a letter from the Trustee to the Requisitionists dated 22 August 2024;
- (c) its announcement dated 3 September 2024 (the “**3 Sep Announcement**”) in relation to:
 - (i) the letter that it has received from the Requisitionists amending their Proposed Resolutions; and
 - (ii) its letter to the Trustee dated 3 September 2024 to seek the Trustee’s views on the Requisitionists’ amendments to their Proposed Resolutions (the “**Amended Proposed Resolutions**”), details of which are set out in the 3 Sep Announcement;
- (d) its announcement dated 15 September 2024 on the letter from the Trustee to the Requisitionists dated 13 September 2024;
- (e) its announcement dated 18 September 2024 on the letter from the Requisitionists to the Trustee dated 17 September 2024 (the “**Requisitionists’ 17 Sep Letter**”);
- (f) its announcement dated 19 September 2024 on the further letter from the Requisitionists to the Trustee dated 18 September 2024 (the “**Requisitionists’ 18 Sep Letter**”);
- (g) its announcement dated 24 September 2024 on the Manager’s intention to convene the EGM for the purposes of considering the Amended Proposed Resolutions and the

resolutions requested to be tabled by the Trustee at the EGM in addition to the Amended Proposed Resolutions; and

- (h) its announcement dated 26 September 2024 on the further letter from the Trustee to the Requisitionists dated 25 September 2024 (the “**Trustee’s 25 Sep Letter to Requisitionists**”).

The Manager wishes to update that it has received a further letter from the Requisitionists to the Trustee on 1 October 2024 (the “**Requisitionists’ 1 Oct Letter**”), a copy of which is annexed to this Announcement as **Appendix A**.

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
2 October 2024

For enquiries, please contact:

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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 \$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.

Important Notice

The value of the 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 A

THE REQUISITIONISTS' 1 OCT LETTER

The Manager assumes no responsibility for any of the contents of the Requisitionists' 1 Oct Letter, including the accuracy, completeness or correctness of any of the information, statements or opinions made in the Requisitionists' 1 Oct Letter.



**Attention: 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 Ms Liau and Mr Desousa and the Sabana Trustee Team,

Unitholders urge the Trustee to stop wasting Unitholders' time and monies on unnecessary matters, focus on expediting and completing the internalisation process, and call on the Trustee's director candidates to commit to unitholders' proposed conditions to align their interest with Sabana unitholders

1. We refer to:
 - a) the 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 REIT**")) (the "**Manager**") to convene an extraordinary general meeting ("**EGM**");
 - b) the letter from HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana Industrial REIT) (the "**Trustee**") to the Requisitionists dated 22 August 2024 ("**Trustee's 22 August 2024 Letter**"), 13 September 2024 ("**Trustee's 13 September 2024 Letter**"), and 25 September 2024 ("**Trustee's 25 September 2024 letter**"); and
 - c) the Requisitionists' letter dated 2 September 2024 (the "**Requisitionists' 2 September 2024 Letter**"), 17 September 2024 (the "**Requisitionists' 17 September 2024 Letter**"), and 18 September 2024 ("**Requisitionists' 18 September 2024 Letter**") which calls on the Trustee to hold the EGM as soon as possible to complete the internalisation process. The letters also urge the Trustee's director candidates to publicly state that they agree to conditions which unitholders' director candidates have already agreed to.
2. **It has already been more than 1 year and 1 month since the Trustee started executing on the internalisation process which mainly consisted of setting up a new REIT Manager to manage Sabana REIT. The process of setting up a REIT manager is nothing new as it has already been successfully completed more than 40 times in Singapore alone.**
3. The Internalisation Committee ("**IC**") was voted by Sabana unitholders as the authorized representative of unitholders on 8 March 2024.

4. One of the key reasons why the Internalisation Committee proposed the director candidates on 12 August 2024 is the more than S\$1.1m of unitholders' monies that the Trustee has spent in legal expenses on the Order 32 Application. This cost is potentially substantially higher if other expenses on items related to the Application are included.
5. **For comparison, Quarz, which represented unitholders who supported the internalisation process and joined the application, incurred approximately ~S\$130,000 of legal expenses. This meant that the Trustee's legal cost related to the Order 32 Application was close to 10 times the cost of Quarz!**
6. This substantial legal cost incurred by the Trustee has resulted in sharply reduced DPU to Sabana unitholders.
7. In addition to the substantial legal cost that unitholders' had to bear due to the Trustee's decision, the Trustee's Order 32 Application also took more than 6 months and substantially delayed the internalisation process.
8. Both the High Court and the Appellate Court upheld unitholders' rights and corporate governance as they ruled that the sponsor was not allowed to vote on any resolution necessary to implement the internalisation.
9. **The Singapore High Court ruling was similar to what Sabana unitholders had clearly and repeatedly communicated to the Trustee since August 2023 that the Sponsor was in a conflicted position and should not be allowed to vote in such resolutions.**
10. **If the Trustee had listened, considered the views and discussed them with Sabana unitholders, more than S\$1.1 million of unitholders' monies could have been saved and the internalisation process expedited.**
11. **In addition, the Singapore Court also ruled that all except 1 of the substantial and numerous Trust Deed amendments were unnecessary for internalisation. This meant that the Trustee had again wasted unitholders' monies by considering and proposing matters not relevant to the internalisation, which resulted in lowering unitholders' DPU.**
12. In fact, the Internalisation Committee which had already been voted in by unitholders had on multiple occasions attempted to arrange a meeting to have a candid and 'without prejudice' discussion with the Trustee to discuss how to complete the internalisation process efficiently and in an expedited manner to benefit Sabana unitholders.
13. **These meeting attempts by the Internalisation Committee were all refused by the Trustee.**
14. **The Trustee insisted that just for the Internalisation Committee who are Sabana unitholders to meet the Trustee, the Internalisation Committee had to sign both a**



Terms of Reference and an NDA prepared by the Trustee's advisors which are paid by Sabana unitholders. These documents contain requirements which are potentially even more stringent requirements than that of SGX listed companies' directors and management.

- 15. Due to the above, the Internalisation Committee had to act to protect the DPU of Sabana unitholders as these are mainly Singaporeans and retirees who had invested their hard-earned savings in Sabana REIT.**
- 16. The mandate which unitholders gave the Trustee was to complete the internalisation process as fast and efficiently without any unnecessary hurdles and expenditure. Nowhere did unitholders give the Trustee permission to spend unitholders' monies on matters that were unnecessary for internalisation.**
- 17. The IC proposed the director candidates with diverse skillsets and expertise to support and work together with the Trustee to complete the internalisation process as soon as possible. The committee did so because of the substantial delay and cost overrun caused by the Trustee's spending unitholders' monies in matters which have been shown to be needless and irrelevant for internalisation.**
18. As mentioned in our earlier letters, the unitholders' proposed director candidates have all committed and agreed to the conditions below which aligns the directors' interest with that of the Sabana unitholders. The requisitionists call on the director candidates unilaterally proposed by the Trustee to publicly state that they also agree to the conditions:
 - a) Receive director fees of less than S\$45,000 per year
 - b) Receive at least 25% of the director fees in Sabana units
 - c) Maintain a meaningful stake by not selling any of the shares they receive as director fees for at least a year during their tenure to ensure the alignment of interest with unitholders
 - d) Besides the yearly director fees, declare that they have not received and undertake that they will not receive in the future, any fees, reimbursement and/or remuneration from the Trustee, its advisors and/or Sabana Industrial REIT for the purpose of:
 - being put up for appointment
 - being appointed
 - being approved by MAS as a director
 - submitting his/her documentation and being identified, vetted and/or screened by the Trustee and/or its advisor
 - any other fees prior or post their appointments as directors
19. We call on the Trustee's proposed directors to publicly commit to these similar conditions to align their interest and serve Sabana unitholders.

20. Mr Lim Hock Chuan, Mr Bhavik Umesh Doshi and Mr Saha Anshuman Manabendranath have been proposed as independent director candidates. With full due respect to unitholders' democratic voting process and the MAS, the official job titles, designations and board committee roles of the director candidates should be determined only after they are voted in by unitholders and approved by MAS.
21. **All the proposed director candidates proposed by unitholders have already filled in and submitted a comprehensive set of MAS forms to the Trustee on 2 September 2024. The candidates have also undertaken to bear full responsibility for the information provided.**
22. However, it is already close to 1 month and the Trustee has potentially still not submitted the documents provided by the candidates to MAS for the process to start the approval process!
23. Instead, the Trustee is again choosing to incur unnecessary cost and delay to Sabana unitholders to hire an external advisor to background check and screen the candidates. Nearly all the REIT managers we have spoken to have not conducted this unnecessary, costly and time-wasting process. This is as MAS is the authority approving the candidates, the candidates have already undertaken to bear full responsibility for the information they provide, and the Trustee has repeatedly stated that it will not provide any certification and declaration for the proposed candidates.
24. **The unnecessary and redundant process proposed by the Trustee will result in even further substantial cost and delays of potentially close to 2 months to the detriment of Sabana unitholders. This is on top of the more than 1 year and 1 month that Sabana unitholders have already waited for the Trustee to finally complete the internalisation process!**
25. In order to save unitholders monies, expedite the internalisation process and protect Sabana unitholders interest, the requisitionists and their candidates request the Trustee to quickly provide a list of necessary and relevant documents required for verification and confirmation purposes to the candidates (if any). The proposed candidates will provide the necessary documents with independent 3rd party verification (if required). This is to prevent the Trustee from further wasting more of unitholders' monies and time on unnecessary "advisors" and/or "service providers". This is as the Trustee has repeatedly stated that it will not provide any confirmation, certification and declaration for the proposed candidates. The Trustee has also already made the candidates bear full responsibility for all the information they provide.
26. **The Internalisation Committee also urges the Trustee to submit the documents of the proposed directors to MAS as soon as possible without any further delay. Any further**



delay by the Trustee impedes the internalisation process and is to the severe detriment of Sabana unitholders.

27. The unitholders' proposed directors are fully committed to work in the best interest of Sabana unitholders. The first step is to support and work with the Trustee by eliminating all matters not required to complete the internalisation as these matters delay the internalisation process and burden Sabana unitholders with higher cost and result in lower DPU. The unnecessary expenditure also damages the reputation of Singapore as a financial center as it lowers investors' confidence in corporate governance and investors' protection.
- 28. The Internalisation Committee also urge the Trustee that instead of incurring even more legal fees using Sabana unitholders' monies to 'rebut' this letter, the Trustee should work directly with the IC and expedite the internalisation process.**
- 29. This is as every day that the internalisation is not completed, it becomes even more increasingly clear to Sabana unitholders, the regulators and the investment public that the Trustee is responsible for the continued delays and substantial cost of the process. The Trustee's potential expenditure of unitholders monies on matters which are totally irrelevant and unnecessary for internalisation is also clearly shown.**
30. The Internalisation Committee thank the Trustee and reiterate our strong interest and commitment in working with the Trustee to complete the internalisation process as fast and as cost efficiently as possible.

Best regards,

Requisitionists

Internalisation Committee

Members of Sabana Growth Internalisation Committee (SGIC)

**CC: Sabana Real Estate Investment Management Pte. Ltd.
(in its capacity as manager of Sabana Industrial Real Estate Investment Trust)
151 Lorong Chuan 02-03
New Tech Park
Singapore 556741**