



107 Eunos Ave 3, Singapore 409837



72 Eunos Ave 7, Singapore 409570



47 Changi South Ave 2, Singapore  
486148

## PROPOSED RIGHTS ISSUE

20 December 2016

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This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

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## II. Transaction Rationale and Benefits

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## III. Indicative Rights Issue Timetable

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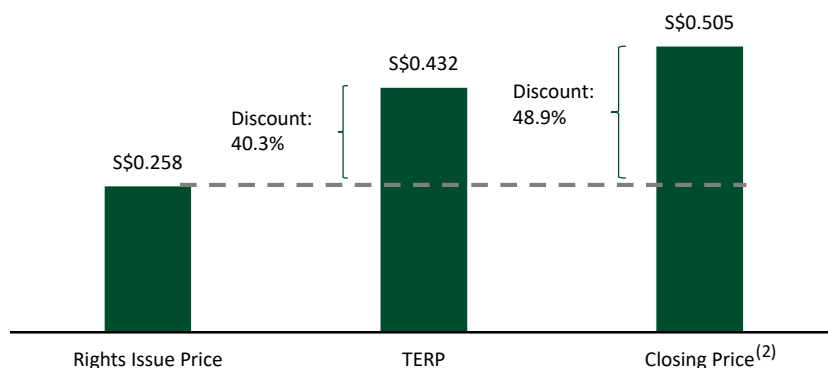
## IV. Conclusion

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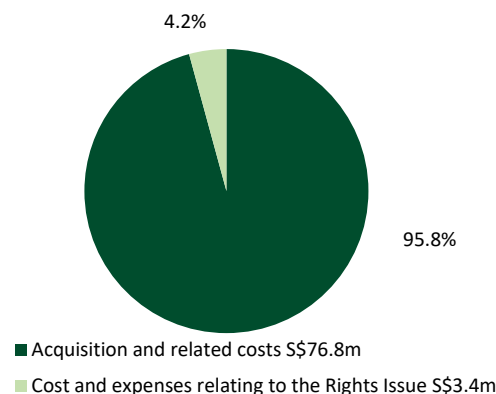
# Details of the Rights Issue

- Sabana REIT announced on 20 December 2016 a renounceable underwritten rights issue (the "**Rights Issue**")
- 42 to 100 Rights Issue to raise gross proceeds of c.S\$80.2m
- Net proceeds will be used to partially finance the acquisition by Sabana REIT of three properties ("**Properties**") located at (i) 107 Eunos Avenue 3, Singapore 409837 (the "**Eunos Ave 3 Property**"); (ii) 72 Eunos Avenue 7, Singapore 409570 (the "**Eunos Ave 7 Property**"); and (iii) 47 Changi South Avenue 2, Singapore 486148 (the "**Changi South Property**") (collectively, the "**Acquisitions**"), and related costs
- Vibrant Group Limited (the "**Sponsor**"), the Manager, Singapore Enterprises Private Limited, Mr. Khua Kian Keong and Mr. Khua Hock Su<sup>(1)</sup> have undertaken to fully take up their pro-rata entitlement aggregating 12.13% of the Rights Issue
- The Sponsor will also subscribe for up to 25,942,139 Excess Rights Units, representing up to c.8.35% of the Rights Issue
- The Excess Rights Units which are not taken up shall be underwritten by The Hongkong and Shanghai Banking Corporation Limited, Maybank Kim Eng Securities Pte. Ltd. and United Overseas Bank Limited

**Rights Issue Price (in S\$ per Unit)**






**Use of Gross Proceeds**



**Notes:**

1. The Manager is an indirect subsidiary of the Sponsor and Singapore Enterprises Private Limited is a wholly-owned subsidiary of the Sponsor. Mr Khua Kian Keong and Mr Khua Hock Su are controlling shareholders of the Sponsor
2. Based on the last trading price of the Units on the SGX-ST on 19 December 2016, being the last trading day of the Units prior to the date of announcement of the Rights Issue

# Overview of the Acquisitions

<b>Location</b>	<ul style="list-style-type: none"> <li>Eunos Ave 3 Property</li> </ul>	<ul style="list-style-type: none"> <li>Eunos Ave 7 Property</li> </ul>	<ul style="list-style-type: none"> <li>Changi South Property <sup>(1)</sup></li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>A six-storey light industrial building with a basement car park</li> </ul>	<ul style="list-style-type: none"> <li>A six-storey single-user light industrial building</li> </ul>	<ul style="list-style-type: none"> <li>A four-storey light industrial building</li> </ul>
<b>Vendor</b>	<ul style="list-style-type: none"> <li>General Cars Fleet Management Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Singapore Handicrafts Pte Ltd, a subsidiary of LHN Group</li> </ul>	<ul style="list-style-type: none"> <li>Freight Links Properties Pte Ltd (a subsidiary of the Sponsor)</li> </ul>
<b>GFA</b>	<ul style="list-style-type: none"> <li>133,946 sq ft</li> </ul>	<ul style="list-style-type: none"> <li>67,977 sq ft</li> </ul>	<ul style="list-style-type: none"> <li>91,573 sq ft</li> </ul>
<b>Land tenure</b>	<ul style="list-style-type: none"> <li>30 years commencing 1 January 2011 with c.24 years remaining</li> </ul>	<ul style="list-style-type: none"> <li>30 years commencing 1 January 2011 with c.24 years remaining</li> </ul>	<ul style="list-style-type: none"> <li>30 + 30 years commencing 16 November 1996 with c.40 years remaining</li> </ul>
<b>Expected completion date of Acquisitions</b>	<ul style="list-style-type: none"> <li>1H 2017</li> </ul>	<ul style="list-style-type: none"> <li>1H 2017</li> </ul>	<ul style="list-style-type: none"> <li>1H 2017</li> </ul>
<b>Independent valuation</b>	<ul style="list-style-type: none"> <li>S\$34.5m (Savills)</li> </ul>	<ul style="list-style-type: none"> <li>S\$20.0m (Knight Frank)</li> </ul>	<ul style="list-style-type: none"> <li>S\$23.0m (Savills), S\$23.0m (Knight Frank)</li> </ul>
<b>Purchase Consideration</b>	<ul style="list-style-type: none"> <li>S\$34.5m</li> </ul>	<ul style="list-style-type: none"> <li>S\$20.0m</li> </ul>	<ul style="list-style-type: none"> <li>S\$23.0m</li> </ul>
<b>Upfront land premium</b>	<ul style="list-style-type: none"> <li>No upfront land premium applicable</li> </ul>	<ul style="list-style-type: none"> <li>No upfront land premium applicable</li> </ul>	<ul style="list-style-type: none"> <li>Upfront land premium of c.S\$1.1m payable to JTC</li> </ul>
<b>Description of lease arrangement</b>	<ul style="list-style-type: none"> <li>Vendor to leaseback 34% of total GFA for five years with an option to renew for three more years</li> <li>Leases to the other direct subtenants (which occupy 40% of the total GFA) will be assigned to Sabana REIT</li> <li>Vendor to provide 5 year rental income support for the property</li> </ul>	<ul style="list-style-type: none"> <li>Vendor to leaseback 71% of total GFA for 10 years</li> <li>Leases to the other direct subtenants (which occupy 29% of the total GFA) will be assigned to Sabana REIT</li> <li>Vendor will indemnify and make good the rental shortfall arising from any departing subtenants for the entire 10 year lease</li> </ul>	<ul style="list-style-type: none"> <li>Vendor to leaseback 74% of total GFA for ten years</li> <li>Leases or licenses (as the case may be) to the other direct subtenants (which occupy 26% of the total GFA) will be assigned and/or novated (as the case may be) to Sabana REIT</li> <li>Vendor will provide rental income support to Sabana REIT for the first three years, commencing from and including the date of the completion of Acquisition</li> </ul>
<b>Assets</b>			

Note:

1. The acquisition of Changi South Property is an Interested Party Transaction. An extraordinary general meeting to seek Unitholder's approval is expected to be convened in the first half of FY 2017

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# Rationale of the Acquisitions and the Rights Issue

1

Good opportunity to acquire three strategically located quality assets in Singapore ✓

2

Rental arrangements of the Properties provide stability and downside protection ✓

3

Enhance asset and tenant diversification and increase WALE ✓

4

Increase Sabana REIT's portfolio size, strengthen its balance sheet and increase its financial flexibility ✓

5

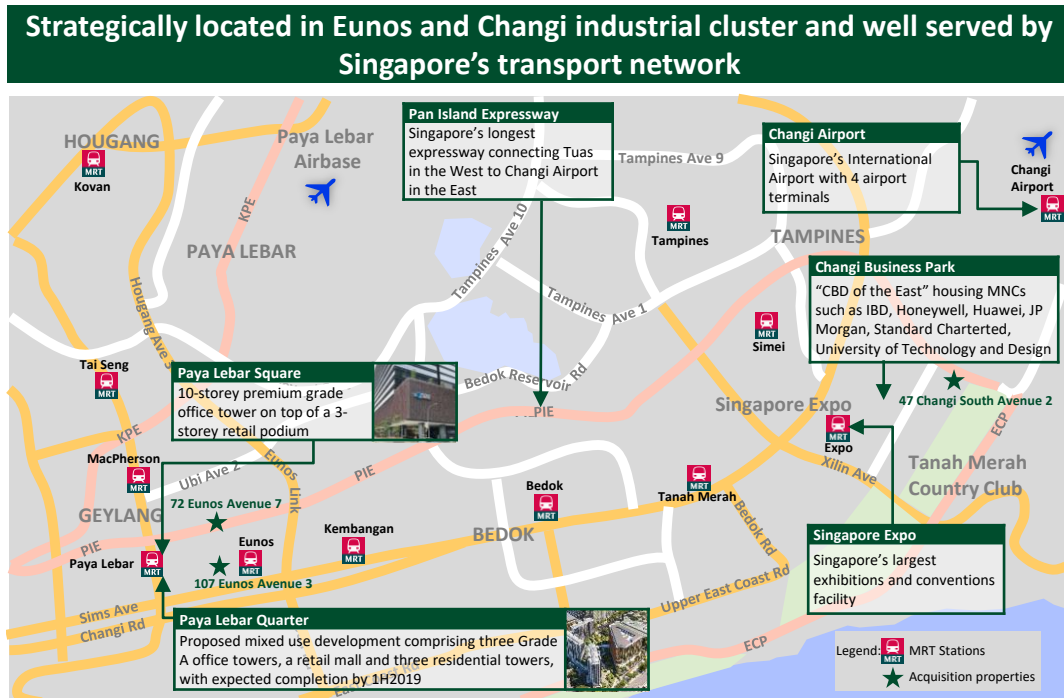
Provides opportunities for existing Eligible Unitholders to participate in an equity fund raising exercise ✓

6

Improve Sabana REIT's trading liquidity through a higher free float ✓

# Good opportunity to acquire three strategically located quality assets in Singapore

- The Eunos Ave 3 Property and the Eunos Ave 7 Property are two quality assets strategically located in the Eunos Industrial Estate and within close proximity to the Paya Lebar and Eunos MRT stations
- The Changi South Property is located within close proximity to Changi Business Park and Singapore Expo, Singapore's largest exhibitions and conventions facility



## Rental arrangements of the Properties provide stability and downside protection

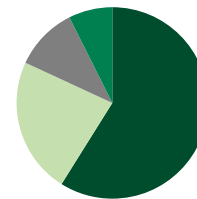
Eunos Ave 3 Property	Eunos Ave 7 Property	Changi South Property
<ul style="list-style-type: none"> <li>• Vendor to leaseback 34% of total GFA for five years with an option to renew for three more years</li> <li>• Leases to the other direct subtenants (which occupy 40% of the total GFA) will be assigned to Sabana REIT</li> <li>• Vendor to provide 5 year rental income support for the property</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor to leaseback 71% of total GFA for 10 years</li> <li>• Leases to the other direct subtenants (which occupy 29% of the total GFA) will be assigned to Sabana REIT</li> <li>• Vendor will indemnify and make good the rental shortfall arising from any departing subtenants for the entire 10 year lease</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor to leaseback 74% of total GFA for ten years</li> <li>• Leases or licenses (as the case may be) to the other direct subtenants (which occupy 26% of the total GFA) will be assigned and/or novated (as the case may be) to Sabana REIT</li> <li>• Vendor will provide rental income support to Sabana REIT for the first three years, commencing from and including the date of the completion of Acquisition</li> </ul>

## Enhance asset and tenant diversification and increase WALE

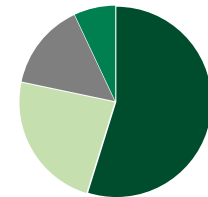
- Sabana REIT's master lease WALE<sup>(1)</sup> is expected to increase from 2.5 years to 3.1<sup>(2)</sup> years and the overall portfolio WALE<sup>(1)</sup> will increase from 2.6 years to 2.8 years<sup>(2)</sup> post the Acquisitions
- Diversify asset and tenant base with the addition of two quality general industrial assets (Eunos Ave 3 Property and Eunos Ave 7 Property) and one warehouse and logistics asset (Changi South Property)

### Increase diversification of sub-segment contribution

Pre-Acquisitions  
Q3 2016 revenues: S\$23m



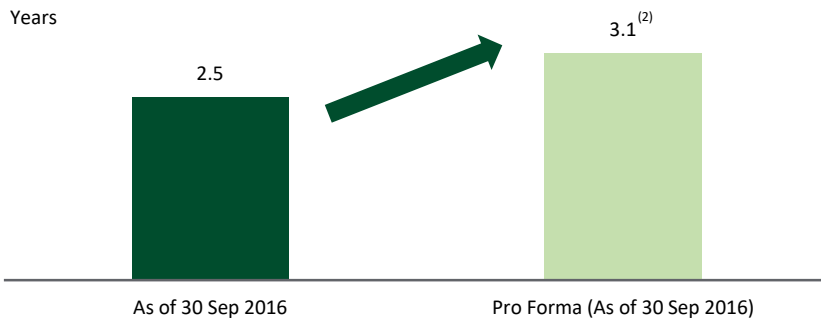
Post -Acquisitions  
Pro Forma Q3 2016: S\$25m<sup>(2)</sup>



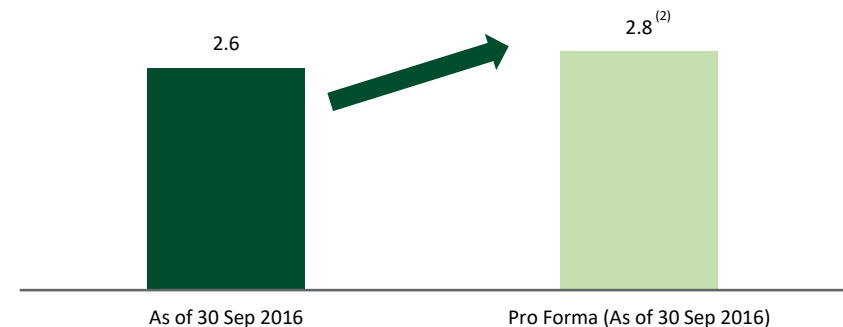
■ High-tech Industrial (58.9%)  
■ Warehouse & Logistics (23.0%)  
■ General Industrial (10.7%)  
■ Chem. Warehouse & Log. (7.4%)

■ High-tech Industrial (54.8%)  
■ Warehouse & Logistics (23.5%)  
■ General Industrial (14.7%)  
■ Chem. Warehouse & Log. (7.0%)

### Increase in master lease WALE<sup>(1)</sup>



### Increase in portfolio WALE<sup>(1)</sup>



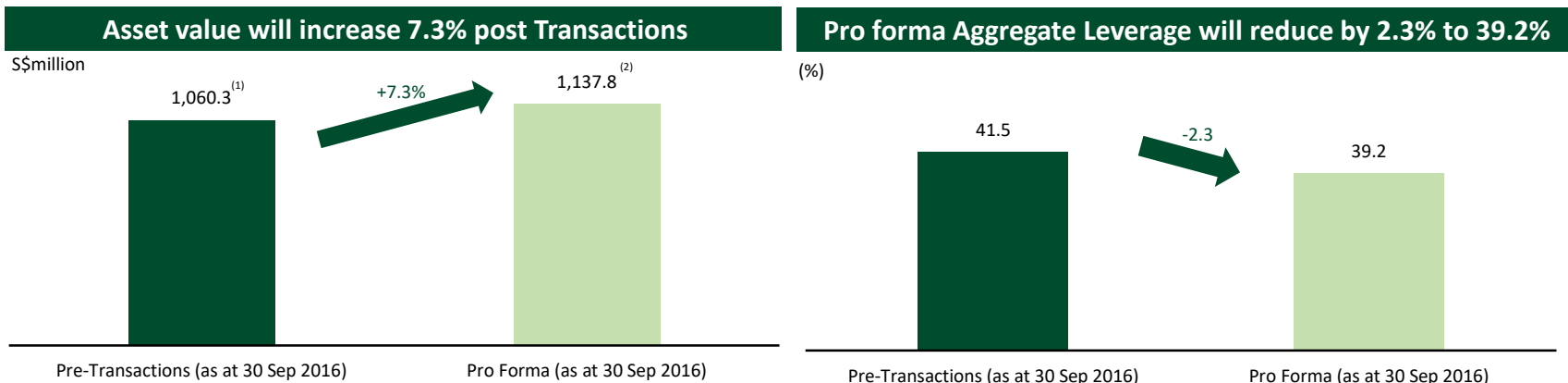
Notes:

1. By Gross Revenue

2. Excludes 218 Pandan Loop (proposed divestment announced on 5 December 2016), includes the Acquisitions, includes the effects of the conversion of 39 Ubi Road 1 to multi tenanted property, includes the renewal of three Sponsor master leases on 17 November 2016

## Increase Sabana REIT's portfolio size, strengthen its balance sheet and increase its financial flexibility

- Increase in asset portfolio size by approximately 7.3% from S\$1,060.3 million<sup>(1)</sup> as at 30 September 2016 to a pro forma of approximately S\$1,137.8 million<sup>(2)</sup>
- The proposed Acquisitions and the Rights Issue (collectively, the “**Transactions**”) are expected to reduce Sabana REIT's Aggregate Leverage<sup>(3)</sup> from approximately 41.5% as of 30 September 2016 to a pro forma of approximately 39.2% (as at 30 September 2016) post-Transactions
- The reduction in Aggregate Leverage will also cater for any future decline in portfolio valuation, in view of the Aggregate Leverage limit of 45% under the Property Funds Appendix
- The increase in portfolio size and reduction in Aggregate Leverage will provide Sabana REIT with greater financial flexibility and access to more funding options



**Notes:**

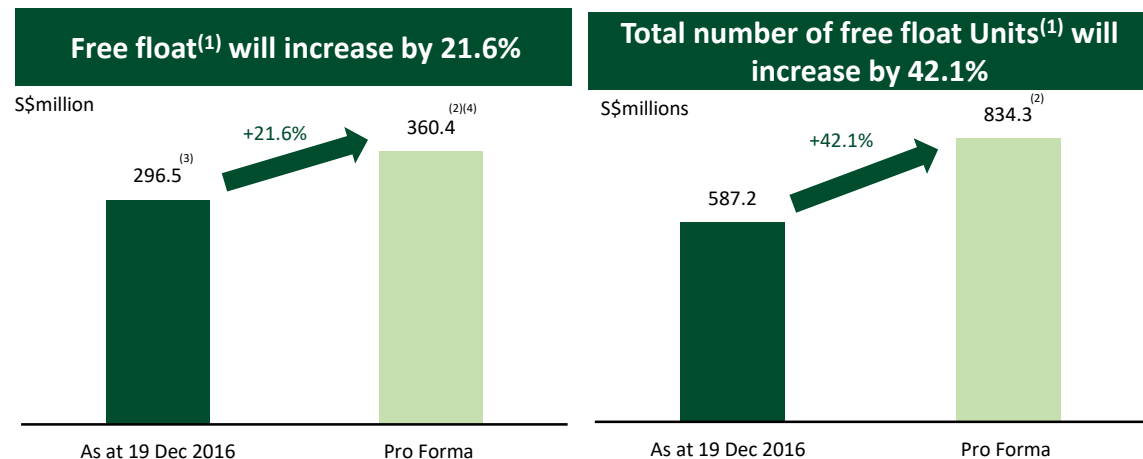
1. Based on the value of the Deposited Property as at 30 September 2016. “**Deposited Property**” means all the assets of Sabana REIT, including all the properties and all the authorised investments of Sabana REIT for the time being held or deemed to be held upon the trusts of the Trust Deed
2. Based on the value of the Deposited Property as at 30 September 2016 and the valuations of the Properties
3. “**Aggregate Leverage**” is the ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property

## Provide opportunities for existing Eligible Unitholders to participate in an equity fund raising exercise

- The Rights Issue provides existing Eligible Unitholders with the opportunity to subscribe for their *pro rata* entitlement (“**Rights Entitlement**”) at an attractive price of S\$0.258 which is at an attractive discount of approximately 48.9% to the Closing Price and 40.3% to TERP respectively
- Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the Rights Entitlements trading period to realise the value of their Rights Entitlements
- Unitholders are entitled to apply for Excess Rights Units

## 6 Improve Sabana REIT’s trading liquidity through a higher free float

- The proposed Rights Issue will increase Sabana REIT’s free float<sup>(1)</sup> by approximately 21.6% or S\$63.9 million from S\$296.5 million to S\$360.4 million
- The number of Units forming the free float will increase by 42.1% to approximately 834.3<sup>(2)</sup> million units
- Sabana REIT’s trading liquidity is expected to improve after the Rights Issue



Market data as of 19 December 2016

Notes:

1. Free float excludes Sponsor, Singapore Enterprises Private Limited, the Manager, Mr Khua Kian Keong, Mr Khua Hock Su, Mr Tong Jinquan, Shanghai Summit Pte Ltd, Wealthy Fountain Holdings Inc, Starry Global Limited and Directors of the Manager
2. This assumes that no Rights Units have been allocated to Mr Tong Jinquan, Shanghai Summit Pte Ltd, Wealthy Fountain Holdings Inc, Starry Global Limited and Directors of the Manager
3. Based on the Closing Price
4. Based on TERP



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# Indicative Rights Issue Timetable

Key Events	Dates and Time
Last day of “cum-rights” trading for the Rights Issue	• 23 December 2016
First day of “ex-rights” trading for the Rights Issue	• 27 December 2016
Rights Issue Books Closure Date	• 29 December 2016 at 5:00pm
Commencement of trading of Rights Entitlements	• 4 January 2017 from 9:00am
Last day of splitting and trading of Rights Entitlements	• 12 January 2017 at 5:00pm
Close of the Rights Issue	• 18 January 2017 at 5:00pm
Expected date for commencement of trading of Rights Units on the SGX-ST	• 26 January 2017 from 9:00am

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NEW TECH PARK

# Benefits to Unitholders

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# Thank you

**Sabana Real Estate Investment Management Pte. Ltd.**

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