



SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

NOTICE OF TERMINATION OF LEASE AT 10 CHANGI SOUTH STREET 2, SINGAPORE 486596

Singapore, 15 March 2019 – Further to the announcement made by Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**", and as manager of Sabana REIT, the "**Manager**") on 24 September 2018 relating to "Payment of Rental Arrears in relation to 10 Changi South Street 2, Singapore 486596" (the "**Announcement**"), the Manager wishes to inform that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the "**Trustee**") had on 13 March 2019 received a Notice of Special Event (as defined herein) dated 13 March 2019 from Adviva Distribution Pte. Ltd. (the "**Tenant**").

Under the lease (the "**Lease**") entered into between the Trustee and the Tenant in respect of 10 Changi South Street 2, Singapore 486596 (the "**Property**"), the Trustee or the Tenant may terminate the Lease by giving no less than nine months' prior written notice ("**Notice of Special Event**") to the other party, upon the occurrence of the following events:

- 1) the Tenant effects or enters into any scheme of arrangement or amalgamation or merger with one or more companies; or
- 2) the Tenant acquires or takeover one or more companies or is acquired by or taken over by one or more companies.

The Tenant has notified the Trustee that there is a change of shareholder and it is now wholly-owned by Meztoire Pte Ltd. Following the issuance of Notice of Special Event, the Lease will, subject to such conditions as JTC may impose, terminate on 12 December 2019. The Tenant will in the meantime continue to be bound by its obligations under the Lease for the period up to and including the date of expiry of the Notice of Special Event when the Lease terminates, including paying a top-up amount if the actual rent is less than the agreed floor rent under the Lease, subject to any adjustments or reconciliation. Upon the termination of the Lease, the Tenant will, if required by the Trustee, execute an assignment to assign to the Trustee all the rights and remedies (including all rent and other proceeds) of the Tenant arising from all subtenancies, sublettings and licenses (if any).

The Manager does not expect there to be any material adverse financial impact on Sabana REIT's distribution per unit ("**DPU**") for the current financial year arising from the proposed termination of the Lease.

The Property is a purpose-built part single-storey / part six-storey warehouse building with ancillary office areas, located opposite Changi City Point shopping mall, within walking distance to Expo MRT and in an established logistic enclave. It has a gross floor area of 238,708 square feet. As mentioned in the Announcement, the agreement to vary the terms of the Lease entered into on 21 September

2018 affords flexibility to Sabana REIT and helps to mitigate occupancy risks. To safeguard the interests of its stakeholders, the Manager has been and will continue to engage in active negotiations with prospective replacement tenants for the Property.

The Manager will, in compliance with its obligations under the Listing Manual of the SGX-ST, make the relevant announcements on SGXNET as and when there are material developments in this matter.

In the meantime, unitholders of Sabana REIT are advised to exercise caution when dealing in the units of Sabana REIT. Unitholders are further advised to read this announcement and any subsequent announcements by the Manager carefully.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company registration number 201005493K)

As Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust

Han Yong Lee (Donald)

Chief Executive Officer

15 March 2019

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Sabana REIT

Sabana REIT was listed on the SGX-ST on 26 November 2010. It was established principally to invest in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. Sabana REIT currently 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. Its total assets amount to S\$1.0 billion.

Sabana REIT is listed in several indices within the SGX S-REIT Index, Morgan Stanley Capital International, Inc (MSCI) Index and FTSE index. Sabana REIT is one of the constituents of the FTSE ST Singapore Shariah Index.

Sabana REIT is managed by Sabana Real Estate Investment Management Pte. Ltd. (in its capacity as the Manager of Sabana REIT) in accordance with the terms of the trust deed dated 29 October 2010 (as amended). Sabana REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana REIT, please visit www.sabana-reit.com.

Important Notice

The value of units in Sabana REIT ("**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 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 of Sabana REIT 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.