



**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)

**SABANA REIT DELIVERS Y-O-Y GROWTH IN GROSS REVENUE, NPI AND DPU FOR FY 2013**

**Financial Highlights**

(S\$'000)	FY 2013	FY 2012	Variance (%)	4Q 2013	4Q 2012	Variance (%)
<b>Gross revenue</b>	89,485	81,768	9.4	24,824	21,460	15.7
<b>Net property income ("NPI")</b>	80,360	76,937	4.4	19,875	20,245	(1.8)
<b>Income available for distribution</b>	61,755	59,395	4.0	15,127	15,441	(2.0)
<b>Distribution per Unit ("DPU") (cents)</b>	9.38	9.28	1.1	2.19	2.41	(9.1)
<b>Annualised DPU (cents)</b>	9.38	9.28	1.1	8.69	9.59	(9.4)
<b>Annualised distribution yield<sup>1</sup></b>	8.73%	8.63%	1.2	8.08%	8.92%	(9.4)

**Singapore, 22 January 2014** – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust"), today announced an annual growth of 9.4% in its gross revenue, which increased from S\$81.8 million in FY 2012 to S\$89.5 million in FY 2013. On a y-o-y basis, its 4Q 2013 gross revenue was 15.7% higher, at S\$24.8 million versus S\$21.5 million in 4Q 2012.

Sabana REIT's FY 2013 NPI increased by 4.4% to S\$80.4 million, compared to S\$76.9 million achieved in FY 2012. The higher NPI was mainly due to rental income contributions from the properties at 23 Serangoon North Avenue 5 and 508 Chai Chee Lane, which Sabana REIT acquired in October 2012 and in September 2013 respectively.

During the quarter, the Trust registered a distributable income of S\$15.1 million, which translates into a DPU of 2.19 cents for 4Q 2013, for a Unit base of 692.0 million Units in issue and to be issued as at 31 December 2013.

Chief Executive Officer and Executive Director of Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana REIT, Mr Kevin Xayaraj said, "FY 2013 was a meaningful year for Sabana REIT. We continued to grow Sabana REIT by acquiring quality properties such as 508 Chai Chee Lane in September 2013. During the year, we also saw full contributions from another quality property (23 Serangoon North Avenue 5), which we acquired in 4Q 2012. While our Unit base has expanded as a result of our first private placement exercise, DPU has stayed fairly stable. We will keep managing the Trust in a sustainable and measured way, with a continued focus on the interest of our Unitholders."

<sup>1</sup> Based on the last traded price of S\$1.075 per Unit as at 21 January 2014.

## Portfolio Updates

As at 31 December 2013, Sabana REIT's portfolio value increased by approximately 7.0% from a year ago. In addition to the acquisition of 508 Chai Chee Lane in 3Q 2013, positive mark-to-market revaluations made up approximately S\$11.3 million in total asset value growth, bringing the Trust's total assets past S\$1.2 billion. Sabana REIT's weighted average leasehold for underlying land in terms of gross floor area was 38.9 years in 4Q 2013.

On 25 November 2013, master leases (signed at the time of Sabana REIT's listing) for 151 Lorong Chuan, 8 Commonwealth Lane, 200 Pandan Loop, 3 Kallang Way 2A and 123 Genting Lane expired. The Manager has renewed the master lease of 3 Kallang Way 2A and is directly managing the other four properties. As at 31 December 2013, 59.3% of Sabana REIT's properties were structured under master leases and 40.7% of its properties were directly managed.

Since the Trust's listing, the Manager has taken an active and hands-on approach in the management of the underlying sub-tenant leases by working very closely with master tenants on filling up available sub-tenant space, as well as in negotiating sub-tenancy renewals. As at 25 November 2013, the Manager has successfully secured 108 lease transactions (renewals and new tenants) across the entire portfolio. The portfolio occupancy as at 31 December 2013 remained healthy at 91.2%, with a weighted average lease term to expiry of 2.2 years<sup>2</sup>.

The Manager is pleased with Sabana REIT's progress in FY 2013, especially in the successful conversion of the four master-tenanted properties into multi-tenanted properties on 25 November 2013.

"Our team works very closely with master tenants of Sabana REIT's properties. We are delighted at the renewal of the master lease at 3 Kallang Way 2A, as well as the smooth handover of 151 Lorong Chuan, 8 Commonwealth Lane, 200 Pandan Loop and 123 Genting Lane from the previous master tenants. The overall portfolio occupancy has adjusted slightly. We are actively marketing available space within the portfolio, which may present potential upsides to the Trust once they are leased out," Mr Xayaraj said.

## Outlook

Based on advance estimates, the Singapore economy grew by 4.4% in 4Q 2013, compared to the same quarter in 2012. For the whole of 2013, GDP is estimated to have grown by approximately 3.7%, which is in line with MTI's growth forecast of around 3.5% to 4%.<sup>3</sup>

According to DTZ, while capital values remained stagnant in the second half of 2013, rents across conventional industrial space increased in 2013, in line with the pick-up in the manufacturing sector. Considering the expected growth in the manufacturing and externally orientated industries and the moderate supply of available space, DTZ projects rents across all industrial space to move upwards in 2014.<sup>4</sup>

Despite the subdued outlook for the global economy and the Singapore industrial property market, the Manager will continue its efforts to actively manage and grow its portfolio to deliver a stable income stream to the Unitholders.

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<sup>2</sup> Weighted by gross revenue (master leases of 16 properties).

<sup>3</sup> "Singapore's GDP Grew 4.4 Per Cent in the Fourth Quarter of 2013". [www.mti.gov.sg](http://www.mti.gov.sg). Ministry of Trade and Industry. 2 January 2014. Web. 10 January 2014.

<sup>4</sup> "Speculative activity in the industrial sector fell in 2013 while rents inched upwards". [www.dtz.com](http://www.dtz.com). DTZ. 6 January 2014. Web. 10 January 2014.

## **Donation of non-Shari'ah compliant income**

In 4Q 2013, Sabana REIT recorded a non-Shari'ah compliant income of S\$39,004, that was equivalent to less than 0.2% of the quarter's gross revenue. Sabana REIT will be offering half of the sum to Singapore Amalgamated Services Co-operative Organisation Limited ("SASCO") Community Project Fund. SASCO will utilise the sum given for three main purposes. Firstly, to meet the expansion plans for more childcare centres at low and subsidised rates. Secondly, to provide scholarships and bursaries to subsidise the school fees of children from financially-challenged families. Lastly, the contribution will be used to sponsor senior citizen programmes organised by SASCO, to engage the needy elderly.

The other half of Sabana REIT's non-Shari'ah income for 4Q 2013 will go to Singapore Kadayanallur Muslim League. The contribution will go towards sponsoring SKML's In-Care Befriender program, which trains volunteers who in turn, prepare Malay or Muslim prison inmates for their release and integration into the society. This program is held in partnership with the Ministry of Home Affairs.

## **Distributions to Unitholders**

Unitholders can expect to receive their distributions for the period 1 October 2013 to 31 December 2013 on 28 February 2014. The closure of Sabana REIT's transfer books and register of Unitholders will take place at 5pm on 3 February 2014.

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## **For enquiries, please contact:**

Sabana Real Estate Investment Management Pte. Ltd.

Bobby Tay Chiew Sheng  
Chief Strategy Officer & Head of Investor Relations  
DID: +65 6580 7768  
Email: bobby.tay@sabana.com.sg

Grace Chen  
Manager, Investor Relations  
DID: +65 6580 7857  
Email: grace.chen@sabana.com.sg

## **ABOUT SABANA REIT**

Sabana REIT was listed on Singapore Exchange Securities Trading Limited 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 22 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 approximately S\$1.2 billion.

Sabana REIT is listed in several indices within the Morgan Stanley Capital International, Inc (MSCI) Index, the Global Property Research (GPR) index, FTSE index and S&P Dow Jones Indices. Sabana REIT is assigned a BBB- 'long-term corporate credit rating' with a stable outlook by Standard & Poor's Rating Services.

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 <http://www.sabana-reit.com>.

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