SABANA

SHARI'AH COMPLIANT REIT

Annual General Meeting

23 April 2019, Tuesday

AGM
Housekeeping Matters

In consideration to others, kindly observe the following:

- Please switch all mobile devices to silent mode
- Please do not make recordings of the proceedings or take photos of the meeting

Important Notice

Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "REIT") for the full financial year from 1 January 2018 to 31 December 2018 ("FY 2018").

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

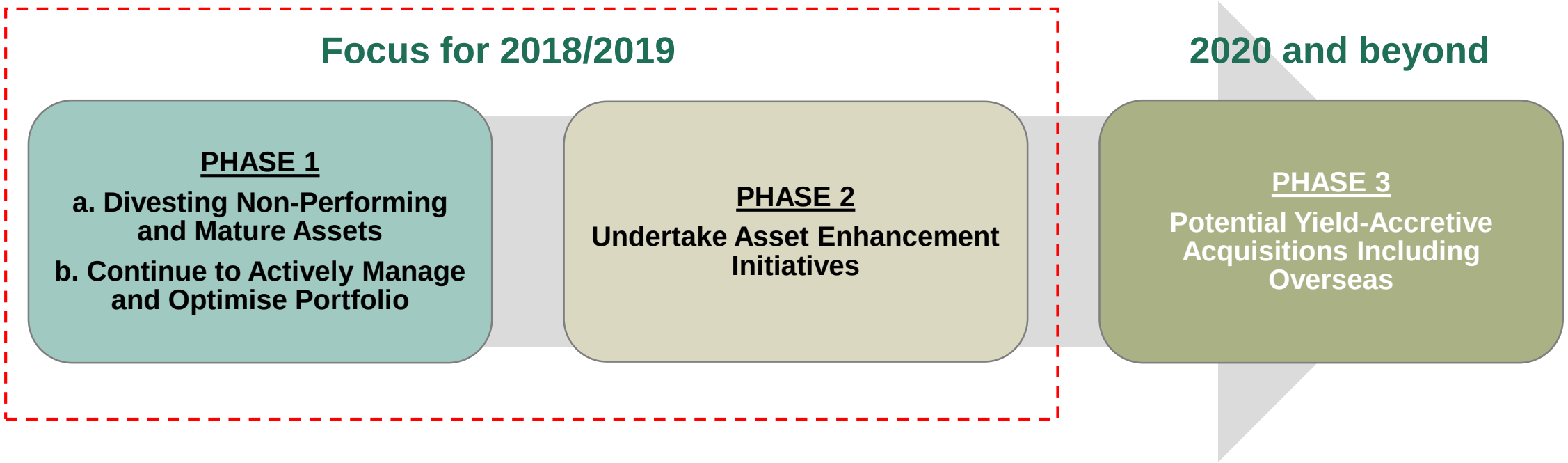
Any discrepancies in the tables included in this presentation between the listed amounts and total thereof are due to rounding.



Agenda

01	**Delivering on Refreshed Strategy**
02	Year in Review: Turning The Oil Tanker Around
03	Embarking on Growth in 2019 / 2020
04	Outlook & Key Takeaways

01 Delivering on Refreshed Strategy



All underpinned by

- Prudent Risk and Capital Management
- Ongoing Cost Rationalisation



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02	**Year in Review: Turning The Oil Tanker Around**
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04	Outlook & Key Takeaways

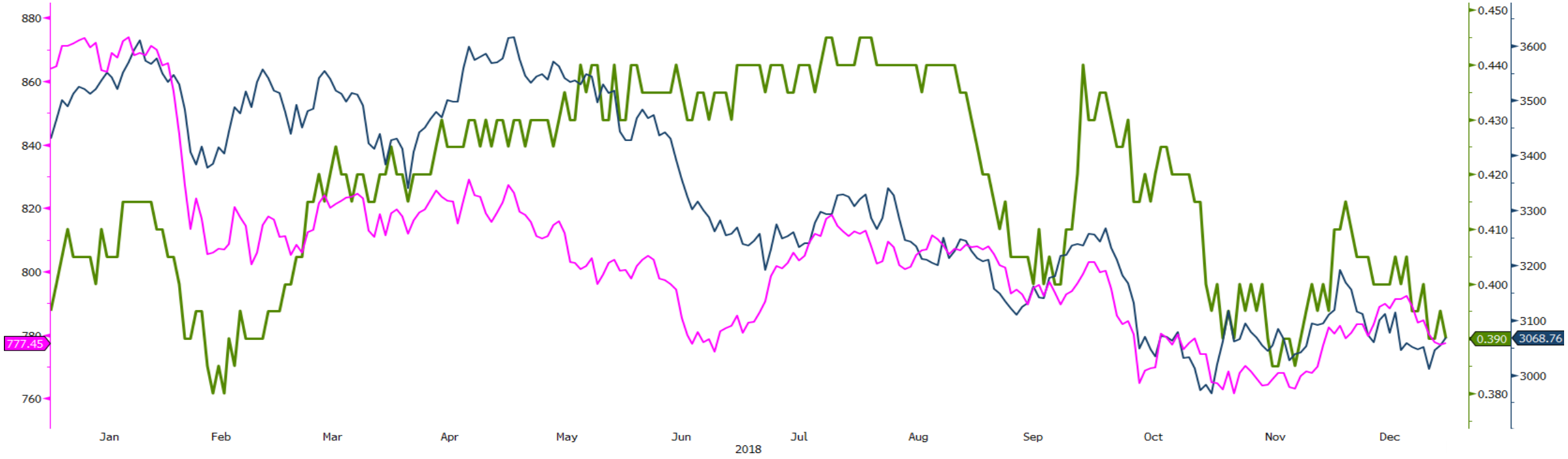
Resilient Unit Price Amid Challenging Market

Better performance than major benchmarks in 2018

Sabana REIT: -1.3%

Straits Times Index: -8.0%

FTSE ST REIT Index: -9.6%



Source: Bloomberg (as at 31 Dec 2018)

Solid Returns for Unitholders

- **Highest % total returns among Industrial S-REITs for 2018:**
  - **+6.8%**
- **Most resilient Unit Price (% change) among Industrial S-REITs for 2018:**
  - **-1.3%**

	1-year Total Returns (%)	1-year Unit Price Performance (%)
Sabana Shari'ah Compliant REIT	**+6.8**	**-1.3**
Ascendas REIT	+0.3	-5.5
Mapletree Industrial Trust	-0.7	-5.9
Mapletree Logistics Trust	+1.5	-4.5
Frasers Logistics & Industrial Trust	-4.2	-10.5
Keppel DC REIT	-0.7	-5.6
AIMS AMP Capital Industrial REIT	+3.9	-2.2
Viva Industrial Trust	-	-3.2
Soilbuild Business Space Trust	-6.2	-13.4
Cache Logistics Trust	-12.2	-18.7
ESR-REIT	-1.8	-8.8
EC World REIT	-1.2	-9.2

Source: KGI Research. Bloomberg

Share Price YTD 2019 : 4th Best Industrial Reit Performer

18 March 2019

SREITs: Looking Into The Numbers

Figure 7: Peer comparison table

	Mkt cap (USDm)	3M-ADVT (USD '000)	Last price (LCY)	1D (%)	5D (%)	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Industrial (10)	**19,817**	**46,611**		**0.2**	**(0.1)**	**2.5**	**7.7**	**7.7**	**6.1**	**9.2**
Ascendas REIT	6,515	22,556	2.84	0.7	0.4	3.3	9.2	10.1	7.6	10.5
Mapletree Industrial Trust	3,037	5,403	2.04	0.5	0.0	2.5	6.8	2.5	1.0	6.8
Mapletree Logistics Trust	3,767	11,519	1.41	0.0	(0.7)	2.9	9.3	12.8	18.5	11.9
Frasers Logistics Trust	1,732	N.M	1.16	(0.9)	(0.9)	4.5	9.4	6.4	6.3	12.6
Keppel DC REIT	1,446	3,937	1.45	0.7	(0.7)	0.0	5.1	8.2	3.6	7.4
Aims AMP Capital Industrial REIT	711	333	1.40	0.7	0.7	1.4	3.7	(0.7)	2.9	5.3
Cache Logistic Trust	571	1,044	0.72	(1.4)	1.4	1.4	1.4	(2.7)	(14.3)	3.6
ESR REIT	1,239	1,351	0.53	(0.9)	0.0	0.0	6.0	6.0	(6.2)	3.9
Soilbuild Business Space REIT	470	294	0.60	(0.8)	0.0	(0.8)	1.7	2.6	(9.1)	3.4
Sabana Industrial REIT	330	174	0.43	(1.2)	1.2	2.4	6.2	6.2	1.2	9.0

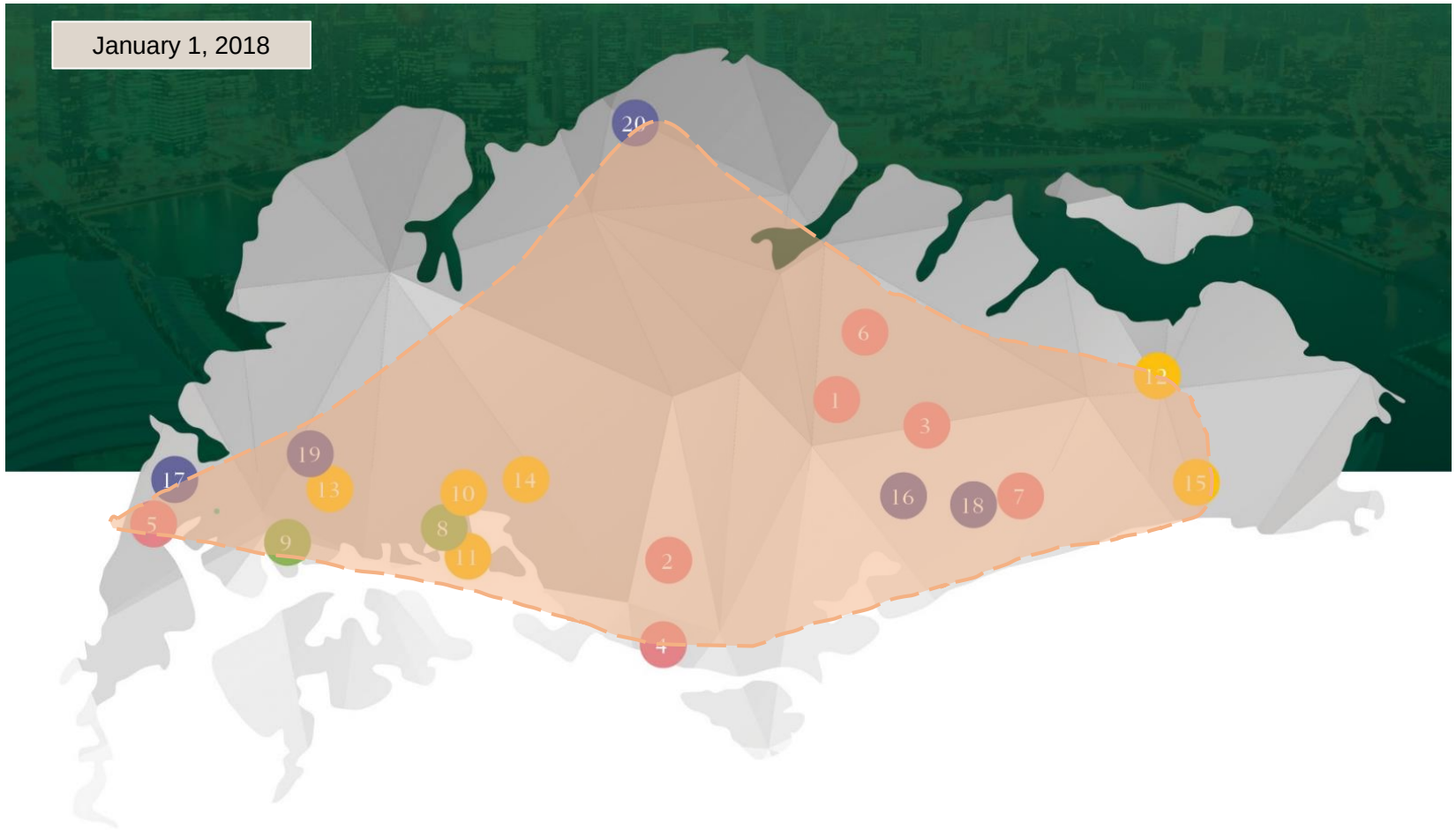
Source: RHB 18 March 2019 titled "Reits (Stay Selective, Keep Overweight)".

02 Year In Review: Turning the Oil Tanker Around

Delivering Phase 1 of Refreshed Strategy	Strategic divestment of 2[(1)] properties with sales consideration S$113.4 million	Secured 61 lease transactions	Achieved occupancy rates of 84.4%	Renewed 5 master leases expiring in 2018
Converted 10 Changi South Street 2 into multi-tenanted property	Secured new master tenant for 21 Joo Koon Crescent	Achieved 100% occupancy rate at 508 Chai Chee Lane	Reduced aggregate leverage to 36.8%	Increased NAV to S$0.57

Note:
(1) Divestment of 9 Tai Seng Drive completed on 10 January 2019.

Portfolio at a Glance



HIGH-TECH INDUSTRIAL

01 151 Lorong Chuan
02 8 Commonwealth Lane
03 9 Tai Seng Drive
04 15 Jalan Kilang Barat
05 1 Tuas Avenue 4
06 23 Serangoon North Avenue 5
07 508 Chai Chee Lane

CHEMICAL WAREHOUSE & LOGISTICS

08 33 & 35 Penjuru Lane
09 18 Gul Drive

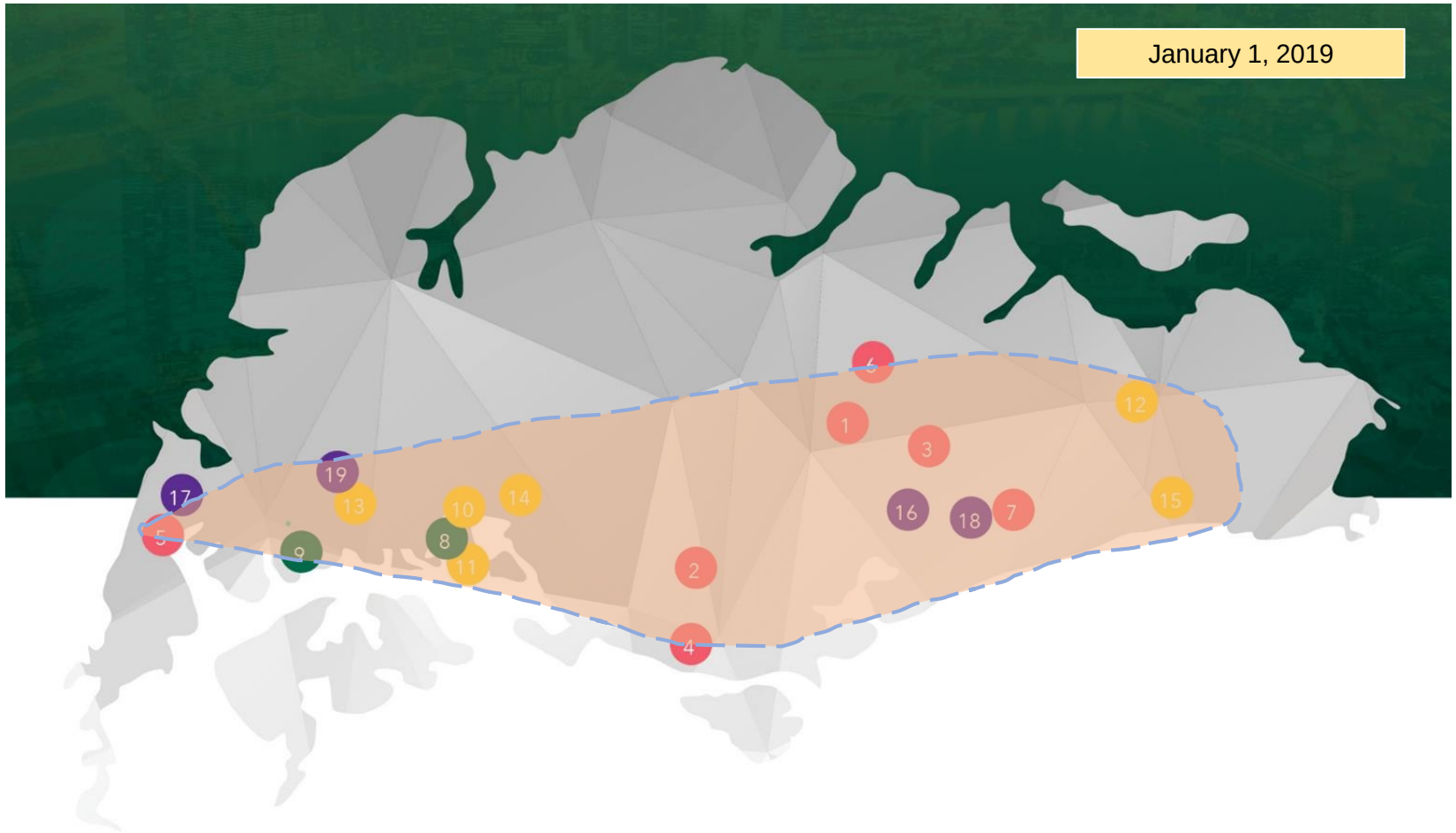
WAREHOUSE & LOGISTICS

10 34 Penjuru Lane
11 51 Penjuru Road
12 26 Loyang Drive
13 3A Joo Koon Circle
14 2 Toh Tuck Link
15 10 Changi South Street 2

GENERAL INDUSTRIAL

16 123 Genting Lane
17 30 & 32 Tuas Avenue 8
18 39 Ubi Road 1
19 21 Joo Koon Crescent
20 6 Woodlands Loop

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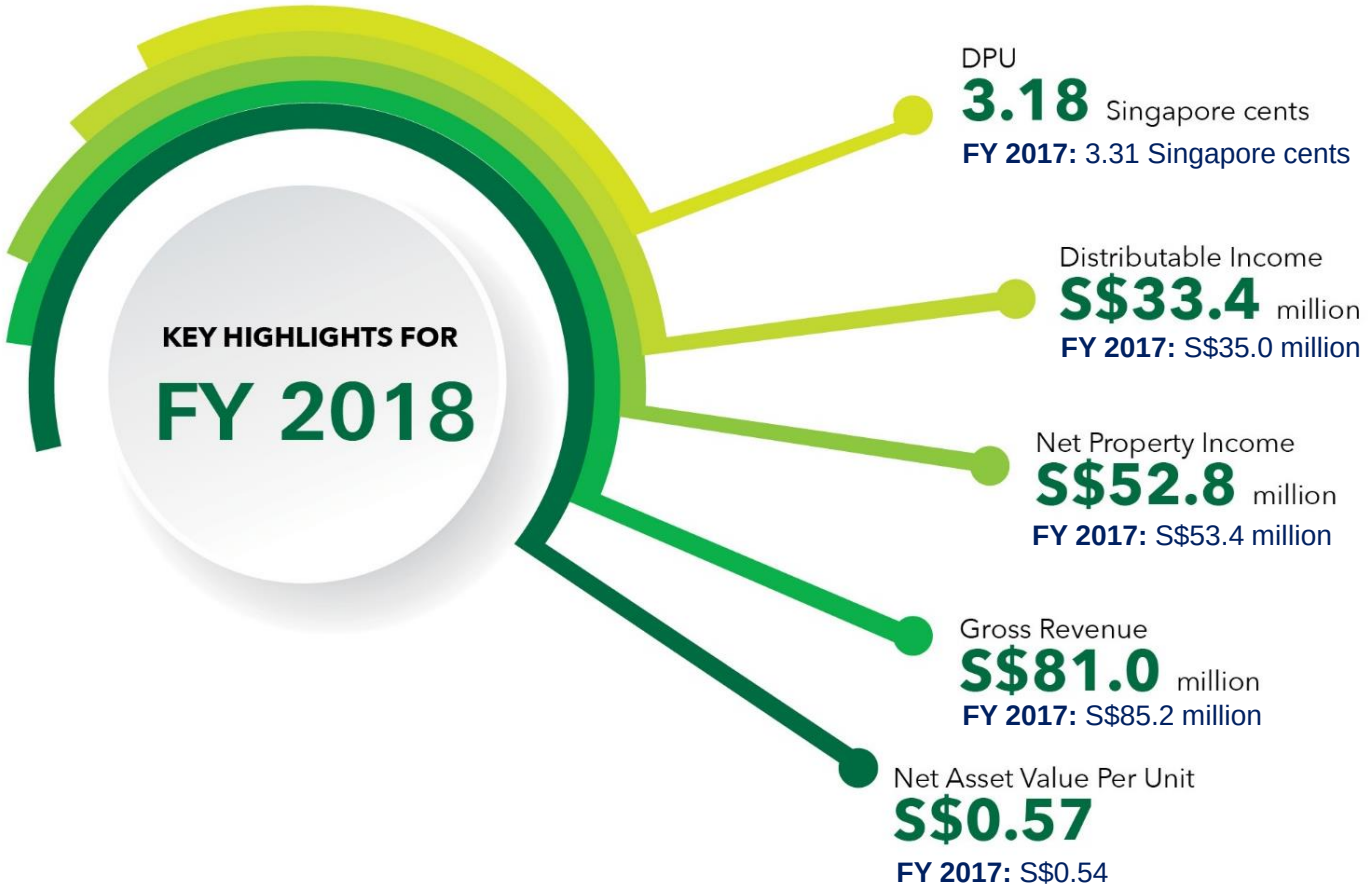
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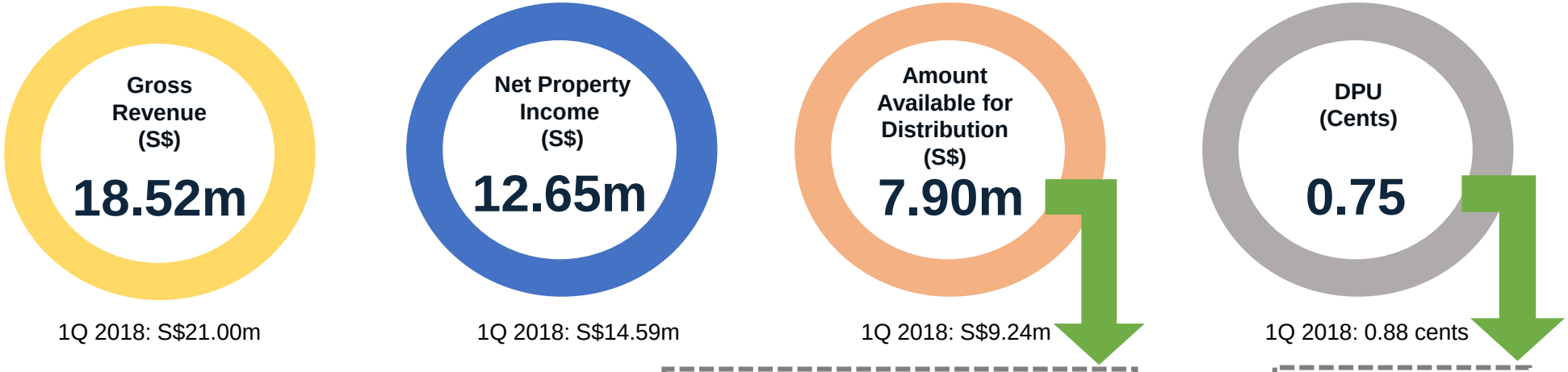
FY 2018: DPU Affected Amid Challenging Market...

Year-on-year performance slightly lower; focused on execution of strategy



1Q 2019 Financial Highlights

For the quarter ended 31 March 2019



Includes S$1.24m boost from capital gains from divested properties in prior years and in the current period

Includes 0.12 cents from capital gains

Summary

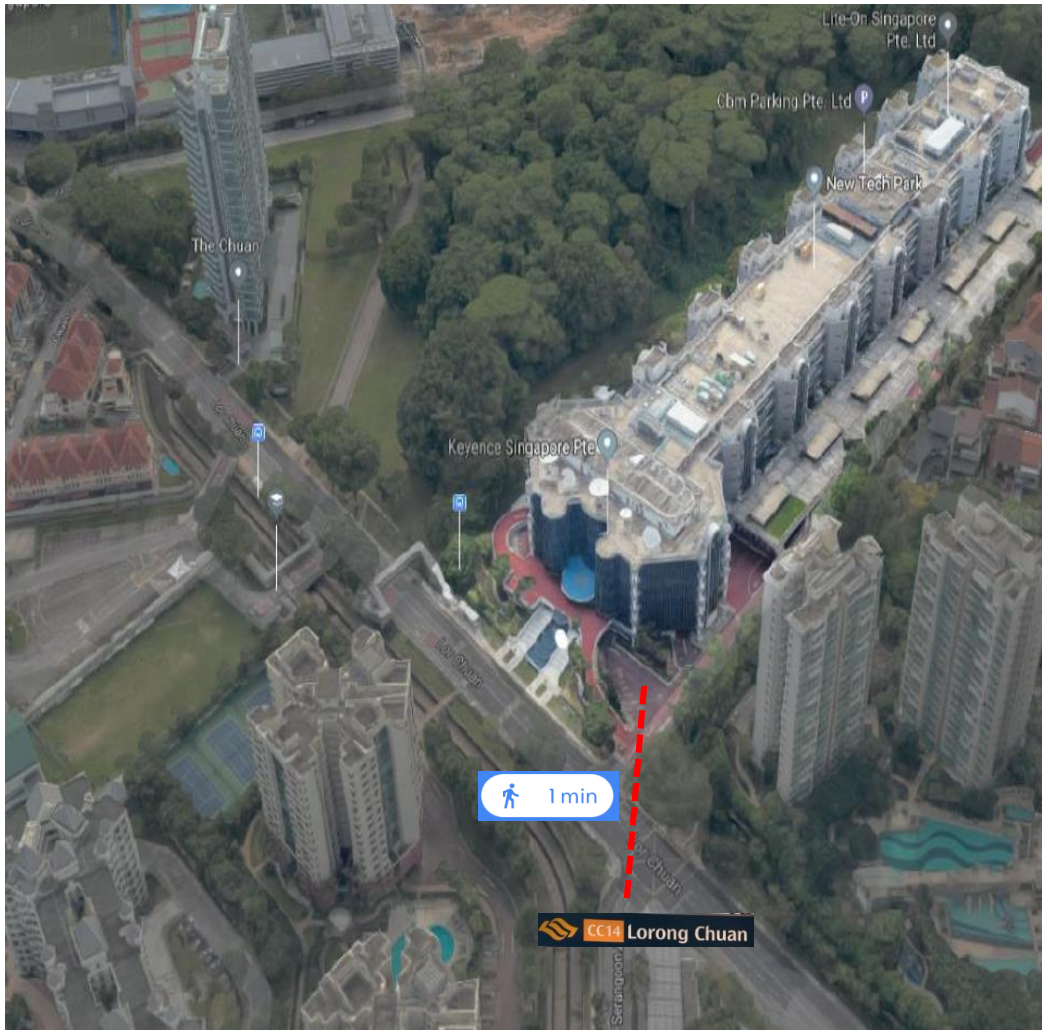
- **Successfully delivered on Phase 1 of Refreshed Strategy**
- **Embarking on Growth in Phase 2**
  - Outline Permission received for AEI at flagship property New Tech Park
- **Subsequent to the reporting date, fully redeemed the S$100.0 million 4.25 per cent. Trust certificates on 3 April 2019**
- **NAV at S$0.57 at the end of 1Q 2019 (FY 2018: S$0.57)**



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New Tech Park: Sabana REIT's flagship asset



Solid slate of tenants

- More than 30 corporate tenants including MNCs like HBO, Nickelodeon, Fuji Electric, Epsilon, Kodak and 3D Networks
- Premise serving as regional and global HQs for 70% of tenants

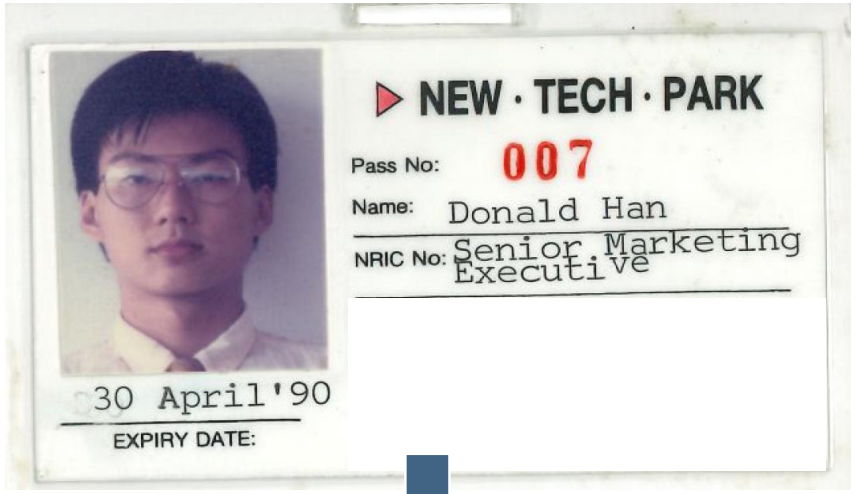
Healthy daily footfall:

- Around 2,200-strong workforce; 300 daily visitors

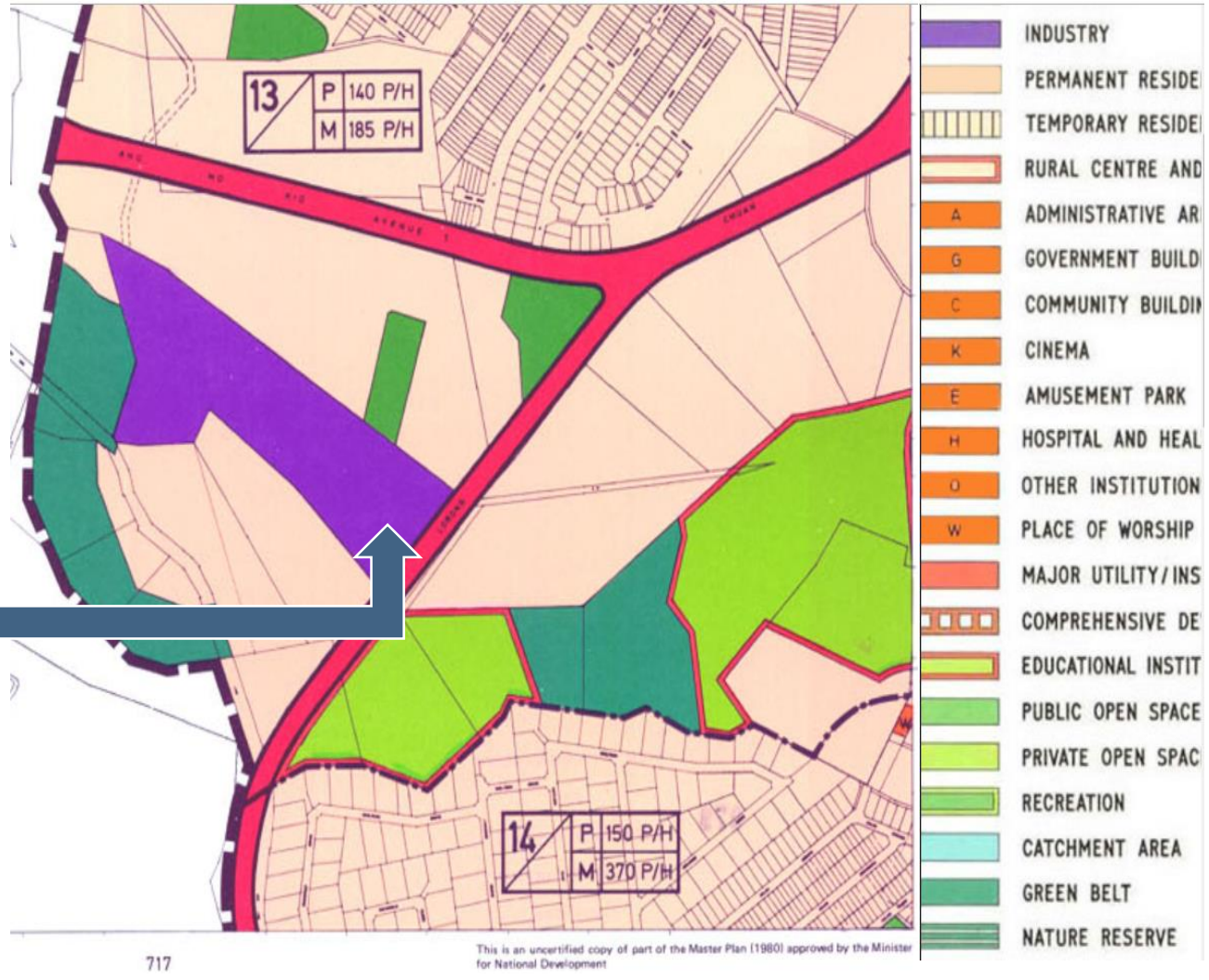
Opportunities from captive surrounding developments

- Affluent/ mid-income residential developments
- > 7,000 student population from educational institutions including the Australian International School, within 5 to 15 min walking radius

Coming full circle



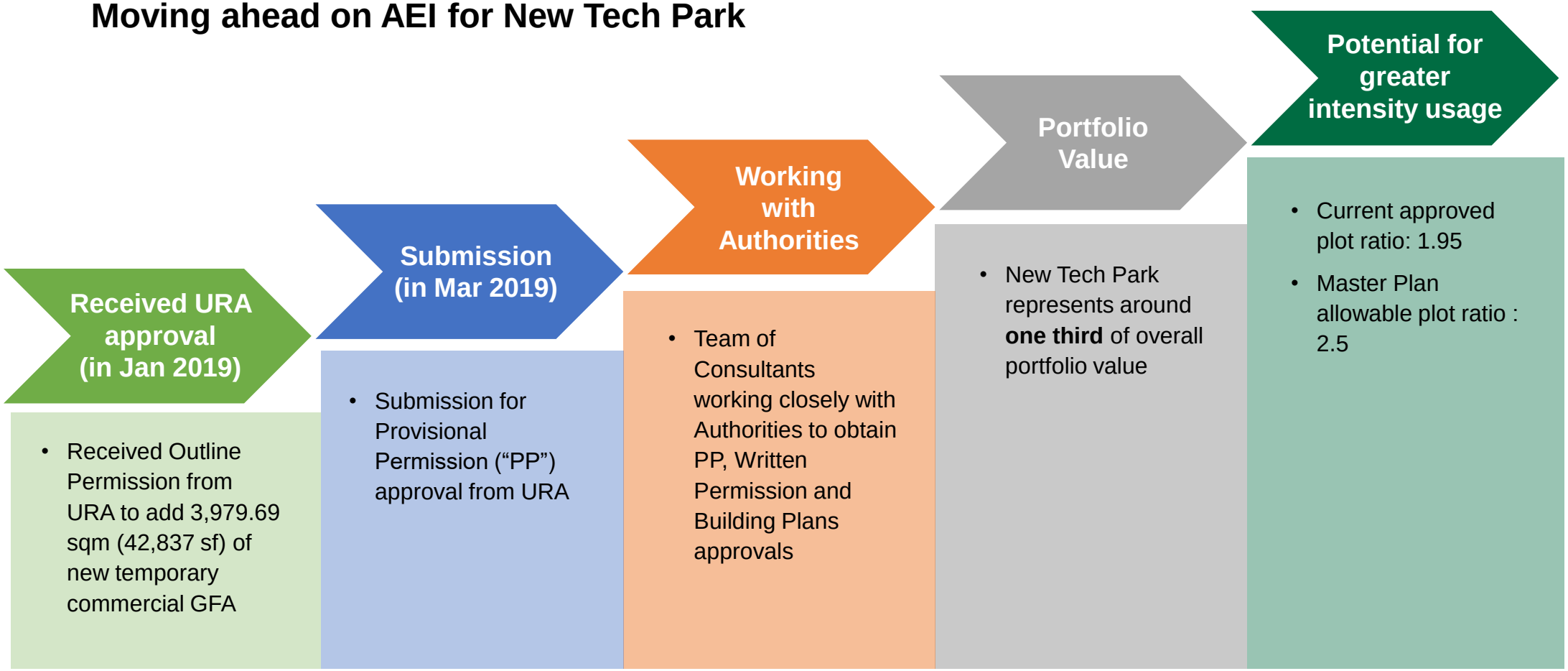




Source: https://www.ura.gov.sg/dc/mp80/mp80map_index.htm

03 Embarking on Growth in 2019 / 2020

Moving ahead on AEI for New Tech Park



New Tech Park in next 12 months



Potential F&B Tenant Mix

Restaurants / Cafes / Snacks / Beverages










Potential Retail Tenant Mix

Supermarket / Enrichment / Conveniences / Beauty & Health / Lifestyle













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Singapore Economy Snapshot

Non-oil exports plunge 11.7%; drop largest since 2016

PUBLISHED APR 18, 2019, 5:00 AM SGT

Dismal showing by electronics exports; Enterprise Singapore notes high-base effect

Derek Wong

Singapore's non-oil domestic exports (Nodx) slumped 11.7 per cent last month after a short-lived rise of 4.8 per cent in February, on the back of the biggest year-on-year drop in electronics exports since 2013.

Weak manufacturing drags Singapore economy to 1.3% growth in Q1, slowest since 2009

FRI, APR 12, 2019 - 8:00 AM

Singapore exports see biggest fall since 2016, raising risks to GDP forecast

WED, APR 17, 2019 - 8:34 AM

Yield curve inversion = Imminent recession?

Since 1960, every recession was preceded by an inversion, but not every inversion led to a recession

SAT, APR 20, 2019 - 5:50 AM

LEONARDO DRAGO



Since equity markets have a tendency to anticipate and discount future events, equity bear markets always start well before a recession. This happens because economic recessions are based on GDP data, which is backward looking. PHOTO: EPA-EFE

BEARS love indicators to justify their gloomy outlook. The aptly named "Death Cross" is one of the favourites of technical analysts, while an inversion of the yield curve is a favourite of fundamental analysts and economists.

Outlook

Singapore Economic Outlook

- Singapore's GDP grew 1.3% on a year-on-year basis in 1Q 2019, moderating from the 1.9% growth in 4Q 2018, based on MTI's advance estimates.(1)
- MAS forecasts Singapore's GDP will grow slightly below the mid-point of the 1.5–3.5% forecast range in 2019.(2)
- JTC Corporation data showed continued oversupply and island-wide vacancy as at 4Q 2018.(3)

Industry Property Outlook

- Colliers International forecasts annual demand to moderate to 9.6 million square feet over 2018-2023 and island-wide industry supply to increase 150% year-on-year in 2019, before tapering off in 2020.(4)
- It recommends that landlords of ageing properties consider upgrades and enhancements to be ready for Industry 4.0.(4)

Sabana REIT

- **Muted performance in 1H 2019 amid challenging market conditions**
- **Approaching a long but bottoming down-cycle but foresees recovery prospects in 4Q 2019 or early 2020:**
  - Contribution from 21 Joo Koon Crescent's new master tenant in Nov 2019
  - Proposed AEI for New Tech Park, adding nearly 42,837 sf of new retail/F&B space will contribute new source/ additional revenue, potentially attracting new business space tenants

Sources:

(1) "Singapore's GDP Grew by 1.3 per cent in the first quarter of 2019". Ministry of Trade and Industry. 12 April 2019.
(2) "MAS Monetary Policy Statement". Monetary of Singapore. 12 April 2019.
(3) "JTC Quarterly Market Report – Industrial Properties". JTC. 24 January 2019.
(4) "H2 2018 | Singapore Industrial Market". Colliers International Singapore. 1 March 2019.

Media Communications – Regular information flow and engagement with Unitholders



THE EDGE SINGAPORE

New broom sweeps clean for Sabana REIT's unitholders

SINGAPORE (Apr 16): In a Singapore Exchange filing, e-Shang Redwood (ESR), a pan-Asia logistics real estate developer, which is the sponsor and major shareholder of ESR-REIT, announced that it held a 7.05% stake in Sabana Shariah Compliant Industrial REIT as at April 6.

Sabana REIT's net asset value as at Dec 31 was 53 cents and the real estate investment trust is one of a handful of REITs trading below their NAV. Asked for his view on ESR's increasing its stake, Donald Han, CEO of Sabana REIT's manager, says: "It's good value to buy at 42 cents when the NAV is [53] cents."

Although the shareholding of the manager has not altered during the past 12 months, the management has changed. Han, a veteran property consultant, became CEO of Sabana REIT's manager on Jan 25. In a recent interview, he outlined what he calls his "Refocused, Recalibrated Strategy".

THE BUSINESS TIMES COMPANIES & MARKETS

ALL NEWS WEEKLY BREAKING TODAY'S PAPER LIFESTYLE OPINION GARAGE SME ASEAN WEALTH HUB

HOME COMPANIES & MARKETS

TOPLINE

Sabana Reit getting basics right before going abroad

Property veteran Donald Han talks about his strategy of transforming Sabana Reit into a big company.

March 21, 2019 : SGX Corporate Connect Seminar at SGX Academy Auditorium – organised by SIAS





Key Takeaways

"There will be challenges,
but stay with us – we are on a growth path

Tough times don't last, tough people do.




Thank you