



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)

RESPONSE TO SGX QUERY

The Board of Directors (the “**Board**”) of Sabana Real Estate Investment Management Pte Ltd (the “**Manager**”) refers to the queries from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 March 2017 and sets out its responses as follows:

Question 1:

Please confirm that the entire Board, the financial adviser Morgan Stanley, and the valuers for the three recently announced acquisitions, will be present at the unitholders’ requisitioned meeting. Should any party not be present, please provide reasons why the Board would not deem it necessary for the relevant parties to be present to address unitholders’ concerns.

Manager’s response:

The existing Board confirms its attendance at the unitholders’ requisitioned meeting. Ms. Ng will not be present as she has already resigned. The valuers for the recently announced acquisitions will attend the unitholders’ requisitioned meeting to address questions pertaining to the valuations.

Morgan Stanley is appointed as financial adviser for the strategic review exercise and is assisting the Strategic Review Committee (“SRC”) in evaluating options to enhance unitholder value. Morgan Stanley is not advising the Board on EGM related matters or the previously announced acquisitions and the rights issue. As such Morgan Stanley will not be present at the EGM in its capacity as a financial adviser.

Question 2:

Please confirm that Morgan Stanley’s terms of reference, and the strategic review to be undertaken by the Board and the Strategic Review Committee, will seek to address the concerns and act in the interests of unitholders. This is in line with the recent draft amendments to the Securities and Futures Act that the directors of a REIT manager shall act in the best interest of all REIT participants as a whole over the REIT Manager’s own interest and the interests of the REIT Manager’s shareholders in the event of a conflict of interest between (i) all participants as a whole; and (ii) the manager’s interests or its shareholders’ interests.

Manager’s response:

The strategic review to be undertaken by the SRC is intended to seek to address the concerns. Morgan Stanley, as financial adviser, reports directly to the SRC. The scope of Morgan Stanley’s

assignment, as announced on 1 March 2017, involves assisting in exploring the options available for Sabana REIT to enhance unitholder value, which may include:

- A potential sale of all units or assets of Sabana REIT and a sale of the Manager, and/or
- Sourcing and considering potential strategic partners who can enhance Sabana REIT's performance in terms of, inter alia, the following factors:
 - (i) ability to contribute pipeline of quality assets to Sabana REIT to improve the current property portfolio mix;
 - (ii) improving the borrowing ability of Sabana REIT; and
 - (iii) ability to enhance the capability of the management team.

SRC confirms that it shall act in the best interests of all REIT participants as a whole over the REIT Manager's own interest and the interests of the REIT Manager's shareholders in the event of a conflict of interest between (i) all participants as a whole; and (ii) the manager's interests or its shareholders' interests.

In the meantime, Unitholders 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

Kevin Xayaraj

Chief Executive Officer and Executive Director

6 March 2017

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 21 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\$1.0 billion.

Sabana REIT is listed in several indices within the SGX S-REIT Index, Morgan Stanley Capital International, Inc (MSCI) Index, the Global Property Research (GPR) index, FTSE index and S&P Dow Jones Indices.

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>.

Important Notice

This announcement is for information only and does not constitute an offer, invitation or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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 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.