

## Offer Information Statement dated 30 December 2016

(Lodged with the Monetary Authority of Singapore on 30 December 2016)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.**

The collective investment scheme offered in this offer information statement (“**Offer Information Statement**”) is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). A copy of this Offer Information Statement, together with the application form for the new units in Sabana Shari’ah Compliant Industrial Real Estate Investment Trust (“**Sabana REIT**”) to be issued for the purpose of the Rights Issue (as defined herein) (“**Rights Units**”) and Excess Rights Units (as defined herein) (“**ARE**”) and the application form and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) (“**ARS**”) under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) under the book-entry (scripless) settlement system, has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST, subject to certain conditions being fulfilled. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the units in Sabana REIT (“**Units**”), Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana REIT (the “**Manager**”), Sabana REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No Units shall be allotted or allocated on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and the “nil-paid” provisional allotment of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue (the “**Rights Entitlements**”) or make an offer of the Rights Units and the Rights Entitlements and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. In particular, this Offer Information Statement should not be distributed in or sent to the United States of America (“**U.S.**” or “**United States**”) (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Rights Units and Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S., except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and Rights Entitlements are being offered and sold outside the U.S. in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Please refer to the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.



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

MANAGED BY

**SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD.**

(Company Registration No. 201005493K)

**RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE (THE “RIGHTS ISSUE”) OF 310,712,244 RIGHTS UNITS AT AN ISSUE PRICE OF S\$0.258 FOR EACH RIGHTS UNIT (THE “ISSUE PRICE”), ON THE BASIS OF 42 RIGHTS UNITS FOR EVERY 100 EXISTING UNITS (THE “RIGHTS RATIO”) HELD BY ELIGIBLE UNITHOLDERS AS AT 5.00 P.M. ON 29 DECEMBER 2016 (THE “RIGHTS ISSUE BOOKS CLOSURE DATE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

Joint Lead Managers and Underwriters for the Rights Issue



<b>IMPORTANT DATES AND TIMES</b> (The following is qualified by, and should be read in conjunction with, the section entitled “Timetable of Key Events” of this Offer Information Statement)	
Last date and time for trading of Rights Entitlements	: 12 January 2017 at 5.00 p.m.
Last date and time for acceptance of Rights Entitlements and payment for Rights Units	: 18 January 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for application and payment for Excess Rights Units	: 18 January 2017 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)



## NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of Sabana REIT, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana REIT (the “**Trustee**”) or The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Maybank Kim Eng Securities Pte. Ltd. and United Overseas Bank Limited, as joint lead managers and underwriters for the Rights Issue (collectively, the “**Joint Lead Managers and Underwriters**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of Sabana REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of Sabana REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET<sup>1</sup>, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (“**CDP**”) or through an automated teller machine (“**ATM**”) of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement (“**Electronic Application**”).

**Central Provident Fund (“CPF”) Investment Scheme (“CPFIS”) investors, Supplementary Retirement Scheme (“SRS”) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the offer procedure for them.**

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to Sabana REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and the Manager and the Trustee expressly reserve the right to

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<sup>1</sup> An internet-based corporate announcement submission system maintained by the SGX-ST.

determine in their sole discretion whether to comply with any such applicable rules and regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

The Manager, the Trustee, the Joint Lead Managers and Underwriters and each of their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements or Sabana REIT, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units or to purchase the Rights Entitlements. Prospective subscribers of Rights Units and purchasers and/or transferees of Rights Entitlements should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of Sabana REIT, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and prospects of Sabana REIT, and their own appraisal and determination of the merits of investing in Sabana REIT. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to subscribe for or purchase the Rights Units or the Rights Entitlements.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S., except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S under the Securities Act. Please refer to the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.

The distribution of this Offer Information Statement and the offer, sale and delivery of the Rights Units and the Rights Entitlements in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager and the Joint Lead Managers and Underwriters to inform themselves of, and observe, any such prohibitions and restrictions. Please refer to the sections entitled “Eligibility of Unitholders to Participate in the Rights Issue” and “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.

Selected financial data from the audited financial statements of Sabana REIT for the financial year ended 31 December 2013 (“**FY2013**”, and the audited financial statements of Sabana REIT for FY2013, the “**FY2013 Audited Financial Statements**”), the audited financial statements of Sabana REIT for the financial year ended 31 December 2014 (“**FY2014**”, and the audited financial statements of Sabana REIT for FY2014, the “**FY2014 Audited Financial Statements**”), the audited financial statements of Sabana REIT for the financial year ended 31 December 2015 (“**FY2015**”, and the audited financial statements of Sabana REIT for FY2015, the “**FY2015 Audited Financial Statements**”), and the unaudited financial statements of Sabana REIT for the nine months ended 30 September 2016 (“**9M 2016**”, and the unaudited financial statements of Sabana REIT for 9M 2016, the “**9M 2016 Unaudited Financial Statements**”) (collectively, the “**Financial Statements**”), are set out in **Appendix A** of this

Offer Information Statement. Financial data relating to distribution per Unit (“DPU”), earnings per Unit and net asset value (“NAV”) per Unit before and after any adjustment to reflect the Acquisitions (as defined herein) and the issue of Rights Units are also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Sabana REIT at <http://www.sabana-reit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement<sup>1</sup>.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of Sabana REIT does not constitute part of this Offer Information Statement.

**Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Units and the Rights Entitlements.**

The value of 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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. None of the Manager or any of its affiliates guarantees the performance of Sabana REIT or the repayment of capital from Sabana REIT, or any particular rate of return on the Units.

Unitholders have no right to request the Manager to redeem 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 Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Sabana REIT is not necessarily indicative of the future performance of Sabana REIT.

### **Forward-Looking Statements**

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by Sabana REIT or the directors of the Manager (“**Directors**”), its officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “aim”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “predict”, “probable”, “project”, “seek”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the future financial position, operating results, business strategies, plans and future prospects of Sabana REIT and its subsidiaries (the “**Group**”) are forward-looking statements. The Manager, the Trustee and the Joint Lead Managers and Underwriters do not represent or warrant that the actual future performance, outcomes or results of Sabana REIT will be as discussed in those statements. These forward-looking statements, including but not limited to, statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance

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<sup>1</sup> Prior appointment with the Manager will be appreciated.

or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other factors include (without limitation) general industry and economic conditions, financing costs trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in property expenses and operating expenses, and governmental and public policy changes. Any prediction, projection or forecast on the economy or economic trends of the markets in which the Group operates is not necessarily indicative of the future or likely performance of the Group. (See the section entitled “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

Given the risks, uncertainties and other factors that may cause Sabana REIT’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, you are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of Sabana REIT before deciding whether to subscribe for the Rights Units and/or apply for Excess Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

This Offer Information Statement includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

### **Pro Forma Financial Information**

The pro forma financial information contained in this Offer Information Statement (including the pro forma DPU yields) is based on historical statements reconstituted on a pro forma basis based on numerous assumptions and adjustments (as set out in the section entitled “Pro Forma Financial Information”) and is not necessarily indicative of the total returns and cash flows or financial position of Sabana REIT that would have been attained and had the completion of the acquisition of the Properties (as defined herein) or the acquisition of the Eunos Properties (as defined herein) and/or Rights Issue actually occurred in the relevant periods. Such pro forma financial information, because of its nature, may not give a true or accurate picture of Sabana REIT’s actual total returns, results of operations or financial position and the Manager, the Trustee and Joint Lead Managers and Underwriters do not represent or warrant that the actual outcome of the acquisition of the Properties (as defined herein) or the acquisition of the Eunos Properties (as defined herein), or the Rights Issue at the relevant dates or periods would have been as presented. Under no circumstances should the inclusion of such information be regarded as a representation, warranty or prediction that these results would have been achieved, will be achieved or are likely to be achieved. In particular, investors should note that the pro forma DPU yields, which are prepared for illustrative purposes only, are calculated based on certain assumptions and assumed price per Unit (as set out in the section entitled “Pro Forma Financial Information”) and even if investors had purchased the Units at the relevant assumed price per Unit, there is no guarantee that the actual or future yields would be as indicated.

**IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND (C)  
INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY AND/OR  
DEPOSITORY AGENT**

Unitholders who have subscribed for or purchased Units under the CPFIS, the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks in which they hold their CPFIS accounts and/or SRS Accounts (as defined herein), finance company and/or Depository Agent to do so on their behalf in accordance with this Offer Information Statement.

**ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.**

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units to their respective approved bank, finance company and/or Depository Agent.

**(i) Use of CPF Funds**

Unitholders participating in the CPFIS — Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Investible Savings (“**CPF Funds**”).

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

**(ii) Use of SRS Funds**

Unitholders who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the

appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date (as defined herein). Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) and/or Sabana REIT will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of the Rights Units directly from the market.

**(iii) Holdings through Finance Company and/or Depository Agent**

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

## ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

### ELIGIBLE UNITHOLDERS

Eligible Unitholders are Unitholders with Units standing to the credit of their securities accounts with CDP (but do not include securities sub-accounts) (each, a “**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days<sup>1</sup> prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of the Rights Entitlements and Rights Units may not be lawfully made (“**Eligible Unitholders**”).

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in Sabana REIT as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE and the ARS) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement and the ARE and the ARS may obtain them from CDP for the period up to the Closing Date.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Units**”) will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders (as defined herein). Directors and Substantial Unitholders who have control or influence over Sabana REIT or the Manager in connection with the day-to-day affairs of Sabana REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors (“**Board**”), will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

**All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.**

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendix B — Procedures for Acceptance, Payment, Renunciation and Application for Rights Units and/or Excess Rights Units by Eligible Unitholders**, in **Appendix C — Additional Terms and Conditions for Electronic Applications** and in the ARE and the ARS.

<sup>1</sup> “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

## INELIGIBLE UNITHOLDERS

No Rights Entitlements will be provisionally allotted to Unitholders who are not Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefore by Ineligible Unitholders will be valid.

This Offer Information Statement and its accompanying documents (including the ARE and the ARS) will not be despatched to Ineligible Unitholders. This Offer Information Statement and its accompanying documents (including the ARE and the ARS) relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore.

Receipt of this Offer Information Statement and its accompanying documents or the crediting of Rights Entitlements to a securities account in CDP does not and will not constitute an offer in those jurisdictions in which such offer would be illegal and this Offer Information Statement and its accompanying documents should not be copied or redistributed.

The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S., except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing or who are transferees of the Rights Entitlements, whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident. Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable rules, regulations and, subject to compliance with applicable laws and regulations, make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

**Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.**

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters, CDP or the Central Provident Fund Board (the “**CPF Board**”) or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings as at the Rights Issue Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of Sabana REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters, CDP or the CPF Board or their respective officers in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of Sabana REIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters, CDP or the CPF Board or their respective officers in connection therewith.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

## OFFERING, SELLING AND TRANSFER RESTRICTIONS

Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Rights Entitlements and the Rights Units. No action has been taken or will be taken to permit a public offering of the Rights Units or the Rights Entitlements to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to Sabana REIT, the Rights Units or the Rights Entitlements in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the Rights Units or the Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Rights Units or the Rights Entitlements may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and the Manager and the Trustee expressly reserve the right to determine in their sole discretion whether to comply with any such applicable rules and regulations. Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Units, applying for Excess Rights Units or making any offer, sale, resale, pledge or other transfer of the Rights Units or the Rights Entitlements.

**This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.** For the Rights Issue, the Manager on behalf of Sabana REIT is relying upon the exemption from registration provided by Regulation S under the Securities Act. The Rights Entitlements and the Rights Units have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States and may be offered, sold, resold, granted, delivered, allotted, taken up, exercised, pledged or transferred only outside the United States in accordance with Regulation S under the Securities Act. Unitholders acting on a non-discretionary basis for the account or benefit of a person located in the United States may not take up or purchase the Rights Entitlements or the Rights Units. Distribution of this Offer Information Statement in the United States is not authorised, and any person in the United States who obtains a copy of this Offer Information Statement is requested to disregard the contents of this Offer Information Statement.

Each purchaser of the Rights Entitlements and/or the Rights Units offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Units is, outside the United States; and (ii) is acquiring the Rights Entitlements and/or the Rights Units in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights Entitlements and/or the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Manager, the Joint Lead Managers and Underwriters, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Until 40 days after the commencement of the Rights Issue, an offer or sale of the Rights Units within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act if such offer or sale is made other than in accordance with an available exemption from registration.

The Manager and the Joint Lead Managers and Underwriters have not taken any action, nor will the Manager and the Joint Lead Managers and Underwriters take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Entitlements and Rights Units, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to Sabana REIT, the Manager, the Rights Entitlements or the Rights Units in any jurisdiction other than Singapore where action for that purpose is required.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Unitholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

## CERTAIN DEFINED TERMS AND CONVENTIONS

Sabana REIT publishes its financial statements in Singapore dollars. In this Offer Information Statement, references to “S\$”, “Singapore dollar” or “cent” are to the lawful currency of the Republic of Singapore. All references to dates and times are to Singapore dates and times.

Capitalised terms used in this Offer Information Statement shall have the meanings set out in the Glossary on pages 92 to 104 of this Offer Information Statement.

All references to dates and times are to Singapore dates and times.

Measurements in square metres (“**sq m**”) are converted to square feet (“**sq ft**”) and *vice versa* based on the conversion rate of 1 sq m = 10.7639 sq ft.

References to “**Appendix**” or “**Appendices**” are to the appendices set out in this Offer Information Statement.

## CORPORATE INFORMATION

<b>Directors of the Manager</b>	:	Mr. Steven Lim Kok Hoong (Chairman and Independent Non-Executive Director) Mr. Yong Kok Hoon (Independent Non-Executive Director) Ms. Ng Shin Ein (Non-Executive Director) Mr. Henry Chua Tiong Hock (Non-Executive Director) Mr. Kevin Xayaraj (Chief Executive Officer and Executive Director)
<b>Registered Office of the Manager</b>	:	151 Lorong Chuan #02-03 New Tech Park Singapore 556741
<b>Trustee of Sabana REIT</b>	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Sabana REIT) 21 Collyer Quay #13-02 HSBC Building Singapore 049320
<b>Joint Lead Managers and Underwriters</b>	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch 21 Collyer Quay #10-01 HSBC Building Singapore 049320  Maybank Kim Eng Securities Pte. Ltd. 50 North Canal Road Singapore 059304  United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
<b>Legal Adviser for the Rights Issue and to the Manager</b>	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>Legal Adviser to the Joint Lead Managers and Underwriters as to Singapore Law</b>	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
<b>Legal Adviser to the Trustee</b>	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
<b>Unit Registrar and Unit Transfer Office</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

**Independent Valuers** : Savills Valuation and Professional Services (S) Pte Ltd  
30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

Knight Frank Pte Ltd  
16 Raffles Quay  
#30-01 Hong Leong Building  
Singapore 048581

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## SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement. Meanings of defined terms may be found in the “Glossary” section of this Offer Information Statement.

### 1. Overview of Sabana REIT

#### Sabana REIT

Sabana REIT is the first Shari’ah compliant industrial real estate investment trust (“REIT”) listed on the Main Board of the SGX-ST. Sabana REIT was established with the principal investment strategy of investing in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari’ah investment principles.

#### The Manager

Sabana Real Estate Investment Management Pte. Ltd. is the manager of Sabana REIT (the “**Manager**”) and it is wholly-owned by Sabana Investment Partners Pte. Ltd. (“**SIP**”), of which the shareholders are Vibrant Group Limited (the “**Sponsor**”), Blackwood Investment Pte. Ltd. (“**Blackwood**”) and Atrium Asia Capital Partners Pte. Ltd. (“**AACP**”). The Manager is a subsidiary of the Sponsor.

#### Existing Portfolio

As at 23 December 2016, being the latest practicable date prior to the lodgement of this Offer Information Statement (the “**Latest Practicable Date**”), Sabana REIT’s asset portfolio comprised 21 industrial properties in Singapore (the “**Existing Portfolio**”) as set out in the table below:

High-Tech Industrial	Chemical Warehouse & Logistics	Warehouse & Logistics	General Industrial
<ul style="list-style-type: none"><li>• 151 Lorong Chuan</li><li>• 8 Commonwealth Lane</li><li>• 9 Tai Seng Drive</li><li>• 15 Jalan Kilang Barat</li><li>• 1 Tuas Avenue 4</li><li>• 23 Serangoon North Avenue 5</li><li>• 508 Chai Chee Lane</li></ul>	<ul style="list-style-type: none"><li>• 33 &amp; 35 Penjuru Lane</li><li>• 18 Gul Drive</li></ul>	<ul style="list-style-type: none"><li>• 34 Penjuru Lane</li><li>• 51 Penjuru Road</li><li>• 26 Loyang Drive</li><li>• 218 Pandan Loop<sup>(1)</sup></li><li>• 3A Joo Koon Circle</li><li>• 2 Toh Tuck Link</li><li>• 10 Changi South Street 2</li></ul>	<ul style="list-style-type: none"><li>• 123 Genting Lane</li><li>• 30 &amp; 32 Tuas Avenue 8</li><li>• 39 Ubi Road 1</li><li>• 21 Joo Koon Crescent</li><li>• 6 Woodlands Loop</li></ul>

Note:

- (1) The Manager announced the proposed divestment of 218 Pandan Loop on 5 December 2016. The divestment is conditional upon the receipt of approvals from the relevant authorities and it is expected to be completed by the end of the first quarter of 2017.

The Existing Portfolio had a total net lettable area (“**NLA**”) of approximately 3,605,294 sq ft and a total portfolio occupancy rate of approximately 89.2% (by NLA) as at 30 September 2016.

## 2. The Acquisitions

The Manager had earlier announced Sabana REIT’s proposed acquisition of the following properties:

- (i) 72 Eunos Avenue 7, Singapore 409570 (the “**Eunos Ave 7 Property**”), a property with a gross floor area (“**GFA**”) of 67,977 sq ft from Singapore Handicrafts Pte Ltd (“**Singapore Handicrafts**”) (a wholly-owned subsidiary of LHN Group Pte. Ltd., which is in turn a wholly-owned subsidiary of LHN Limited) for a purchase consideration of S\$20.0 million;<sup>1</sup>
- (ii) 107 Eunos Avenue 3, Singapore 409837 (the “**Eunos Ave 3 Property**”, together with the Eunos Ave 7 Property as the “**Eunos Properties**”), a property with a GFA of 133,946 sq ft from General Cars Fleet Management Pte Ltd (“**General Cars**”) for a purchase consideration of S\$34.5 million;<sup>2</sup> and
- (iii) 47 Changi South Avenue 2, Singapore 486148 (the “**Changi South Property**”), a property with GFA of 91,573 sq ft from Freight Links Properties Pte. Ltd. (“**Freight Links**”) (a wholly-owned subsidiary of the Sponsor) for a purchase consideration of S\$23.0 million<sup>3</sup>,

(collectively, the “**Acquisitions**”).

As at the Latest Practicable Date, the Sponsor, through SIP, holds a 51.0% interest in the Manager, and is therefore a “controlling shareholder” of the Manager under the Listing Manual of the SGX-ST (the “**Listing Manual**”) and Appendix 6 to the Code on Collective Investment Schemes (the “**Property Funds Appendix**”). As Freight Links is a wholly-owned subsidiary of the Sponsor and it is also the vendor of the Changi South Property, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, Freight Links is an “interested person” (for the purpose of Chapter 9 of the Listing Manual) and an “interested party” (for the purpose of the Paragraph 5 of the Property Funds Appendix) of Sabana REIT. The Manager will be seeking Unitholders’ approval for Sabana REIT’s proposed acquisition of the Changi South Property at an extraordinary general meeting of Unitholders to be held before 30 June 2017 (the “**Extraordinary General Meeting**”).

<sup>1</sup> The Manager announced the proposed acquisition of the Eunos Ave 7 Property on 8 December 2016.

<sup>2</sup> The Manager announced the proposed acquisition of the Eunos Ave 3 Property on 14 December 2016.

<sup>3</sup> The Manager announced the proposed acquisition of the Changi South Property on 15 December 2016. An estimated upfront land premium of S\$1.1 million is payable to JTC (as defined herein) for the proposed acquisition of the Changi South Property.

In connection with the Acquisitions, the Trustee has entered into:

- (i) a conditional put and call option agreement with Singapore Handicrafts on 8 December 2016 for the acquisition of Eunos Ave 7 Property (the “**Eunos Ave 7 Property PCOA**”);
- (ii) a conditional put and call option agreement with General Cars on 14 December 2016 for the acquisition of the Eunos Ave 3 Property (the “**Eunos Ave 3 Property PCOA**”); and
- (iii) a conditional put and call option agreement with Freight Links on 15 December 2016 for the acquisition of the Changi South Property (the “**Changi South Property PCOA**”).

The total purchase consideration payable to Singapore Handicrafts, General Cars and Freight Links (collectively, the “**Vendors**”) in connection with the Acquisitions is S\$77.5 million (“**Total Purchase Consideration**”). The Total Purchase Consideration shall be paid to the Vendors in cash.

The total cost of the Acquisitions (“**Total Acquisition Cost**”) is approximately S\$82.2 million, comprising:

- (i) the Total Purchase Consideration of S\$77.5 million;
- (ii) the acquisition fee of approximately S\$0.5 million to be paid to the Manager in cash for the acquisition of the Eunos Ave 7 Property and the Eunos Ave 3 Property pursuant to the trust deed constituting Sabana REIT (the “**Trust Deed**”);
- (iii) the acquisition fee of approximately S\$0.2 million to be paid to the Manager in Units (the “**Acquisition Fee Units**”) for the acquisition of the Changi South Property pursuant to the Trust Deed; and
- (iv) the estimated stamp duty, upfront land premium, professional and other fees and expenses incurred or be incurred by Sabana REIT in connection with the Acquisitions of approximately S\$4.0 million.

(See the section entitled “Information Relating to the Acquisitions” for further details relating to the Acquisitions.)

### **3. The Rights Issue**

The Rights Issue comprises an offer of 310,712,244 Rights Units made on a renounceable basis to Eligible Unitholders based on the Rights Ratio of 42 Rights Units for every 100 existing units in Sabana REIT held as at the Rights Issue Books Closure Date (fractional entitlements to be disregarded), at the Issue Price of S\$0.258, to raise gross proceeds of approximately S\$80.2 million. The Rights Issue of 310,712,244 Rights Units less the number of Rights Units (including Excess Rights Units) required to be subscribed and/or applied for pursuant to (i) the Sponsor Undertaking and (ii) the Khua Individual Undertakings (each as defined herein) will be underwritten by the Joint Lead Managers

and Underwriters pursuant to the terms and subject to the conditions of the management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 20 December 2016 (the “**Management and Underwriting Agreement**”).

The Rights Issue will provide Eligible Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Issue Price, which represents a discount of:

- (i) approximately 48.9% to the closing price of S\$0.505 per Unit on the SGX-ST on 19 December 2016, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”); and
- (ii) approximately 40.3% to the theoretical ex-rights price (“**TERP**”) of S\$0.432 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of Sabana REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

The Rights Units will be issued pursuant to the general mandate (the “**General Mandate**”) that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 12 April 2016.

#### **4. Benefits of the Acquisitions and the Rights Issue**

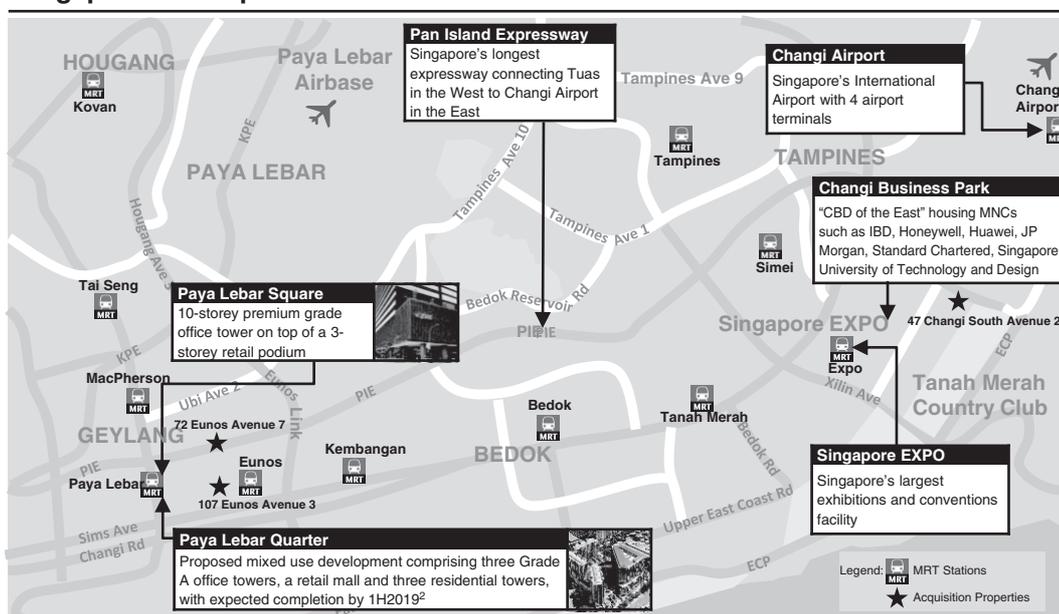
The Manager believes that the Acquisitions (including the leaseback arrangements) and the Rights Issue (collectively, the “**Transactions**”) will provide Unitholders with the following benefits:

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

The Eunos Ave 7 Property, the Eunos Ave 3 Property and the Changi South Property (together, the “**Properties**”) are quality assets in strategic locations with good transport connectivity. The Eunos Ave 7 Property and the Eunos Ave 3 Property are located in the Eunos Industrial Estate and are within close proximity to the Paya Lebar MRT station which serves the East-West Line and the Circle Line, and the Eunos MRT station which serves the East-West Line.

The Changi South Property is located within the Changi South Industrial Estate and is in close proximity to the Changi Business Park and the Singapore EXPO, Singapore's largest exhibitions and conventions facility. The Changi South Property is accessible via the Expo MRT station which serves the East-West Line and will also serve the Downtown Line upon the expected completion of Phase 3 of the Downtown Line in 2017<sup>1</sup>.

**Strategically located in Eunos and Changi industrial cluster and well-served by Singapore's transport network**



**4.2 The rental arrangements of the Properties provide stability and downside protection**

The long-term rental collection arrangement of the Eunos Ave 7 Property and the rental income support arrangements of the Eunos Ave 3 Property and the Changi South Property with fixed rental escalation built into their respective lease terms provide Unitholders with a stable and growing income stream.

Upon completion of the acquisition of the Eunos Ave 7 Property, Sabana REIT will lease approximately 71% of the Eunos Ave 7 Property's GFA to Singapore Handicrafts for a

<sup>1</sup> Source: <https://www.lta.gov.sg/content/ltaweb/en/public-transport/projects/downtown-line/overview.html>. The Land Transport Authority of Singapore ("LTA") has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the LTA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

<sup>2</sup> Source: <http://www.lendlease.com/sg/projects/paya-lebar-quarter/?id=215e6ca0-23d7-4310-89eb-120eb927617b>. Lendlease Corporation has not provided its consent for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Lendlease Corporation is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

term of 10 years. Singapore Handicrafts will indemnify and make good the rental shortfall for the entire ten-year lease by ensuring a minimum net property rent of approximately S\$1.7 million per annum (including rent from the direct sub-tenants) payable to Sabana REIT for the Eunos Ave 7 Property for the first three years, subject to an annual step-up of approximately 2.0% for the remaining term of seven years. The rental shortfall will be calculated based on the difference between the actual net property rent collected (including such amounts payable by the direct sub-tenants) in any relevant year and the minimum net property rent for that year set out in the lease agreement.

Upon completion of the acquisition of the Eunos Ave 3 Property, Sabana REIT will lease approximately 34% of the Eunos Ave 3 Property's GFA to General Cars for a term of five years, with an option to renew the lease for an additional three years. General Cars shall provide rental income support to Sabana REIT for a term of five years from the completion date, where the amount of rental income support will be the difference between the guaranteed amount of adjusted annual net property income of approximately S\$3.1 million and the actual net property income received in respect of the Eunos Ave 3 Property per annum. Upon completion, Sabana REIT shall deduct an amount of approximately S\$6.3 million (the "**Rental Support Amount**") and goods and services tax ("**GST**") payable thereon from the purchase consideration payable to General Cars for the purpose of providing the rental income support. Any unutilised balance of the Rental Support Amount and the accrued income thereon after the initial term of five years will be returned to General Cars.

Upon completion of the acquisition of the Changi South Property, Sabana REIT will lease approximately 74% of the Changi South Property's GFA to Freight Links for a term of 10 years. Freight Links shall provide rental income support to Sabana REIT for a term of three years from the completion date through a guaranteed net property rent. The guaranteed net property rent for the first year amounts to approximately S\$2.1 million and escalates by approximately 1.0% per annum for the second and third year. For the remaining years, Freight Links will pay fixed rent for its leased area amounting to approximately S\$1.5 million in the fourth year subject to an annual step-up of approximately 1.0%.

The Board of Directors of the Manager is of the view that the terms of the Acquisitions, including the rental collection arrangement for the Eunos Ave 7 Property and the rental income support arrangement for each of the Eunos Ave 3 Property and the Changi South Property, are on normal commercial terms and are not prejudicial to the interests of Sabana REIT and its minority Unitholders.

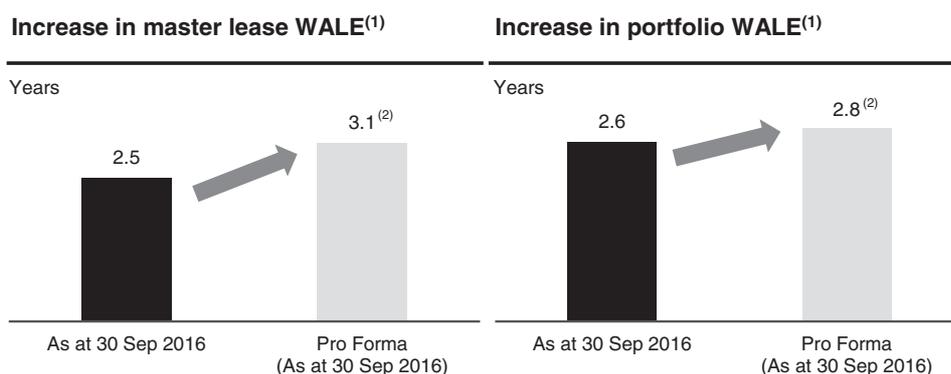
(See "Information Relating to the Acquisitions — Principal Terms of the Acquisitions" for further information on the lease arrangements post-completion of the Acquisitions.)

#### **4.3 Enhance asset and tenant diversification of Sabana REIT and increase its weighted average lease expiry ("WALE")**

The Acquisitions will enhance Sabana REIT's asset and tenant diversification with the addition of two general industrial assets (the Eunos Ave 7 Property and the Eunos Ave 3 Property) and one warehouse and logistics asset (the Changi South Property).

Sabana REIT's master lease WALE (by gross revenue) and portfolio WALE (by gross revenue) as at 30 September 2016, are expected to increase, on a pro forma basis, from 2.5 years to 3.1 years and from 2.6 years to 2.8 years respectively, following the renewal

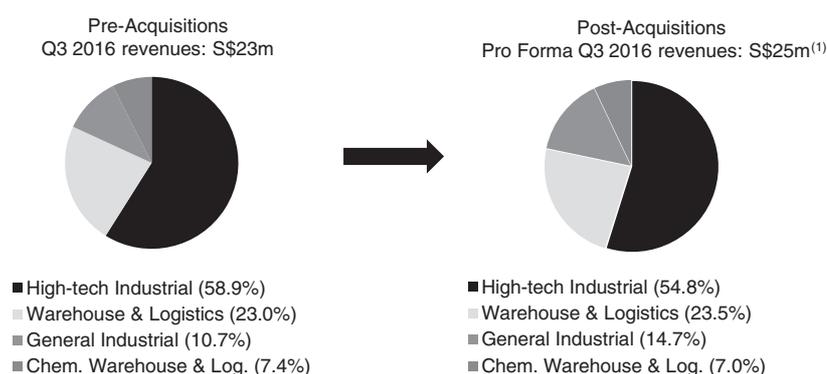
of the three master leases with the Sponsor's subsidiaries on 17 November 2016, the proposed divestment of 218 Pandan Loop announced on 5 December 2016, the conversion of 39 Ubi Road 1 to a multi-tenanted property and the completion of the Acquisitions.



**Notes:**

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

**Increase diversification of sub-segment contribution**



**Note:**

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

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

The Acquisitions will increase the size of Sabana REIT's asset portfolio by approximately 7.3% from S\$1,060.3 million<sup>1</sup> to S\$1,137.8 million<sup>2</sup> and create a stronger platform for Sabana REIT to pursue further growth and attract more investor interest in Sabana REIT.

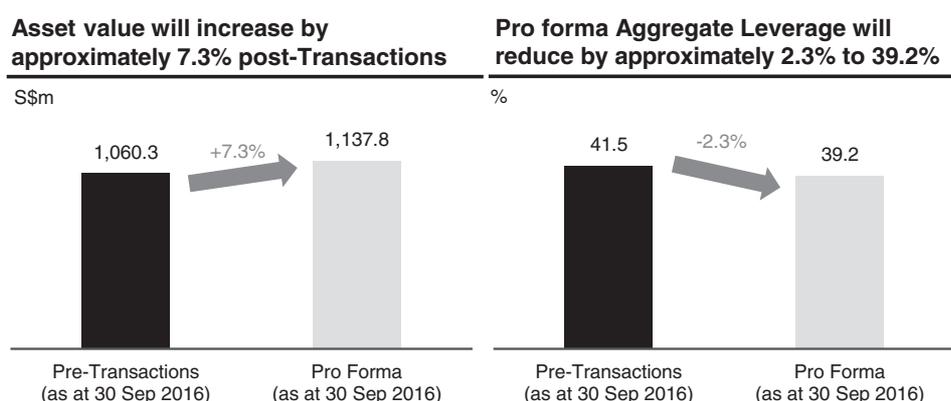
<sup>1</sup> Based on the value of the Deposited Property as at 30 September 2016. "Deposited Property" means all the assets of Sabana REIT, including all the properties and all the authorised investments of Sabana REIT for the time being held or deemed to be held upon the trusts of the Trust Deed.

<sup>2</sup> Based on the value of the Deposited Property as at 30 September 2016 and the valuations of the Properties.

Following the completion of the Transactions, the Aggregate Leverage<sup>1</sup> of Sabana REIT as at 30 September 2016 is expected to be reduced from approximately 41.5% to approximately 39.2% on a pro forma basis. The reduction in Aggregate Leverage will also provide a buffer for a future decline in portfolio valuation, in view of the Aggregate Leverage limit of 45.0% 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, thus enhancing Sabana REIT's ability to pursue future growth opportunities via accretive acquisitions and/or asset enhancement initiatives in an efficient manner.

The Manager intends to utilise the proceeds from the Rights Issue primarily to fund the Acquisitions, thus mitigating the impact of DPU dilution from the Rights Issue.



#### 4.5 The Rights Issue will provide opportunities for existing Eligible Unitholders to participate in an equity fund raising exercise

The Rights Issue provides Eligible Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at an attractive price which is at a discount of (i) approximately 48.9% to the Closing Price of S\$0.505 per Unit and (ii) approximately 40.3% to TERP of S\$0.432 per Unit.

Eligible 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. In addition, Eligible Unitholders are entitled to apply for Excess Rights Units.

#### 4.6 The Rights Issue may improve Sabana REIT's trading liquidity

The Rights Issue will increase the number of Units in issue by 310,712,244 Units (or 42.0%) from 739,791,059 Units to 1,050,503,303 Units. The increase in the total number of Units in issue pursuant to the Rights Issue may improve the trading liquidity of the Units after the Rights Issue.

<sup>1</sup> "Aggregate Leverage" is the ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property.

## 5. Use of Proceeds

For each dollar of the gross proceeds of approximately S\$80.2 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 95.8 cents (equivalent to approximately S\$76.8 million) will be used to partially finance the Acquisitions and related costs; and
- (ii) approximately 4.2 cents (equivalent to approximately S\$3.4 million) will be used to pay for the total costs and expenses relating to the Rights Issue.

Notwithstanding its current intention, should any of the Acquisitions not complete, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including funding other acquisitions and/or the repayment of Sabana REIT's existing or future borrowings.

Pending deployment of the net proceeds from the Rights Issue, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used for repayment of short-term borrowings or used for any other purpose on a short-term as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised. The Manager will provide a status report on the use of proceeds from the Rights Issue in the annual reports of Sabana REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviations.

(See the section entitled "Use of Proceeds" for further details.)

## 6. Commitment of the Sponsor, Mr. Khua Hock Su and Mr. Khua Kian Keong

To demonstrate support for Sabana REIT and the Rights Issue, each of the Sponsor, the Manager, Singapore Enterprises Private Limited ("**Singapore Enterprises**"), Mr. Khua Hock Su and Mr. Khua Kian Keong will subscribe in full for their provisional allotment of the Rights Units, which in aggregate represents approximately 12.13% of the Rights Issue. In addition, the Sponsor will subscribe for additional Excess Rights Units representing up to approximately 8.35% of the Rights Issue to the extent that they remain unsubscribed after satisfaction of all applications (if any) for Excess Rights Units (the "**Additional Rights Units**") by way of placing an excess application for approximately 8.35% of the Rights Issue.

The Manager is an indirect subsidiary of the Sponsor and Singapore Enterprises is a wholly-owned subsidiary of the Sponsor. Mr. Khua Hock Su and Mr. Khua Kian Keong are controlling shareholders of the Sponsor. Vibrant Capital Pte. Ltd. ("**Vibrant Capital**") is deemed to be interested in the Units held by the Sponsor, the Manager and Singapore Enterprises (collectively, the "**Sponsor Entities**"). Mr. Khua Hock Su and Mr. Khua Kian Keong are deemed to be interested in the Units which Vibrant Capital, the Sponsor, the Manager and Singapore Enterprises are interested in.

## 6.1 Sponsor Undertaking

The Sponsor, which directly and through the Manager and Singapore Enterprises, has an aggregate interest in 75,534,692 Units (the “**Sponsor Units**”) representing approximately 10.21% of the issued Units as at the Latest Practicable Date, had on 20 December 2016, provided an irrevocable undertaking (the “**Sponsor Undertaking**”) to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that:

- (i) as at the Rights Issue Books Closure Date, the Sponsor, the Manager and Singapore Enterprises will together have an interest (either actual or deemed) in not less than the number of the Sponsor Units credited to their securities accounts with CDP and/or depository agents (as the case may be);
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Units (“**Closing Date**”), the Sponsor will accept, and will procure that the Manager and Singapore Enterprises accept, subscribe and pay in full for, the Sponsor Entities’ respective provisional allotment of Rights Units (the “**Sponsor Entities’ Pro Rata Allocation**”);
- (iii) it will subscribe for an additional amount of up to 25,942,139 Additional Rights Units by way of making an application and paying in full for 25,942,139 Additional Rights Units in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date;
- (iv) it will not, and will procure the Manager and Singapore Enterprises not to, on or before the Closing Date, sell, transfer or otherwise dispose of the Units (or any interest therein) held by it as at 20 December 2016;
- (v) save for the Sponsor Entities’ Pro Rata Allocation and the Sponsor’s subscription for the Additional Rights Units, it will not, and will procure the Manager and Singapore Enterprises not to, directly or indirectly, acquire any further interest in any Rights Units (including excess Rights Units) (whether such Units are held by any Subscribing Entity or are Units that any Subscribing Entity will be deemed interested in pursuant to the SFA) in Sabana REIT pursuant to the Rights Issue;
- (vi) without prejudice to the generality of paragraph (v) above:
  - (a) except for the Additional Rights Units, it will not apply for any Excess Rights Units;
  - (b) it will procure that save for the Rights Units to be subscribed for by the Manager and Singapore Enterprises in the Sponsor Undertaking:
    - (I) corporations in which it has a controlling interest;
    - (II) corporations which are (or its directors are) accustomed or under an obligation, whether formal or informal, to act in accordance with the Sponsor’s directions, instructions or wishes; or
    - (III) corporations which the Sponsor and/or its associates (as defined in the SFA) are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the corporation, do not subscribe for any Rights Units and/or apply for any Excess Rights Units; and

(vii) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, the Sponsor will not, and will procure that the Manager (in its personal capacity and not as manager of Sabana REIT) and Singapore Enterprises not to, make any public statement or announcement regarding the Rights Issue, or circulate the Sponsor Undertaking or make any disclosure in connection therewith to any person (other than disclosure on a need-to-know basis to its directors, officers and advisers) without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld).

## 6.2 Khua Individual Undertakings

Mr. Khua Hock Su has a direct interest in 1,229,000 Units (“**KHS Units**”) and Mr. Khua Kian Keong has a direct interest in 12,988,000 Units (“**KKK Units**”), representing respectively approximately 0.17% and 1.76% of the issued Units as at the Latest Practicable Date. Each of them had on 20 December 2016 separately provided an irrevocable undertaking (collectively, the “**Khua Individual Undertakings**”) to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that:

- (i) as at the Rights Issue Books Closure Date, he will have an interest (either actual or deemed) in not less than the number of the KHS Units or KKK Units, as the case may be, credited to his securities accounts with the CDP and/or depository agents, as the case may be;
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, he will accept, subscribe and pay in full for, his provisional allotment of Rights Units (“**Pro Rata Allocation**”);
- (iii) he will not, on or before the Closing Date, sell, transfer or otherwise dispose of the Units (or any interest therein) held by him or them as at 20 December 2016;
- (iv) save for his Pro Rata Allocation, he will not, directly or indirectly, acquire any further interest in any Rights Units (including Excess Rights Units) (whether such Units are to be held by him or are Units that he will be deemed interested in pursuant to the SFA) such that he acquires a controlling interest (as such term is construed under the Listing Manual) in Sabana REIT pursuant to the Rights Issue;
- (v) without prejudice to the generality of paragraph (iv) above:
  - (a) he will not apply for any Excess Rights Units;
  - (b) he will procure that save for the Rights Units to be subscribed for by the Sponsor Entities and the Excess Rights Units to be applied and/or subscribed for by the Sponsor, in each case pursuant to the Sponsor Undertaking:
    - (I) corporations in which he has a controlling interest;
    - (II) corporations which are (or its directors are) accustomed or under an obligation, whether formal or informal, to act in accordance with his directions, instructions or wishes; or

(III) corporations which he is and/or his associates (as defined in the SFA) are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the corporation,

do not subscribe for any Rights Units and/or apply for any Excess Rights Units; and

(vi) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, he will not make any public statement or announcement regarding the Rights Issue, or circulate the undertaking or make any disclosure in connection therewith to any person without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld).

Consequentially, the aggregate interest of each of the Sponsor, Mr. Khua Hock Su and Mr. Khua Kian Keong respectively shall not exceed 15% of the total number of Units in issue upon the completion of the Rights Issue.

## **7. Underwriting of the Rights Issue**

The Rights Issue (less the number of Rights Units (including Excess Rights Units) required to be subscribed and/or applied for pursuant to (i) the Sponsor Undertaking and (ii) the Khua Individual Undertakings) is underwritten by the Joint Lead Managers and Underwriters severally in the proportion of approximately 33.3% each (being 82,358,132 Rights Units for each of The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Maybank Kim Eng Securities Pte. Ltd., and 82,358,131 Rights Units for United Overseas Bank Limited) on the terms and subject to the conditions of the Management and Underwriting Agreement.

The Joint Lead Managers and Underwriters will be entitled to an underwriting commission of 3.6% of the Issue Price multiplied by the total number of Rights Units (less the number of Rights Units and Excess Rights Units undertaken to be subscribed and/or applied for by (i) the Sponsor Entities pursuant to the Sponsor Undertaking and (ii) Mr. Khua Hock Su and Mr. Khua Kian Keong pursuant to the Khua Individual Undertakings).

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Lead Managers and Underwriters will not be entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commenced (being 27 December 2016) without consulting the SGX-ST, in compliance with Rule 818 of the Listing Manual.

## **8. Status of the Rights Issue**

Sabana REIT's current policy is to distribute its distributable income to Unitholders on a quarterly basis. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 October 2016 to 31 December 2016 as well as all distributions thereafter.

Eligible Unitholders who validly accept, in full, their provisional allotments of Rights Units in accordance with the terms of this Offer Information Statement, will receive such amount of the accrued distributions for the period from 1 October 2016 to 31 December 2016 which they would have been entitled to had the Rights Issue not occurred. Eligible Unitholders who decide not to accept in full their provisional allotments of Rights Units can, where applicable, make arrangements to trade their Rights Entitlements on the SGX-ST under the book-entry (scripless) settlement system.

For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sales will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate the Ineligible Unitholder fully for the dilution of his Unitholding as a result of the Rights Issue. (See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue — Ineligible Unitholders”.)

## PRINCIPAL TERMS OF THE RIGHTS ISSUE

*The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and are qualified in their entirety by reference to information appearing elsewhere in this Offer Information Statement.*

- Issue Size** : 310,712,244 Rights Units.
- The Rights Issue is expected to raise gross proceeds of approximately S\$80.2 million and net proceeds of approximately S\$76.8 million.
- Basis of Provisional Allotments** : Each Eligible Unitholder is entitled to subscribe for 42 Rights Units for every 100 existing Units standing to the credit of his Securities Account with CDP as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded.
- Issue Price** : S\$0.258 per Rights Unit.
- The Rights Units are payable in full upon acceptance and/or application.
- Administrative Fee** : An administrative fee will be incurred by applicants for each Electronic Application made through the ATMs of the Participating Banks.
- Status of Rights Units** : The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 October 2016 to 31 December 2016 as well as all distributions thereafter.
- Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST under the book-entry (scripless) settlement system.
- Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto.
- Eligible Unitholders** : Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three (3) Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of the Rights Entitlements and Rights Units may not be lawfully made.

**Eligibility to participate in the Rights Issue**

: Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” for further details.

**Rights Entitlements of Eligible Unitholders**

: Eligible Unitholders will receive their Rights Entitlements and are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units on 4 January 2017 from 9.00 a.m. up to the Closing Date as set out in the section entitled “Timetable of Key Events”.

Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for the Rights Units.

Each Eligible Unitholder may, among other things, choose to:

- (i) accept all or a portion of his Rights Entitlements;
- (ii) renounce all or a portion of Rights Entitlements in favour of a third party; and/or
- (iii) trade all or a portion of his Rights Entitlements.

In addition, each Eligible Unitholder may also apply for Excess Rights Units.

The procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders are set out in **Appendix B — Procedures for Acceptance, Payment, Renunciation and Application for Rights Units and/or Excess Rights Units by Eligible Unitholders** and in **Appendix C — Additional Terms and Conditions for Electronic Applications**.

**Ineligible Unitholders**

: No provisional allotments of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application for Excess Rights Units thereof by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue — Ineligible Unitholders”.

**Trading of the Rights Units / Rights Entitlements**

: Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 4 January 2017 from 9.00 a.m., being the date and time of commencement of the Rights Entitlements trading, and ending on 12 January 2017 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.

The Rights Units and the Rights Entitlements will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units and Rights Entitlements will comprise 100 Units or Rights Entitlements (as the case may be). All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP.

**Manner of Refund**

: When any acceptance of Rights Entitlements and/or Excess Rights Units application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three business days after commencement of trading of the Rights Units as follows:

- (i) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution; and
- (ii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Manager’s and CDP’s obligations.

**Trading of Odd Lots of Units**

: Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market<sup>1</sup>.

<sup>1</sup> “Unit Share Market” refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

**Underwriting** : The Rights Issue (less the number of Rights Units (including Excess Rights Units) required to be subscribed and/or applied for by (i) the Sponsor Entities pursuant to the Sponsor Undertaking and (ii) Mr. Khua Hock Su and Mr. Khua Kian Keong pursuant to the Khua Individual Undertakings) is underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Management and Underwriting Agreement.

**Listing of the Rights Units** : Approval in-principle has been obtained from the SGX-ST on 19 December 2016 for the listing and quotation of, *inter alia*, the Rights Units on the Main Board of the SGX-ST subject to certain conditions being fulfilled.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the Units, the Manager, Sabana REIT and/or its subsidiaries.

**Unitholders who are CPFIS investors, SRS investors or who hold Units through a finance company and/or Depository Agent** : **CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent” for important details.**

**Governing Law** : Laws of the Republic of Singapore.

**AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST DURING THE RIGHTS ENTITLEMENTS TRADING PERIOD.**

## TIMETABLE OF KEY EVENTS

The timetable below sets out certain important dates and times for the Rights Issue. All dates and times referred to below are to Singapore date and time.

Event	Date 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 from 9.00 am
Rights Issue Books Closure Date	: 29 December 2016 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the application forms) to Eligible Unitholders	: 4 January 2017
Commencement of trading of Rights Entitlements	: 4 January 2017 from 9.00 a.m.
Last date and time for splitting Rights Entitlements	: 12 January 2017 at 5.00 p.m.
Last date and time for trading of Rights Entitlements	: 12 January 2017 at 5.00 p.m.
<b>Closing Date:</b>	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units <sup>(1)</sup>	: 18 January 2017 at 5.00 p.m. <sup>(2)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units <sup>(1)</sup>	: 18 January 2017 at 5.00 p.m. <sup>(2)</sup> (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by renounees <sup>(1)</sup>	: 18 January 2017 at 5.00 p.m. <sup>(3)</sup>
Expected date of the issuance of the Rights Units	: 25 January 2017
Expected date for crediting of Rights Units	: 26 January 2017
Expected date for refund of unsuccessful applications (if made through CDP)	: 26 January 2017
Expected date for commencement of trading of Rights Units on the SGX-ST	: 26 January 2017 from 9.00 a.m.

*Notes:*

- (1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent”. **Any application made by these investors directly through CDP, ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.** Such investors, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective agent bank, approved bank, finance company and/or Depository Agent.
- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three (3) Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for Rights Units.

The above timetable is indicative only and subject to change. As at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified. However, the Manager may, with the approval of the SGX-ST and in consultation with the Joint Lead Managers and Underwriters, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

## **RESULTS OF THE ALLOTMENT**

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

## **CREDITING OF RIGHTS ENTITLEMENTS AND RIGHTS UNITS**

Based on the above timetable, the Rights Entitlements will be provisionally allotted to Eligible Unitholders on or about 4 January 2017 by crediting the Rights Entitlements to the Eligible Unitholders' Securities Accounts.

In the case of Eligible Unitholders and purchasers of the Rights Entitlements with valid acceptances and (where applicable) successful applications for Excess Rights Units, the Rights Units will be credited on or about 26 January 2017 and a notification letter representing such number of Rights Units will be sent by CDP within 10 Market Days after the Closing Date.

(Please refer to **Appendix B — Procedures for Acceptance, Payment, Renunciation and Application for Rights Units and/or Excess Rights Units by Eligible Unitholders** for further details.)

## OVERVIEW OF SABANA REIT

### BACKGROUND OF SABANA REIT

#### Sabana REIT

Sabana REIT is the first Shari'ah compliant industrial REIT listed on the Main Board of the SGX-ST. Sabana REIT was established with the principal investment strategy of investing in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles.

#### The Manager

Sabana Real Estate Investment Management Pte. Ltd. is the manager of Sabana REIT and it is wholly-owned by SIP, of which the shareholders are the Sponsor, Blackwood and AACP. The Manager is a subsidiary of the Sponsor.

#### Existing Portfolio

As at the Latest Practicable Date, the Existing Portfolio comprised 21 industrial properties in Singapore as set out in the table below:

High-Tech Industrial	Chemical Warehouse & Logistics	Warehouse & Logistics	General Industrial
<ul style="list-style-type: none"><li>• 151 Lorong Chuan</li><li>• 8 Commonwealth Lane</li><li>• 9 Tai Seng Drive</li><li>• 15 Jalan Kilang Barat</li><li>• 1 Tuas Avenue 4</li><li>• 23 Serangoon North Avenue 5</li><li>• 508 Chai Chee Lane</li></ul>	<ul style="list-style-type: none"><li>• 33 &amp; 35 Penjuru Lane</li><li>• 18 Gul Drive</li></ul>	<ul style="list-style-type: none"><li>• 34 Penjuru Lane</li><li>• 51 Penjuru Road</li><li>• 26 Loyang Drive</li><li>• 218 Pandan Loop<sup>(1)</sup></li><li>• 3A Joo Koon Circle</li><li>• 2 Toh Tuck Link</li><li>• 10 Changi South Street 2</li></ul>	<ul style="list-style-type: none"><li>• 123 Genting Lane</li><li>• 30 &amp; 32 Tuas Avenue 8</li><li>• 39 Ubi Road 1</li><li>• 21 Joo Koon Crescent</li><li>• 6 Woodlands Loop</li></ul>

*Note:*

- (1) The Manager announced the proposed divestment of 218 Pandan Loop on 5 December 2016. The divestment is conditional upon the receipt of approvals from the relevant authorities and it is expected to be completed by the end of the first quarter of 2017.

The Existing Portfolio had a total NLA of approximately 3,605,294 sq ft and a total portfolio occupancy rate of approximately 89.2% (by NLA) as at 30 September 2016.

## GENERAL DEVELOPMENT OF SABANA REIT

The general development of the business of Sabana REIT from 1 January 2013 (the beginning of the period comprising the three most recent completed financial years) to 23 December 2016 (being the Latest Practicable Date) is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of Sabana REIT since the release of Sabana REIT's financial results for the nine months ended 30 September 2016.

Date	Significant Developments
17 April 2013	: The Manager announced that Sabana Sukuk Pte. Ltd., a wholly-owned subsidiary of Sabana REIT, established a S\$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme (the " <b>Multicurrency Trust Certificates Programme</b> "). Sabana Sukuk Pte. Ltd. appointed CIMB Bank Berhad to act as the arranger and dealer of the Multicurrency Trust Certificates Programme.
22 August 2013	: Standard & Poor's assigned an issuer rating of "BBB-" long-term corporate credit rating with a stable outlook to Sabana REIT.
24 September 2013	: The Manager announced that it launched a private placement of 40,000,000 new Units on 13 September 2013 to institutional investors and other investors at an issue price of S\$1.00 per new Unit to raise gross proceeds of S\$40.0 million (the " <b>2013 Private Placement</b> "), bringing the then total number of Units in issue to 689,704,185 Units.
26 September 2013	: The Manager announced the completion of the acquisition of 508 Chai Chee Lane, Singapore 469032 for a purchase consideration of S\$59.5 million and the utilisation of the gross proceeds raised from the 2013 Private Placement for the aforesaid acquisition.
12 November 2013	: The Manager announced that the Trustee had entered into a new financing arrangement with The Hongkong and Shanghai Banking Corporation Limited (" <b>HSBC</b> ") (as facility agent), HSBC Amanah Malaysia Berhad (" <b>HSBC Amanah</b> ") (as commodity agent) and HSBC, Malayan Banking Berhad, Singapore Branch (" <b>Maybank</b> ") and United Overseas Bank Limited (" <b>UOB</b> ") (as participants) for a new three-year revolving Commodity Murabaha facility of up to S\$48.0 million (" <b>Revolving CMF D</b> ").
19 March 2014	: The Manager announced that Sabana Sukuk Pte. Ltd. had issued S\$90.0 million in principal amount of 4.00% Fixed Periodic Distribution Trust Certificates due 2018 pursuant to the Multicurrency Trust Certificates Programme (" <b>Multicurrency Trust Certificates 1</b> ").
11 June 2014	: Standard & Poor's assigned an issuer rating of "BBB-" long-term corporate credit rating with a stable outlook to Sabana REIT.
3 October 2014	: The Manager announced that Sabana Sukuk Pte. Ltd. has issued S\$100.0 million in principal amount of 4.25% Fixed Periodic Distribution Trust Certificates due 2019 pursuant to the Multicurrency Trust Certificates Programme (" <b>Multicurrency Trust Certificates 2</b> ").

Date	Significant Developments
13 November 2014	: The Manager announced that Sabana REIT had entered into a five-year master lease for 3A Joo Koon Circle, Singapore 629033 and renewed the master lease of 6 Woodlands Loop, Singapore 738346 for another three years.
25 November 2014	: The Manager announced that the Trustee had entered into a new financing arrangement with HSBC (as facility agent), HSBC Amanah (as commodity agent) and HSBC, HSBC Amanah, Maybank and UOB (as participants), for new Commodity Murabaha facilities of up to S\$243.0 million, comprising: <ul style="list-style-type: none"> <li data-bbox="528 517 1394 618">(i) a two-year term Commodity Murabaha facility of up to S\$90.0 million (“<b>Term CMF B</b>”) and a five-year Commodity Murabaha facility of up to S\$30.0 million (“<b>Term CMF C</b>”); and</li> <li data-bbox="528 636 1394 734">(ii) the rolling over of the existing five-year term Commodity Murabaha facility of up to S\$75.0 million (“<b>Term CMF F</b>”) and the existing Revolving CMF D of up to S\$48.0 million.</li> </ul>
15 December 2014	: The Manager announced the completion of the acquisition of 10 Changi South Street 2, Singapore 486596 for a purchase consideration of S\$50.0 million and the issuance of 23,464,386 Units to the vendor as part satisfaction of the purchase consideration for the acquisition.
4 June 2015	: Standard & Poor’s assigned an issuer rating of ‘BBB-’ long-term corporate rating to Sabana REIT and revised its outlook to negative on subdued industry conditions.
25 August 2015	: The Manager announced that holders of S\$29.75 million in aggregate principal amount of Convertible Sukuk (as defined herein) had exercised their put option pursuant to Condition 12(g) of the terms and conditions of the Convertible Sukuk. The Trustee was therefore required to redeem their Convertible Sukuk on 24 September 2015 (the “ <b>Put Option Date</b> ”) at the applicable principal amount outstanding together with any accrued and unpaid profit to the Put Option Date.
4 September 2015	: The Manager announced that the Trustee had entered into a new financing arrangement with CIMB Bank Berhad, Singapore Branch (“ <b>CIMB Bank</b> ”) for a three-year term revolving Murabahah facility of up to S\$50.0 million (“ <b>Revolving Murabahah Facility</b> ”).
24 November 2015	: The Manager announced that the Trustee had entered into three master leases with subsidiaries of the Sponsor in relation to 51 Penjuru Road, Singapore 609143, 33 & 35 Penjuru Lane, Singapore 609200/609202, and 18 Gul Drive, Singapore 629468. The lease term for each of the three master leases is for one year, with an option to renew for another year.
26 November 2015	: The Manager announced that out of the 11 properties where master leases expired in 2015, master leases in respect of six properties had been signed, three properties were converted into multi-tenanted buildings, one property was being divested, and one property was temporarily vacant.

Date	Significant Developments
14 March 2016	: The Manager announced the completion of the sale of 200 Pandan Loop, Singapore 128388 for S\$38.0 million. The sale consideration is higher than the latest appraised value of S\$36.8 million, performed by the independent valuer Knight Frank Pte Ltd as at 23 November 2015.
30 March 2016	: The Manager announced the completion of the sale of 3 Kallang Way 2A, Fong Tat Building, Singapore 347493 for S\$16.6 million. The sale consideration is higher than the desktop valuation of S\$16.2 million performed by the independent valuer Knight Frank Pte Ltd as at 26 October 2015.
23 June 2016	: Standard & Poor's assigned issuer rating of "BB+" long-term corporate rating with stable outlook in respect of Sabana REIT.
24 June 2016	: The Manager clarified that it had already notified Standard & Poor's that it no longer required Standard & Poor's to provide any further credit rating on Sabana REIT before Standard & Poor's assigned a credit rating of "BB+" with a stable outlook on 23 June 2016, and that it was not the case that Sabana REIT requested a withdrawal of the credit rating only after Standard & Poor's lowered its credit rating. Prior to Standard & Poor's lowering the credit rating, the Manager had already decided that it would be in the interest of Sabana REIT not to continue with any further credit rating on Sabana REIT as this would avoid incurring unnecessary costs following the recent amendment to the Property Funds Appendix which now allows REITs to adopt a single-tier leverage limit of 45.0% without the requirement for a credit rating.
25 August 2016	: The Manager announced that the Trustee had entered into a new financing arrangement with HSBC (as facility agent), HSBC Amanah (as commodity agent) and HSBC Amanah, Maybank and UOB (as participants), for new Commodity Murabaha facilities of up to S\$108.0 million comprising: <ul style="list-style-type: none"> <li data-bbox="528 1283 1402 1395">(i) a 3.5-year Commodity Murabaha facility of up to S\$90.0 million to re-finance the Term CMF B ("<b>New Term CMF B</b>"); and</li> <li data-bbox="528 1406 1402 1518">(ii) a 3.5-year revolving Commodity Murabaha facility of up to S\$18.0 million to re-finance and replace the Revolving CMF D ("<b>New Revolving CMF D</b>").</li> </ul> (The Term CMF C, Term CMF F, New Term CMF B and New Revolving CMF D, are collectively referred to as the " <b>Commodity Murabaha Facilities</b> ".)
17 November 2016	: The Manager announced that the Trustee had entered into three master leases for a one year term with each of the master lessees in respect of 51 Penjuru Road, 33 & 35 Penjuru Lane and 18 Gul Drive, following an exercise of the option to renew in accordance with the relevant terms of the master leases. The lease term for each of the three master leases commenced on 26 November 2016 and will expire on 25 November 2017, with four successive options to renew for a one year term each. The aggregate rental for the three master leases, which are on triple-net basis, amounts to approximately S\$10.1 million.

Date	Significant Developments
5 December 2016	: The Manager announced the proposed divestment of 218 Pandan Loop for a sale consideration of S\$14.8 million. The divestment is conditional upon the receipt of approvals from the relevant authorities and it is expected to be completed by the end of the first quarter of 2017.
8 December 2016	: The Manager announced the proposed acquisition of the Eunos Ave 7 Property.
14 December 2016	: The Manager announced the proposed acquisition of the Eunos Ave 3 Property.
15 December 2016	: The Manager announced the proposed acquisition of the Changi South Property.
20 December 2016	: The Manager announced the launch of the Rights Issue.

The Manager, on behalf of Sabana Treasury Pte. Ltd., had announced on 24 December 2016 the adjustment to the conversion price of the Convertible Sukuk to S\$0.8628 per Unit, with such adjustment to take effect on the date of the issue of the Rights Units, currently scheduled to be 25 January 2017.

#### **Latest Valuation**

The latest valuation of the properties comprising the Existing Portfolio as at 30 June 2016 is S\$1,040.5 million.

#### **THE MANAGER OF SABANA REIT**

The manager of Sabana REIT is Sabana Real Estate Investment Management Pte. Ltd. and its registered office is located at 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741. The names and addresses of the Directors are set out below.

Name	Position	Address
Mr. Steven Lim Kok Hoong	Chairman and Independent Non-Executive Director	c/o 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741
Mr. Yong Kok Hoon	Independent Non-Executive Director	c/o 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741
Mr. Henry Chua Tiong Hock	Non-Executive Director	c/o 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741
Ms. Ng Shin Ein	Non-Executive Director	c/o 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741
Mr. Kevin Xayaraj	Chief Executive Officer and Executive Director	c/o 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741

## Information on the Units

As at the Latest Practicable Date, there were 739,791,059 Units in issue and outstanding.

### **Substantial Unitholders<sup>1</sup> of Sabana REIT and their Unitholdings**

Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders<sup>2</sup> of Sabana REIT and their interests in the Units as at the Latest Practicable Date are as follows:

Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% <sup>(1)</sup>	No. of Units	%	No. of Units	%
Singapore Enterprises	39,057,496	5.28	—	—	39,057,496	5.28
Sponsor <sup>(2)</sup>	9,250,084	1.25	66,284,608	8.96	75,534,692	10.21
Vibrant Capital <sup>(3)</sup>	—	—	75,534,692	10.21	75,534,692	10.21
Lian Hup Holdings Pte Ltd <sup>(4)</sup>	—	—	75,534,692	10.21	75,534,692	10.21
Mr. Khua Hock Su <sup>(5)</sup>	1,229,000	0.17	75,534,692	10.21	76,763,692	10.38
Mr. Khua Kian Keong <sup>(6)</sup>	12,988,000	1.76	75,534,692	10.21	88,522,692	11.97
Wealthy Fountain Holdings Inc <sup>(7)</sup>	43,774,000	5.92	—	—	43,774,000	5.92
Starray Global Limited <sup>(7)</sup>	2,178,000	0.29	—	—	2,178,000	0.29
Shanghai Summit Pte Ltd <sup>(7)</sup>	—	—	45,952,000	6.21	45,952,000	6.21
Mr. Tong Jinquan <sup>(7)</sup>	15,815,000	2.14	45,952,000	6.21	61,767,000	8.35

#### Notes:

- (1) The percentages are based on 739,791,059 Units in issue as at the Latest Practicable Date.
- (2) The Sponsor is deemed to have an interest in the Units held by Singapore Enterprises and the Manager. The Manager holds 27,227,112 Units in Sabana REIT as at the Latest Practicable Date.
- (3) Vibrant Capital is deemed to have an interest in the Units held by the Sponsor, Singapore Enterprises and the Manager.
- (4) Lian Hup Holdings Pte Ltd ("**Lian Hup**") is deemed to have an interest in the Units held by Vibrant Capital, the Sponsor, Singapore Enterprises and the Manager.
- (5) Mr. Khua Hock Su is deemed to have an interest in the Units held by Vibrant Capital, the Sponsor, Singapore Enterprises and the Manager.
- (6) Mr. Khua Kian Keong is deemed to have an interest in the Units held by Lian Hup, Vibrant Capital, the Sponsor, Singapore Enterprises and the Manager.
- (7) Mr. Tong Jinquan is the sole shareholder of Shanghai Summit Pte. Ltd. which is the sole shareholder of Wealthy Fountain Holdings Inc and Starray Global Limited, and he is accordingly deemed to be interested in the Units which Wealthy Fountain Holdings Inc and Starray Global Limited hold.

<sup>1</sup> "**Substantial Unitholders**" refer to Unitholders with interests in not less than 5.0% of all Units in issue.

<sup>2</sup> The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

### **History of Issuance of Units**

The table below sets out the Units issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

<b>Date</b>	<b>Number of Units Issued</b>
29 January 2016	Issue of 1,645,627 Units to the Manager at an issue price of S\$0.7140 per Unit as payment of 80.0% of the base management fee payable to the Manager for the quarter ended 31 December 2015.
26 April 2016	Issue of 1,767,466 Units to the Manager at an issue price of S\$0.6325 per unit as payment of 80.0% of the base management fee payable to the Manager for the quarter ended 31 March 2016.
29 July 2016	Issue of 1,946,359 Units to the Manager at an issue price of S\$0.5415 per unit as payment of 80.0% of the base management fee payable to the Manager for the quarter ended 30 June 2016.
25 October 2016	Issue of 2,050,571 Units to the Manager at an issue price of S\$0.5199 per unit as payment of 80.0% of the base management fee payable to the Manager for the quarter ended 30 September 2016.

### **Price Range and Trading Volume of the Units on the SGX-ST**

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the period commencing on 1 December 2015 to the Latest Practicable Date are as follows:

<b>Month</b>	<b>Price Range (S\$ per Unit)</b>		<b>Average Daily Volume Traded Units (million)</b>
	<b>Lowest</b>	<b>Highest</b>	
December 2015	0.705	0.730	0.37
January 2016	0.665	0.715	0.93
February 2016	0.625	0.665	0.53
March 2016	0.625	0.640	0.69
April 2016	0.615	0.660	0.60
May 2016	0.600	0.620	0.44
June 2016	0.520	0.605	0.77
July 2016	0.530	0.545	0.73
August 2016	0.515	0.525	0.37
September 2016	0.515	0.525	0.48
October 2016	0.515	0.535	0.51
November 2016	0.510	0.525	0.42
1 December 2016 to the Latest Practicable Date	0.440	0.520	1.46

*Source:* Bloomberg L.P. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

## **Borrowings**

As at the Latest Practicable Date, the Group has total facilities of approximately S\$843.0 million (the “**Facilities**”) comprising:

- (i) the Commodity Murabaha Facilities for an amount up to S\$213.0 million;
- (ii) the Revolving Murabahah Facility for an amount up to S\$50.0 million;
- (iii) the S\$80.0 million of Convertible Sukuk issued by Sabana Treasury Pte. Ltd. (a subsidiary of Sabana REIT) on 24 September 2012 and due on 24 September 2017; and
- (iv) the S\$500.0 million Multicurrency Trust Certificates Programme.

Approximately S\$481.1 million of the Facilities had been drawn down as at the Latest Practicable Date. The total amount of borrowings outstanding was S\$443.9 million as at the Latest Practicable Date.

As at the Latest Practicable Date, the average all-in cost of borrowings of the Group was 4.2% per annum. Sabana REIT uses profit swaps to manage its exposure to profit rate movements on its floating rate bearing Commodity Murabaha Facilities by swapping the profit rates on a proportion of these term loans from floating rates to fixed rates. As at the Latest Practicable Date, Sabana REIT had entered into profit rate swaps with a total notional amount of S\$165.0 million to provide fixed rate funding for terms of three to five years at a weighted average profit rate of 3.98% per annum.

As at the Latest Practicable Date, approximately 89.6% of the Group’s outstanding borrowings are on a fixed rate basis or have been hedged with profit rate swaps. The remaining 10.4% of the Group’s outstanding borrowings are on a floating rate basis.

### **Secured Borrowings**

#### **(i) Commodity Murabaha Facilities**

As at the Latest Practicable Date, the following Commodity Murabaha Facilities were outstanding:

- (a) the 5-year Term CMF F of S\$75.0 million maturing in August 2017;
- (b) the 5-year Term CMF C of S\$30.0 million maturing in November 2019; and
- (c) the 3.5-year New Term CMF B of S\$90.0 million maturing in February 2020.

As at the Latest Practicable Date, the 3.5-year New Revolving CMF D maturing in February 2020 had an outstanding amount of S\$7.5 million, which was drawn down on 23 December 2016 mainly to repay S\$7.2 million of the outstanding Revolving Murabahah Facility on 28 December 2016.

The Commodity Murabaha Facilities are secured by, *inter alia*:

- (i) a first ranking legal mortgage over eight investment properties of Sabana REIT (or, where title to or lease relating to the Securitised Properties has not been issued, an assignment of building agreement or agreement for lease (as the case may be) coupled with a mortgage in escrow) (“**Securitised Properties**”);
- (ii) assignment of insurances, assignment of proceeds and assignment of Property Management Agreements (as defined herein) relating to the Securitised Properties; and

- (iii) a fixed and floating charge over the other assets of Sabana REIT relating to the Securitised Properties.

## (ii) Revolving Murabahah Facility

As at the Latest Practicable Date, the outstanding 3-year Revolving Murabahah Facility maturing in September 2018, had an outstanding amount of S\$8.6 million and an undrawn amount of S\$41.4 million, and S\$7.2 million of the outstanding amount is being repaid on 28 December 2016 via the proceeds from the S\$7.5 million drawn from the New Revolving CMF D on 23 December 2016.

The Revolving Murabahah Facility is secured by, *inter alia*:

- (a) a first ranking legal mortgage over 8 Commonwealth Lane and 34 Penjuru Lane (“**Dual Secured Properties**”);
- (b) assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Dual Secured Properties; and
- (c) a fixed and floating charge over the other assets of Sabana REIT relating to the Dual Secured Properties.

## Unsecured Borrowings

### (i) Convertible Sukuk

On 24 September 2012, Sabana REIT, through its wholly-owned subsidiary, Sabana Treasury Pte. Ltd., issued S\$80.0 million 4.50% unsecured convertible sukuk due on 24 September 2017 (“**Convertible Sukuk**” and holders of the Convertible Sukuk as “**Sukukholders**”). The Convertible Sukuk is convertible by Sukukholders into Units at any time on or after 9 November 2012 up to the close of business on the seventh day prior to 24 September 2017. Since the date of their issue, an aggregate principal amount of S\$7.5 million of Convertible Sukuk has been converted into 6,285,090 Units by converting Sukukholders.

On 24 September 2015, an aggregate principal amount of S\$29.75 million of the Convertible Sukuk was redeemed and cancelled pursuant to the put option exercised by Sukukholders. Following the redemption and cancellation, the outstanding principal amount of the Convertible Sukuk was S\$42.75 million.

On 24 December 2016, the Manager announced that based on the issuance of the Rights Units at S\$0.258 per Rights Unit, the conversion price will be adjusted from S\$1.0131 (as at the Latest Practicable Date) to S\$0.8628 per Unit on the date of issue of the Rights Units, currently scheduled to be on 25 January 2017.

### (ii) Multicurrency Trust Certificates Programme

On 16 April 2013, Sabana REIT, through its wholly-owned subsidiary, Sabana Sukuk Pte. Ltd., established the Multicurrency Trust Certificates Programme. As at the Latest Practicable Date, the following unsecured Trust Certificates were outstanding:

- (a) S\$90.0 million 4.00% Multicurrency Trust Certificates 1 issued on 19 March 2014 and due on 19 March 2018; and
- (b) S\$100.0 million 4.25% Multicurrency Trust Certificates 2 issued on 3 October 2014 and due on 3 April 2019.

## USE OF PROCEEDS

### OFFER PROCEEDS AND USE OF PROCEEDS

The Rights Issue is intended to raise gross proceeds of approximately S\$80.2 million with the net proceeds of the Rights Issue, being the gross proceeds of the Rights Issue less the estimated amount of underwriting and selling commissions (excluding GST payable) as well as the other fees and expenses (including professional fees and expenses) incurred in connection with the Rights Issue, estimated to be approximately S\$76.8 million.

For each dollar of the gross proceeds of approximately S\$80.2 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 95.8 cents (equivalent to approximately S\$76.8 million) will be used to partially finance the Acquisitions and related costs; and
- (ii) approximately 4.2 cents (equivalent to approximately S\$3.4 million) will be used to pay for the total costs and expenses relating to the Rights Issue.

Notwithstanding its current intention, should any of the Acquisitions not complete, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including funding other acquisitions and/or repayment of Sabana REIT's existing borrowings.

Pending deployment of the net proceeds from the Rights Issue, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used for repayment of short-term borrowings or used for any other purpose on a short-term as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised. The Manager will provide a status report on the use of proceeds from the Rights Issue in the annual reports of Sabana REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

### Costs of the Rights Issue

Sabana REIT will have to bear the following costs and expenses in relation to the Rights Issue:

- (i) underwriting and selling commission and related expenses of approximately S\$2.3 million (excluding GST payable thereon) which the Manager will pay to the Joint Lead Managers and Underwriters upon completion of the Rights Issue, as well as any GST payable thereon; and
- (ii) professional and other fees and expenses of approximately S\$1.1 million (excluding GST payable thereon) in connection with the Rights Issue, as well as any GST payable thereon.

## **ADDITIONAL DETAILS ON THE USE OF PROCEEDS**

The following sets out additional details on the use of proceeds if such proceeds are used to (i) acquire or refinance the acquisition of an asset (other than in the ordinary course of business), (ii) acquire or refinance the acquisition of a business and (iii) discharge, reduce or retire the borrowings of Sabana REIT.

### **Acquisition or Refinancing the Acquisition of an Asset (other than in the Ordinary Course of Business)**

None of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business. The net proceeds from the Rights Issue will be used to partially finance the Total Acquisition Cost. The remaining balance of the Total Acquisition Cost is expected to be funded by existing borrowings, new borrowings and/or internal cash resources.

### **Acquisition or Refinancing the Acquisition of a Business**

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

### **Discharge, Reduction or Retirement of the Borrowings of Sabana REIT**

Notwithstanding the Manager's current intention, should any one or more of the Acquisitions not complete or if the proposed acquisition of the Changi South Property is not approved by the Unitholders at the Extraordinary General Meeting, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including funding potential future acquisitions and/or reducing Sabana REIT's borrowings.

The following table sets out the details of the borrowings of Sabana REIT which the Manager may reduce in full or in part with the net proceeds from the Rights Issue (including (i) the details of the maturity of such borrowings and (ii) in relation to borrowings which Sabana REIT has incurred over the past 12 months, the uses to which the proceeds giving rise to such borrowings were put).

<b>Borrowings which may be reduced</b>	<b>Usage</b>	<b>Principal Amount Outstanding at the Latest Practicable Date</b>	<b>Maturity Date</b>
Term CMF F	To partially re-finance term facilities of S\$252.6 million under the Original Master Murabaha Agreement (as defined herein)	S\$75.0 million	August 2017
Convertible Sukuk — Borrowings Component	To finance the acquisition of 23 Serangoon North Avenue 5 and for other general corporate purposes and to pay professional fees and expenses incurred in connection with the acquisition	S\$42.8 million	September 2017
Multicurrency Trust Certificates 1	To re-finance existing borrowings of the Sabana REIT and its subsidiaries	S\$90.0 million	March 2018
Revolving Murabahah Facility <sup>(1)</sup>	To finance Shari'ah compliant general investments and funding purposes	S\$8.6 million	September 2018
Multicurrency Trust Certificates 2	To re-finance existing borrowings of Sabana REIT and to partially finance the acquisition of 10 Changi South Street 2	S\$100.0 million	April 2019
Term CMF C	To partially re-finance the existing term facilities under the Original Master Murabaha Agreement	S\$30.0 million	November 2019
New Term CMF B	To re-finance the Term CMF B	S\$90.0 million	February 2020
New Revolving CMF D	To re-finance and replace the existing Revolving CMF D	S\$7.5 million <sup>(1)</sup>	February 2020

*Note:*

- (1) S\$7.2 million of the Revolving Murabahah Facility has been repaid on 28 December 2016 via the proceeds from the S\$7.5 million New Revolving CMF D drawn on 23 December 2016.

As at the Latest Practicable Date, the Manager has not identified any other borrowings that may be reduced with the net proceeds from the Rights Issue.

## **WORKING CAPITAL**

In the reasonable opinion of the Manager, after taking into consideration Sabana REIT's internal resources and its available credit facilities, the working capital available to Sabana REIT, as at the date of lodgement of this Offer Information Statement, is sufficient to meet Sabana REIT's present requirements.

## **COMMISSION**

Pursuant to the Management and Underwriting Agreement, the Joint Lead Managers and Underwriters will be entitled to an underwriting commission (excluding GST payable thereon) of 3.6% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units and Excess Rights Units undertaken to be subscribed and/or applied for by (i) the Sponsor Entities pursuant to the Sponsor Undertaking and (ii) Mr. Khua Hock Su and Mr. Khua Kian Keong pursuant to the Khua Individual Undertakings.

## INFORMATION RELATING TO THE ACQUISITIONS

The Manager had announced Sabana REIT's proposed acquisitions of the Eunos Ave 7 Property on 8 December 2016 and the Eunos Ave 3 Property on 14 December 2016. The Manager also announced Sabana REIT's proposed acquisition of the Changi South Property on 15 December 2016 and will be seeking Unitholders' approval for Sabana REIT's acquisition of the Changi South Property at the Extraordinary General Meeting which is expected to be convened before 30 June 2017. The Manager is proposing to use the net proceeds of the Rights Issue to partially finance the Total Acquisition Cost.

### THE ACQUISITIONS

#### Description of the Eunos Ave 7 Property

The Eunos Ave 7 Property is a six-storey single-user light industrial building. It is a Housing Development Board ("HDB") leasehold estate of 30 years commencing from 1 January 2011, with a remaining tenure of approximately 24 years.

The Eunos Ave 7 Property is located in the Eunos Industrial Estate and is accessible via the Pan Island Expressway. The Eunos Ave 7 Property is well-served by public transport, being in close proximity to the Paya Lebar MRT station which serves the East-West Line and the Circle Line, and is also in close proximity to the Eunos MRT station which serves the East-West Line.

The table below sets out a summary of the key information on the Eunos Ave 7 Property.

<b>Address</b>	72 Eunos Avenue 7, Singapore 409570
<b>Purchase Consideration</b>	S\$20.0 million
<b>Vendor</b>	Singapore Handicrafts Pte Ltd (a wholly-owned subsidiary of LHN Group Pte. Ltd.)
<b>Valuation by Knight Frank Pte Ltd (as at 8 November 2016)</b>	S\$20.0 million
<b>Occupancy Rate (by NLA) (as at 8 December 2016)</b>	Approximately 87.0%
<b>Tenure</b>	Year 2040 (Leasehold of 30 years commencing from 1 January 2011)
<b>GFA</b>	67,977 sq ft

#### Description of the Eunos Ave 3 Property

The Eunos Ave 3 Property is a six-storey light industrial building with a basement car park. It is a HDB leasehold estate of 30 years commencing from 1 January 2011, with a remaining tenure of approximately 24 years.

The Eunos Ave 3 Property is located in the Eunos Industrial Estate and is accessible via the Pan Island Expressway. The Eunos Ave 3 Property is within walking distance to the Paya Lebar MRT station, which serves the East-West Line and the Circle Line, and is also in close proximity to the Eunos MRT station which serves the East-West Line.

The table below sets out a summary of the key information on the Eunos Ave 3 Property.

<b>Address</b>	107 Eunos Avenue 3, Singapore 409837
<b>Purchase Consideration</b>	S\$34.5 million
<b>Vendor</b>	General Cars Fleet Management Pte Ltd
<b>Valuation by Savills Valuation and Professional Services (S) Pte Ltd (as at 5 December 2016)</b>	S\$34.5 million
<b>Occupancy Rate (by NLA) (as at 14 December 2016)</b>	Approximately 78.0%
<b>Tenure</b>	Year 2040 (Leasehold of 30 years commencing from 1 January 2011)
<b>GFA</b>	133,946 sq ft

### Description of the Changi South Property

The Changi South Property is a four-storey light industrial building. It is a JTC Corporation (“JTC”) leasehold estate of 30 + 30 years commencing from 16 November 1996, with a remaining tenure of approximately 40 years.

The Changi South Property is located within Changi South Industrial Estate and is accessible via the East Coast Parkway Expressway, Pan Island Expressway and Tampines Expressway. The Changi South Property is well-served by public transport, being in close proximity to the Expo MRT station which serves the East-West Line and shall also serve the Downtown Line upon the expected completion of Phase 3 of the Downtown Line in 2017<sup>1</sup>.

The table below sets out a summary of the key information on the Changi South Property.

<b>Address</b>	47 Changi South Avenue 2, Singapore 486148
<b>Purchase Consideration</b>	S\$23.0 million
<b>Vendor</b>	Freight Links (a wholly-owned subsidiary of the Sponsor)
<b>Valuation by Savills Valuation and Professional Services (S) Pte Ltd (as at 9 December 2016)</b>	S\$23.0 million
<b>Valuation by Knight Frank Pte Ltd (as at 9 December 2016)</b>	S\$23.0 million
<b>Occupancy Rate (by NLA) (as at 15 December 2016)</b>	Approximately 83.0%
<b>Tenure</b>	Year 2056 (Leasehold of 30 + 30 years commencing from 16 November 1996)
<b>GFA</b>	91,573 sq ft

<sup>1</sup> Source: <https://www.lta.gov.sg/content/ltaweb/en/public-transport/projects/downtown-line/overview.html>. LTA has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the LTA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

## THE STRUCTURE OF THE ACQUISITIONS

In connection with the Acquisitions, the Trustee has entered into:

- (i) the Eunos Ave 7 Property PCOA with Singapore Handicrafts on 8 December 2016 for the acquisition of the Eunos Ave 7 Property;
- (ii) the Eunos Ave 3 Property PCOA with General Cars on 14 December 2016 for the acquisition of the Eunos Ave 3 Property; and
- (iii) the Changi South Property PCOA with Freight Links on 15 December 2016 for the acquisition of the Changi South Property.

## THE PURCHASE CONSIDERATION AND VALUATION FOR EACH OF THE ACQUISITIONS

The purchase consideration payable to Singapore Handicrafts for the acquisition of the Eunos Ave 7 Property is S\$20.0 million, and was negotiated on a willing-buyer willing-seller basis after taking into account the independent valuation of S\$20.0 million as at 8 November 2016. The property was independently valued by Knight Frank Pte Ltd, using the capitalisation approach and the discounted cash flow analysis. The valuation of the Eunos Ave 7 Property takes into account the rental collection arrangement to be provided by Singapore Handicrafts under the lease agreement between the Trustee (as landlord) and Singapore Handicrafts (as lessee).

The purchase consideration payable to General Cars for the acquisition of the Eunos Ave 3 Property is S\$34.5 million, and was negotiated on a willing-buyer willing-seller basis after taking into account the independent valuation of S\$34.5 million as at 5 December 2016. The property was independently valued by Savills Valuation and Professional Services (S) Pte Ltd, using the income capitalisation method, the discounted cash flow analysis and the direct comparison method. The valuation of the Eunos Ave 3 Property takes into account the rental income support to be provided by General Cars under the lease agreement between the Trustee (as landlord) and General Cars (as lessee).

The purchase consideration payable to Freight Links for the acquisition of the Changi South Property is S\$23.0 million and was negotiated on a willing-buyer willing-seller basis after taking into account the independent valuation of S\$23.0 million as at 9 December 2016. The property was independently valued by Savills Valuation and Professional Services (S) Pte Ltd using the income capitalisation, discounted cash flow analysis and direct comparison methods and by Knight Frank Pte Ltd, using the capitalisation approach and discounted cash flow analysis. The valuation of the Changi South Property takes into account the rental income support to be provided by Freight Links under the lease agreement between the Trustee (as landlord) and Freight Links (as lessee).

(See **Appendix E** for further details about the valuations of the Properties done by Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank Pte Ltd (collectively, the “**Independent Valuers**”).)

## ESTIMATED TOTAL ACQUISITION COST

The Total Acquisition Cost is approximately S\$82.2 million, comprising:

- (i) the Total Purchase Consideration of S\$77.5 million;
- (ii) the acquisition fee of approximately S\$0.5 million to be paid to the Manager in cash for the acquisition of the Eunos Ave 7 Property and the Eunos Ave 3 Property (being 1.0% of the purchase consideration) pursuant to the Trust Deed;

- (iii) the acquisition fee of approximately S\$0.2 million to be paid to the Manager in Units for the acquisition of the Changi South Property (being 1.0% of the purchase consideration) pursuant to the Trust Deed; and
- (iv) the estimated stamp duty, upfront land premium, professional and other fees and expenses incurred or to be incurred by Sabana REIT in connection with the Acquisitions of approximately S\$4.0 million.

The following table sets out the acquisition fee for each of the Properties.

	Acquisition Fee	Form of Payment
<b>Eunos Ave 7 Property</b>	S\$0.2 million	Cash
<b>Eunos Ave 3 Property</b>	S\$0.3 million	Cash
<b>Changi South Property</b>	S\$0.2 million	Units
<b>Total</b>	S\$0.7 million	N.A.

As the acquisition of the Changi South Property is an “interested party transaction” under the Property Funds Appendix, the acquisition fee of approximately S\$0.2 million will be paid to the Manager in the form of Units (the “**Acquisition Fee Units**”), which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. While Clause 15.2.1 of the Trust Deed allows the Manager to receive the Acquisition Fee Units at the Issue Price of S\$0.258 per Unit, the Manager has elected to receive the Acquisition Fee Unit at the TERP of S\$0.432 per Unit instead.

Based on the TERP of S\$0.432 per Unit, the number of Acquisition Fee Units to be issued shall be approximately 0.5 million Units.

## **METHOD OF FINANCING THE ACQUISITIONS**

The Manager intends to partially finance the Total Acquisition Cost with the net proceeds of the Rights Issue. The acquisition fee for the Changi South Property is intended to be paid in the form of Units and the remaining balance of the Total Acquisition Cost is expected to be funded by existing borrowings, new borrowings and/or internal cash resources.

## **PRINCIPAL TERMS OF THE ACQUISITIONS**

### **Acquisition of the Eunos Ave 7 Property**

#### ***Eunos Ave 7 Property PCOA***

The exercise of the put or call option in the Eunos Ave 7 Property PCOA in order for the parties to enter into the purchase agreement for the sale and purchase of the Eunos Ave 7 Property (“**Eunos Ave 7 Purchase Agreement**”) is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following conditions precedent:

- (i) the receipt of the approval of HDB and all other relevant authorities to (a) the sale of the Eunos Ave 7 Property by Singapore Handicrafts to the Trustee in accordance with the terms of the Eunos Ave 7 Purchase Agreement, (b) the lease of the Eunos Ave 7 Property by the Trustee to Singapore Handicrafts in accordance with the lease agreement and commencing on completion, (c) the transfer of existing occupational agreements by way of assignment from Singapore Handicrafts to the Trustee and (d) Singapore Handicrafts and the Trustee accepting the terms of the approval of HDB within the relevant period stipulated in the approval;

- (ii) the approval of LHN Limited (Singapore Handicrafts' ultimate holding company) to the sale of the Eunos Ave 7 Property (if required);
- (iii) the approval of Unitholders passed at an extraordinary general meeting approving the acquisition of the Eunos Ave 7 Property, where applicable;
- (iv) the approval of any lender to Sabana REIT, where applicable;
- (v) the successful equity fund raising by Sabana REIT, where applicable;
- (vi) there being no compulsory acquisition or notice of compulsory acquisition or intended acquisition affecting the Eunos Ave 7 Property in whole or in part;
- (vii) there being no cessation of business of Singapore Handicrafts;
- (viii) unless specifically waived by the relevant party in writing, a party not being in breach of any provision of the Eunos Ave 7 Property PCOA (including but not limited to the representations and warranties therein) or not having failed to perform and comply in all respects with any of the covenants and agreements referred to in the Eunos Ave 7 Property PCOA or none of the representations and warranties contained therein being unfulfilled, untrue or incorrect;
- (ix) there being no cessation of business of either party, resolution or court order passed for the winding up of Singapore Handicrafts, the appointment of a liquidator, receiver or judicial manager, any distress, attachment or other legal process levied, enforced or sued out on or against the Eunos Ave 7 Property;
- (x) the approval of the board of directors of the Manager; and
- (xi) the Trustee certifying, in its absolute discretion that on the date of such certification, the Aggregate Leverage of Sabana REIT does not exceed the Aggregate Leverage limit as prescribed in the Property Funds Appendix.

In addition, the Eunos Ave 7 Property PCOA contains, *inter alia*, the following terms and conditions:

- (i) upon the fulfilment of the conditions precedent, the Trustee may exercise the call option during the period of 10 business days after the Trustee issues its notice to Singapore Handicrafts of the fulfilment of conditions precedent ("**Eunos Ave 7 Call Option Notice Period**"), for Singapore Handicrafts to sell the Eunos Ave 7 Property to the Trustee;
- (ii) if the Trustee does not exercise the call option during the Eunos Ave 7 Call Option Notice Period, Singapore Handicrafts may exercise the put option during a period of five business days after the expiry of the Eunos Ave 7 Call Option Notice Period, for the Trustee to purchase the Eunos Ave 7 Property; and
- (iii) upon the exercise of the call option or put option by either the Trustee or Singapore Handicrafts respectively, the parties shall be deemed to have entered into a binding contract for the sale and purchase of the Eunos Ave 7 Property, the terms of which are found in the Eunos Ave 7 Property PCOA and purchase conditions annexed thereto.

### ***The Eunos Ave 7 Purchase Agreement***

The Eunos Ave 7 Purchase Agreement contains, *inter alia*, the following terms and conditions:

- (i) the completion of the purchase of the Eunos Ave 7 Property is subject to the condition that the Trustee is not of the opinion at any time after the date of the Eunos Ave 7 Purchase Agreement that (a) the Aggregate Leverage of Sabana REIT has exceeded the Aggregate Leverage limit prescribed in the Property Funds Appendix or (b) with the completion of the purchase of the Eunos Ave 7 Property, the Aggregate Leverage of Sabana REIT will exceed the Aggregate Leverage limit prescribed in the Property Funds Appendix;
- (ii) the sale includes the mechanical and electrical equipment located in the Eunos Ave 7 Property;
- (iii) the purchase consideration is S\$20,000,000;
- (iv) on completion, the Trustee will enter into a lease agreement with Singapore Handicrafts for a lease of parts of the Eunos Ave 7 Property, the principal terms of which are summarised below;
- (v) on completion, the Trustee will enter into a service agreement with Singapore Handicrafts, for the provision of lease, property management and maintenance services by Singapore Handicrafts in respect of the Eunos Ave 7 Property, the principal terms of which are summarised below;
- (vi) certain limited representations and warranties are made by Singapore Handicrafts, such as representations and warranties relating to compliance with laws, litigation, equipment, title and property matters (such as structural defects), environmental laws and property tax;
- (vii) if prior to completion, the government acquires or gives notice of acquisition or intended acquisition of the Eunos Ave 7 Property or any part of the Eunos Ave 7 Property, the Trustee is entitled to rescind the Eunos Ave 7 Purchase Agreement; and
- (viii) if there is material damage prior to completion, the Trustee is entitled to rescind the Eunos Ave 7 Purchase Agreement, and material damage means damage to or destruction of the Eunos Ave 7 Property and/or the mechanical and electrical equipment or any part thereof such that (1) it is unfit for use or occupation, (2) it is rendered unsafe or inaccessible or (3) it cannot lawfully be used, and (A) which in the opinion of the Sabana REIT's lenders or mortgagees, adversely affects the value of the Eunos Ave 7 Property or the acceptability of the Eunos Ave 7 Property to such lender or mortgagee as security or (B) where financial institutions advising Sabana REIT with regard to borrowing programmes considers the Eunos Ave 7 Property to be unacceptable to support such borrowing programmes.

## ***Eunos Ave 7 Property Lease Agreement***

On completion of the purchase of the Eunos Ave 7 Property, the Trustee will enter into a lease agreement with Singapore Handicrafts for the Eunos Ave 7 Property (less the space occupied by existing occupiers) together with the mechanical and electrical equipment on the Eunos Ave 7 Property. The terms of the lease agreement include, among others, the following:

- (i) the term of the lease is for a period of 10 years from the date of completion;
- (ii) the parties agree that the Trustee shall be entitled to collect from Singapore Handicrafts a base or minimum amount of rent for the Eunos Ave 7 Property for each year, the agreed net property rent per annum being as follows:

<b>Year</b>	<b>Net Property Rent per annum (S\$)</b>
First Year	1,713,020
Second Year	1,713,020
Third Year	1,713,020
Fourth Year	1,747,281
Fifth Year	1,782,226
Sixth Year	1,817,871
Seventh Year	1,854,228
Eighth Year	1,891,313
Ninth Year	1,929,139
Tenth Year	1,967,722

- (iii) net property rent per annum comprises (a) the amount of rent payable by Singapore Handicrafts for the relevant year and (b) the aggregate rent, service charge, facilities fees and licence fees payable by the existing occupiers of the Eunos Ave 7 Property (collectively, "**Sub-tenant Rent**") for that year;
- (iv) rent is payable by Singapore Handicrafts on a monthly basis in advance, and the amount of rent payable by Singapore Handicrafts for each year is an amount equivalent to the net property rent for that corresponding year less the Sub-tenant Rent for that year;
- (v) if the Trustee has not collected or received the net property rent for that corresponding year, Singapore Handicrafts shall make up for the shortfall within 14 days upon issuance of a written notice by the Trustee to Singapore Handicrafts;
- (vi) to ensure that the Trustee collects the net property rent for the Eunos Ave 7 Property, in addition to the monthly rent, Singapore Handicrafts shall also pay on a monthly basis, an advance sum equivalent to the Sub-tenant Rent for that month;
- (vii) at the end of each month, the Trustee shall refund a portion of the advance sum collected from Singapore Handicrafts equivalent to the actual rent, service charge, facilities fees and licence fees collected from the occupiers for that month;
- (viii) to ensure that the Trustee receives the annual net property rent for each year, the rent payable by Singapore Handicrafts shall be adjusted when any existing occupational agreement is terminated or expires;
- (ix) when any existing occupational agreement at the Eunos Ave 7 Property is terminated or expires, Singapore Handicrafts is entitled to lease the vacant space at the Eunos Ave 7 Property, at such rent as to ensure that the Trustee is able to collect the net property rent for each year for the Eunos Ave 7 Property;

- (x) to ensure compliance with HDB's prevailing policies in relation to subletting, the Trustee is entitled to require Singapore Handicrafts to lease any vacant space within the Eunos Ave 7 Property, or terminate any existing occupational agreements and require Singapore Handicrafts to lease such space in respect of the terminated occupational agreements;
- (xi) Singapore Handicrafts is required to provide to the Trustee a security deposit of S\$3,368,676.00 as security for compliance by Singapore Handicrafts with all the provisions in the lease agreement and as security for the Trustee in respect of any loss or damage resulting from any default by Singapore Handicrafts under the lease agreement;
- (xii) Singapore Handicrafts shall take out and keep in force insurance policies (specifically industrial special risks policy and comprehensive public liability insurance policy) in respect of the Eunos Ave 7 Property;
- (xiii) Singapore Handicrafts shall be responsible for the maintenance and repair of the Eunos Ave 7 Property, including keeping the Eunos Ave 7 Property clean and in good and tenable repair and condition, and repairing and maintaining the mechanical and electrical equipment therein;
- (xiv) Singapore Handicrafts shall be responsible for any structural works or capital expenditure in respect of the Eunos Ave 7 Property for the first five years of the lease;
- (xv) Singapore Handicrafts shall be liable for the cost of any structural surveys of the Eunos Ave 7 Property and all periodic inspections which are required by the relevant authorities;
- (xvi) Singapore Handicrafts will, on the Trustee's behalf but at Singapore Handicrafts' own cost and expense, promptly pay all property tax and all increases thereof from time to time, imposed by the Inland Revenue Authority of Singapore ("IRAS") on the Eunos Ave 7 Property in respect of the period from (and including) the completion date up to and including the date of expiry or earlier termination of the lease term, whether such property tax is levied or increased before, on or after the expiry or earlier termination of the lease term;
- (xvii) LHN Group Pte. Ltd. shall execute a Deed of Guarantee and Indemnity in favour of the Trustee to guarantee the due performance of Singapore Handicrafts' obligations under the lease agreement;
- (xviii) as landlord, for the last five years of the lease term, the Trustee will be responsible for structural repairs of the building erected on the Eunos Ave 7 Property, necessary replacements of the internal and/or external structural parts of the building and necessary replacements of the mechanical and electrical equipment therein, where (a) they are required to be repaired or replaced to comply with law or the requirements of HDB or relevant governmental agencies (except where such repairs or replacements are required by law, HDB or the relevant governmental agencies solely because of the specific use or operation of or the business carried on at the Eunos Ave 7 Property by Singapore Handicrafts in which case such repairs and replacements shall be the responsibility of Singapore Handicrafts), or (b) the Trustee reasonably determines that any such maintenance, repair and/or replacement to be necessary provided that (aa) the Trustee shall not be required to carry out any repair and/or replacement if such repair or replacement is necessitated by any act, omission or negligence of or the failure by Singapore Handicrafts to comply with Singapore Handicraft's repair and maintenance obligations under the lease agreement and (bb) the Trustee's obligations shall not extend to any item or part of the Eunos Ave 7 Property where the maintenance, repair, replacement and overhaul thereof shall be at the sole cost and expense of Singapore Handicrafts under the lease agreement; if the Eunos Ave 7 Property is acquired by any

relevant authority or if a notice, order or gazette notification is issued, made or published in respect of the intended or actual acquisition of the Eunos Ave 7 Property (or any part thereof) by any relevant authority, the Trustee may terminate the lease agreement without compensation by giving written notice to Singapore Handicrafts;

- (xix) if the Eunos Ave 7 Property is destroyed or damaged and the Trustee decides that such destruction or damage make its repair impracticable or undesirable, the Trustee may either (a) give notice to Singapore Handicrafts that it decides not to rebuild, and either the Trustee or Singapore Handicrafts may terminate the lease agreement without compensation or (b) give notice to Singapore Handicrafts that it decides to rebuild and if the rebuilding period exceeds six months, Singapore Handicrafts shall be entitled to terminate the lease agreement without compensation; and
- (xx) Singapore Handicrafts acknowledges that the use of and activities at the Eunos Ave 7 Property shall comply, in all respects with Shari'ah principles and Singapore Handicrafts shall not permit any occupiers at the Eunos Ave 7 Property to use their respective demised premises on the Eunos Ave 7 Property for non-Shari'ah compliant activities.

### ***Eunos Ave 7 Property Service Agreement***

On completion of the purchase of the Eunos Ave 7 Property, the Trustee will enter into a service agreement with Singapore Handicrafts to appoint Singapore Handicrafts as the service provider to operate, maintain and manage the Eunos Ave 7 Property, and to provide lease management services in relation to the Eunos Ave 7 Property. The terms of the service agreement include, among others, the following:

- (i) the term of the service agreement is co-terminous with the lease agreement;
- (ii) the service fee of S\$1,000 is payable at the end of each month, and payment of the service fee shall cease when there are no existing occupiers at the Eunos Ave 7 Property;
- (iii) Singapore Handicrafts shall indemnify the Trustee against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the Trustee may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any act or omission of the Singapore Handicrafts, its employees, agents, permitted occupiers or independent contractors at the Eunos Ave 7 Property, and any default by Singapore Handicrafts, its employees, agents, permitted occupiers or independent contractors in complying with the provisions of the service agreement;
- (iv) Singapore Handicrafts shall indemnify the Trustee against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the Trustee may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any default by any occupier at the Eunos Ave 7 Property, its employees, agents, permitted occupiers or independent contractors in complying with the provisions of the occupational agreements;
- (v) Singapore Handicrafts shall attend to all requests and complaints by any occupier at the Eunos Ave 7 Property and shall keep the Trustee promptly notified and updated on all such requests and complaints;
- (vi) Singapore Handicrafts shall be authorised to provide written consent to an occupier, as required under the terms of its occupational agreement, save that where the action of the occupier affects the structure or gross floor area of the Eunos Ave 7 Property, or is subject to any health or safety requirements from any relevant authority, Singapore Handicrafts shall not provide such written consent to the occupier without first seeking the written consent of the Trustee;

- (vii) upon the termination of the service agreement, and at the Trustee's request, Singapore Handicrafts shall assign or novate all existing service contracts at the Eunos Ave 7 Property to the Trustee or such other party nominated by the Trustee; and
- (viii) the scope of services to be provided by Singapore Handicrafts include, *among others* (a) maintenance and provision of utilities for the common property, (b) providing lease management services to the Trustee, such as marketing vacant space at the Eunos Ave 7 Property, and selecting the prospective occupier for such space, subject to the Trustee's approval, and certain conditions as set out in the service agreement, collecting rent and conducting management of rental arrears in respect of each occupier, managing and dealing with breaches by the occupier under its occupational agreement, (c) ensuring the occupiers comply with their obligations under their occupational agreements.

## **Acquisition of the Eunos Ave 3 Property**

### ***Eunos Ave 3 Property PCOA***

The exercise of the put or call option in the Eunos Ave 3 Property PCOA in order for the parties to enter into the purchase agreement for the sale and purchase of the Eunos Ave 3 Property ("**Eunos Ave 3 Purchase Agreement**") is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following conditions precedent:

- (i) the receipt of the approval of HDB and all other relevant authorities to (a) the sale of the Eunos Ave 3 Property by General Cars to the Trustee in accordance with the terms of the Eunos Ave 3 Purchase Agreement, (b) the lease of the Eunos Ave 3 Property by the Trustee to General Cars in accordance with the lease agreement and commencing on completion and (c) the transfer of existing occupational agreements by way of assignment from General Cars to the Trustee, and General Cars and the Trustee accepting the terms of the approval of HDB within the relevant period stipulated in the approval;
- (ii) the approval of Unitholders passed at an extraordinary general meeting approving the acquisition of the Eunos Ave 3 Property, where applicable;
- (iii) the approval of any lender to Sabana REIT, where applicable;
- (iv) the successful equity fund raising by Sabana REIT, where applicable;
- (v) the Trustee certifying, in its absolute discretion that on the date of such certification, the Aggregate Leverage of Sabana REIT does not exceed the Aggregate Leverage limit as prescribed in the Property Funds Appendix;
- (vi) there being no compulsory acquisition or notice of compulsory acquisition or intended acquisition affecting the Eunos Ave 3 Property in whole or in part;
- (vii) unless specifically waived by the relevant party in writing, a party not being in breach of any provision of the Eunos Ave 3 Property PCOA (including but not limited to the representations and warranties therein) or not having failed to perform and comply in all respects with any of the covenants and agreements referred to in the Eunos Ave 3 Property PCOA or none of the representations and warranties contained therein being unfulfilled, untrue or incorrect;
- (viii) the approval of the board of directors of the Manager; and
- (ix) the receipt of the confirmation by the Shari'ah council or body or committee formed or appointed by Sabana REIT that the use of and activities at the Eunos Ave 3 Property comply in all respect with Shari'ah principles and that the tenants at the Eunos Ave 3 Property are involved in Shari'ah compliant businesses.

In addition, the Eunos Ave 3 Property PCOA contains, *inter alia*, the following terms and conditions:

- (i) upon the fulfilment of the conditions precedent, the Trustee may exercise the call option during the period of 10 business days after Trustee issues its notice to General Cars of the fulfilment of conditions precedent ("**Eunos Ave 3 Call Option Notice Period**"), for General Cars to sell the Eunos Ave 3 Property to the Trustee;
- (ii) if the Trustee does not exercise the call option during the Eunos Ave 3 Call Option Notice Period, General Cars may exercise the put option during a period of five business days after the expiry of the Eunos Ave 3 Call Option Notice Period, for the Trustee to purchase the Eunos Ave 3 Property; and
- (iii) upon the exercise of the call option or put option by either the Trustee or General Cars respectively, the parties shall be deemed to have entered into a binding contract for the sale and purchase of the Eunos Ave 3 Property, the terms of which are found in the PCOA and purchase conditions annexed thereto.

### ***Eunos Ave 3 Purchase Agreement***

The Eunos Ave 3 Purchase Agreement contains, *inter alia*, the following terms and conditions:

- (i) the completion of the purchase of the Eunos Ave 3 Property is subject to the condition that the Trustee is not of the opinion at any time after the date of the Eunos Ave 3 Purchase Agreement that (a) the Aggregate Leverage of Sabana REIT has exceeded the Aggregate Leverage limit prescribed in the Property Funds Appendix or (b) with the completion of the purchase of the Eunos Ave 3 Property, the Aggregate Leverage of Sabana REIT will exceed the Aggregate Leverage limit prescribed in the Property Funds Appendix;
- (ii) the sale includes the mechanical and electrical equipment located in the Eunos Ave 3 Property;
- (iii) the purchase consideration is S\$34,500,000;
- (iv) General Cars agrees to provide rental income support (subject to an aggregate maximum sum of S\$6,309,616.70) ("**Rental Support Amount**") together with any GST payable thereon for a period of five years from the date of completion, on the following terms:
  - (a) if the Net Property Income ("**NPI**") (i.e. gross rental income less operating expenses) is less than the guaranteed NPI of S\$3,051,509 (on an after tax basis) for each year of the lease, General Cars shall pay to the Trustee a sum (each a "**Top Up Payment**" and collectively, the "**Top Up Payments**") equal to the difference between the NPI and the guaranteed NPI in respect of that relevant year;
  - (b) GST payable by the Trustee in respect of the Top Up Payments shall be borne by General Cars (if any);
  - (c) the Rental Support Amount and GST thereon shall be deducted from the purchase consideration and retained by the Trustee for the purpose of providing the rental income support;
  - (d) at the start of each year, an amount equivalent to the Rental Support Amount less the projected estimated Top Up Payments for the year shall be treated as if it were placed in Shari'ah compliant fixed deposit accounts with Shari'ah compliant banks,

although such amount shall be retained by the Trustee for its use in its absolute discretion, and in that regard, the Trustee shall obtain quotations of profit rates from Shari'ah compliant banks and calculate the amount of Shari'ah compliant income that shall be accrued from the Rental Support Amount;

- (e) the Trustee shall be entitled, without reference to General Cars, at any time and from time to time, to set-off the Top Up Payments, and GST in respect of the Top Up Payments against the Rental Support Amount and the accrued Shari'ah compliant income thereon in the amounts and at such times as the Trustee determines at its absolute discretion;
- (f) any unutilised balance in respect of the Rental Support Amount, the GST payable on the Rental Support Amount and any accrued Shari'ah compliant income thereon after expiry of the 5-year period shall be released to General Cars;
- (g) if the lease agreement is terminated as a result of General Cars' breach, the arrangement for rental income support shall continue to apply for the period of five years; and
- (h) if the lease agreement is terminated for any other reason, the Rental Support Amount shall be retained by the Trustee in its entirety and General Cars shall not be entitled to a refund of the Rental Support Amount or any part thereof;
- (v) on completion, the Trustee will enter into a lease agreement with General Cars for a lease of parts of the Eunos Ave 3 Property, the principal terms of which are summarised below;
- (vi) on completion, the Trustee will enter into a service agreement with General Cars, for the provision of lease, property management and maintenance services by General Cars in respect of the Eunos Ave 3 Property, the principal terms of which are summarised below;
- (vii) certain limited representations and warranties are made by General Cars, such as representations and warranties relating to compliance with laws, litigation, equipment, title and property matters (such as structural defects), environmental laws and property tax;
- (viii) if prior to completion, the government acquires or gives notice of acquisition or intended acquisition of the Eunos Ave 3 Property or any part of the Eunos Ave 3 Property, the Trustee is entitled to rescind the Eunos Ave 3 Purchase Agreement; and
- (ix) if there is material damage prior to completion, the Trustee is entitled to rescind the Eunos Ave 3 Purchase Agreement, and material damage means damage to or destruction of the Eunos Ave 3 Property and/or the mechanical and electrical equipment or any part thereof such that (1) it is unfit for use or occupation, (2) it is rendered unsafe or inaccessible or (3) it cannot lawfully be used, and (A) which in the opinion of the Sabana REIT's lenders or mortgagees, adversely affects the value of the Eunos Ave 3 Property or the acceptability of the Eunos Ave 3 Property for to such lender or mortgagee as security or (B) where financial institutions advising Sabana REIT with regard to borrowing programmes considers the Eunos Ave 3 Property to be unacceptable to support such borrowing programmes.

### ***Eunos Ave 3 Property Lease Agreement***

On completion of the purchase of the Eunos Ave 3 Property, the Trustee will enter into a lease agreement with General Cars for the second and third storeys of the Eunos Ave 3 Property (“Premises”). The terms of the lease agreement include, among others, the following:

- (i) the term of the lease is for a period of five years from the date of completion;
- (ii) the annual rent payable by General Cars is as follows:

<b>Lease Year</b>	<b>Annual Rent (before GST) (\$)</b>
First Year	1,323,475
Second Year	1,336,710
Third Year	1,350,077
Fourth Year	1,363,578
Fifth Year	1,377,213

- (iii) the rent for the first three years of the lease shall be paid by General Cars in advance on the completion of the sale and purchase of the Eunos Ave 3 Property;
- (iv) at the start of each year, the total rent paid in advance by General Cars, less the projected rent for the next year, shall be treated as if it were placed in Shari’ah compliant fixed deposit accounts with Shari’ah compliant banks, although it shall be retained by the Trustee for its use in its absolute discretion, and in that regard, the Trustee shall obtain quotations of profit rates from Shari’ah compliant banks and calculate the amount of Shari’ah compliant income that shall be accrued from the advance rent. If at the expiry of the lease General Cars is not in breach of any of its obligations under the lease, the accrued Shari’ah compliant income shall be paid by the Trustee to General Cars;
- (v) prior to the commencement of the fourth year of the lease, General Cars is required to provide to the Trustee a security deposit equivalent to 15 months’ rent for the fourth year of the lease and 12 months’ rent for the fifth year of the lease, as security for compliance by General Cars with all the provisions in the lease agreement and as security for the Trustee in respect of any loss or damage resulting from any default by General Cars under the lease agreement;
- (vi) if the security deposit is paid in cash, it shall be treated as if it were placed in Shari’ah compliant fixed deposit accounts with Shari’ah compliant banks, although it shall be retained by the Trustee for its use in its absolute discretion, and in that regard, the Trustee shall obtain quotations of profit rates from Shari’ah compliant banks and calculate the amount of Shari’ah compliant income that shall be accrued from the security deposit. If at the expiry of the lease the Trustee has not made any deductions to the security deposit, the accrued Shari’ah compliant income from the security deposit shall be paid by the Trustee to General Cars;
- (vii) General Cars shall take out and keep in force insurance policies (a comprehensive public liability insurance policy) in respect of the Premises;
- (viii) if the Eunos Ave 3 Property is acquired by any relevant authority or if a notice, order or gazette notification is issued, made or published in respect of the intended or actual acquisition of the Eunos Ave 3 Property by any relevant authority, the Trustee may terminate the lease agreement by giving written notice to General Cars;

- (ix) if the Premises are destroyed or damaged by fire, and the Trustee decides that such destruction or damage make its repair impracticable or undesirable, the Trustee may terminate the lease agreement without compensation; and
- (x) the Trustee shall grant an option to renew the lease of the Premises for a term of three years, with the revised rent to be mutually agreed between the parties.

***Eunos Ave 3 Property Service Agreement***

On completion of the purchase of the Eunos Ave 3 Property, the Trustee will enter into a service agreement with General Cars to appoint General Cars as the service provider to operate, maintain and manage the Eunos Ave 3 Property, and to provide lease management services in relation to the Eunos Ave 3 Property. The terms of the service agreement include, among others, the following:

- (i) the term of the service agreement shall be co-terminous with the lease agreement;
- (ii) the Trustee shall pay General Cars a fixed sum per annum for the outgoings and operating expenses of the Eunos Ave 3 Property (“**OOE**”), such fixed sum to be payable by 12 equal monthly instalments, in arrears as follows:

Year	OOE per Annum (S\$)
First Year	488,692.00
Second Year	494,312.00
Third Year	499,988.20
Fourth Year	505,721.16
Fifth Year	511,511.45

- (iii) the OOE per annum set out above is inclusive of the service fee of S\$12,000 per annum payable by the Trustee to General Cars for their provision of the services under the service agreement;
- (iv) if the actual annual outgoings and actual expenses incurred for the Eunos Ave 3 Property for any particular year exceeds the OOE as set out above, such excess shall be borne solely by General Cars and the Trustee shall not be liable to General Cars for any excess outgoings and operating expense actually incurred by General Cars in carrying out its obligations under the service agreement;
- (v) General Cars shall indemnify the Trustee against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the Trustee may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any act or omission of the General Cars, its employees, agents, permitted occupiers or independent contractors at the Eunos Ave 3 Property, and any default by General Cars, its employees, agents, permitted occupiers or independent contractors in complying with the provisions of the service agreement;
- (vi) General Cars shall indemnify the Trustee against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the Trustee may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any default by any occupier at the Eunos Ave 3 Property, its employees, agents, permitted occupiers or independent contractors in complying with the provisions of the tenancy agreements;

- (vii) General Cars shall indemnify the Trustee against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the Trustee may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any occurrences in the Eunos Ave 3 Property or the use or occupation of the Eunos Ave 3 Property by any occupier at the Eunos Ave 3 Property, or by any of General Car's and the occupiers' employees, agents, permitted occupiers, invitees or independent contractors;
- (viii) General Cars shall attend to all requests and complaints by any tenant at the Eunos Ave 3 Property and shall keep the Trustee promptly notified and updated on all such requests and complaints;
- (ix) General Cars shall be authorised to provide written consent to a tenant, as required under the terms of its occupational agreement, save that where the action of the tenant affects the structure or gross floor area of the Eunos Ave 3 Property, or is subject to any health or safety requirements from any relevant authority, General Cars shall not provide such written consent to the tenant without first seeking the written consent of the Trustee;
- (x) upon the termination of the service agreement, and at the Trustee's request, General Cars shall assign or novate all existing service contracts at the Eunos Ave 3 Property to the Trustee or such other party nominated by the Trustee;
- (xi) General Cars shall be responsible for the maintenance and repair of the Eunos Ave 3 Property, including keeping the Eunos Ave 3 Property clean and in good and tenantable repair and condition, and repairing and maintaining the mechanical and electrical equipment therein;
- (xii) General Cars shall be responsible for and bear the cost and expense of any replacement of mechanical and electrical equipment, including without limitation carrying out complete overhauls of the mechanical and electrical equipment in respect of the Eunos Ave 3 Property, up to a maximum of S\$100,000 a year;
- (xiii) General Cars shall be liable for and bear the cost of any structural surveys of the Eunos Ave 3 Property and all periodic inspections which are required by the relevant authorities;
- (xiv) General Cars shall provide lease management services to the Trustee, such as marketing vacant space at the Eunos Ave 3 Property, selecting the prospective tenant for such space, subject to the Trustee's approval and certain conditions as set out in the service agreement, collecting rent and conducting management of rental arrears in respect of each tenant and managing and dealing with breaches by the tenant under its occupational agreement;
- (xv) General Cars shall ensure that the tenants comply with their obligations under their occupational agreements;
- (xvi) General Cars will, on the Trustee's behalf but at General Cars' own cost and expense, promptly pay all property tax and all increases thereof from time to time, imposed by IRAS on the Eunos Ave 3 Property in respect of the period from (and including) the completion date up to and including the date of expiry or earlier termination of the lease term, whether such property tax is levied or increased before, on or after the expiry or earlier termination of the lease term;
- (xvii) General Cars shall take out and keep in force insurance policies (specifically industrial special risks policy and comprehensive public liability insurance policy) in respect of the Eunos Ave 3 Property; and

(xviii) at the end of the service term, in respect of units which are vacant and the units where the occupational agreements have expired or terminated, General Cars is required to reinstate these premises and the common areas of the Eunus Ave 3 Property to the original state and condition as stated in the condition report.

## **Acquisition of the Changi South Property**

### ***Changi South Property PCOA***

The exercise of the put or call option in the Changi South Property PCOA in order for the parties to enter into the purchase agreement for the sale and purchase of the Changi South Property ("**Changi South Purchase Agreement**") is conditional upon the fulfilment or waiver (as the case may be) of, *inter alia*, the following conditions precedent:

- (i) the receipt of JTC's confirmation that: (a) there is no subsisting breach by Freight Links of the terms of the JTC head lease; (b) Freight Links has performed and complied in all respects with the terms and conditions of the JTC head lease; and (c) the fixed investment criteria (as defined in the JTC head lease) has been met and that the further term of 30 years commencing 16 November 2026 will be granted;
- (ii) the receipt of the approval of: (a) JTC to the proposed sale of the Changi South Property by Freight Links to the Trustee subject to certain terms and conditions; (b) JTC and all other relevant authorities to the lease of parts of the Changi South Property by the Trustee to Freight Links in accordance with the lease agreement and commencing on completion; and (c) JTC to the transfer of existing occupational agreements by way of assignment from Freight Links to the Trustee;
- (iii) Freight Links and the Trustee accepting the terms of the approval of JTC and the relevant authorities within the relevant period stipulated in the approvals;
- (iv) the approval of unitholders in Sabana REIT passed at an extraordinary general meeting approving the acquisition of the Changi South Property, if required;
- (v) the approval of any lender to Sabana REIT, if required;
- (vi) the successful equity fund raising by Sabana REIT, where applicable;
- (vii) the Trustee certifying, in its absolute discretion that on the date of such certification, the Aggregate Leverage of Sabana REIT does not exceed the Aggregate Leverage limit as prescribed in the Property Funds Appendix;
- (viii) unless specifically waived by the relevant party in writing, a party not being in breach of any provision of the Changi South Property PCOA (including but not limited to the representations and warranties therein) or not having failed to perform and comply in all respects with any of the covenants and agreements referred to in the Changi South Property PCOA or none of the representations and warranties contained therein being unfulfilled, untrue or incorrect;
- (ix) there being no cessation of business of either party, resolution or court order passed for the winding up of Freight Links, the appointment of a liquidator, receiver or judicial manager, any distress, attachment or other legal process levied, enforced or sued out on or against the Changi South Property;
- (x) the approval of the Board of Directors of the Manager;

- (xi) the approval of Oversea-Chinese Banking Corporation Limited, the existing mortgagee of the Changi South Property, if required; and
- (xii) Freight Links does not hold any original builders' and suppliers' guarantees, undertakings and warranties furnished to the Freight Links or its agents relating to the Changi South Property or the Mechanical and Electrical Equipment.

In addition, the Changi South Property PCOA contains, *inter alia*, the following terms and conditions:

- (i) upon the fulfilment of the conditions precedent, Sabana REIT may exercise the call option during the period of 10 business days after Sabana REIT issues its notice to Freight Links of the fulfilment of conditions precedent ("**Changi South Call Option Notice Period**"), for Freight Links to sell the Changi South Property to the Trustee;
- (ii) if the Trustee does not exercise the call option during the Changi South Call Option Notice Period, Freight Links may exercise the put option during a period of five business days after the expiry of the Changi South Call Option Notice Period, for the Trustee to purchase the Changi South Property; and
- (iii) upon the exercise of the call option or put option by either Sabana REIT or Freight Links respectively, the parties shall be deemed to have entered into a binding contract for the sale and purchase of the Changi South Property, the terms of which are found in the PCOA and purchase conditions annexed thereto.

#### ***The Changi South Purchase Agreement***

The Changi South Purchase Agreement contains, *inter alia*, the following terms and conditions:

- (i) the completion of the purchase of the Changi South Property is subject to the condition that the Trustee is not of the opinion that at any time after the date of the Changi South Purchase Agreement (a) the Aggregate Leverage of Sabana REIT has exceeded the Aggregate Leverage limit prescribed in the Property Funds Appendix or (b) with the completion of the purchase of the Changi South Property, the Aggregate Leverage of Sabana REIT will exceed the Aggregate Leverage limit prescribed in the Property Funds Appendix;
- (ii) the sale includes the mechanical and electrical equipment located in the Changi South Property;
- (iii) the purchase consideration is S\$23,000,000;
- (iv) on completion, the Trustee will enter into a lease agreement with Freight Links for a lease of parts of the Changi South Property, the principal terms of which are summarised below;
- (v) on completion, the Trustee will enter into a service agreement with Freight Links, for the provision of lease, property management and maintenance services by Freight Links in respect of the Changi South Property, the principal terms of which are summarised below;
- (vi) certain limited representations and warranties are made by Freight Links, such as representations and warranties relating to compliance with laws, litigation, equipment, title and property matters (such as structural defects), environmental laws and property tax;
- (vii) if prior to completion, the government acquires or gives notice of acquisition or intended acquisition of the Changi South Property or any part of the Changi South Property, the Trustee is entitled to rescind the Changi South Purchase Agreement; and

(viii) if there is material damage prior to completion, the Trustee is entitled to rescind the Changi South Purchase Agreement, and material damage means damage to the Changi South Property such that the building or any part of the same is damaged or destroyed so that: (1) it is unfit for use or occupation, (2) it is rendered unsafe or inaccessible or (3) it cannot lawfully be used, and (A) which in the opinion of Sabana REIT's lenders or mortgagees, adversely affects the value of the Changi South Property or the acceptability of the Changi South Property to such lender or mortgagee as security or (B) where financial institutions advising Sabana REIT with regard to borrowing programmes considers the Changi South Property to be unacceptable to support such borrowing programmes.

### ***Changi South Property Lease Agreement***

On completion of the purchase of the Changi South Property, the Trustee will enter into a lease agreement with Freight Links for parts of the Changi South Property together with the mechanical and electrical equipment in the Changi South Property. The terms of the lease agreement include, among others, the following:

- (i) the term of the lease is for a period of 10 years from the date of completion;
- (ii) fixed rent is payable by Freight Links on a monthly basis in advance and the fixed rent payable is as follows:

<b>Year</b>	<b>Fixed Rent per Year (S\$)</b>	<b>Fixed Rent per Month (S\$)</b>
First Year	1,643,216.16	136,934.68
Second Year	1,663,872.32	138,656.03
Third Year	1,684,735.04	140,394.59
Fourth Year	1,501,744.48	125,145.37
Fifth Year	1,516,641.92	126,386.83
Sixth Year	1,531,688.34	127,640.70
Seventh Year	1,546,885.22	128,907.10
Eighth Year	1,562,234.08	130,186.17
Ninth Year	1,577,736.42	131,478.04
Tenth Year	1,593,393.78	132,782.82

- (iii) from the First Year to the Third Year (both dates inclusive), Freight Links will provide rental income support to Sabana REIT and the guaranteed net property rent which is provided to Sabana REIT is set out below:

<b>Year</b>	<b>Guaranteed Net Property Rent (before GST) (S\$)</b>
First Year	2,077,616.16
Second Year	2,098,272.32
Third Year	2,119,135.04

- (iv) from the First Year to the Third Year (both dates inclusive):
  - (a) Freight Links shall: (A) undertake, at Freight Links' own cost and expense, the maintenance, repair and replacement of mechanical and electrical equipment on the Changi South Property; and (B) undertake, at Sabana REIT's cost and expense, all capital expenditures, overhauls and necessary replacements of all internal and external structural parts of the building on the Changi South Property;
  - (b) Sabana REIT shall be responsible for the maintenance of all structural parts of the building on the Changi South Property and the necessary repairs of the internal and/or external structural parts of the building on the Changi South Property; and
  - (c) Freight Links shall, as agent for Sabana REIT, pay all property tax on the Changi South Property.
- (v) from the Fourth Year to the Tenth Year (both dates inclusive):
  - (a) Freight Links (70%) and Sabana REIT (30%) shall jointly bear the costs of: (A) the maintenance and repair of mechanical and electrical equipment on the Changi South Property; and (B) the maintenance and management of the common property on the Changi South Property;
  - (b) Freight Links shall undertake, at Sabana REIT's cost and expense, all capital expenditures, overhauls and necessary replacements of: (A) all mechanical and electrical equipment and air-conditioning systems on the Changi South Property; and (B) all internal and external structural parts of the building on the Changi South Property including the roof;
  - (c) (if property tax is assessed on the Changi South Property as a whole) Freight Links (70%) and Sabana REIT (30%) shall jointly bear all property tax on the Changi South Property;
  - (d) (if property tax is assessed on individual units in the building on the Changi South Property), Freight Links shall at its own cost and expense and as agent for Sabana REIT pay all property tax imposed on Freight Links' leased premises and the common property;
  - (e) Freight Links shall, at its own cost and expense, take out (among others) an industrial special risks insurance policy and a comprehensive public liability insurance policy in respect of Freight Links' leased premises; and
- (vi) if the Changi South Property is acquired by any relevant authority or if a notice, order or gazette notification is issued, made or published in respect of the intended or actual acquisition of the Changi South Property by any relevant authority, Sabana REIT may terminate the lease agreement by giving written notice to Freight Links.

### ***Changi South Property Service Agreement***

On completion of the purchase of the Changi South Property, the Trustee will enter into a service agreement with Freight Links to appoint Freight Links as the service provider to undertake lease, property management and maintenance services to the Changi South Property. The terms of the service agreement include, among others, the following:

- (i) the term of the service agreement shall expire on the expiry or earlier determination of the lease agreement;

- (ii) the service fee of S\$1,000.00 per month (subject to GST) is payable by Sabana REIT within 60 days from the date of Sabana REIT's receipt of Freight Links' invoice, and payment of the service fee shall be suspended when there are no existing occupiers (and Freight Links) at the Changi South Property;
- (iii) Freight Links shall indemnify Sabana REIT against all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which Sabana REIT may suffer or incur arising from death, injury, loss and/or damage caused, directly or indirectly, by any act or omission of Freight Links, its employees, agents, permitted occupiers or independent contractors at the Changi South Property, and any default by Freight Links, its employees, agents, permitted occupiers or independent contractors in complying with the provisions of the service agreement;
- (iv) Freight Links shall attend to all requests and complaints by any occupier at the Changi South Property and shall keep Sabana REIT promptly notified and updated on all such requests and complaints;
- (v) Freight Links shall be authorised to provide written consent to an occupier, as required under the terms of its occupation agreement, save that where the action of the occupier affects the structure or gross floor area of the Changi South Property, or is subject to any health or safety requirements from any relevant authority, Freight Links shall not provide such written consent to the occupier without first seeking the written consent of Sabana REIT; and
- (vi) the scope of services to be provided by Freight Links include, *inter alia*, (a) maintenance and provision of utilities to the Changi South Property, (b) providing lease management services to the Trustee, and (c) ensuring the occupiers comply with their obligations under their occupation agreements.

#### **INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION**

As at the Latest Practicable Date, the Sponsor, through SIP, holds a 51.0% interest in the Manager, and is therefore a "controlling shareholder" of the Manager under the Listing Manual and the Property Funds Appendix. As Freight Links is a wholly-owned subsidiary of the Sponsor and it is also the vendor of the Changi South Property, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, Freight Links is an "interested person" (for the purpose of Chapter 9 of the Listing Manual) and an "interested party" (for the purpose of Paragraph 5 of the Property Funds Appendix) of Sabana REIT. The Manager will be seeking Unitholders' approval for Sabana REIT's proposed acquisition of the Changi South Property at the Extraordinary General Meeting.

## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section should be read together with the selected financial data from the Financial Statements which are set out in **Appendix A**. Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Sabana REIT at <http://www.sabana-reit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741, from the date of this Offer Information Statement up to and including the date falling six (6) months after the date of this Offer Information Statement<sup>1</sup>.*

*Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained in the website of Sabana REIT does not constitute part of this Offer Information Statement.*

### STATEMENTS OF TOTAL RETURN AND DISTRIBUTION STATEMENTS

Selected financial data from the FY2013 Audited Financial Statements, the FY2014 Audited Financial Statements, the FY2015 Audited Financial Statements and the 9M 2016 Unaudited Financial Statements is set out in **Appendix A**. Financial data relating to (i) DPU, (ii) pro forma DPU to reflect the Transactions, (iii) earnings per Unit (“EPU”), (iv) adjusted EPU to reflect the Rights Issue only and (v) pro forma EPU to reflect the Transactions, among others, are also set out in **Appendix A**. Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

### STATEMENTS OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CASH FLOWS

Selected financial data from the FY2013 Audited Financial Statements, the FY2014 Audited Financial Statements, the FY2015 Audited Financial Statements and the 9M 2016 Unaudited Financial Statements, including the line items in the consolidated statements of financial position and consolidated statements of cash flows of Sabana REIT, NAV per Unit, and adjusted NAV per Unit to reflect the issuance of the Rights Units and pro forma NAV per Unit to reflect the Transactions are also set out in **Appendix A**.

Such selected financial data should be read together with the relevant notes to the Financial Statements.

### LIQUIDITY AND CAPITAL RESOURCES

Selected financial data from the FY2015 Audited Financial Statements and the 9M 2016 Unaudited Financial Statements is set out in **Appendix A**. Such selected financial data and information should be read together with the relevant notes to the Financial Statements.

#### FY2015

The cash balance of Sabana REIT decreased by S\$1.9 million to S\$10.4 million as at 31 December 2015 from S\$12.3 million as at 31 December 2014. The decrease was mainly due to S\$70.5 million of cash used in financing activities and S\$1.4 million of cash used in investing activities, partially offset by S\$70.0 million of cash generated from operating activities.

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<sup>1</sup> Prior appointment with the Manager will be appreciated.

The net cash used in financing activities was mainly attributable to the repayment of borrowings of S\$29.8 million, finance costs paid of S\$19.3 million and the distributions paid to Unitholders of S\$50.4 million, which were partially offset by proceeds from borrowings, net of transaction costs paid, of S\$29.0 million.

The net cash used in investing activities was mainly attributable to capital expenditure on investment properties of S\$1.5 million.

In addition, Sabana REIT had undrawn committed revolving credit facilities of S\$40.0 million as at 31 December 2015.

## **9M 2016**

The cash balance of Sabana REIT decreased by S\$1.6 million to S\$8.8 million as at 30 September 2016 from S\$10.4 million as at 31 December 2015. The decrease was mainly due to S\$93.3 million of cash used in financing activities, partially offset by S\$53.1 million of cash generated from investing activities and S\$38.6 million of cash generated from operating activities.

The net cash used in financing activities was mainly due to the repayment of borrowings of S\$148.0 million, finance costs paid of S\$16.1 million and the distributions to Unitholders of S\$29.9 million, which were partially offset by proceeds from borrowings, net of transaction costs paid, of S\$100.7 million.

The net cash generated from investing activities was from the divestment of 200 Pandan Loop and 3 Kallang Way 2A for a total of S\$54.6 million in March 2016 and partially offset by capital expenditure on investment properties of S\$1.5 million.

In addition, Sabana REIT had undrawn committed revolving credit facilities of S\$56.1 million as at 30 September 2016.

## **FINANCIAL REVIEW**

*The following sets out the management's discussion and analysis on significant factors, including any unusual or infrequent event or new development, which materially affected income available for distribution to Unitholders after tax, including significant components of revenue or expenditure relating to distribution to Unitholders after tax for the financial years or periods referred to below.*

### **Management's Discussion and Analysis of Financial Condition and Results of Operations**

#### ***FY2014***

Gross revenue for FY2014 was S\$100.3 million, an increase of S\$10.9 million or 12.1% as compared to FY2013. The increase was mainly due to the net effect of the following:

- (a) full-year contribution from 508 Chai Chee Lane which was acquired on 26 September 2013; and
- (b) higher gross rental contribution from 151 Lorong Chuan, which was converted from a property leased under a master lease arrangement into a multi-tenanted property on 26 November 2013.

Despite this, NPI for FY2014 declined by S\$7.4 million or 9.2% against FY2013 mainly due to the increase in property operating expenses arising from the higher property tax, service, repairs, maintenance, utilities and applicable land rent expenses in line with the conversion of four master lease properties (151 Lorong Chuan, 8 Commonwealth Lane, 200 Pandan Loop and 123 Genting Lane) to multi-tenanted properties in the fourth quarter of FY2013. These expenses were previously borne by the master tenants.

Net finance costs for FY2014 were higher by S\$4.2 million or 20.9% against FY2013. The increase was mainly due to the effects of the following:

- (a) non-recurring break costs and unamortised transaction costs being written off and termination of the profit rate swaps associated with the refinancing of certain existing term facilities under the Original Master Murabaha Agreement (“**Non-recurring Finance Costs**”); and
- (b) higher financing costs on higher outstanding borrowings in FY2014 over FY2013 arising from additional borrowings to partially fund the acquisitions of 508 Chai Chee Lane in September 2013 and 10 Changi South Street 2 in December 2014.

Consequently, for FY2014, Sabana REIT achieved distributable income of S\$51.6 million, a 16.4% decrease compared to FY2013. The resultant DPU for FY2014 was 7.33 cents, representing a 21.9% decrease as compared to FY2013.

#### ***FY2015***

Gross revenue for FY2015 was S\$100.8 million, which was 0.5% higher as compared to FY2014. This was mainly due to the full-year contribution from 10 Changi South Street 2 which was acquired on 15 December 2014.

Despite this, NPI for FY2015 declined marginally by 1.8% to S\$71.6 million. This was attributed mainly to the following:

- (a) higher property operating expenses in line with the conversion of three master-tenanted properties (23 Serangoon North Avenue 5, 34 Penjuru Lane and 15 Jalan Kilang Barat) (collectively, the “**Master-tenanted Properties**”) into multi-tenanted lease arrangements as well as the conversion of certain master leases from triple-net to non-triple-net tenancies in the fourth quarter of FY2015 (“**4Q 2015**”); and
- (b) negative rental reversions for certain master leases renewals in 4Q 2015 and overall lower occupancy levels in 4Q 2015 as compared to the fourth quarter of FY2014.

Net finance costs for FY2015 were lower by S\$3.1 million or 12.5% against FY2014. The decrease is mainly due to the one-off Non-recurring Finance Costs in FY2014.

Consequently for FY2015, Sabana REIT achieved distributable income of S\$50.1 million, a 2.9% decrease compared to FY2014. The resultant DPU for FY2015 was 6.85 cents, representing a 6.5% decrease as compared to FY2014.

## **9M 2016**

Gross revenue achieved for 9M 2016 of S\$69.3 million was 9.2% lower than the corresponding period in the previous year (“**9M 2015**”) mainly due to:

- (a) negative rental revisions for certain master lease renewals in 4Q 2015;
- (b) lower overall portfolio occupancy in 9M 2016 over 9M 2015 largely arising from the conversion of the Master-tenanted Properties into multi-tenanted lease arrangements and the non-renewal of 218 Pandan Loop upon the expiry of their master leases in 4Q 2015; and
- (c) lower contribution from the properties at 200 Pandan Loop and 3 Kallang Way 2A, which were divested on 14 March 2016 and 30 March 2016, respectively.

Property expenses of S\$26.2 million were also higher by 25.2%, mainly due to the conversion of the Master-tenanted Properties into multi-tenanted lease arrangements, the non-renewal of 218 Pandan Loop’s triple-net master lease, the conversion of certain master leases from triple-net to non-triple-net tenancies and higher net impairment losses on trade receivables largely arising from the master lessee at 1 Tuas Avenue 4 whose arrears were in excess of the security deposit held. Hence, NPI for 9M 2016 declined by 22.2% to S\$43.0 million.

Consequently for 9M 2016, Sabana REIT achieved distributable income of S\$27.7 million, a 29.2% decrease compared to 9M 2015. The resultant DPU for 9M 2016 was 3.76 cents, representing a 29.7% decrease as compared to 9M 2015.

### **Working Capital**

Sabana REIT’s internal resources and its available credit facilities have been sufficient for its working capital requirements for FY2013, FY2014, FY2015 and 9M 2016.

### **BUSINESS PROSPECTS AND TREND INFORMATION**

According to advance estimates released by the Ministry of Trade and Industry (the “**MTI**”), the Singapore economy only grew 0.6% in the third quarter of 2016 as compared to the previous year, which is lower than what the market had expected. Based on a seasonally adjusted quarter-on-quarter annualised basis, overall GDP had contracted 4.1%, which is a reversal from the annualised 0.2% growth in the previous quarter.<sup>1</sup>

<sup>1</sup> Source: “Singapore Q3 GDP grows 0.6% year-on-year, below expectations”, The Business Times, 14 October 2016. Singapore Press Holdings Ltd. has not provided consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant article published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant article published by The Business Times is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such article, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such article or verified the accuracy of the contents of the relevant information.

In August 2016, the MTI narrowed Singapore's economy growth forecast to range between 1.0% and 2.0%, which is lower than the earlier wider range of between 1.0% and 3.0%. However, according to the latest Authority survey of professional forecasters, the survey predicted that the economic growth is likely to be at 1.4% for this year and 1.5% for 2017.<sup>1</sup>

In a recent report by Knight Frank, industrial rents are expected to come under pressure with the onset of the softening demand and high supply of industrial space in the market. Knight Frank also estimated that the average industrial rents could fall 6% to 8% year-on-year in the fourth quarter of 2016, as industrialists seek to consolidate and relocate in order to cope with the challenging business climate.<sup>2</sup> Accordingly, further downward pressure on rental rates and on the valuation of the properties of Sabana REIT as at 31 December 2016 may be expected.

On 17 November 2016, Sabana REIT renewed the three master leases with the Sponsor's subsidiaries that were due to expire in the fourth quarter of 2016. The length of renewal of the aforementioned master leases is one year and will be at the same rent. For the property located at 39 Ubi Road 1, the transition phase for the conversion from master lease arrangement to multi-tenanted arrangement is already completed.

The Manager will continue to be proactive in managing its lease expiry profile, marketing and leasing efforts to increase Sabana REIT's portfolio occupancy and take necessary measures to mitigate potential credit risk. The Manager will also continue to evaluate potential yield-accretive acquisition opportunities both locally and abroad, as well as asset enhancement initiatives to grow Sabana REIT's portfolio. The Manager also intends to divest underperforming or non-core assets to recycle Sabana REIT's capital and is evaluating opportunities to do so. On the capital management front, the Manager will continue to explore new ways to diversify funding sources, to improve Sabana REIT's borrowings maturity profile and to strengthen Sabana REIT's capital structure.

(See the section entitled "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

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<sup>1</sup> Source: "Economists again cut 2016 Singapore growth forecast to 1.4%", The Business Times, 14 December 2016. Singapore Press Holdings Ltd. has not provided consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant article published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant article published by The Business Times is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such article, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such article or verified the accuracy of the contents of the relevant information.

<sup>2</sup> Source: "Industrial rents could dip 6-8% in Q4: Knight Frank", The Business Times, 1 October 2016. Singapore Press Holdings Ltd. has not provided consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant article published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant article published by The Business Times is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such article, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such article or verified the accuracy of the contents of the relevant information.

## PRO FORMA FINANCIAL INFORMATION

### PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on the DPU and NAV per Unit, and the capitalisation of Sabana REIT presented below are **strictly for illustrative purposes** and were prepared based on the FY2015 Audited Financial Statements and the 9M 2016 Unaudited Financial Statements as well as the following assumptions:

- (i) The Rights Issue is completed and 310,712,244 Rights Units are issued at an Issue Price of S\$0.258 per Rights Unit;
- (ii) **Scenario 1:** The Properties will be acquired and the Total Acquisition Cost is assumed to be approximately S\$82.2 million;
- (iii) **Scenario 2:** The approval of Unitholders for the proposed acquisition of the Changi South Property is not obtained and Sabana REIT proceeds to complete the acquisition of the Eunos Properties only for an estimated total acquisition cost of approximately S\$57.0 million (comprising purchase consideration of S\$54.5 million and estimated stamp duty, professional and other fees and expenses incurred or to be incurred of approximately \$2.5 million, in connection with the Eunos Properties). The remaining net proceeds of S\$19.8 million from the Rights Issue would be deployed to repay short-term borrowings;
- (iv) (in the case of Scenario 1) the acquisition fee of approximately S\$0.2 million for the Changi South Property is payable to the Manager wholly in Units based on the TERP of S\$0.432 per Unit; and
- (v) for FY2015 and 9M 2016, the Manager had elected to receive 80.0% of its base management fee in Units issued and the remaining 20.0% in cash.

### FINANCIAL YEAR ENDED 31 DECEMBER 2015

#### Pro Forma DPU and Pro Forma DPU Yield

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on Sabana REIT's DPU and DPU yields for FY2015, as if the Transactions were completed on 1 January 2015, and held the Properties or the Eunos Properties under the respective scenarios through to 31 December 2015 are as follows:

	FY2015		
	Before the Transactions	After the Transactions	
		Scenario 1 <sup>(1)</sup>	Scenario 2 <sup>(2)</sup>
Income available for distribution for the year (S\$'000)	50,135	56,421 <sup>(3)</sup>	55,420 <sup>(4)</sup>
Units in issue and to be issued ('000)	734,027 <sup>(5)</sup>	1,045,989 <sup>(6)</sup>	1,045,244 <sup>(7)</sup>
DPU (cents)	6.85	5.41 <sup>(3)</sup>	5.32 <sup>(4)</sup>
DPU yield (%)	13.6 <sup>(8)</sup>	12.5 <sup>(9)</sup>	12.3 <sup>(9)</sup>
DPU yield (%) based on Issue Price	N.A.	21.0	20.6

*Notes:*

- (1) Assuming Sabana REIT has owned the Properties from 1 January 2015.
- (2) Assuming Sabana REIT has owned the Eunos Properties from 1 January 2015.

- (3) Assuming all-in cost of new borrowings to fund the remaining Total Acquisition Cost of approximately S\$5.2 million was 4.2%, being the average all-in cost of borrowings as at 31 December 2015.
- (4) Assuming that approximately S\$19.8 million meant for the Changi South Property is used instead to repay short-term borrowings where the average all-in cost of new borrowings was 4.2%, being the average all-in cost of borrowings as at 31 December 2015.
- (5) Number of Units issued and to be issued as at 31 December 2015.
- (6) Includes (i) 310,712,244 Rights Units issued, (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units and (iii) approximately 0.8 million Units issued and issuable to the Manager as 80% of the base management fees for FY2015.
- (7) Includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.5 million Units issued and issuable to the Manager as 80% of the base management fees for FY2015.
- (8) Based on the Closing Price of S\$0.505 per Unit.
- (9) Based on TERP of S\$0.432 per Unit.

### Pro Forma NAV per Unit

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on the NAV per Unit as at 31 December 2015, as if Sabana REIT had completed the Transactions under the respective scenarios on 31 December 2015, are as follows:

	As at 31 December 2015		
	Before the Transactions	After the Transactions	
		Scenario 1	Scenario 2
NAV (S\$'000)	653,741	725,998	728,039
Units in issue and to be issued ('000)	734,027 <sup>(1)</sup>	1,045,271 <sup>(2)</sup>	1,044,739 <sup>(3)</sup>
NAV per Unit (S\$)	0.89	0.69	0.70

*Notes:*

- (1) Number of Units issued and to be issued as at 31 December 2015.
- (2) Includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units.
- (3) Includes 310,712,244 Rights Units issued.

## Pro Forma Capitalisation

**FOR ILLUSTRATIVE PURPOSES ONLY:** The following table sets forth the pro forma capitalisation of Sabana REIT as at 31 December 2015, as if Sabana REIT had completed the Transactions under the respective scenarios on 31 December 2015.

	As at 31 December 2015		
	Before the Transactions	After the Transactions	
		Scenario 1	Scenario 2
<b>Current borrowings</b>			
Secured (S\$'000)	147,288	147,288	127,490 <sup>(2)</sup>
<b>Non-current borrowings</b>			
Unsecured (S\$'000)	230,696	230,696	230,696
Secured (S\$'000)	103,100	108,343 <sup>(1)</sup>	103,100
<b>Total borrowings (S\$'000)</b>	<b>481,084</b>	<b>486,327</b>	<b>461,286</b>
Unitholders' funds (S\$'000)	653,741	725,998	728,039
<b>Total capitalisation</b>	<b>1,134,825</b>	<b>1,212,325</b>	<b>1,189,325</b>

*Notes:*

- (1) Includes approximately S\$5.2 million of secured borrowings drawn to fund the remaining Total Acquisition Cost.
- (2) Assuming approximately S\$19.8 million meant for the Changi South Property is used instead to repay outstanding current secured borrowings.

## 9 MONTHS ENDED 30 SEPTEMBER 2016

### Pro Forma DPU and Pro Forma DPU Yield

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on Sabana REIT's DPU and DPU yields for 9M 2016, as if the Transactions were completed on 1 January 2016, and held the Properties or the Eunos Properties under the respective scenarios through to 30 September 2016 are as follows:

	9M 2016		
	Before the Transactions	After the Transactions	
		Scenario 1 <sup>(1)</sup>	Scenario 2 <sup>(2)</sup>
Income available for distribution for the period (S\$'000)	27,691	32,409 <sup>(3)</sup>	31,641 <sup>(4)</sup>
Units in issue and to be issued ('000)	739,791 <sup>(5)</sup>	1,051,574 <sup>(6)</sup>	1,050,882 <sup>(7)</sup>
DPU (cents)	3.76	3.09 <sup>(3)</sup>	3.02 <sup>(4)</sup>
Annualised DPU yield (%)	9.9 <sup>(8)</sup>	9.6 <sup>(9)</sup>	9.3 <sup>(9)</sup>
Annualised DPU yield (%) based on Issue Price	N.A.	16.0	15.6

*Notes:*

- (1) Assuming Sabana REIT has owned the Properties from 1 January 2016.
- (2) Assuming Sabana REIT has owned the Eunos Properties from 1 January 2016.
- (3) Assuming all-in cost of new borrowings to fund the remaining Total Acquisition Cost of approximately S\$5.2 million was 4.1%, being the average all-in cost of borrowings as at 30 September 2016.
- (4) Assuming that approximately S\$19.8 million meant for the Changi South Property is used instead to repay short-term borrowings where the average all-in cost of new borrowings was 4.1%, being the average all-in cost of borrowings as at 30 September 2016.
- (5) Number of Units issued and to be issued as at 30 September 2016.

- (6) Includes (i) 310,712,244 Rights Units issued, (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units and (iii) approximately 0.6 million Units issued and issuable to the Manager as 80% of the base management fees for 9M 2016.
- (7) Includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.4 million Units issued and issuable to the Manager as 80% of the base management fees for 9M 2016.
- (8) Based on the Closing Price of S\$0.505 per Unit.
- (9) Based on TERP of S\$0.432 per Unit.

### Pro Forma NAV per Unit

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on the NAV per Unit as at 30 September 2016, as if Sabana REIT had completed the Transactions under the respective scenarios on 30 September 2016, are as follows:

	As at 30 September 2016		
	Before the Transactions	After the Transactions	
		Scenario 1	Scenario 2
NAV (S\$'000)	596,382	668,639	670,680
Units in issue and to be issued ('000)	739,791 <sup>(1)</sup>	1,051,035 <sup>(2)</sup>	1,050,503 <sup>(3)</sup>
NAV per Unit (S\$)	0.81	0.64	0.64

*Notes:*

- (1) Number of Units issued and to be issued as at 30 September 2016.
- (2) Includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units.
- (3) Includes 310,712,244 Rights Units issued.

### Pro Forma Capitalisation

**FOR ILLUSTRATIVE PURPOSES ONLY:** The following table sets forth the pro forma capitalisation of Sabana REIT as at 30 September 2016, as if Sabana REIT had completed the Transactions under the respective scenarios on 30 September 2016.

	As at 30 September 2016		
	Before the Transactions	After the Transactions	
		Scenario 1	Scenario 2
<b>Current borrowings</b>			
Unsecured (S\$'000)	42,276	42,276	42,276
Secured (S\$'000)	85,935	85,935	66,137 <sup>(2)</sup>
<b>Non-current borrowings</b>			
Unsecured (S\$'000)	189,082	189,082	189,082
Secured (S\$'000)	118,410	123,653 <sup>(1)</sup>	118,410
<b>Total borrowings (S\$'000)</b>	<b>435,703</b>	<b>440,946</b>	<b>415,905</b>
Unitholders' funds (S\$'000)	596,382	668,639	670,680
<b>Total capitalisation</b>	<b>1,032,085</b>	<b>1,109,585</b>	<b>1,086,585</b>

*Notes:*

- (1) Includes approximately S\$5.2 million of secured borrowings drawn to fund the remaining Total Acquisition Cost.
- (2) Assuming approximately S\$19.8 million meant for the Changi South Property is used instead to repay outstanding current secured borrowings.

## RISK FACTORS

*The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to Sabana REIT, the Manager, the Trustee, the Rights Entitlements, the Rights Units or the Units. These risk factors are not intended to be exhaustive and, in particular, are not intended to repeat the risk factors set out in the prospectus dated 22 November 2010 in connection with the listing of Sabana REIT on the SGX-ST (the “Prospectus”), certain of which may continue to be applicable to Sabana REIT. Details of the risk factors relating to the Existing Portfolio which continue to be applicable to Sabana REIT can be found in the Prospectus. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of Sabana REIT. The business, financial condition or results of operations of Sabana REIT could be materially and adversely affected by any of these risks.*

### RISKS ASSOCIATED WITH THE ACQUISITIONS

**Sabana REIT’s acquisition of the Properties is subject to risks associated with the acquisition of real estate.**

The Manager believes that reasonable due diligence investigations with respect to the Properties have been conducted and that, based on the due diligence commissioned by the Manager, no material defects or deficiencies were found and the Properties are in compliance with the conditions of such licenses and permits which are material for its operations. However, notwithstanding the above, there is no assurance that any of the Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in any of the Properties which may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or other obligations to third parties) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure, which may have a material adverse effect on Sabana REIT’s earnings and cash flows.

The representations, warranties and indemnities granted in favour of Sabana REIT by the Vendors of the Properties are subject to limitations as to their scope and amount and timing of claims which can be made thereunder. There can be no assurance that Sabana REIT would be entitled to be reimbursed or be otherwise successful in recovering monetary compensation under such representations and warranties for all losses or liabilities suffered or incurred by it as a result of the Acquisitions.

**Sabana REIT may not be able to complete the Rights Issue and hence the Acquisitions, and any draw down on its existing borrowings would result in an increase in Sabana REIT’s Aggregate Leverage.**

Uncertainties and instability in global market conditions could, among other things, lead to the termination of the Management and Underwriting Agreement and adversely affect Sabana REIT’s ability to successfully complete the Rights Issue, in which case, it would have to draw down on its existing borrowings to fund the Acquisitions or not proceed with any of the Acquisitions. Accordingly, this could result in an increase in Sabana REIT’s Aggregate Leverage. If Sabana REIT should then, from time to time, require further borrowing to achieve its investment strategy, such increase in its Aggregate Leverage may adversely affect its ability to make further borrowings.

The consequences of this limitation on borrowings may include, *inter alia*:

- an inability to fund capital expenditure requirements;
- cash flow shortages (including with respect to distributions) which Sabana REIT might otherwise be able to resolve by borrowing funds; and
- an inability to obtain additional equity or borrowing or be able to obtain such financing on favourable terms.

The above business consequences may adversely affect Sabana REIT's financial condition, results of operations and its level of distributable income and Unit price.

**Sabana REIT may have to incur new borrowings to complete its acquisition of the Properties.**

The Manager intends to partially finance the Total Acquisition Cost with the net proceeds of the Rights Issue, where part of the balance is expected to be funded by existing borrowings, new borrowings and/or the internal cash resources of Sabana REIT. If the Manager is required to procure new borrowings to complete any of the Acquisitions, there is no assurance that the Manager will be able to procure new borrowings for Sabana REIT on favourable terms or at all. If Sabana REIT is unable to obtain new borrowings on favourable terms, this may adversely affect its business, financial condition and results of operations. If Sabana REIT is unable to obtain any new borrowings, then it may not be able to complete all the Acquisitions and this may also adversely affect its business, financial condition and results of operation.

**The Acquisitions may not yield the returns expected, resulting in disruptions to Sabana REIT's business and straining of management resources.**

The Acquisitions are not immediately yield-accretive and it may not provide positive returns to Unitholders. It may also cause disruptions to Sabana REIT's operations and divert the management's attention away from day-to-day operations. The new Units issued in connection with the Rights Issue for the Acquisitions are also dilutive to existing Unitholdings. (See also the risk factor "New issues of Units may cause dilution to existing Unitholders" for further explanation.)

**RISKS ASSOCIATED WITH THE RIGHTS ISSUE**

**The default by the Sponsor Entities, Mr. Khua Hock Su and Mr. Khua Kian Keong of their obligations to subscribe for and/or pay for their Rights Units may adversely affect the Rights Issue.**

The Sponsor Entities have undertaken to subscribe in full for their provisional allotment of 31,724,570 Rights Units, constituting 10.21% of the Rights Units to be issued under the Rights Issue as well as to subscribe for additional Excess Rights Units representing up to approximately 8.35% of the Rights Issue to the extent that they remain unsubscribed after satisfaction of all applications (if any) for Excess Rights Units by way of placing an excess application for 25,942,139 Excess Rights Units. Mr. Khua Hock Su and Mr. Khua Kian Keong have in aggregate undertaken to subscribe for 5,971,140 Rights Units, constituting approximately 1.92% of the Rights Units to be issued under the Rights Issue. The Rights Units (including the Excess Rights Units) undertaken to be subscribed and/or applied for by the Sponsor Entities, Mr. Khua Hock Su and Mr. Khua Kian Keong will not be underwritten. Any failure or default by the Sponsor Entities, Mr. Khua Hock Su and/or Mr. Khua Kian Keong to subscribe for and/or pay for their Rights Units may result in the Manager not being able to complete the Rights Issue and hence not having sufficient funds to complete the Acquisitions.

**An active trading market may not develop for the Rights Entitlements and, even if a market does develop, the Rights Entitlements may be subject to greater price volatility than the current trading price of the Units.**

A trading period for the Rights Entitlements has been fixed for 4 January 2017 to 12 January 2017. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the Rights Entitlements trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if an active market develops, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the Rights Entitlements of the Ineligible Unitholders, such sales may also put downward pressure on the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

**Unitholders who do not or are not able to accept their provisional allotments of Rights Units will experience a dilution in their interest in Sabana REIT.**

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in Sabana REIT will be reduced. They may also experience a dilution in the value of their Units. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in Sabana REIT as a result of the Rights Issue.

In particular, foreign Unitholders whose registered addresses with CDP are outside Singapore will not be permitted to participate in the Rights Issue by Sabana REIT. The Trust Deed provides that in relation to any rights issue, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to such Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate him fully for the dilution of his unitholding as a result of the Rights Issue.

**The Issue Price of the Rights Units is not an indication of the underlying value of the Units.**

The Issue Price of the Rights Units was determined based on the last traded price of the Units on the SGX-ST on 19 December 2016, being the last trading day of the Units on the SGX-ST prior to the release of the announcement of the Rights Issue on 20 December 2016. The Issue Price was set at a discount to the Closing Price and to the TERP at that time. The Issue Price does not bear a direct relationship to the book value of Sabana REIT’s assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Unitholders should not consider the Issue Price to be any indication of the Units’ underlying value. The Units may trade at prices lower than the Issue Price in the future.

**The Rights Issue may cause the price of the Units to decrease, and this decrease may continue.**

The Issue Price of the Rights Units represents a discount of (i) approximately 48.9% to the Closing Price of S\$0.505 per Unit, and (ii) approximately 40.3% to the TERP of S\$0.432 per Unit. This discount, along with the number of Rights Units, may result in a decrease in the trading price of the Units and this decrease may continue after the completion of the Rights Issue.

**Unitholders need to act promptly and follow subscription instructions, otherwise their exercise of Rights Entitlements may be rejected and their Rights Entitlements may expire without value and without any compensation.**

Unitholders who desire to accept their Rights Entitlements or apply for excess Rights Units in the Rights Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth under **Appendix B — Procedures for Acceptance, Payment, Renunciation and Application for Rights Units and/or Excess Rights Units by Eligible Unitholders** and in **Appendix C — Additional Terms and Conditions for Electronic Applications** to this Offer Information Statement. Failure to complete and sign the required acceptance forms or letters, the sending of an incorrect payment amount, or otherwise failure to follow the procedures that apply to a Unitholder's desired transaction may lead to rejection of the Unitholder's acceptance of the Rights Entitlements and any Rights Entitlements not accepted will expire without value and without any compensation.

None of the Manager, the Unit Registrar, CDP or the Joint Lead Managers and Underwriters undertakes to contact the Unitholder concerning, or attempt to correct, an incomplete or incorrect acceptance form, letter or payment. The Manager has sole discretion to determine whether an acceptance of Rights Entitlements and acceptance of or subscription for Rights Units properly follows the appropriate procedures. Unitholders who hold Units through a securities sub-account, brokerage account or other similar custodial account with a depository agent, broker, custodian or nominee other than CDP are urged to consult their depository agent, broker, custodian or nominee without delay regarding the procedures that they need to follow for the subscription and payment for the Rights Units.

## **RISKS ASSOCIATED WITH SABANA REIT'S OPERATIONS**

**Sabana REIT is subject to profit rate fluctuations.**

As at the Latest Practicable Date, approximately 89.6% of the Group's outstanding borrowings are on a fixed rate basis or have been hedged with profit rate swaps. The remaining approximately 10.4% of the Group's outstanding borrowings are on a floating rate basis. There is no certainty that the profit rates will not move against Sabana REIT. Consequently, the borrowing cost to the Group for the floating profit rate borrowings will be subject to the risks of profit rate fluctuations.

**The Manager may not be able to successfully implement its investment strategy for Sabana REIT.**

There is no assurance that the Manager will be able to continue to implement its investment strategy successfully or that it will be able to expand Sabana REIT's portfolio at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame. Sabana REIT will be relying on external sources of funding to expand its portfolio, which may not be available on terms favourable to Sabana REIT.

Even if Sabana REIT were able to successfully make additional property investments, there can be no assurance that Sabana REIT will achieve its intended return on such investments. Since the amount of borrowings that Sabana REIT can incur to finance acquisitions is limited under the Property Funds Appendix, such acquisitions will largely be dependent on Sabana REIT's ability to raise equity capital. This may result in a dilution of Unitholders' holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities for industrial properties from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that Sabana REIT will be able to compete effectively against such entities. Sabana REIT's failure to effectively compete against its competitors may adversely affect the ability of Sabana REIT to make new property acquisitions under its acquisition growth strategy.

**Any breach by the major tenants of their obligations under the lease agreements or a downturn in their businesses may have an adverse effect on Sabana REIT.**

In the event that any major tenants of Sabana REIT are unable to pay their rent or breach their obligations under the lease agreements, the level of distributable income may be adversely affected. The performance of the major tenants' other businesses could also have an impact on their ability to make rental payments to Sabana REIT. For example, the failure by the master lessee at 1 Tuas Avenue 4 to pay its rent, with such arrears being in excess of the security deposits held, has led to higher net impairment losses on trade receivables in Sabana REIT's accounts. This has contributed to increased property expenses in 9M 2016, and consequently, a decrease in distributable income in 9M 2016 as compared to 9M 2015.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of such major tenants to compete with their competitors;
- in the instance where such major tenants have sub-leased the properties, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

**The amount Sabana REIT may borrow is limited, which may affect the operations of Sabana REIT.**

Under the Property Funds Appendix, Sabana REIT is permitted to borrow up to 45.0% of the value of the Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

Sabana REIT may, from time to time, require further borrowings to achieve its investment strategies. In the event that Sabana REIT decides to incur additional borrowings in the future, Sabana REIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to Sabana REIT's existing asset portfolio or in relation to Sabana REIT's acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property, which may in turn cause the borrowing limit to be exceeded, thus affecting Sabana REIT's ability to make further borrowings;
- cash flow shortages (including with respect to distributions) which Sabana REIT might otherwise be able to resolve by borrowing funds; and
- Sabana REIT not being able to obtain additional borrowings or not being able to obtain such financing on favourable terms.

A downward revaluation of any of the Properties or investments may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, Sabana REIT would not be able to incur further borrowings. In such circumstances, while Sabana REIT may not be required to dispose of its assets to reduce its borrowings, the inability to incur further borrowings may constrain its operational flexibility.

**Sabana REIT may face risks associated with borrowings.**

As at 30 September 2016, Sabana REIT had total outstanding borrowings of approximately S\$439.7 million and an Aggregate Leverage of approximately 41.5%. Sabana REIT is subject to risks associated with borrowings, including the risk that its cash flow will be insufficient to meet the required payments of principal and financing cost under such financing, and therefore to make distributions to Unitholders.

Distributions from Sabana REIT to Unitholders will be computed based on at least 90.0% of Sabana REIT's Taxable Income (as defined herein) and tax-exempt income, if any (after deduction of applicable expenses). As a result of this distribution policy, Sabana REIT may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. Sabana REIT may be required to repay maturing borrowings with funds from additional borrowings or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Sabana REIT defaults under such borrowings, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

If Sabana REIT's property is mortgaged, such property could be foreclosed by the lender or the lender could require a forced sale of the property with a consequent loss of income and asset value to Sabana REIT.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, Sabana REIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing borrowings.

Sabana REIT may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings, including covenants that may limit or otherwise adversely affect its operations, its ability to make distributions to Unitholders, or its ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. The triggering of any of such covenants may have an adverse impact on Sabana REIT's financial condition.

If prevailing financing costs or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher financing costs, the cost of financing activities relating to such refinanced borrowings would increase, thereby adversely affecting Sabana REIT's cash flow and the amount of funds available for distribution to the Unitholders.

**The Manager's strategy to initiate asset enhancement and/or development works on some of Sabana REIT's properties or future properties from time to time may not materialise.**

The Manager may from time to time initiate asset enhancement and/or development works on some of Sabana REIT's properties or future properties. There is no assurance that such plans for asset enhancement and/or development works will materialise, or in the event that they do

materialise, they may not achieve their desired results or as such properties may still be unable to attract new tenants or retain existing tenants or pre-committed tenants may default on their pre-commitment obligations, and significant costs may have been incurred by Sabana REIT in the course of such asset enhancement and/or development works.

**Sabana REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.**

Sabana REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager. These key personnel may leave the employment of the Manager. If this were to occur, the Manager will need to expend time and effort searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the business financial condition and the results of operations of Sabana REIT.

**Sabana REIT may from time to time be subject to legal proceedings and government proceedings.**

Legal proceedings against Sabana REIT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that Sabana REIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of Sabana REIT.

Sabana REIT is regulated by various government authorities and regulations. If any government authority believes that Sabana REIT or any of its tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize Sabana REIT's properties, enjoin future action or (in the case of Sabana REIT's subsidiaries not being in compliance with the regulations) assess civil and/or criminal penalties against Sabana REIT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of Sabana REIT.

**There may be disagreements between the shareholders of the Manager.**

The Manager is currently wholly-owned by SIP, of which SIP is 51.0% owned by the Sponsor, 45.0% owned by Blackwood and 4.0% owned by AACP. Prior to their joint venture in relation to the Manager, none of Blackwood, AACP and the Sponsor had any business relations. Disagreements may occur between SIP, Blackwood, AACP and/or the Sponsor regarding the business and operations of the Manager which may not be resolved amicably and which may adversely affect the business operations of the Manager. This may in turn have an adverse impact on the results of operations of Sabana REIT.

**Sabana REIT may engage in hedging transactions, which can limit gains and increase costs.**

Sabana REIT may enter into hedging transactions to protect itself from the effects of financing costs and currency exchange fluctuations on floating rate borrowings and also to protect its portfolio from financing cost and prepayment fluctuations and has in this connection put in place a profit rate hedging arrangement. Hedging transactions may include entering into financing cost hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. Hedging activities may not have the desired beneficial impact on the operations or financial condition of Sabana REIT.

Hedging against the fluctuations in financing cost could fail to protect Sabana REIT or adversely affect Sabana REIT because, *inter alia*:

- available financing cost hedging may not correspond directly with the financing cost risk for which protection is sought;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Sabana REIT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the NAV of Sabana REIT if it is due to downward adjustments.

Hedging involves risks and transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile financing costs. These costs will also limit the amount of cash available for distributions to Unitholders.

**Possible change of investment strategies may adversely affect Unitholders' investments in Sabana REIT.**

Sabana REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager. The Manager may from time to time amend the investment strategies of Sabana REIT if it determines that such change is in the best interests of Sabana REIT and its Unitholders without seeking Unitholders' approval. There are risks and uncertainties with respect to the selection of investments and implementation of new investment strategies. Furthermore, the methods of implementing Sabana REIT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect Unitholders' investment in Sabana REIT.

**The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of Sabana REIT.**

In 2003, Hong Kong, Taiwan, the People's Republic of China (the "PRC"), Singapore, Malaysia and other places experienced an outbreak of Severe Acute Respiratory Syndrome ("SARS"), which adversely affected the Asian economies, including the Hong Kong and PRC economies. The property sector was one of the sectors that experienced poor performance during the SARS outbreak. In late 2003 and June 2004, outbreaks of avian influenza occurred in a number of countries in Asia. In 2005 and 2006, such outbreaks were reported in other parts of the world including Europe, the Middle East and Africa. Some of these outbreaks severely disrupted the poultry and related industries and, in addition, several cases of bird-to-human transmission of avian influenza were reported in various countries. In June 2007, World Health Organisation reported new cases of human infection of avian influenza (H5N1) in the PRC and Indonesia. In 2009, outbreaks of Influenza A (H1N1-2009) occurred in a number of countries across the world including Hong Kong and the PRC. In 2014, outbreaks of Ebola occurred in certain parts of Africa and had spread to other parts of the world. In 2015, several countries in Asia and the Middle East suffered from an outbreak of the Middle East respiratory syndrome ("MERS"). In 2016, several countries around the world (including Singapore) suffered from an outbreak of the Zika virus.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

The outbreak of an infectious disease such as Influenza A (H1N1-2009), avian influenza, SARS, MERS or the Zika virus in Asia (including Singapore) and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely affect the rental income of Sabana REIT. These factors could materially and adversely affect the business, financial condition and the results of operations of Sabana REIT.

**Occurrence of any acts of God, natural disasters, severe environmental pollution, war and terrorist attacks may adversely and materially affect the business and operations of Sabana REIT's properties.**

Acts of God, such as natural disasters, and severe environmental pollution (including severe smog), are beyond the control of Sabana REIT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Sabana REIT's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of Sabana REIT's properties and hence on Sabana REIT's income available for distribution.

In addition, physical damage to Sabana REIT's properties resulting from fire, earthquakes or other acts of God may lead to a significant disruption to the business and operation of Sabana REIT's properties. This may then result in an adverse impact on the business, financial condition and results of operations of Sabana REIT and its capital growth.

**Sabana REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.**

Sabana REIT's investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for industrial purposes will subject Sabana REIT to risks inherent in concentrating its investments in the real estate sector. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

Sabana REIT's concentration of investments in industrial properties in its portfolio exposes it to both a downturn in the real estate market as well as the industrial sector. Such downturns may lead to a decline in occupancy for properties that are primarily used for industrial purposes including those in Sabana REIT's portfolio, thereby affecting Sabana REIT's rental income, and/or resulting in a decline in the capital value of Sabana REIT's portfolio, which will have an adverse impact on distributions to the Unitholders and/or the business, financial condition and the results of operations of Sabana REIT.

## RISKS ASSOCIATED WITH SHARI'AH COMPLIANCE

**Any potential or future cleansing of income from non-Shari'ah compliant sources and non-core activities may lead to losses in cash and DPU relative to conventional REITs.**

The Shari'ah Guidelines<sup>1</sup> (as defined herein) require the income of Sabana REIT that is generated from non-Shari'ah compliant sources and non-core activities to be subjected to a cleansing process, which involves Sabana REIT allocating all net income generated from non-Shari'ah compliant sources and non-core activities to be donated to charitable organisations or purposes before distributions are made to the Unitholders. The amount to be subjected to the cleansing process is calculated based on income derived from non-Shari'ah compliant sources or non-core activities net of all expenses derived from and/or allocated to the non-Shari'ah compliant source or non-core activity. The cleansing process will apply irrespective of whether the amount of income generated from non-Shari'ah compliant sources exceeds the amount permissible under the Shari'ah Guidelines for Sabana REIT to maintain its Shari'ah compliant status. When determining the income to be subjected to the cleansing process, the Manager may need to make certain assumptions. For example, if there is any doubt by the Manager or the Independent Shari'ah Committee<sup>2</sup> (as defined herein) as to whether certain income received by Sabana REIT is derived from non-Shari'ah compliant sources, the Manager shall nevertheless subject such income to the cleansing process. Also, in the case of income derived from both Shari'ah compliant sources and non-Shari'ah compliant sources, if the Manager is unable to determine the proportion of such income which is attributable to the Shari'ah compliant source and the non-Shari'ah compliant source, the Manager may be required to assume that the entire amount of income should be subjected to the cleansing process.

In light of the requirement to subject Sabana REIT's income which is derived from non-Shari'ah compliant sources and income from non-core activities to the cleansing process, there may be less income available for distribution by Sabana REIT to Unitholders. Also, the cleansing process imposes additional compliance and administrative costs which shall be borne by Sabana REIT. Furthermore, the loss of income associated with such cleansing process may be disproportionately large if the Manager is unable to determine the proportion of income which is attributable to the non-Shari'ah compliant source. As a result, Sabana REIT's cash flow and the amount of funds available for distribution to Unitholders could be adversely affected. The non-Shari'ah compliant income comprises no more than 0.1% of Sabana REIT's gross revenue for FY2015. Therefore, at least 99.9% of Sabana REIT's gross revenue for FY2015 is Shari'ah compliant.

**Sabana REIT may not be able to maintain its Shari'ah compliant status.**

A critical component for any Shari'ah compliant or Islamic finance product is the Shari'ah certification by a panel of Shari'ah scholars.

The Independent Shari'ah Committee will convene periodically (at least once annually) to deliberate over the compliance of Sabana REIT and decide whether to issue the Shari'ah Certification<sup>3</sup> (as defined herein) confirming Sabana REIT's Shari'ah compliant status. In the event that Sabana REIT breaches any of the Shari'ah Guidelines, for example, where the total rental derived from tenants and/or sub-tenants that are engaged in Non-permissible Activities

<sup>1</sup> "Shari'ah Guidelines" means the guidelines issued by the Independent Shari'ah Committee to be observed by the Manager to ensure that Sabana REIT is and will continue to be Shari'ah compliant.

<sup>2</sup> "Independent Shari'ah Committee" means the independent Shari'ah committee appointed to provide ongoing advice on Shari'ah compliance by Sabana REIT.

<sup>3</sup> "Shari'ah Certification" means the endorsement statement of the Independent Shari'ah Committee certifying that Sabana REIT is Shari'ah compliant.

(as defined herein) exceeds 5.0% per annum of the gross revenue of Sabana REIT's portfolio of properties, the Independent Shari'ah Committee may, after discussion with the Manager, grant an agreed time frame for Sabana REIT to rectify the breach and the Manager must abide by the given time frame. If Sabana REIT is unable to rectify the breach within the given time frame, the Manager would have to seek a further extension from the Independent Shari'ah Committee, citing reasons for the inability to rectify, or delay in rectifying, the breach. There is no guarantee that the Independent Shari'ah Committee will grant such further extension or that the Manager will be able to rectify the breach within the extended time frame. If the Independent Shari'ah Committee does not grant a further extension or the Manager is unable to rectify such breach within the extended time frame, the Independent Shari'ah Committee may not issue the Shari'ah Certification.

The Independent Shari'ah Committee may also refuse to issue the Shari'ah Certification in the following circumstances:

- (i) where the Manager deliberately deviates from the Shari'ah Guidelines and carries out activities that contravene the Shari'ah Guidelines;
- (ii) where the Manager continuously breaches the Shari'ah Guidelines and refuses to rectify the position to an acceptable extent; and
- (iii) where there is a material misrepresentation or wilful omission of any material information that is otherwise required by the Independent Shari'ah Committee for the purposes of issuing the Shari'ah Certification.

The above list is not an exhaustive list of the circumstances in which the Independent Shari'ah Committee may refuse to issue the Shari'ah Certification. In the event that issuance of the Shari'ah Certification is refused for Sabana REIT, there may be adverse effects on the demand by Shari'ah investors for, and the market price of, the Units.

**Sabana REIT may be constrained in its operations and investments by Shari'ah principles as compared to regular non-Shari'ah compliant REITs.**

In addition to the laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency applicable to a regular non-Shari'ah compliant REIT, the Manager has to manage Sabana REIT in a manner compliant with Shari'ah principles and the Shari'ah Guidelines. The Shari'ah Guidelines impose certain restrictions on Sabana REIT, including, among others, restrictions on the types of properties which Sabana REIT can invest in, the types of tenants which the properties can be leased to, the insurance which Sabana REIT can purchase and the use of deposit and financing facilities and risk management solutions that are not Shari'ah compliant.

Unlike regular REITs, Sabana REIT may be constrained in its operations by any unavailability of Shari'ah compliant properties, tenants, insurance, deposit and financing facilities and risk management solutions. Moreover, there is no guarantee that such Shari'ah compliant options will always be available at the same quantum or the same pricing to Sabana REIT as non-Shari'ah compliant options. This may affect Sabana REIT's business, competitiveness and results of operations.

**The opinions, laws, regulations and accounting standards in relation to Shari’ah compliance may change.**

Sabana REIT may be affected by the introduction of new or revised legislation, regulations, accounting and tax standards or guidelines in relation to Shari’ah compliance, the compliance with which may adversely affect its operations and ability to make distributions to Unitholders.

**There are differing views among Shari’ah scholars in relation to the application of Shari’ah principles.**

Sabana REIT intends to make its investments and conduct its affairs (including but not limited to financing, working capital financing (if any)) in a manner compliant with Shari’ah principles. However, unlike in conventional financial markets where there are globally accepted standards such as Generally Accepted Accounting Principles, there are no such globally accepted standards in the Islamic financial markets. As such, and given the differences that exist among Shari’ah scholars and advisers from different jurisdictions and different schools of Islamic jurisprudence as to the nature and standards of Shari’ah compliance and the instances where one form of Islamic finance practices are not recognised or practiced in other jurisdictions, there can be no assurance that existing certified Shari’ah compliant products such as Shari’ah compliant REITs will not face issues that question their Shari’ah compliant status or that the investments and other Shari’ah structures in relation to the business of Sabana REIT will be determined to be Shari’ah compliant by other Shari’ah scholars or advisers, or will be recognised in other jurisdictions. In the event that Sabana REIT is not determined to be Shari’ah compliant by other Shari’ah scholars or advisers, or is not recognised as Shari’ah compliant in other jurisdictions, this may adversely affect the demand by Shari’ah investors for the Units, thereby adversely affecting the marketability of the Units to investors.

#### **RISKS ASSOCIATED WITH SABANA REIT’S PROPERTIES**

**There is no assurance that the properties in the Existing Portfolio and such other Properties that are acquired by Sabana REIT pursuant to the Acquisitions (collectively, the “Enlarged Portfolio”) will be able to maintain rental rates at prevailing market rates.**

The rental rates of the properties in the Enlarged Portfolio will depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality and design of these properties. There is no assurance that the Manager will be able to procure new leases or renew existing leases at these prevailing market rates.

**The actual performance of Sabana REIT and the Enlarged Portfolio could differ materially from the pro forma statements in this Offer Information Statement.**

This Offer Information Statement contains pro forma statements regarding the pro forma performance of Sabana REIT after completion of the Rights Issue and the Acquisitions. These pro forma statements are based on historical data and a number of assumptions. As a result, actual results and performance may differ materially from that in the pro forma statements.

**Sabana REIT is subject to the risk of non-renewal, non-replacement or early termination of leases.**

If a large number of tenants in the properties of the Enlarged Portfolio do not renew their leases at the end of a lease cycle or a significant number of early terminations occur, and replacement tenants cannot be found in a timely manner and on terms acceptable to the Manager, there is likely to be a material adverse effect on these properties, which could materially and adversely affect the business, financial condition and results of operations of Sabana REIT.

**Planned amenities and transportation infrastructure near the properties of the Enlarged Portfolio may not be implemented as planned, or may be closed, relocated, terminated or delayed.**

There is no assurance that amenities, transportation infrastructure and public transport services near the properties of the Enlarged Portfolio will be implemented as planned or will not be closed, relocated, terminated or delayed. If such an event were to occur, it will adversely impact the accessibility of the relevant property and the attractiveness and marketability of the relevant property to tenants. This may then have an adverse effect on the demand and the rental rates for the relevant property and adversely affect the business, financial condition and results of operations of Sabana REIT.

**Sabana REIT is highly dependent on the Master Lessees (as defined herein) for rental payments and any breach by the Master Lessees of their obligations under the Master Lease Agreements (as defined herein) may have an adverse effect on Sabana REIT.**

As at 30 September 2016, approximately 44.0% of the NLA of the Existing Portfolio are under Master Leases (as defined herein). For the properties under Master Leases (“**Master Lease Properties**”), Sabana REIT does not directly operate the Master Lease Properties or lease these Master Lease Properties directly to the sub-tenants. As a result, Sabana REIT is highly dependent on rental payments from the Master Lessees. If a significant number of the sub-tenants do not renew their lease agreements and no replacement sub-tenants are found, the Master Lessees’ ability to make rental payments may be adversely affected. Therefore, Sabana REIT’s revenue and ability to make distributions to the Unitholders is highly dependent upon the ability of the Master Lessees to make rental payments.

There can be no assurance that the Master Lessees will have sufficient assets, income and access to financing in order to enable it to satisfy its obligations under the respective master lease agreements.

Moreover, failure by the Master Lessees to maintain the Master Lease Properties in a good state of tenantable repair and condition could have an adverse impact on the physical condition of the Master Lease Properties, rendering them unattractive to existing sub-tenants and potential sub-tenants. The performance of the Master Lessees’ other businesses could also have an impact on their ability to make rental payments to Sabana REIT.

Factors that affect the ability of the Master Lessees to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- local competitors and competition in the Singapore industrial and real estate industry;
- material losses in excess of insurance proceeds; and
- their ability to conduct and continue to conduct primary businesses that are permissible according to Shari’ah principles.

**The Master Leases may be terminated or the Master Lessees may not renew the Master Leases.**

Under the Master Lease Agreements, the Master Leases may be terminated. In addition, there is no assurance that the Master Lessees will renew their leases upon the expiry of such Master Leases. If the Master Leases are terminated or are not renewed, Sabana REIT may not be able to find a suitable purchaser or a suitable replacement master lessee, as a result of which Sabana REIT may lose a significant source of revenue. In any event, it may not be possible to replace the Master Lessees immediately upon the expiry of the Master Leases and this may lead to temporary vacancies. The failure to renew the Master Lease Agreements, or the termination of any of these Master Lease Agreements, may have a material adverse effect on Sabana REIT's financial condition and its level of distributable income.

**The Enlarged Portfolio and properties to be acquired by Sabana REIT in future may require significant capital expenditure periodically beyond the Manager's current estimate and Sabana REIT may not be able to secure funding.**

The Enlarged Portfolio may require periodic capital expenditure beyond the Manager's current estimate for refurbishment, renovation for improvements and development of the properties of the Enlarged Portfolio in order to remain competitive or be income-producing. Sabana REIT may not be able to fund capital expenditure solely from cash provided from its operating activities and may not be able to obtain additional equity or borrowings on favourable terms or at all. If Sabana REIT is not able to obtain such financing, the marketability of such property may be affected.

**Sabana REIT's assets might be adversely affected if the Manager, the Property Manager (as defined below) and the Master Lessees (if applicable) do not provide adequate management and maintenance.**

Should the Manager, Sabana Property Management Pte. Ltd. (the "Property Manager") and/or the Master Lessees (if applicable) fail to provide adequate management and maintenance, the value of Sabana REIT's assets might be adversely affected and this may result in a loss of tenants or, as the case may be, sub-tenants which in turn affects the Master Lessees' ability to pay their rents pursuant to the Master Lease Agreements, and which will adversely affect the distributions to Unitholders.

**Sabana REIT may suffer material losses in excess of insurance proceeds or the Master Lessees may not put in place or maintain adequate insurance in relation to the Enlarged Portfolio and its potential liabilities to third parties.**

The properties in the Enlarged Portfolio face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Enlarged Portfolio.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Sabana REIT's insurance policies for the Enlarged Portfolio may not cover acts of war, outbreak of contagious diseases, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, Sabana REIT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. Sabana REIT will also be liable for any borrowings or other financial obligations<sup>1</sup> related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

In addition, should Sabana REIT or the Master Lessees (if applicable) fail to put in place or maintain adequate insurance in relation to the Enlarged Portfolio and their potential liabilities to third parties, Sabana REIT may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

**Renovation or redevelopment works or physical damage to the properties in the Enlarged Portfolio may disrupt their operations and collection of rental income or otherwise result in adverse impact on the financial condition of Sabana REIT.**

The properties in the Enlarged Portfolio may need to undergo renovation or redevelopment works from time to time to improve their design and facilities so as to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining industrial properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. Although the tenants may be obliged to bear certain maintenance and repair costs to a certain extent, the business and operations of the Enlarged Portfolio may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works. In addition, physical damage to the properties of the Enlarged Portfolio resulting from fire or other causes may lead to a significant disruption to the business and operation of the Enlarged Portfolio and, together with the foregoing, may impose unbudgeted costs on Sabana REIT and result in an adverse impact on the financial condition and results of operations of Sabana REIT and its ability to make distributions.

**The Enlarged Portfolio may be affected by contamination and other environmental issues.**

While the independent building consultants commissioned by the Manager have conducted laboratory analysis on soil and groundwater samples for the properties in the Enlarged Portfolio and, according to their reports, there are no environmental issues of concern, the Enlarged Portfolio may from time to time be affected by contamination or other environmental effects which may not have been previously identified and/or rectified. This raises a number of risks including:

- the risk of prosecution by environmental authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues; and
- the adverse impact on the financial position of the tenants or, as the case may be, sub-tenants arising from the above, affecting their ability to trade and to meet their tenancy obligations and (in the case of sub-tenants) this may affect the Master Lessees' ability to pay their rents pursuant to the Master Lease Agreements.

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<sup>1</sup> Such "**borrowings or other financial obligations**" refers to those which are taken up and secured over the properties in the Existing Portfolio. Such borrowings or financial obligations may change over time as Sabana REIT discharges or reduces its borrowings or seeks refinancing.

**A portion of 151 Lorong Chuan has been designated as a railway protection and safety zone, and certain activities may not be carried out in such zones unless the prior approval of the LTA is obtained.**

151 Lorong Chuan is affected by Gazette No. 173 dated January 2003 and a portion of 151 Lorong Chuan amounting to 19.8% of the total land area has been designated as a railway protection and safety zone, such that Sabana REIT would be required to obtain the prior approval of the LTA before carrying out restricted activities within that zone.<sup>1</sup>

Such restricted activities include the movement or operation of any crane, piling equipment, excavator or any other mechanical equipment or vehicle, the storing or placing of any goods, materials or substances, and the erection of sheds, shelters, tents, scaffolding, maintenance towers, hoardings or other similar temporary structures. If the Manager intends to carry out any restricted activity within the railway protection and safety zone, there is no guarantee that the LTA would grant its permission. The LTA may impose terms and conditions as it thinks fit in granting its permission. This may affect the ability of Sabana REIT to carry out asset enhancement or other development or rectification works on 151 Lorong Chuan.

(See “Risk Factors — The Manager’s strategy to initiate asset enhancement and/or development works on some of Sabana REIT’s properties or future properties from time to time may not materialise”.)

**The Master Lessees for certain of the properties in Existing Portfolio have a right of first refusal over their respective properties.**

The Master Lessees of 1 Tuas Avenue 4, 33 and 35 Penjuru Lane, 18 Gul Drive and 51 Penjuru Road have rights of first refusal over their respective properties in the Existing Portfolio. If Sabana REIT intends to sell any of these properties in the future, it would have to first offer these properties to their respective Master Lessees. These rights of first refusal may discourage potential purchasers of the relevant properties from making bids to acquire these properties and affect the marketability of these properties should Sabana REIT intend to divest itself of these properties in the future.

**The properties in the Enlarged Portfolio may face increased competition from other properties.**

The properties in the Enlarged Portfolio are located in areas where other competing properties are present and new properties may be developed which may compete with the properties in the Enlarged Portfolio.

The income from and the market value of the Enlarged Portfolio will be dependent on the ability of the Enlarged Portfolio to compete against other properties for tenants. If competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the Existing Portfolio could be reduced, thereby adversely affecting Sabana REIT’s cash flow and the amount of funds available for distribution to Unitholders.

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<sup>1</sup> The portion of the 151 Lorong Chuan designated as a railway protection and safety zone has been taken into account in the valuation of the Property. As at 30 September 2016, this portion of 151 Lorong Chuan comprises a ramp, parking space and garden. The portion of 151 Lorong Chuan designated as a railway protection and safety zone currently has no impact on the rental rates of 151 Lorong Chuan.

**The appraisals of the properties in the Enlarged Portfolio are based on various assumptions and the price at which Sabana REIT is able to sell a property in the future may be different from the initial acquisition value of the property.**

There can be no assurance that the assumptions on which the appraisals of the properties in the Enlarged Portfolio are based are accurate measures of the market, and the values of the properties may be evaluated inaccurately. The valuers of these properties may have included a subjective determination of certain factors relating to the properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the properties (which affect the NAV per Unit) may be subjective. The valuation of any of the properties does not guarantee a sale price at that value at present or in the future. The price at which Sabana REIT may sell a property may be lower than its purchase price.

**The future market value of the Enlarged Portfolio may differ from the valuations determined by independent valuers and the properties may be revalued downwards.**

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

A valuer's determination of the appraised value of any property does not guarantee a sale of such property at its appraised value at present or in the future. The price at which Sabana REIT may sell any of the new properties acquired in the future may be lower than the price paid for that property.

There may be downward revaluation of the Enlarged Portfolio as the negative outlook on industrial space and weakening market conditions may adversely impact the market position of the Enlarged Portfolio. In addition, given the downward pressure on industrial rents and occupancies, any fall in the gross revenue or net property income earned from the properties will also result in their downward revaluation. Further downward revaluations could negatively impact Sabana REIT's gearing, which in turn could trigger a default under certain loan covenants and/or impact Sabana REIT's ability to refinance its existing borrowings or its ability to secure additional borrowings.

In addition, Sabana REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on Sabana REIT's financial results as revaluation losses will be charged to Sabana REIT's statements of total return in the financial years where there is a significant decrease in the valuation of any of the properties of the Enlarged Portfolio. A downward revaluation of any of these properties may also result in an increase in Sabana REIT's Aggregate Leverage.

If the Manager were to use the proceeds from the Rights Issue to repay Sabana REIT's existing borrowings pending deployment of such proceeds for any of the Acquisitions and any of the Properties is subsequently revalued downwards, this may cause Sabana REIT's Aggregate Leverage to exceed the 45% limit. In this situation, Sabana REIT may not be able to proceed to complete any or all of the Acquisitions by drawing down on existing borrowings until such time it is able to undertake a successful equity fund-raising.

Further, if Sabana REIT's Aggregate Leverage exceeds the 45.0% limit as at 31 December 2016 due to a downward revaluation of the Existing Portfolio, the Manager will first have to rectify the breach of the Aggregate Leverage limit by using the proceeds from the Rights Issue to reduce Sabana REIT's existing borrowings, before additional borrowings can be incurred to finance the Acquisitions and this may result in the postponement or abortion of any or all of the Acquisitions.

**Sabana REIT's properties are currently all located in Singapore, which exposes Sabana REIT to economic and real estate conditions in Singapore.**

Sabana REIT's properties are currently all located in Singapore. This exposes Sabana REIT to the risk of a prolonged downturn in economic and real estate conditions in Singapore. The value of Sabana REIT's properties may also be adversely affected by a number of local real estate conditions, such as oversupply and other competing commercial and industrial properties or reduced demand from tenants.

There are numerous industrial properties in Singapore that compete with Sabana REIT's properties in attracting tenants. If competing properties of a similar type are built in the areas where Sabana REIT's properties are located or similar properties in their vicinity are substantially upgraded and refurbished, the value of certain Sabana REIT's properties could be adversely affected.

In addition, Sabana REIT's business, financial condition and/or results of operations may be adversely affected by competition for business and direct investment from other Asian countries such as China, India, Malaysia, Indonesia, Thailand, Vietnam or the Philippines, where the cost of operating a business and rental and property rates may be substantially lower than those in Singapore. There can be no assurance that prospective or current tenants will not seek properties in locations outside of Singapore, which could have an adverse effect on Sabana REIT's business, financial condition and/or results of operations, with a consequential adverse effect on Sabana REIT's ability to make expected distributions to Unitholders.

**The Master Lessees of some of the properties in the Enlarged Portfolio that were purchased on a sale-and-leaseback arrangement with JTC/HDB may not have properly notified the Manager and JTC/HDB of all its sub-tenancies.**

Some of the properties in the Enlarged Portfolio were purchased by Sabana REIT on a sale-and-leaseback arrangement with JTC/HDB. The Master Lessees of some of these properties may have sub-tenanted out parts of the property to third parties. There is no guarantee that the sub-tenancies in respect of these properties have been approved by, or notified to, as the case may be, the Manager or JTC/HDB under the relevant JTC/HDB lease by the Master Lessees.

Such failure to obtain the approval for or, as the case may be, notify JTC/HDB of such sub-tenancies may give rise to, among other consequences, a right of re-entry by JTC/HDB. Should JTC/HDB exercise its right of re-entry in respect of these properties, Sabana REIT's cash flows and the amount of funds available for distributions to its Unitholders could be adversely affected.

**Sabana REIT may not be able to extend the terms of certain underlying JTC/HDB leases.**

Certain properties of the Enlarged Portfolio have underlying JTC/HDB leases, which contain a covenant by JTC/HDB to grant a further term following the expiry of the current lease term subject to the satisfaction of certain conditions, such as there being no breach of any terms and conditions of the underlying JTC/HDB leases and that certain fixed investment criteria in respect of the properties are fulfilled. There is no assurance that such conditions for extension will be satisfied or that any breach by Sabana REIT's tenants while in occupation of the premises will be rectified in time or at all. If Sabana REIT for whatever reason is not able to extend the lease term of the underlying JTC/HDB leases of any of these properties, Sabana REIT will have to surrender such property to JTC/HDB upon expiry of the original lease term. The value of Sabana REIT's property portfolio, and consequentially the asset value underlying the Units, may be substantially reduced upon such surrender. Any potential income expected

after the extension of the lease term will not be realised. In addition, Sabana REIT may be required to incur substantial amounts of money to reinstate the properties to a state and condition acceptable to JTC/HDB, including the demolition of any existing building and/or reinstatements thereof on the property.

**JTC had announced that all new leases from JTC as well as transfers of JTC properties by owners should give JTC the right to buy the relevant property should the owner decide to sell the property in the future.**

In order to facilitate overall land use planning and development needs in Singapore, JTC had announced that all new leases from JTC as well as transfers of JTC properties by owners should give JTC the right to buy the relevant property should the owner decide to sell the property in the future (excluding sale-and-leaseback transactions and mortgage sales). According to the announcement, the reason behind this policy is that land in Singapore is scarce and the constant rejuvenation of land use is essential to optimise land use in Singapore. As this policy from JTC is new, there is currently no certainty or clarity as to how JTC will implement it, which may have an impact on Sabana REIT's ability to acquire properties or dispose of its properties.

**JTC's policy that all assignment or transfer of leases will have a minimum leaseback period of five years (if the remaining lease has a duration of 30 years or less) and a minimum leaseback period of 10 years (if the remaining lease has a duration of more than 30 years) could result in fewer attractive acquisition opportunities for Sabana REIT.**

In order to facilitate overall land use planning and development needs in Singapore, JTC had announced on 15 November 2013 that all assignment or transfer of leases from the assignor or transferor (as vendor or seller) to the assignee or transferee (as purchaser) will be subject to a minimum leaseback period of five years if the remaining land tenure has a duration of 30 years or less and a minimum leaseback period period of 10 years if the remaining land tenure has a duration of more than 30 years. According to the announcement, the reason behind this policy is that this ensures that the vendors or sellers who have leased industrial land based on their proposed business plans remain committed to them for a sustained and reasonable period of time, while allowing the vendors or sellers to exit on grounds of genuine business needs. This could result in fewer attractive acquisition opportunities for Sabana REIT, which could have an adverse effect on Sabana REIT's financial condition and results of operations.

**JTC's revised subletting policy which states that third party facility providers can only sublet up to 50% of the building's GFA to non-anchor tenants within five years after obtaining Temporary Occupation Permit ("TOP"), and up to 30% thereafter could result in more vacant space in Sabana REIT's properties on JTC land.**

JTC had announced that third party facility providers such as REITs can only sublet up to 50% of GFA to non-anchor tenants within five years after obtaining TOP, and thereafter, can only sublet up to 30% of GFA to non-anchor tenants and at least 70% of GFA to anchor tenants. This policy could result in more vacant space at Sabana REIT's properties on JTC land as Sabana REIT is required to lease out at least 70% of the property's GFA five years after obtaining TOP to anchor tenants which must satisfy JTC's assessment of value-added, remuneration per worker and skilled worker profile, with each anchor tenant being required to occupy a GFA of at least 1,000 square metres. If there is an increase in vacant space of Sabana REIT's properties on JTC land, this may then have an adverse effect on Sabana REIT's financial condition and results of operations, with a consequential adverse effect on Sabana REIT's ability to deliver expected distributions to Unitholders. HDB also adopts a similar subletting policy and this could also affect Sabana REIT as well.

**Sabana REIT may have to set aside an estimated amount of capital for the payment of an upfront land premium in respect of future acquisitions.**

Under JTC's current policy (which came into effect on 1 January 2013) governing the sale and assignment of a JTC lease by a lessee to a buyer which is a third party facility provider such as a REIT, if such JTC lease provides for the lessee to pay JTC a yearly rent (the "**Existing Rent Payment Scheme**"), JTC requires such buyer to pay JTC, prior to the completion of the sale, an upfront land premium for the balance of the JTC lease term in place of the Existing Rent Payment Scheme. Sabana REIT may have to set aside an estimated amount of capital for the payment of such upfront land premium in respect of future acquisitions, which could adversely affect Sabana REIT's cash flows. The existing Properties that are affected are 508 Chai Chee Lane and 10 Changi South Street 2. Sabana REIT is also required to pay an upfront land premium to JTC in respect of the Changi South Property.

**The Eunos Ave 3 Property will be receiving rental income support, the Changi South Property will be receiving rental income support and corporate guarantee, and the Eunos Ave 7 Property will have a rental collection arrangement and corporate guarantee. The Properties may not achieve the same revenue once the rental support or rental collection arrangement expires. The corporate guarantees are ultimately subject to the creditworthiness of the respective guarantors.**

Upon completion of the acquisition of the Properties, General Cars, Freight Links and Singapore Handicrafts will be entering into leases with the Trustee (as landlord). General Cars and Freight Links will be providing rental income support to the Trustee (as landlord) and Singapore Handicrafts has agreed to a rental collection arrangement with the Trustee (as landlord). In addition, the parent companies of Singapore Handicrafts and Freight Links, which are LHN Group Pte. Ltd. and the Sponsor respectively, have each provided a corporate guarantee to the Trustee in respect of the respective obligations of Singapore Handicrafts and Freight Links (as applicable) under their respective leases. (See "Benefits of the Acquisitions and the Rights Issue — The rental arrangements of the Property provide stability and downside protection" for details on the rental income support and rental collection arrangements).

There is no guarantee that the Properties will be able to generate the same level of revenue once the rental income support arrangement and/or rental collection arrangement expires.

In addition, while LHN Group Pte. Ltd. and the Sponsor will each provide a corporate guarantee for the Eunos Ave 7 Property and the Changi South Property respectively, and LHN Group Pte. Ltd. is a subsidiary of LHN Limited which is Catalist-listed on SGX-ST and the Sponsor is itself listed on the Main Board of the SGX-ST, the corporate guarantees are ultimately subject to the creditworthiness of LHN Group Pte. Ltd. and/or the Sponsor (as applicable) and there can be no assurance that LHN Group Pte. Ltd. and/or the Sponsor will be able to satisfy their obligations under the corporate guarantees.

## **RISKS RELATING TO INVESTING IN REAL ESTATE**

**There are general risks attached to investments in real estate.**

Investments in real estate and therefore the income generated from the Enlarged Portfolio are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which Sabana REIT operates);
- the financial condition of tenants;

- the availability of financing such as changes in availability of equity financing or borrowings, which may result in an inability by Sabana REIT to finance future acquisitions on favourable terms or at all;
- changes in financing costs and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases or master leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- changes in the rate of inflation and consumer price indices;
- inability of the property managers to provide or procure the provision of adequate maintenance and other services;
- defects affecting the properties of the Enlarged Portfolio which need to be rectified, or other required repair and maintenance of the properties of the Enlarged Portfolio, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flow for the maintenance of, and improvements to, the properties of the Enlarged Portfolio;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Manager;
- the attractiveness of Sabana REIT's properties to tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and

- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental or room rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Enlarged Portfolio will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Sabana REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Singapore, which may adversely affect the financial condition of Sabana REIT.

**Sabana REIT may be adversely affected by the illiquidity of real estate investments.**

Sabana REIT's investment strategy involves a higher level of risk, as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect Sabana REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Sabana REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Sabana REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Sabana REIT's financial condition and results of operations, with a consequential adverse effect on Sabana REIT's ability to deliver expected distributions to Unitholders.

**Sabana REIT's ability to make distributions to Unitholders may be adversely affected by increases in direct expenses and other operating expenses.**

Sabana REIT's ability to make distributions to Unitholders could be adversely affected if direct expenses and other operating expenses increase (save for such expenses for which Sabana REIT is not responsible pursuant to the lease agreements) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in Shari'ah principles or guidelines which increase the cost of compliance with such principles or guidelines;
- change in direct or indirect tax policies, laws or regulations;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, Sabana REIT's properties which need to be rectified;

- increase in insurance premium;
- increase in cost of utilities; and
- conversion of triple-net master lease arrangements to non triple-net master lease arrangement or multi-tenanted lease arrangements such as the property located at 39 Ubi Road 1, which was converted from a master lease arrangement to a multi-tenanted property on 7 December 2016.

**The Rental Income (as defined herein) earned from, and the value of, the properties in the Enlarged Portfolio may be adversely affected by a number of factors.**

The Rental Income earned from, and the value of, the properties in the Enlarged Portfolio may be adversely affected by a number of factors, including:

- vacancies following expiry or termination of leases or licences that lead to lower occupancy rates which reduce the Rental Income and Sabana REIT's ability to recover certain operating costs through charge-out collections;
- the Manager's ability to collect rent or licence fees from tenants and licencees on a timely basis or at all;
- the amount and extent to which Sabana REIT is required to grant rebates on rental rates to tenants, due to market pressure;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, inability to collect rentals at all or delays in the termination of the tenant's lease, or which could hinder or delay the sale of a property in the Enlarged Portfolio or the re-letting of the relevant premises;
- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- the national and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, industrial space, the Singapore Government's release of land, changes in market rental rates and operating expenses for the properties in the Enlarged Portfolio);
- the Manager's ability to provide adequate management and maintenance or to purchase adequate insurance;
- tenants or sub-tenants failing to comply with the terms of their leases or sub-leases;
- bankruptcy, insolvency or downturn in the business of tenants or sub-tenants which may cause any of them not to renew their leases or sub-leases or to terminate them before they expire;
- competition for tenants from other similar properties which may affect rental levels or occupancy levels at the properties in the Enlarged Portfolio;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant properties in the Enlarged Portfolio may also be restricted by legislative actions, such as revisions to building standards laws or town planning laws, or the enactment of new laws relating to contamination and redevelopment; and
- acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Manager.

**The rate of increase in rentals (if any) of the properties in the Enlarged Portfolio may be less than the inflation rate.**

The rate of increase in rentals (if any) of the properties in the Enlarged Portfolio may be less than the inflation rate and therefore an investment in Sabana REIT may not provide an effective hedge against inflation.

**Sabana REIT's properties or part thereof may be acquired compulsorily.**

The Land Acquisition Act, Chapter 152 of Singapore, gives the Singapore Government (as defined herein) the power to acquire any land in Singapore:

- (i) for any public purpose;
- (ii) where the acquisition is of public benefit or of public utility or in the public interest; or
- (iii) for any residential, commercial or industrial purposes.

For example, on 3 May 2012, the Singapore Government took possession of the land where one of Sabana REIT's properties (1 Tuas Avenue 4, Singapore 639382) is situated. The compensation to be awarded pursuant to any compulsory acquisition would be based on, among other factors:

- (a) the market value of the property as at the date of the publication in the Singapore Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Singapore Government Gazette); or
- (b) the market value of the property as at the date of publication in the Singapore Government Gazette of the declaration of intention to acquire.

Accordingly, if the market value of a property (or part thereof) is greater than the market values referred to above, the compensation paid in respect of the property will be less than its market value. In such event, such compulsory acquisitions would have an adverse effect on the value of Sabana REIT's property portfolio.

**RISKS ASSOCIATED WITH AN INVESTMENT IN THE UNITS**

**The form of payment of the management fees will have an impact on DPU.**

The amount of distribution available to Unitholders is affected by the form of payment of the management fees. If the Manager elects to receive the payment of the management fees in the form of cash, the amount of distribution available for distribution to Unitholders will be affected.

Similarly, if the Manager elects to receive the payment of the management fees in the form of Units, the distribution will be distributed over a larger number of Units.

**The sale or possible sale of a substantial number of Units by the existing Substantial Unitholders such as the Sponsor Entities, Mr. Khua Hock Su, Mr. Khua Kian Keong and/or Mr. Tong Jinquan in the public market could adversely affect the price of the Units.**

The Sponsor Entities, Mr. Khua Hock Su and Mr. Khua Kian Keong have, among others, undertaken to accept their respective *pro rata* allotment of Rights Units pursuant to the Sponsor Undertaking and the Khua Individual Undertakings, respectively.

If any of the existing Substantial Unitholders, Sponsor Entities, Mr. Khua Hock Su and Mr. Khua Kian Keong, Mr. Tong Jinquan and/or any of their transferees of the Units sells or is perceived as intending to sell a substantial amount of his/its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected.

**Sabana REIT may not be able to make distributions or the level of distributions may fall.**

The net operating profit earned from real estate investments depends on, among other factors:

- the amount of rental income received; and
- the level of property, operating, financing and other expenses incurred.

If the properties do not generate sufficient net operating profit, Sabana REIT's income, cash flow and ability to make distributions will be adversely affected.

No assurance is given as to Sabana REIT's ability to pay or maintain distributions, nor is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the leases of the properties or that the receipt of rental income in connection with expansion of the properties or acquisitions of properties will increase Sabana REIT's cash flow available for distribution to Unitholders.

**Market and economic conditions may affect the market price and demand for the Units.**

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and financing costs may affect the market price of, and demand for, the Units.

An increase in market financing costs may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

**New issues of Units may cause dilution to existing Unitholders.**

The Trust Deed contemplates new issues of Units and the Manager may issue new Units, including pursuant to equity fund raising exercises or for the payment of fees to the Manager in the form of Units. Such new issues of Units may have a dilutive effect on the unitholdings and rights of Unitholders.

Furthermore, the offering price for such new issues of Units may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition and/or divestment fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

**The laws, regulations and accounting standards in Singapore and any other jurisdictions in which Sabana REIT may operate may change.**

Sabana REIT may be affected by the introduction of new or revised legislation, regulations, accounting standards or recommended accounting practice. Accounting standards in Singapore are subject to change as they are further aligned with international accounting standards. The financial statements of Sabana REIT may be affected by the introduction of such revised accounting standards or recommended accounting practice. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes.

There is no assurance that these changes, if any, will not:

- have a significant impact on the presentation of Sabana REIT's financial statements;
- have a significant impact on Sabana REIT's results of operations;
- adversely affect the ability of Sabana REIT to make distributions to Unitholders;
- have an adverse effect on the ability of the Manager to carry out Sabana REIT's investment strategy; or
- have an adverse effect on the operations and financial condition of Sabana REIT.

**Sabana REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.**

Sabana REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs generally or Sabana REIT specifically.

**Sabana REIT may not be able to comply with the terms of the Tax Ruling or the Tax Ruling may be revoked or amended.**

Sabana REIT has received a tax ruling dated 15 October 2010 from the IRAS under which tax transparency has been granted to Sabana REIT in respect of the income derived from its properties (the "**Tax Ruling**"). The Tax Ruling is subject to certain terms and conditions. These include undertakings by the Trustee and the Manager to take all reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the Tax Ruling and to comply with all administrative requirements to ensure ease of tax administration.

The Tax Ruling may be revoked either in part or in whole or its terms may be reviewed and amended by the IRAS at any time.

If the Tax Ruling is revoked or if Sabana REIT is unable to comply with its terms, Sabana REIT will be subject to Singapore tax on its Taxable Income and the tax will be assessed on, and collected from, the Trustee, in which case distributions to all Unitholders will be made after tax.

If Sabana REIT fails to meet the requirement that it distributes at least 90.0% of its Taxable Income, Sabana REIT will be subject to tax on its Taxable Income and the tax will be assessed on, and collected from, the Trustee, in which case distributions to all Unitholders will be made

after tax. Sabana REIT may have to borrow to meet on-going cash flow requirements in order to distribute at least 90.0% of its Taxable Income since it may not have sufficient reserves to draw on, but its ability to borrow is limited by the Property Funds Appendix. Therefore, Sabana REIT may face liquidity constraints.

In addition, if the terms of the Tax Ruling are amended, Sabana REIT may not be able to comply with the new terms imposed and this non-compliance could affect Sabana REIT's tax transparent status and its ability to distribute its Taxable Income free of Singapore tax deduction at source.

**Foreign Unitholders may not be permitted to participate in rights issues or entitlements offerings by Sabana REIT.**

The Trust Deed provides that, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S\$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

**Property yield on real estate to be held by Sabana REIT is not equivalent to distribution yield on the Units.**

Generally, property yield depends on NPI and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties. Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including (i) taxes, (ii) borrowing cost for the borrowings, (iii) management fees and trustee's fee and (iv) other operating costs including administrative fees of Sabana REIT, as compared with the purchase price of the Units.

**The Manager is not obliged to redeem Units.**

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST.

Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request for the repurchase or redemption of Units more than once a year.

**Listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.**

An active public market for the Units may not develop or be sustained after the Rights Issue. The Manager has received in-principle approval from the SGX-ST to have the Rights Units

listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that the trading market for the Units will continue to be active or the liquidity of that market for the Units. Unitholders must be prepared to hold their Units for an indefinite length of time.

**There is no assurance that the Units will remain listed on the SGX-ST.**

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, Sabana REIT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

**Certain provisions of the Singapore Code on Take-overs and Mergers (the “Take-over Code”) could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.**

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate Unitholdings of it and/or parties acting in concert with it results in the aggregate Unitholdings crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

**The price of the Units may decline after the Rights Issue.**

The Issue Price of the Units is determined by agreement between the Manager and the Joint Lead Managers and Underwriters. The Issue Price may not be indicative of the market price for the Units upon completion of the Rights Issue. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of Sabana REIT’s business and investments and the market for commercial properties or real estate-related assets;
- differences between Sabana REIT’s actual financial and operating results and those expected by investors and analysts;
- changes in analysts’ recommendations or projections;
- changes in general economic or market conditions;
- the market value of Sabana REIT’s assets;
- the perceived attractiveness of the Units against those of other equity securities or borrowings, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager’s part to implement successfully its investment and growth strategies;

- foreign exchange rates; and
- broad market fluctuations, including increases in financing costs, borrowing costs and weakness of the equity markets.

Units may trade at prices that are higher or lower than the NAV per Unit. Based on the Issue Price, the discount to the NAV per Unit as at 30 September 2016 was approximately 68.1%. To the extent that Sabana REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of Sabana REIT's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units. Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in Sabana REIT. The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If Sabana REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

**Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.**

Third parties, in particular, Unitholders, may in future have claims against the Manager in connection with the carrying on of its duties as manager of Sabana REIT (including in relation to the Rights Issue and this Offer Information Statement).

Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of Sabana REIT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim.

## **GENERAL INFORMATION**

### **LEGAL AND ARBITRATION PROCEEDINGS**

- (1) To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of Sabana REIT.

### **MATERIAL CONTRACTS**

- (2) There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in Sabana REIT's ordinary course of business, for the period of two years before the date of lodgement of this Offer Information Statement, save for:
  - (i) the Management and Underwriting Agreement dated 20 December 2016 entered into between the Manager and the Joint Lead Managers and Underwriters in relation to the Rights Issue;
  - (ii) the Sponsor Undertaking dated 20 December 2016 provided by the Sponsor to the Manager and the Joint Lead Managers and Underwriters; and
  - (iii) the Khua Individual Undertakings dated 20 December 2016 provided by each of Mr. Khua Hock Su and Mr. Khua Kian Keong separately to the Manager and the Joint Lead Managers and Underwriters.

### **BREACH OF TERMS AND CONDITIONS OR COVENANTS OF CREDIT ARRANGEMENT OR BANK LOAN**

- (3) To the best of the Manager's knowledge and belief, Sabana REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect Sabana REIT's financial position and results or business operations, or the investments by Unitholders.

### **SIGNIFICANT CHANGES**

- (4) Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 September 2016, being the last day of the period covered by the 9M 2016 Unaudited Financial Statements, to the Latest Practicable Date, which may have a material effect on the financial position and results of Sabana REIT.

### **TRADING OF UNITS**

- (5) The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding to the Latest Practicable Date.
- (6) The Manager believes that Units are regularly traded on the SGX-ST.

## **CONSENT FROM INDEPENDENT VALUERS**

- (7) The valuations as set out in the valuation certificates in **Appendix E** of this Offer Information Statement were prepared by Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank Pte Ltd for the purpose of, *inter alia*, incorporation in this Offer Information Statement. Each of Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank Pte Ltd has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion herein of its name and the Valuation Certificate prepared by it and all references thereto in the form and context in which they appear in this Offer Information Statement.

## **CONSENTS FROM JOINT LEAD MANAGERS AND UNDERWRITERS**

- (8) Each of The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Maybank Kim Eng Securities Pte. Ltd. and United Overseas Bank Limited has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Lead Manager and Underwriter to the Rights Issue.

## **AUTHORITY TO ISSUE RIGHTS UNITS**

- (9) The Manager's authority to issue the Rights Units is pursuant to the General Mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 12 April 2016.

## **MISCELLANEOUS**

- (10) Sabana REIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at <http://www.mas.gov.sg>.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of Sabana REIT or investments by Unitholders.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled "Risk Factors" for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

- (11) Other than the Rights Entitlements under the Rights Issue, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Unitholders to Participate in the Rights Issue" for further information.

## GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<b>4Q 2015</b>	:	The fourth quarter of FY2015
<b>9M 2015</b>	:	The nine months ended 30 September 2015
<b>9M 2016</b>	:	The nine months ended 30 September 2016
<b>9M 2016 Unaudited Financial Statements</b>	:	The unaudited financial statements of Sabana REIT for 9M 2016
<b>2013 Private Placement</b>	:	Refers to the private placement of 40,000,000 new Units to raise gross proceeds of S\$40.0 million carried out on 24 September 2013
<b>AACP</b>	:	Atrium Asia Capital Partners Pte. Ltd.
<b>Acquisition Fee Units</b>	:	Acquisition fee of approximately S\$0.2 million to be paid to the Manager in Units for the acquisition of the Changi South Property pursuant to the Trust Deed
<b>Acquisitions</b>	:	The proposed acquisitions of the Properties
<b>Additional Rights Units</b>	:	The additional Excess Rights Units representing up to approximately 8.35% of the Rights Issue to be subscribed for by the Sponsor to the extent that they remain unsubscribed after satisfaction of all applications (if any) for Excess Rights Units
<b>Aggregate Leverage</b>	:	The ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property
<b>ARE</b>	:	The application and acceptance form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
<b>ARS</b>	:	The application and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
<b>ATM</b>	:	Automated teller machine
<b>Authority</b>	:	Monetary Authority of Singapore
<b>Blackwood</b>	:	Blackwood Investment Pte. Ltd.
<b>Board</b>	:	Board of Directors of the Manager
<b>CDP</b>	:	The Central Depository (Pte) Limited

<b>Changi South Call Option Notice Period</b>	:	The period of 10 business days after the Trustee issues its notice to Freight Links of the fulfilment of the conditions precedent in the Changi South Property PCOA
<b>Changi South Property</b>	:	47 Changi South Avenue 2, Singapore 486148
<b>Changi South Property PCOA</b>	:	The conditional put and call option agreement with Freight Links on 15 December 2016 for the acquisition of the Changi South Property
<b>Changi South Purchase Agreement</b>	:	The binding contract between Freight Links and the Trustee for the sale and purchase of the Changi South Property which is deemed to be entered into by Freight Links and the Trustee on the date of the Changi South Property PCOA
<b>CIMB Bank</b>	:	CIMB Bank Berhad, Singapore Branch
<b>Closing Date</b>	:	(i) 18 January 2017 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through CDP); or  (ii) 18 January 2017 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through an ATM of a Participating Bank)
<b>Closing Price</b>	:	The closing price of S\$0.505 per Unit on the SGX-ST on 19 December 2016, being the last trading day of the Units prior to the announcement of the Rights Issue
<b>Commodity Murabaha Facilities</b>	:	Collectively, Term CMF C, Term CMF F, New Term CMF B and New Revolving CMF D
<b>Companies Act</b>	:	The Companies Act, Chapter 50 of Singapore
<b>Convertible Sukuk</b>	:	The S\$80.0 million unsecured convertible sukuk of 4.50% per annum due September 2017
<b>CPF</b>	:	Central Provident Fund
<b>CPF Board</b>	:	Central Provident Fund Board
<b>CPF Funds</b>	:	CPF Investible Savings
<b>CPFIS</b>	:	CPF Investment Scheme

<b>Deposited Property</b>	: 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
<b>Directors</b>	: The directors of the Manager
<b>DPU</b>	: Distribution per Unit
<b>Dual Secured Properties</b>	: 8 Commonwealth Lane and 34 Penjuru Lane
<b>Electronic Application</b>	: Acceptance of the Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
<b>Electronic Application Steps</b>	: The procedures for Electronic Applications as set out in the ATM screens of the relevant Participating Banks
<b>Eligible Unitholders</b>	: Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address in the United States or any jurisdiction in which the offering of Rights Entitlements and Rights Units may not be lawfully made
<b>Enlarged Portfolio</b>	: The properties in the Existing Portfolio and such other Properties that are acquired by Sabana REIT pursuant to the Acquisitions
<b>EPU</b>	: Earnings per Unit
<b>Eunos Ave 3 Call Option Notice Period</b>	: The period of 10 business days after the Trustee issues its notice to General Cars of the fulfilment of the conditions precedent in the Eunos Ave 3 Property PCOA
<b>Eunos Ave 3 Property</b>	: 107 Eunos Avenue 3, Singapore 409837
<b>Eunos Ave 3 Property PCOA</b>	: The conditional put and call option agreement with General Cars on 14 December 2016 for the acquisition of the Eunos Ave 3 Property
<b>Eunos Ave 3 Purchase Agreement</b>	: The binding contract between General Cars and the Trustee for the sale and purchase of the Eunos Ave 3 Property which is deemed to be entered into by General Cars and the Trustee on the date of the Eunos Ave 3 Property PCOA

<b>Eunos Ave 7 Call Option Notice Period</b>	: The period of 10 business days after the Trustee issues its notice to Singapore Handicrafts of the fulfilment of conditions precedent
<b>Eunos Ave 7 Property</b>	: 72 Eunos Avenue 7, Singapore 409570
<b>Eunos Ave 7 Property PCOA</b>	: The conditional put and call option agreement with Singapore Handicrafts on 8 December 2016 for the acquisition of the Eunos Ave 7 Property
<b>Eunos Ave 7 Purchase Agreement</b>	: The binding contract between Singapore Handicrafts and the Trustee for the sale and purchase of the Eunos Ave 7 Property which is deemed to be entered into by Singapore Handicrafts and the Trustee on the date of the Eunos Ave 7 Property PCOA
<b>Eunos Properties</b>	: The Eunos Ave 7 Property and the Eunos Ave 3 Property
<b>Excess Rights Units</b>	: The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements
<b>Existing Portfolio</b>	: The portfolio of properties currently held by Sabana REIT consisting of 21 properties in Singapore (151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 15 Jalan Kilang Barat, 1 Tuas Avenue 4, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 33 & 35 Penjuru Lane, 18 Gul Drive, 34 Penjuru Lane, 51 Penjuru Road, 26 Loyang Drive, 218 Pandan Loop, 3A Joo Koon Circle, 2 Toh Tuck Link, 10 Changi South Street 2, 123 Genting Lane, 30 & 32 Tuas Avenue 8, 39 Ubi Road 1, 21 Joo Koon Crescent and 6 Woodlands Loop)
<b>Existing Rent Payment Scheme</b>	: JTC's current policy (which came into effect on 1 January 2013) governing the sale and assignment of a JTC lease by a lessee to a buyer which is a third party facility provider such as a REIT, if such JTC lease provides for the lessee to pay JTC a yearly rent
<b>Extraordinary General Meeting</b>	: The extraordinary general meeting to be held before 30 June 2017 to seek Unitholders' approval for the acquisition of the Changi South Property
<b>Facilities</b>	: The total facilities of approximately S\$843.0 million comprising the Commodity Murabaha Facilities, Revolving Murabahah Facility, Convertible Sukuk and Multicurrency Trust Certificates Programme

<b>Financial Statements</b>	: The FY2013 Audited Financial Statements, FY2014 Audited Financial Statement, FY2015 Audited Financial Statements and 9M 2016 Unaudited Financial Statements
<b>Foreign Purchasers</b>	: Persons whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
<b>Freight Links</b>	: Freight Links Properties Pte. Ltd.
<b>FY2013</b>	: The financial year from 1 January 2013 to 31 December 2013
<b>FY2013 Audited Financial Statements</b>	: The audited financial statements of Sabana REIT for FY2013
<b>FY2014</b>	: The financial year from 1 January 2014 to 31 December 2014
<b>FY2014 Audited Financial Statements</b>	: The audited financial statements of Sabana REIT for FY2014
<b>FY2015</b>	: The financial year from 1 January 2015 to 31 December 2015
<b>FY2015 Audited Financial Statements</b>	: The audited financial statements of Sabana REIT for FY2015
<b>General Cars</b>	: General Cars Fleet Management Pte Ltd
<b>General Mandate</b>	: The general mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 12 April 2016
<b>Group</b>	: Sabana REIT and its subsidiaries
<b>GST</b>	: Goods and services tax
<b>HDB</b>	: Housing & Development Board
<b>HSBC</b>	: The Hongkong and Shanghai Banking Corporation Limited
<b>HSBC Amanah</b>	: HSBC Amanah Malaysia Berhad
<b>Independent Shari'ah Committee</b>	: The independent Shari'ah committee appointed to provide ongoing advice on Shari'ah compliance by Sabana REIT
<b>Ineligible Unitholders</b>	: Unitholders who are not Eligible Unitholders
<b>IPO</b>	: Initial public offering of Sabana REIT

<b>IRAS</b>	: The Inland Revenue Authority of Singapore
<b>Issue Price</b>	: S\$0.258, being the issue price per Rights Unit
<b>Joint Lead Managers and Underwriters</b>	: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Maybank Kim Eng Securities Pte. Ltd. and United Overseas Bank Limited, as the joint lead managers and underwriters for the Rights Issue
<b>JTC</b>	: JTC Corporation
<b>KHS Units</b>	: The 1,229,000 Units which Mr. Khua Hock Su has a direct interest in as at the Latest Practicable Date
<b>Khua Individual Undertakings</b>	: The irrevocable undertaking provided by each of Mr. Khua Hock Su and Mr. Khua Kian Keong separately to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters
<b>KKK Units</b>	: The 12,988,000 Units which Mr. Khua Kian Keong has a direct interest in as at the Latest Practicable Date
<b>Latest Practicable Date</b>	: 23 December 2016, being the latest practicable date prior to the lodgement of this Offer Information Statement with the Authority
<b>Lian Hup</b>	: Lian Hup Holdings Pte Ltd
<b>Listing Manual</b>	: The Listing Manual of the SGX-ST
<b>LTA</b>	: The Land Transport Authority of Singapore
<b>Management and Underwriting Agreement</b>	: The management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 20 December 2016
<b>Manager</b>	: Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana REIT
<b>Market Day</b>	: Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
<b>Master-tenanted Properties</b>	: 23 Serangoon North Avenue 5, 34 Penjuru Lane and 15 Jalan Kilang Barat
<b>Master Lease Agreements</b>	: The master lease agreements entered into between the Trustee and the Master Lessees in connection with the Master Leases
<b>Master Lease Properties</b>	: The properties in the Existing Portfolio which are under Master Leases
<b>Master Leases</b>	: The master leases of the properties in the Existing Portfolio entered into with Master Lessees

<b>Master Lessees</b>	: The master lessees refers to the master tenants of the following properties in the Existing Portfolio:
	1) 1 Tuas Avenue 4
	2) 33 & 35 Penjuru Lane
	3) 18 Gul Drive
	4) 51 Penjuru Road
	5) 26 Loyang Drive
	6) 3A Joo Koon Circle
	7) 10 Changi South Street 2
	8) 30 & 32 Tuas Avenue 8
	9) 39 Ubi Road 1
	10) 21 Joo Koon Crescent
	11) 6 Woodlands Loop
<b>Maybank</b>	: Malayan Banking Berhad, Singapore Branch
<b>MERS</b>	: Middle East Respiratory Syndrome
<b>MTI</b>	: Ministry of Trade and Industry
<b>Multicurrency Trust Certificates 1</b>	: The S\$90.0 million 4.00% fixed periodic distribution trust certificates issued on 19 March 2014 and due on 19 March 2018 pursuant to the Multicurrency Trust Certificates Programme
<b>Multicurrency Trust Certificates 2</b>	: The S\$100.0 million 4.25% fixed periodic distribution trust certificates issued on 3 October 2014 and due on 3 April 2019 pursuant to the Multicurrency Trust Certificates Programme
<b>Multicurrency Trust Certificates Programme</b>	: Multicurrency Islamic Trust Certificates Programme established on 16 April 2013
<b>NAV</b>	: Net asset value
<b>NLA</b>	: Net lettable area
<b>New Revolving CMF D</b>	: 3.5-year revolving Commodity Murabaha facility of up to S\$18.0 million due February 2020 to re-finance and replace the existing Revolving Commodity Murabaha Facility D
<b>New Term CMF B</b>	: 3.5-year Commodity Murabaha facility of up to S\$90.0 million due February 2020 to re-finance the existing Term Commodity Murabaha Facility B

<b>Non-permissible Activities</b>	: Activities which are non-permissible under the Shari'ah Guidelines
<b>Non-recurring Finance Costs</b>	: Non-recurring break costs and unamortised transaction costs being written off and termination of the profit rate swaps associated with the refinancing of certain existing term facilities under the Original Master Murabaha Agreement
<b>NPI</b>	: Net property income
<b>Offer Information Statement</b>	: This offer information statement to Unitholders dated 30 December 2016
<b>OOE</b>	: The outgoings and operating expenses expected to be incurred by the General Cars in providing property management and maintenance and leasing services to the Trustee, as owner of the Eunos Ave 3 Property
<b>Original Master Murabaha Agreement</b>	: The master murabaha agreement dated 9 November 2010 between the Trustee, HSBC, and HSBC Amanah as amended and restated on 17 November 2011, 23 August 2012 and 12 November 2013
<b>Participating Banks</b>	: The banks as set out in <b>Appendix D</b> of this Offer Information Statement
<b>PRC</b>	: People's Republic of China
<b>Prospectus</b>	: The prospectus dated 22 November 2010 in connection with the listing of Sabana REIT on the SGX-ST
<b>Properties</b>	: The Eunos Ave 7 Property, the Eunos Ave 3 Property and the Changi South Property
<b>Property Funds Appendix</b>	: Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts
<b>Property Manager</b>	: Sabana Property Management Pte. Ltd., as the property manager of Sabana REIT
<b>Pro Rata Allocation</b>	: The provisional allotment of Rights Units for each of Mr. Khua Hock Su and Mr. Khua Kian Keong
<b>Purchasers</b>	: The purchasers of the Rights Entitlements
<b>Put Option Date</b>	: The date, being 24 September 2015, that holders of S\$29.75 million in aggregate principal amount of Convertible Sukuk exercised their put option pursuant to Condition 12(g) of the terms and conditions of the Convertible Sukuk
<b>REIT</b>	: Real estate investment trust

<b>Relevant Particulars</b>	: Information pertaining to an Applicant's Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information
<b>Relevant Parties</b>	: The Manager and any other relevant parties as CDP may deem fit that CDP is authorised to give the Relevant Information to in an Electronic Application
<b>Rental Income</b>	: Net rental income, after rent rebates and provisions for rent free periods
<b>Rental Support Amount</b>	: The rental income support sum (subject to an aggregate maximum of S\$6,309,616.70) that General Cars agreed to provide to the Trustee (as landlord of the Eunoz Ave 3 Property), in accordance with the Eunoz Ave 3 Property PCOA
<b>Revolving CMF D</b>	: The three-year revolving Commodity Murabaha Facility of up to S\$48.0 million due November 2016
<b>Revolving Murabahah Facility</b>	: The three-year term revolving Commodity Murabahah facility of up to S\$50.0 million due September 2018
<b>Rights Entitlements</b>	: The provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
<b>Rights Issue</b>	: The issue of new Units on a renounceable basis to Eligible Unitholders on the basis of the Rights Ratio at the Issue Price
<b>Rights Issue Books Closure Date</b>	: 5.00 p.m. on 29 December 2016 being the time and date on which the Transfer Books and Register of Unitholders are closed to determine the Rights Entitlements of Eligible Unitholders under the Rights Issue
<b>Rights Ratio</b>	: The rights ratio of 42 Rights Unit for every one hundred (100) existing Units standing to the credit of an Eligible Unitholders' Securities Account as at the Rights Issue Books Closure Date
<b>Rights Units</b>	: The new Units to be issued by the Manager pursuant to the Rights Issue
<b>Sabana REIT</b>	: Sabana Shari'ah Compliant Industrial Real Estate Investment Trust, a unit trust constituted in the Republic of Singapore pursuant to the Trust Deed (as amended)
<b>SARS</b>	: Severe Acute Respiratory Syndrome

<b>Securities Account</b>	: A securities account maintained by a Depositor with CDP (but does not include securities sub-accounts)
<b>Securities Act</b>	: U.S. Securities Act of 1933, as amended
<b>Securitised Properties</b>	: The investment properties of Sabana REIT mortgaged for the purposes of the Commodity Murabaha Facilities
<b>SFA</b>	: Securities and Futures Act, Chapter 289 of Singapore
<b>SGXNET</b>	: An internet-based corporate announcement submission system maintained by the SGX-ST
<b>SGX-ST</b>	: Singapore Exchange Securities Trading Limited
<b>Shari'ah Certification</b>	: The endorsement statement of the Independent Shari'ah Committee certifying that Sabana REIT is Shari'ah compliant
<b>Shari'ah Guidelines</b>	: The guidelines issued by the Independent Shari'ah Committee to be observed by the Manager to ensure that Sabana REIT is and will continue to be Shari'ah compliant
<b>Singapore Enterprises</b>	: Singapore Enterprises Private Limited
<b>Singapore Government</b>	: The government of the Republic of Singapore
<b>Singapore Handicrafts</b>	: Singapore Handicrafts Pte Ltd
<b>SIP</b>	: Sabana Investment Partners Pte. Ltd.
<b>Sponsor</b>	: Vibrant Group Limited
<b>Sponsor Entities</b>	: The Sponsor, the Manager and Singapore Enterprises
<b>Sponsor Entities' Pro Rata Allocation</b>	: The Sponsor Entities' respective provisional allocation of Rights Units
<b>Sponsor Undertaking</b>	: The irrevocable undertaking provided by the Sponsor to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters
<b>Sponsor Units</b>	: The 75,534,692 Units which the Sponsor has an aggregate interest in, directly and through the Manager and Singapore Enterprises as at the Latest Practicable Date
<b>sq m</b>	: square metres
<b>sq ft</b>	: square feet
<b>SRS</b>	: Supplementary Retirement Scheme

<b>SRS Account</b>	: An account opened by a participant in the SRS from which money may be withdrawn for, <i>inter alia</i> , payment of the Issue Price of the Rights Units and/or, excess Rights Units
<b>Substantial Unitholders</b>	: Unitholders with interests in not less than 5.0% of all Units in issue
<b>Sub-tenant Rent</b>	: The aggregate rent, service charge, facilities fees and licence fees payable by all existing occupiers of the Eunos Ave 7 Property
<b>Sukukholders</b>	: Holders of the Convertible Sukuk
<b>T-Pin</b>	: Telephone Pin
<b>Take-over Code</b>	: Singapore Code on Take-overs and Mergers
<b>Tax Ruling</b>	: The tax ruling dated 15 October 2010 issued by IRAS on the taxation of Sabana Shari'ah Compliant REIT and its Unitholders
<b>Taxable Income</b>	: Income chargeable to tax after deduction of the allowable expenses incurred
<b>Term CMF B</b>	: Refers to the two-year term Commodity Murabaha Facility of up to S\$90.0 million due November 2016
<b>Term CMF C</b>	: Refers to the five-year Commodity Murabaha Facility of up to S\$30.0 million due November 2019
<b>Term CMF F</b>	: Refers to the five-year term Commodity Murabaha Facility of up to S\$75.0 million due August 2017
<b>TERP</b>	: The theoretical ex-rights price of S\$0.432 per Unit which is calculated as follows: $\text{TERP} = \frac{\text{Market capitalisation of Sabana REIT}^1 + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$
<b>TOP</b>	: Temporary Occupation Permit
<b>Top Up Payment</b>	: Sum equal to the difference between the NPI of the Eunos Ave 3 Property NPI for the year and the guaranteed NPI for the relevant year
<b>Total Acquisition Cost</b>	: The Total Purchase Consideration, the Acquisition Fees, and the estimated stamp duty, upfront land premium, professional and other fees and expenses incurred or to be incurred by Sabana REIT in connection with the Acquisitions

<sup>1</sup> Based on the Closing Price.

<b>Total Purchase Consideration</b>	: Aggregate purchase consideration of the Eunost Ave 7 Property, the Eunost Ave 3 Property and the Changi South Property
<b>Transactions</b>	: The Acquisitions (including the leaseback arrangements) and the Rights Issue
<b>Transaction Slip</b>	: The ATM transaction slip confirming details of an Applicant's Electronic Application
<b>Trust Certificates</b>	: Islamic trust certificates given pursuant to the Multicurrency Islamic Trust Certificates Programme
<b>Trust Deed</b>	: The trust deed dated 29 October 2010 constituting Sabana REIT entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
<b>Trustee</b>	: HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana REIT
<b>UOB</b>	: United Overseas Bank Limited
<b>U.S.</b>	: United States of America
<b>Unit(s)</b>	: An undivided interest in Sabana REIT as provided for in the Trust Deed
<b>Unitholder(s)</b>	: The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
<b>Unit Registrar</b>	: Boardroom Corporate & Advisory Services Pte. Ltd.
<b>Unit Share Market</b>	: Refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
<b>Vendors</b>	: General Cars, Singapore Handicrafts and Freight Links
<b>Vibrant Capital</b>	: Vibrant Capital Pte. Ltd.
<b>WALE</b>	: Weighted average lease expiry
<b>%</b>	: Per centum or percentage

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms "Depositor" and "Depository Agent" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act. Any references to the Manager shall refer to it acting in its capacity as manager of Sabana REIT, unless the context of the statement otherwise requires.

Any reference in this Offer Information Statement, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any words defined in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or any modification thereof and used in this Offer Information Statement, the ARE or the ARS shall, where applicable, have the same meaning ascribed to it in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

**CERTAIN FINANCIAL INFORMATION RELATING TO SABANA REIT**

Selected financial data from the FY2013 Audited Financial Statements, the FY2014 Audited Financial Statements, the FY2015 Audited Financial Statements and the 9M 2016 Unaudited Financial Statements including the line items in the consolidated statements of total return and distribution statements, consolidated statements of financial position and consolidated statements of cash flows of the Group, is set out in this Appendix. Financial data relating to (i) DPU, (ii) pro forma DPU to reflect the Transactions, (iii) EPU, (iv) adjusted EPU to reflect the Rights Issue only, (v) pro forma EPU to reflect the Transactions, (vi) adjusted NAV per Unit to reflect the Rights Issue and (vii) pro forma NAV per Unit to reflect the Transactions are also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Sabana REIT at <http://www.sabana-reit.com> and are also available for inspection during normal business hours at the registered office of the Manager at 151 Lorong Chuan, #02-03 New Tech Park, Singapore 556741, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement<sup>1</sup>.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of Sabana REIT does not constitute part of this Offer Information Statement.

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<sup>1</sup> Prior appointment with the Manager will be appreciated.

## CONSOLIDATED STATEMENTS OF TOTAL RETURN

	Unaudited 9M 2016	Audited FY2015	Audited FY2014	Audited FY2013
	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue .....	69,267	100,824	100,342	89,485
Property expenses .....	(26,219)	(29,219)	(27,396)	(9,125)
<b>Net property income .....</b>	<b>43,048</b>	<b>71,605</b>	<b>72,946</b>	<b>80,360</b>
Finance income .....	187	130	82	61
Finance costs .....	(15,714)	(21,548)	(24,565)	(20,310)
<b>Net finance costs .....</b>	<b>(15,527)</b>	<b>(21,418)</b>	<b>(24,483)</b>	<b>(20,249)</b>
Amortisation of intangible assets .....	—	(447)	(1,383)	(1,427)
Manager's fees .....	(4,047)	(6,263)	(6,173)	(5,868)
Trustee's fees .....	(344)	(544)	(520)	(488)
Donation of non-Shari'ah compliant income .....	(82)	(63)	(54)	(131)
Other trust expenses .....	(857)	(1,209)	(1,225)	(1,415)
Loss on conversion of Convertible Sukuk ..	—	—	—	(1,228)
Loss on exercise of put option on Convertible Sukuk by Sukukholders .....	—	(648)	—	—
	<b>(5,330)</b>	<b>(8,727)</b>	<b>(7,972)</b>	<b>(9,130)</b>
<b>Net income .....</b>	<b>22,191</b>	<b>41,013</b>	<b>39,108</b>	<b>49,554</b>
Net change in fair value of financial derivatives .....	(1,516)	2,259	5,298	1,393
Net change in fair value of investment properties .....	(50,843)	(116,708)	(7,501)	12,441
Loss on divestment of investment properties .....	(558)	—	—	—
<b>Total return for the period/year before taxation and distribution .....</b>	<b>(30,726)</b>	<b>(73,436)</b>	<b>36,905</b>	<b>63,388</b>
Tax expense .....	*	*	*	*
<b>Total return for the period/year after taxation and before distribution ..</b>	<b>(30,726)</b>	<b>(73,436)</b>	<b>36,905</b>	<b>63,388</b>

\* Less than S\$1,000

	Unaudited 9M 2016	Audited FY2015	Audited FY2014	Audited FY2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>EPU as reported (cents)</b>				
- Basic .....	(4.18)	(10.07)	5.30	9.64
- Diluted .....	(4.18) <sup>(1)</sup>	(10.07) <sup>(1)</sup>	5.08	9.64 <sup>(1)</sup>
<b>Adjusted EPU for the Rights Issue only (cents)</b>				
- Basic .....	(2.94) <sup>(2)</sup>	(7.06) <sup>(3)</sup>	NA	NA
- Diluted .....	(2.94) <sup>(1),(2)</sup>	(7.06) <sup>(1),(3)</sup>	NA	NA
<b>Pro forma EPU for the Transactions (cents)</b>				
- Basic .....	(2.96) <sup>(4)</sup>	(6.94) <sup>(5)</sup>	NA	NA
- Diluted .....	(2.96) <sup>(1),(4)</sup>	(6.94) <sup>(1),(5)</sup>	NA	NA

*Notes:*

- <sup>(1)</sup> The diluted EPU were the same as the basic EPU as the Convertible Sukuk was anti-dilutive.
- <sup>(2)</sup> Adjusted on the assumption that (i) the Rights Issue was completed on 1 January 2016, (ii) 310,712,244 Rights Units issued and (iii) the net proceeds of approximately S\$76.8 million being used for Sabana REIT's cash balance.
- <sup>(3)</sup> Adjusted on the assumption that (i) the Rights Issue was completed on 1 January 2015, (ii) 310,712,244 Rights Units issued and (iii) the net proceeds of approximately S\$76.8 million being used for Sabana REIT's cash balance.
- <sup>(4)</sup> Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 1 January 2016 and Properties were held through to 30 September 2016. This includes (i) 310,712,244 Rights Units issued, (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units and (iii) approximately 0.6 million Units issued and issuable to the Manager as 80% of the base management fees for 9M 2016.
- <sup>(5)</sup> Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 1 January 2015 and Properties were held through to 31 December 2015. This includes (i) 310,712,244 Rights Units issued (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units and (iii) approximately 0.8 million Units issued and issuable to the Manager as 80% of the base management fees for FY2015.

## CONSOLIDATED DISTRIBUTION STATEMENTS

	Unaudited 9M 2016	Audited FY2015	Audited FY2014	Audited FY2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Total return for the period/year after taxation and before distribution . . . . .</b>	<b>(30,726)</b>	<b>(73,436)</b>	<b>36,905</b>	<b>63,388</b>
Non-tax deductible/(chargeable) items . . . . .	<u>58,417</u>	<u>123,571</u>	<u>14,719</u>	<u>(1,633)</u>
<b>Income available for distribution for the period/year . . . . .</b>	<b><u>27,691</u></b>	<b><u>50,135</u></b>	<b><u>51,624</u></b>	<b><u>61,755</u></b>
<b>DPU as reported (cents) . . . . .</b>	3.76	6.85	7.33	9.38
<b>Pro forma DPU for the Transactions (cents) . . . . .</b>	3.09 <sup>(1)</sup>	5.41 <sup>(2)</sup>	NA	NA

*Notes:*

- <sup>(1)</sup> Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 1 January 2016 and held the Properties through to 30 September 2016.
- <sup>(2)</sup> Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 1 January 2015 and held the Properties through to 31 December 2015.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited	Audited
	30 September 2016	31 December 2015
	S\$'000	S\$'000
<b>Non-current assets</b>		
Investment properties .....	1,027,900	1,090,200
	<b>1,027,900</b>	<b>1,090,200</b>
<b>Current assets</b>		
Investment properties held for divestment .....	13,000	54,600
Derivative assets .....	—	403
Trade and other receivables .....	10,582	9,758
Cash and cash equivalents .....	8,817	10,438
	<b>32,399</b>	<b>75,199</b>
<b>Total assets</b> .....	<b>1,060,299</b>	<b>1,165,399</b>
<b>Current liabilities</b>		
Trade and other payables .....	11,271	14,438
Borrowings .....	128,211	147,288
Derivative liabilities .....	829	2
	<b>140,311</b>	<b>161,728</b>
<b>Non-current liabilities</b>		
Trade and other payables .....	15,622	15,928
Borrowings .....	307,492	333,796
Derivative liabilities .....	492	206
	<b>323,606</b>	<b>349,930</b>
<b>Total liabilities</b> .....	<b>463,917</b>	<b>511,658</b>
<b>Net assets</b> .....	<b>596,382</b>	<b>653,741</b>
Represented by:		
<b>Unitholders' funds</b> .....	<b>596,382</b>	<b>653,741</b>
<b>As reported</b>		
Units issued and to be issued ('000) .....	739,791	734,027
NAV per Unit (S\$) .....	0.81	0.89
<b>Adjustment made for Rights Issue only</b>		
Adjusted Units issued and to be issued ('000) .....	1,050,503 <sup>(1)</sup>	1,044,739 <sup>(2)</sup>
Adjusted NAV per Unit (S\$) .....	0.64 <sup>(1)</sup>	0.70 <sup>(2)</sup>
<b>Pro forma effects of the Transactions</b>		
Pro forma Units issued and to be issued ('000) .....	1,051,035 <sup>(3)</sup>	1,045,271 <sup>(4)</sup>
Pro forma NAV per Unit (S\$) .....	0.64 <sup>(3)</sup>	0.69 <sup>(4)</sup>

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*Notes:*

- (1) Adjusted on the assumption that (i) the Rights Issue was completed on 30 September 2016, (ii) 310,712,244 Rights Units issued and (iii) the net proceeds of approximately S\$76.8 million being used for Sabana REIT's cash balance.
- (2) Adjusted on the assumption that (i) the Rights Issue was completed on 31 December 2015, (ii) 310,712,244 Rights Units issued and (iii) the net proceeds of approximately S\$76.8 million being used for Sabana REIT's cash balance.
- (3) Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 30 September 2016. This includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units.
- (4) Adjusted for the pro forma financial effects of the Transactions, as if the Transactions were completed on 31 December 2016. This includes (i) 310,712,244 Rights Units issued and (ii) approximately 0.5 million Units issued to the Manager as Acquisition Fee Units.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Unaudited	Audited
	9M 2016	FY2015
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total return for the year after taxation and before distribution . .	(30,726)	(73,436)
Adjustments for:		
Amortisation of intangible assets . . . . .	—	447
Manager's fees paid/payable in Units . . . . .	3,238	5,011
Net change in fair value of financial derivatives . . . . .	1,516	(2,259)
Net change in fair value of investment properties . . . . .	50,843	116,708
Loss on divestment of investment properties . . . . .	558	—
Loss on exercise of put option on Convertible Sukuk by Sukukholders . . . . .	—	648
Net finance costs . . . . .	15,527	21,418
	40,956	68,537
Change in trade and other receivables . . . . .	(824)	(1,039)
Change in trade and other payables . . . . .	(1,698)	2,438
Cash generated from operating activities . . . . .	38,434	69,936
Ta'widh (compensation of late payment of rent) received . . . . .	162	65
<b>Net cash from operating activities . . . . .</b>	<b>38,596</b>	<b>70,001</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties . . . . .	(1,543)	(1,455)
Divestment of investment properties . . . . .	54,600	—
Profit income received from Islamic financial institutions . . . . .	25	65
<b>Net cash from/(used in) investing activities . . . . .</b>	<b>53,082</b>	<b>(1,390)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings . . . . .	101,900	29,500
Repayment of borrowings . . . . .	(148,000)	(29,750)
Issue expenses paid . . . . .	—	(40)
Transaction costs paid . . . . .	(1,244)	(446)
Finance costs paid . . . . .	(16,084)	(19,345)
Distributions paid . . . . .	(29,871)	(50,379)
<b>Net cash used in financing activities . . . . .</b>	<b>(93,299)</b>	<b>(70,460)</b>
<b>Net decrease in cash and cash equivalents . . . . .</b>	<b>(1,621)</b>	<b>(1,849)</b>
Cash and cash equivalents at beginning of the period/year . . . .	10,438	12,287
<b>Cash and cash equivalents at end of the period/year . . . . .</b>	<b>8,817</b>	<b>10,438</b>

**PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND  
APPLICATION FOR RIGHTS UNITS AND/OR EXCESS RIGHTS UNITS BY  
ELIGIBLE UNITHOLDERS**

**1. INTRODUCTION**

- 1.1 Eligible Unitholders are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank shall, where the Eligible Unitholder is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions in the ARE.

The number of Rights Entitlements allotted to each Eligible Unitholder is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Eligible Unitholders have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Unitholders may accept their Rights Entitlements in whole or in part and are eligible to apply for Excess Rights Units under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Entitlements and payment for Excess Rights Units are set out in this Offer Information Statement as well as the ARE.

- 1.3 If an Eligible Unitholder wishes to accept his Rights Entitlements specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units in addition to the Rights Entitlements allotted to him, he may do so by completing and signing the relevant sections of the ARE or by way of an Electronic Application. An Eligible Unitholder should ensure that the ARE is accurately completed and signed, failing which the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may be rejected.

For and on behalf of the Manager, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the relevant Securities Account is not credited with, or is credited with less than, the relevant number of Rights Units accepted as at the last date and time for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ELIGIBLE UNITHOLDER MAY ACCEPT HIS RIGHTS ENTITLEMENTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS UNITS EITHER THROUGH CDP AND / OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK AS DESCRIBED BELOW. WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units and/or Excess Rights Units in relation to the Rights Issue, or is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or is accompanied by an improperly or insufficiently drawn remittance, or does not comply with the instructions for Electronic Application, or where the “Free Balance” of the Eligible Unitholder’s Securities Account is not credited with or is credited with less than the relevant number of Rights Units accepted as at the last date and time for acceptance of and excess application and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and, where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of Rights Units and (if applicable) application for Excess Rights Units.

- 1.4 Persons who have previously bought their Units under the CPF Investment Scheme — Ordinary Account (collectively, “CPFIS Members”) can only use, subject to applicable CPF rules and regulations, their CPF account savings (“CPF Funds”) for the payment of the Issue Price to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units. CPFIS Members who wish to accept their provisional allotments of Rights Units and (if applicable) apply for Excess Rights Units using CPF Funds will need to instruct their respective approved banks, where such CPFIS Members hold their CPF Investment Accounts, to accept the Rights Entitlements and (if applicable) apply for the Excess Rights Units on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Entitlements and (if applicable) apply for excess Rights Units. Any acceptance and (if applicable) application made directly to CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Units directly from the market.**

**SRS investors who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and/or apply for Excess Rights**

**Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the Rights Entitlements directly from the market.**

- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Eligible Unitholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## **2. MODE OF ACCEPTANCE AND APPLICATION**

### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs of the Participating Banks to accept the Rights Entitlements or (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix C** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

**IF AN ELIGIBLE UNITHOLDER MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ELIGIBLE UNITHOLDER WHO HAS ACCEPTED THE RIGHTS ENTITLEMENTS BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS UNITS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE MANAGER AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE MANAGER AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

### **2.2 Acceptance/Application through CDP**

If the Eligible Unitholder wishes to accept the Rights Entitlements and (if applicable) apply for Excess Rights Units through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part (A) of Section II of the ARE the number of Rights Units accepted, in Part (B) of Section II of the ARE the number of Excess Rights Units applied for and in Section II of the ARE the respective and total amounts to be made payable to **“CDP — SABANA REIT RIGHTS ISSUE ACCOUNT”**; and

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for:
- (i) by hand to **SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or a Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SABANA REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

**FOR SRS INVESTORS AND INVESTORS WHO HOLD UNITS THROUGH FINANCE COMPANIES OR DEPOSITORY AGENTS, ACCEPTANCES OF THE RIGHTS UNITS AND (IF APPLICABLE) APPLICATIONS FOR EXCESS RIGHTS UNITS MUST BE DONE THROUGH THE RELEVANT APPROVED BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS AND THE RESPECTIVE FINANCE COMPANIES OR DEPOSITORY AGENTS, RESPECTIVELY. SUCH INVESTORS ARE ADVISED TO PROVIDE THEIR RESPECTIVE BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS, FINANCE COMPANIES OR DEPOSITORY AGENTS, AS THE CASE MAY BE, WITH THE APPROPRIATE INSTRUCTIONS NO LATER THAN THE DEADLINES SET BY THEM IN ORDER FOR SUCH INTERMEDIARIES TO MAKE THE RELEVANT ACCEPTANCE AND (IF APPLICABLE) APPLICATION ON THEIR BEHALF BY THE CLOSING DATE. ANY ACCEPTANCE AND/OR APPLICATION MADE DIRECTLY THROUGH CDP, ELECTRONIC APPLICATIONS AT ATMS OF PARTICIPATING BANKS, THE UNIT REGISTRAR AND/OR THE MANAGER WILL BE REJECTED.**

**WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, HE MAY MAKE HIS ACCEPTANCE VIA THE SGX-SSH SERVICE.**

### 2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept Rights Entitlements and (if applicable) apply for Excess Rights Units through the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Manager to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and submitted to CDP.

### 2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights Entitlements accepted by the Eligible Unitholder and (if applicable) the Excess Rights Units applied for by the Eligible Unitholder, the attention of the Eligible Unitholder is drawn to paragraphs 1.3 and 5.2 of this **Appendix B** which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf whether under the ARE, the ARS or any other application form for Rights Units in relation to the Rights Issue.

### 2.5 Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements

An Eligible Unitholder may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Entitlements which he wishes to accept and submit the signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his Rights Entitlements by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his Rights Entitlements may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the Rights Entitlements trading period should note that the Rights Entitlements will be tradable in board lots of 100 Rights Entitlements, or any other board lot size which the SGX-ST may require. Such Eligible Unitholders may start trading in their Rights Entitlements as soon as dealings therein commence on the SGX-ST. Eligible Unitholders who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Entitlements trading period.

### 2.6 Sale and Transfer of Rights Entitlements

The ARE need not be forwarded to the purchasers of the Rights Entitlements ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should

ensure that their ARS are accurately completed and signed, failing which their acceptances of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Unit Registrar, for the period up to **5.00 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). Purchasers should also note that if they make any purchase on or around the last trading day of the Rights Entitlements, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Units. You may obtain a copy from The Central Depository (Pte) Limited. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Subject to compliance with applicable laws, Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH RIGHTS ENTITLEMENTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS ENTITLEMENTS REPRESENTED BY THE RIGHTS ENTITLEMENTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE RIGHTS ENTITLEMENTS ON THEIR BEHALF.**

## 2.7 Renunciation of Rights Entitlements

Eligible Unitholders who wish to renounce in full or in part their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP, and for the renounee to accept his Rights Entitlements. The last date and time for acceptance of the Rights Entitlements and payment for the Rights Units by the renounee is **5.00 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

## 2.8 Acceptance/Application using CPF Funds

Unitholders participating in the CPFIS — Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Funds.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

## 2.9 Acceptance/Application using SRS Funds

**Unitholders with SRS Accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.**

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies will need to instruct the relevant SRS Bank to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf and make sure that they have sufficient funds in their SRS Accounts to pay for the number of Rights Units (including, if applicable, the Excess Rights Units) for which they intend to subscribe. They may also partially accept their Rights Entitlements and/or instruct their respective brokers to sell their Rights Entitlements held under their SRS Accounts during the Rights Entitlements trading period on the SGX-ST.

Unitholders who have insufficient funds in their SRS Accounts to fully accept their Rights Entitlements and/or apply for Excess Rights Units and who have:

- (a) **not reached their SRS contribution cap** may, subject to the SRS contribution cap, deposit cash into their SRS Accounts and (i) instruct their respective SRS Banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf, to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts after the said deposit to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.
- (b) **reached their SRS contribution cap** may instruct their respective SRS Banks to (i) accept their Rights Entitlements and (if applicable) apply for Excess Rights Units to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.

If a Unitholder instructs the relevant SRS Bank to subscribe for Rights Units and (if applicable) apply for Excess Rights Units offered under the Rights Issue and he does not have sufficient funds in his SRS Account to pay for the number of Rights Units which he intends to subscribe, his acceptance of Rights Entitlements under the Rights Issue and, if applicable, application for Excess Rights Units will be made in part to the extent of the funds available in his SRS Account with the balance rejected.

**SRS monies may not be used for the purchase of Rights Entitlements directly from the market.**

**Any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected.**

#### **2.10 Acceptance/Application via Finance Company and/or Depository Agent**

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

**Any acceptance and (if applicable) application made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.**

#### **2.11 Return of Surplus Application Monies**

In the case of applications for Excess Rights Units, if no Excess Rights Units are allotted to an Eligible Unitholder or if the number of Excess Rights Units allotted to an Eligible Unitholder is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to the Eligible Unitholder without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Units, at the Eligible Unitholder's own risk by any one or a combination of the following: (i) by crediting the Eligible Unitholder's bank account with the relevant Participating Bank if the Eligible Unitholder accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder; or (ii) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent **BY ORDINARY POST AT THE ELIGIBLE UNITHOLDER'S OWN RISK** to the Eligible Unitholder's mailing address as recorded with CDP or in such other manner as the Eligible Unitholder may have agreed with CDP for the payment of any cash distributions, if the Eligible Unitholder accepts and (if applicable) applies through CDP.

### **3. COMBINATION APPLICATION**

In the event that the Eligible Unitholder or the Purchaser accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder or the Purchaser shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or (if applicable) any other acceptance of Rights Entitlements and/or application for Excess Rights Units (including an Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

#### 4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Eligible Unitholder has 1,000 Units standing to the credit of his Securities Account as at the Rights Issue Books Closure Date, the Eligible Unitholder will be provisionally allotted 420 Rights Units as set out in his ARE. The Eligible Unitholder's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

##### Alternatives Procedures to be taken

Alternatives	Procedures to be taken
(a) Accept in full his entire Rights Entitlements and (if applicable) apply for Excess Rights Units	<p><b>By way of Electronic Application</b></p> <p>(1) Accept his entire 420 Rights Entitlements and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or</p> <p><b>Through CDP</b></p> <p>(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his 420 Rights Entitlements and (if applicable) the number of Excess Rights Units applied for and forward the original signed ARE together with a single remittance for S\$108.36 (or, if applicable, such higher amount in respect of the total number of Rights Units accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "<b>CDP — SABANA REIT RIGHTS ISSUE ACCOUNT</b>" and crossed "<b>NOT NEGOTIABLE, A/C PAYEE ONLY</b>" for the full amount due on acceptance and (if applicable) application, by hand to <b>SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588</b> or by post, <b>AT HIS OWN RISK</b>, in the self-addressed envelope provided to <b>SABANA REIT REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147</b> so as to arrive not later than <b>5.00 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p> <p><b>NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.</b></p>

Alternatives	Procedures to be taken
<p>(b) Accept a portion of his Rights Entitlements, for example 100 of his 420 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST</p>	<p><b>By way of Electronic Application</b></p> <p>(1) Accept 100 of his 420 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or</p> <p><b>Through CDP</b></p> <p>(2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his 100 of his 420 Rights Entitlements, and forward the original signed ARE, together with a single remittance for S\$25.80 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than <b>5.00 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).</p> <p>The balance of the 320 Rights Entitlements which are not accepted by the Eligible Unitholder may be traded on the SGX-ST during the Rights Entitlements trading period. <b>Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, with each board lot comprising 100 Rights Entitlements. Eligible Unitholders who wish to trade in other lot sizes can do so on the SGX-ST's Unit Share Market during the Rights Entitlements trading period.</b></p>
<p>(c) Accept a portion of his Rights Entitlements, for example 100 of his 420 Rights Entitlements, and reject the balance.</p>	<p><b>By way of Electronic Application</b></p> <p>(1) Accept 100 of his 420 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or</p> <p><b>Through CDP</b></p> <p>(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of 100 of his 420 Rights Entitlements, and forward the ARE, together with a single remittance for S\$25.80 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than <b>5.00 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).</p> <p>The balance of his 320 Rights Entitlements which is not accepted by the Eligible Unitholder will automatically lapse and cease to be available for acceptance by that Eligible Unitholder if an acceptance is not made through an ATM of a Participating Bank by <b>9.30 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), or if an acceptance is not made through CDP by <b>5.00 p.m. on 18 January 2017</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).</p>

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCE OF RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT FOR THE RIGHTS UNITS IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) **9.30 P.M. ON 18 JANUARY 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) **5.00 P.M. ON 18 JANUARY 2017 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units and payment in the prescribed manner as set out in this Offer Information Statement, the ARE and the ARS (as the case may be) is not received through an ATM of the Participating Banks by **9.30 p.m. on 18 January 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through CDP by **5.00 p.m. on 18 January 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Eligible Unitholder or Purchaser, the Rights Entitlements that have been offered shall be deemed to have been declined and shall forthwith lapse and become void, and such Rights Entitlements not so accepted will be used to satisfy applications for Excess Rights Units, if any, or be otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit, in the interests of Sabana REIT. All monies received subsequent to the dates and times specified above will be returned by CDP for and on behalf of the Manager to the Eligible Unitholders or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ELIGIBLE UNITHOLDER'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

**IF ANY ELIGIBLE UNITHOLDER OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

### 5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix, an Eligible Unitholder should note that:

- (a) by accepting his Rights Entitlements and/or applying for Excess Rights Units, he acknowledges that, in the case where:
  - (i) the amount of remittance payable to the Manager in respect of his acceptance of the Rights Entitlements and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Units in relation to the Rights Issue differs from the amount actually received by CDP; or

- (ii) the amounts as stated in Parts (A) and (B) of Section II in the ARE, the ARS and/or in any other application form for Rights Units in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Entitlements and (if applicable) in respect of his application for the Excess Rights Units,

the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Units; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. The determination and appropriation by the Manager and CDP shall be conclusive and binding;

- (b) if he has attached a remittance to the ARE, the ARS and/or any other application form for Rights Units made through CDP, he would have irrevocably authorised the Manager and CDP, in applying the amounts payable for his acceptance of the Rights Units and (if applicable) his application for Excess Rights Units, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP; and
- (c) in the event that the Eligible Unitholder accepts the Rights Units by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of an Electronic Application, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Rights Units (including Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3 Availability of Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. Applications for Excess Rights Units will, at the Directors' absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the Rights Entitlements together with the aggregated fractional entitlements to the Rights Units, any unsold Rights Entitlements (if any) of Foreign Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of Sabana REIT. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, and Substantial Unitholders and Directors, who have control or influence over the Sabana REIT in connection with the day-to-day affairs of the Sabana REIT or the terms of the Rights Issue, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason

whatsoever. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Eligible Unitholders, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Rights Units, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Manager and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Units through CDP).

#### 5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of Rights Entitlements is made by the Eligible Unitholders or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — SABANA REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Eligible Unitholders or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, at the sender's own risk, to **SABANA REAL ESTATE INVESTMENT MANAGEMENT PTE. LTD., AS MANAGER OF SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Units is effected by **5.00 P.M. ON 18 JANUARY 2017** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Eligible Unitholders or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED UNITHOLDER'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

#### 5.5 Confirmation Note

A confirmation note confirming the date of issue and the number of Rights Units issued will be issued by the Manager or the agent appointed by the Manager to CDP. Upon crediting of the Rights Units and Excess Rights Units, CDP will send to Eligible Unitholders and/or Purchasers, **BY ORDINARY POST AND AT THEIR OWN RISK**, notification letters showing the number of Rights Units and Excess Rights Units credited to their Securities Accounts.

#### 5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Units provisionally allotted to an Eligible Unitholder's Securities Account. An Eligible Unitholder can verify the number of Rights Units provisionally allotted and credited to his Securities Account online if he has registered for CDP Internet Access or through CDP Automated Phone Services Hotline number (65) 6535-7511 using his telephone pin ("**T-Pin**"). Alternatively, an Eligible Unitholder may proceed personally to CDP with his identity card or passport to verify the number of Rights Units provisionally allotted and credited to his Securities Account.

It is the responsibility of an Eligible Unitholder and/or Purchaser to ensure that the ARE and/or ARS are accurately completed in all respects and signed. The Manager and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Manager accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post or deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. An Eligible Unitholder can check the status of his acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units through CDP Automated Phone Services Hotline number (65) 6535-7511 using his T-Pin.

## **CDP Phone User Guide**

1. Dial (65) 6535-7511.
2. Press '1' for English; Press '2' Mandarin.
3. Press '3' for Corporate Actions Announcement.
4. Press '2' for your rights application status.
5. Enter your 12 digit CDP securities account number.
6. Enter your 6 digit telephone pin.

All communications, notices, documents and remittances to be delivered or sent to an Eligible Unitholder and/or Purchaser will be sent by **ORDINARY POST** to his mailing address as maintained in the records of CDP, **AT HIS OWN RISK**.

### **5.7 Personal Data Privacy**

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Unitholder or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Unit Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Manager and the Joint Lead Managers and Underwriters (the "**Relevant Persons**") for the purpose of facilitating his application for the Rights Units, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## PROCEDURE TO COMPLETE THE ARE/ARS

### 1. Know your holdings and entitlement

#### A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Units  
currently held by you

XX,XXX

This is your  
Unitholdings as at  
Record Date.

Units as at  
29 December 2016  
(Record Date)

This is the date to  
determine your Rights  
Entitlements.

Number of Rights  
Units provisionally  
allotted\*

XX,XXX

This is your number of  
Rights Entitlement.

Issue Price

S\$0.0X per Rights Units

This is price that you  
need to pay when you  
subscribe for one  
Rights Unit.

### 2. Select your application options

#### B. SELECT YOUR APPLICATION OPTION

**1.ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by 18 January 2017 at 9.30 p.m. Participating Banks are XXX, XXX and XXX.

This is the last date  
and time to subscribe  
for the Rights Units  
through ATM and  
CDP.

**2.MAIL** Complete section below and submit this form to CDP by 18 January 2017 at 5.00 p.m.

- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-XXXXX RIGHTS ISSUE ACCOUNT" will be accepted
- (ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**
- (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

You can apply for  
your Rights Units  
through ATMs of  
these participating  
banks.

This is the payee  
name to be issued on  
your Cashier's Order  
where XXXXX is the  
name of the issuer

*Note:* Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

**Declaration**

**C. DECLARATION**

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Units Applied: *(Provisionally Allotted+Excess Rights Units)*  ,  ,  ,

ii. Cashier's Order/Banker's Draft Details: *(Input last 6 digits of CO/BD)*

Signature of Shareholder(s)

Date

Fill in the total number of the Rights Units and Excess Rights Units (for ARE)/ number of Rights Units (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO/BD number (eg. 001764) within the boxes.

Sign within the box.

**Notes:**

- (i) If the total number of Rights Units applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Units applied will be based on the cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Units will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

**3. Sample of a Cashier's Order**



**ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS**

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the “**Electronic Application Steps**”). Please read carefully the terms and conditions set out in this Offer Information Statement, the Electronic Application Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Units and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

**Eligible Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS Accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVEMENTIONED ELIGIBLE UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Eligible Unitholders who have insufficient funds in their CPF Investment Accounts or SRS Accounts may deposit cash into their CPF Investment Accounts or SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.**

**Such Eligible Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.**

**All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Units under the Rights Issue and the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.**

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Electronic Application Steps shall mean the Eligible Unitholder or the Purchaser who accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units through an ATM of a Participating Bank.

An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Slip**”), confirming the details of his Electronic Application. The Transaction Slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units liable to be rejected.**

The Electronic Applications shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue prior to effecting the Electronic Application and agrees to be bound by the same; and
  - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information pertaining to his Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information (the "**Relevant Particulars**") to the Manager and any other relevant parties (the "**Relevant Parties**") as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units will not be successfully completed and cannot be recorded as a complete transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and accept up to the aggregate of the number of Rights Entitlements allotted and Excess Rights Units applied for as stated on the Transaction Slip or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units that may be allotted to him and (if applicable) his application for Excess Rights Units.

- (5) In the event that the Applicant accepts the Rights Entitlements both by way of the ARE and/or the ARS (as the case may be) through CDP and/or by way of Electronic Application through the ATM, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Units which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Units which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date, and the aggregate number of Rights Units which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM, and the Manager and/or CDP, in determining the number of Rights Units which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Units, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through the Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's acceptance.
- (6) If applicable, in the event that the Applicant applies for Excess Rights Units both by way of ARE through CDP and by Electronic Application through the ATM, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of Electronic Application through the ATM and by way of ARE through CDP. The Manager and/or CDP, in determining the number of Excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of Excess Rights Units, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (7) The Applicant irrevocably requests and authorises the Manager to:
- (a) register, or procure the registration of the Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the acceptance and/or application monies, should his Electronic Application in respect of the Rights Units accepted and (if applicable) Excess Rights Units applied for, as the case may be, not be accepted or, as the case may be, be accepted in part only by or on behalf of the Manager for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three (3) business days after the commencement of trading of the Right Units.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE RIGHTS ENTITLEMENTS OR APPLYING FOR EXCESS RIGHTS UNITS AS A NOMINEE OF ANY OTHER PERSON.**

- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager and if, in any such event, CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 18 January 2017**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager for any purported acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between **7.00 a.m. and 9.30 p.m.**
- (11) Electronic Applications shall close at **9.30 p.m. on 18 January 2017** or such other time as the Manager (in consultation with the Joint Lead Managers and Underwriters) may, in its absolute discretion, deem fit in the interests of Sabana REIT.
- (12) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify the relevant Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance and/or application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance and/or application monies will be refunded on the same terms.
- (15) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 18 January 2017** or such other time or date as the Manager may (in consultation with the Joint Lead Managers and Underwriters), in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);

- (b) his Electronic Application, the acceptance thereof by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
  - (c) none of the Manager, the Joint Lead Managers and Underwriters nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units;
  - (e) in respect of the Rights Entitlements and (if applicable) the Excess Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts the Rights Entitlements, by way of the ARE, the ARS, and/or by way of Electronic Application through ATMs of Participating Banks, the Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Right Units by any one or a combination of the following:
- (a) by means of a crossed cheque in Singapore currency sent by ORDINARY POST at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and

- (b) by crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank a good discharge to the Manager and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Entitlements which the Applicant can validly accept, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of Rights Entitlements which the Applicant has validly accepted, whether by way of an ARE or any other form of application (including an Electronic Application) for the Rights Units; and
  - (b) the total number of Rights Entitlements allotted to the Applicant and standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance.

The Applicant hereby acknowledges that CDP's and the Manager's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the Rights Entitlements accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for, and such instructions shall be binding and conclusive on the Applicant.
- (21) With regard to any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue, or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is credited with less than the relevant number of Rights Units subscribed for as at the Closing Date, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application and payment or otherwise process all remittances at any time after receipt in such manner as it deems fit.
- (22) The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and (if applicable) application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application on its own, without regard to any other application and payment that may be submitted by the Applicant. For the avoidance of doubt, insufficient payment for an application submitted for the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application.

**LIST OF PARTICIPATING BANKS**

- DBS Bank Ltd. (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

## VALUATION CERTIFICATES



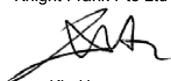
## Valuation certificate

<b>Property</b>	: 72 Eunos Avenue 7 Singapore 409570
<b>Client</b>	: HSBC Institutional Trust Services (Singapore) Limited (As Trustee of Sabana Shari'ah Compliant Industrial REIT) C/O Sabana Real Estate Investment Management Pte. Ltd. (As Manager of Sabana Shari'ah Compliant Industrial REIT)
<b>Purpose</b>	: Acquisition
<b>Legal description</b>	: Lot No. 2517P Mukim 23
<b>Tenure</b>	: Leasehold 30 years commencing 1 January 2011 (Balance lease term of about 24.1 years as at 8 November 2016)
<b>Basis of valuation</b>	: Market Value on existing use basis and subject to the proposed leaseback terms and conditions as described below
<b>Registered lessor/lessee</b>	: Housing and Development Board/Singapore Handicrafts Pte Ltd
<b>Master plan 2014</b>	: Reserve site
<b>Brief description</b>	: The Property is located on the north-western side of Eunos Avenue 7, off Sims Avenue and Paya Lebar Road, and approximately 7.0 km from the City Centre. It is a 6-storey single-user light industrial building. It is served by 1 cargo lift, 1 passenger lift and supplemented by reinforced concrete staircases. Open car parking/lorry lots are provided within the compound. The Certificate of Fitness was issued on 21 October 1985. The Certificates of Statutory Completion were issued on 25 September 1991 and 27 April 2015.
<b>Land area</b>	: 2,526.1 sm
<b>Gross floor area</b>	: 6,315.25 sm approximately
<b>Leaseback terms and conditions</b>	: The Property will be leased back to Singapore Handicrafts Pte Ltd as the Master Lessee for 71% of the total gross floor area. The lease term is 10 years from the date of legal completion of the Sale and Purchase. The balance 29% of the gross floor area will be occupied by other direct sub-tenants with leases to be signed directly with the Purchaser (Sabana Shari'ah Compliant Industrial REIT). The Master Lessee is responsible for all day to day maintenance, insurance, cleaning, security, utilities, servicing of lifts and other M&E items, property tax and capital expenditure for the first 5 years. The Purchaser is responsible for capital expenditure from Year 6 onwards, including replacement of M&E equipment, all repairs of a structural nature and the Purchaser's own property and lease management fees. The total collections (from Master Lessee and all direct sub-tenants) will be as follows:

Year	Annual rent
1	\$1,713,020
2	\$1,713,020
3	\$1,713,020
4	\$1,747,281
5	\$1,782,226
6	\$1,817,871
7	\$1,854,228
8	\$1,891,313
9	\$1,929,139
10	\$1,967,722

The Master Lessee shall ensure the total collections remain unchanged at all times, and will make up for the difference should there be any shortfall in payments from the direct sub-tenants or due to lease expiries. We are of the opinion that the rental collection arrangement is not unreasonable and is in line with general market practice for similar kind of arrangement where rental collection arrangement is given to compensate for any potential lower passing rents as compared to current market rents or when vacant units and/or expiring leases are expected to be renewed or re-let at the prevailing market rents. We are also of the opinion that the property rental income (taking into account the rental collection arrangement) falls within the acceptable range of market parameters for the Property. The marketing costs to be incurred from the direct sub-tenants' vacant units (if any) shall be borne by the Master Lessee. The Purchaser shall pay a service fee of \$1,000 per month to the Master Lessee for managing the direct sub-tenants and the payment shall cease in the event that there are no more direct sub-tenants.

<b>Valuation approaches</b>	: Capitalisation Approach and Discounted Cash Flow Analysis
<b>Valuation date</b>	: 8 November 2016
<b>Market Value</b>	: S\$20,000,000/- (Singapore Dollars Twenty Million Only)
<b>Assumptions, disclaimers, limitations &amp; qualifications</b>	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>
<b>Prepared by</b>	: Knight Frank Pte Ltd

  
 Low Kin Hon  
 B.Sc.(Estate Management) Hons.,FSISV  
 Deputy Group Managing Director  
 Managing Director, Valuation  
 Appraiser's Licence No. AD 041-20037521  
 For and on behalf of Knight Frank Pte Ltd

  
 Perry Khoo  
 B.Sc.(Real Estate) Hons.,MSISV  
 Deputy Director  
 Valuation  
 Appraiser's Licence No. AD 041-2009340A  
 For and on behalf of Knight Frank Pte Ltd

## General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation report.

### 1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

### 2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

Notwithstanding the foregoing, the Valuer's liability and its responsibility to third parties in relation to the valuation report and/or the valuation certificate as well as the extent and/or amount of liability is subject always to and to the extent permitted by applicable laws.

### 3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

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### 5. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

### 6. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

## **7. Sources of Information**

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

## **8. Boundaries**

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

## **9. Planning and Other Statutory Regulations**

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

## **10. Property Insurance**

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

## **11. Building Areas and Age**

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

## **12. Structural Condition**

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

## **13. Ground Conditions**

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

## **14. Environmental Issues**

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

**15. Leases**

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

**16. Covenant**

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

**17. Loan Security**

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

**18. Build Cost Information**

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

**19. Reinstatement Assessments**

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

**20. Attendance in Court**

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

# Valuation Certificate

<b>Property Address</b>	107 Eunos Avenue 3, Singapore 409837
<b>Client</b>	HSBC Institutional Trust Service (Singapore) Limited (as Trustee of Sabana Shari'ah Compliant Industrial REIT)
<b>Purpose of Valuation</b>	Acquisition
<b>Legal Description</b>	Lot 2594W Mukim 23
<b>Tenure</b>	Leasehold 30 years commencing from 1 January 2011 (balance term of about 24.1 years)
<b>Registered Lessee</b>	General Cars Fleet Management Pte Ltd
<b>Brief Description</b>	The subject property is located on the southern side of Eunos Avenue 3, between Eunos Road 2 and 5, off Sims Avenue, within Eunos Industrial Estate. It is a 6-storey light industrial building with a semi-basement carpark. The property appeared to be in fairly good condition. We understand that the Temporary Occupation Permit for 1st storey and the basement was issued on 21 September 2012 whilst 2nd to 6th storeys was issued on 7 January 2013. The Certificate of Statutory Completion was on 21 November 2013. All public essential services are connected.
<b>Site Area</b>	4,979.7 sm or thereabouts, subject to government's re-survey
<b>Gross Floor Area (GFA)</b>	12,443.98 sm, as provided and subject to final survey
<b>Lettable Floor Area (LFA)</b>	11,834.8 sm, as provided and subject to final survey
<b>Tenancy Brief</b>	Based on the tenancy information provided to us, about 34% of the GFA will be leased back to General Cars Fleet Management Pte Ltd, the Vendor. Currently about 42% of the total lettable area are let to third party tenants which will be assigned or novated to Sabana Shari'ah Compliant Industrial REIT. The Vendor will lease a total LFA of about 45,954 sf for a lease term of 5 years commencing from date of completion of sale, with an option to renew for a further term of 3 years. It will occupy whole of Level 2 and 3 with an initial gross rent fixed at \$2.40 psf per month, subject to an annual escalation of 1%. The remaining area is multi-tenanted to the third party tenants which is currently about 42% let. The currently monthly gross rent is about \$132,018 and the monthly service charge is averaging \$0.50 psf. No other tenancy details is made available to us. The lease terms within the property range from about 2 to 3 years typically.
<b>Service Provider Fee</b>	The Vendor will be appointed as Service Provider for 5 years at a fee of \$488,692 per annum, subject to annual escalation of 1%. The Service Provider is responsible for all outgoings expenses such as property tax, insurance, maintenance, utilities, cleaning, security services and capital expenditure, etc. The landlord will be responsible for lease and property management fee.
<b>Rental Income Support</b>	As advised, the Vendor will provide Net Property Income (NPI) guarantee for 5 years from date of completion of sale at \$3,051,509 per annum. We are of the opinion that this rental support is not unreasonable and is in line with general market practice for similar kind of arrangement where rental support is given to compensate for lower passing rents as compared to current market when vacant units and/or expiring leases are expected to be renewed or re-let at the prevailing market rents. Based on our research data, we are of the opinion that the current market rent for comparable class of property is in the range of \$2.10 to \$2.60 psf per month and the property rental income (taking into account the rental support amount) falls within the acceptable range of market parameters for the subject property.
<b>Annual Value (AV)</b>	\$3,880,000 per annum. Property tax is payable at 10.00% per annum of the assessed AV.
<b>Master Plan Zoning (2014)</b>	Reserve Site
<b>Land Rent (pa)</b>	The nominal land rent of \$12 per annum is currently waived until further notice.
<b>Permitted Use</b>	For motor vehicle workshop with ancillary office subject to the written approval of the Competent Authority appointed under Section 5 of the Planning Act.
<b>Basis of Valuation</b>	As-Is Basis and subject to pre-arranged lease arrangement
<b>Valuation Approaches</b>	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
<b>Capitalisation Rate</b>	6.50%
<b>Terminal Capitalisation Rate</b>	7.00%
<b>Discount Rate</b>	8.00%
<b>Rate of Lettable Floor Area</b>	\$2,915/sm
<b>Date of Valuation</b>	5 December 2016
<b>Recommended Market Value (with rental income support)</b>	\$34,500,000 (Singapore Dollars Thirty-Four Million And Five Hundred Thousand Only)
<b>Prepared by</b>	 <b>Cynthia Ng</b> Licensed Appraiser No. AD041-2003388A  <b>Ee Kong Han Daniel</b> Licensed Appraiser No. AD041-2004607E Savills Valuation And Professional Services (S) Pte Ltd

This valuation is exclusive of Goods and Services Tax.

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Confidentiality:</b>	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose (s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p> <p>Notwithstanding the foregoing, Savills' liability and its responsibility in relation to the valuation report and/or the valuation certificate as well as the extent and/or amount of liability is subject always to and to the extent permitted by applicable laws.</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Titles:</b>	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Plans:</b>	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Reinstatement Cost:</b>	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

## Valuation certificate

<b>Property</b>	:	47 Changi South Avenue 2 Singapore 486148
<b>Client</b>	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Sabana Shari'ah Compliant Industrial REIT) C/O Sabana Real Estate Investment Management Pte. Ltd. (as Manager of Sabana Shari'ah Compliant Industrial REIT)
<b>Purpose</b>	:	Acquisition
<b>Legal description</b>	:	Lot No. 9936A Mukim 27
<b>Tenure</b>	:	Leasehold 30+30 years commencing 16 November 1996 (Balance lease term of about 39.9 years as at 9 December 2016)
<b>Basis of valuation</b>	:	Market Value on existing use basis and subject to the proposed leaseback terms and conditions as described below and including an estimated upfront land premium for the balance of the initial 30-year lease term
<b>Registered lessor/lessee</b>	:	JTC Corporation/Freight Links Properties Pte. Ltd.
<b>Master plan 2014</b>	:	"Business 2" with a gross plot ratio of 1.6
<b>Brief description</b>	:	The Property is located on the north-western side of Changi South Avenue 2, off Xilin Avenue, within Changi South Industrial Estate, and approximately 17.0 km from the City Centre. It is a 4-storey industrial building. The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 1 July 1998 and 23 June 1999 respectively.
<b>Land area</b>	:	5,453.2 sm
<b>Gross floor area</b>	:	8,507.4 sm approximately
<b>Leaseback terms and conditions</b>	:	The Property will be leased back to Freight Links Properties Pte. Ltd. as the Master Lessee for 74% of the gross floor area. The balance 26% of the gross floor area will be occupied by other direct sub-tenants with leases to be signed directly with the Purchaser (Sabana Shari'ah Compliant Industrial REIT). The lease term is 10 years from the date of legal completion of the Sale and Purchase.

The total collections (from Master Lessee) will be as follows:

Year	Annual rent
1	\$2,077,616*
2	\$2,098,272*
3	\$2,119,135*
4	\$1,501,744
5	\$1,516,642
6	\$1,531,688
7	\$1,546,885
8	\$1,562,234
9	\$1,577,736
10	\$1,593,394

\* Guaranteed annual rent by the Master Lessee

The Master Lessee shall ensure the total collections remain unchanged at all times, and will make up for the difference should there be any shortfall in payments from the direct sub-tenants or due to lease expiries for Year 1 to Year 3 and the marketing costs to be incurred from the direct sub-tenants' vacant units (if any) shall be borne by the Master Lessee for Year 1 to Year 3. We are of the opinion that this rental support is not unreasonable and is in line with general market practice for similar kind of arrangement where rental support is given to compensate for lower passing rents as compared to current market rents or when vacant units and/or expiring leases are expected to be renewed or re-let at the prevailing market rents. We are of the opinion that the property rental income (taking into account the rental support amount) falls within the acceptable range of market parameters for the Property. The Purchaser shall pay a service fee of \$1,000 per month to the Master Lessee for managing the direct sub-tenants and the payment shall cease in the event that there are no more direct sub-tenants. For Year 4 to Year 10, the Purchaser shall be responsible for the marketing cost for replacement of direct sub-tenants.

The Master Lessee is responsible for all day to day maintenance, insurance, cleaning, security, utilities, servicing of lifts and other M&E items, property tax and capital expenditure for the Property for Year 1 to Year 3. For Year 4 to Year 10, the Master Lessee will pay property tax in relation to their premises only and will seek reimbursement from the Purchaser for 30% of the total maintenance cost. The Purchaser is responsible for capital expenditure, including replacement of M&E equipment, all repairs of a structural nature and the Purchaser's own property and lease management fees.

**Valuation approaches** : Capitalisation Approach and Discounted Cash Flow Analysis

**Valuation date** : 9 December 2016

**Market Value** : S\$23,000,000/-  
(Singapore Dollars Twenty-Three Million Only)

**Assumptions, disclaimers, limitations & qualifications** : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

**Prepared by** : Knight Frank Pte Ltd

  
Low Kin Hon  
B.Sc.(Estate Management) Hons.,FSISV  
Deputy Group Managing Director  
Managing Director, Valuation  
Appraiser's Licence No. AD 041-20037521  
For and on behalf of Knight Frank Pte Ltd

  
Perry Khoo  
B.Sc.(Real Estate) Hons.,MSISV  
Deputy Director  
Valuation  
Appraiser's Licence No. AD 041-2009340A  
For and on behalf of Knight Frank Pte Ltd

## General Terms of Business for Valuations

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### 1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

### 2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

Notwithstanding the foregoing, the Valuer's liability and its responsibility to third parties in relation to the valuation report and/or the valuation certificate as well as the extent and/or amount of liability is subject always to and to the extent permitted by applicable laws.

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The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

### 6. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property

## **7. Sources of Information**

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

## **8. Boundaries**

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

## **9. Planning and Other Statutory Regulations**

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

## **10. Property Insurance**

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

## **11. Building Areas and Age**

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

## **12. Structural Condition**

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

## **13. Ground Conditions**

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

## **14. Environmental Issues**

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

**15. Leases**

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

**16. Covenant**

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

**17. Loan Security**

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

**18. Build Cost Information**

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

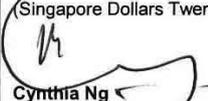
**19. Reinstatement Assessments**

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

**20. Attendance in Court**

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

# Valuation Certificate

<b>Property Address</b>	47 Changi South Avenue 2, Singapore 486148
<b>Client</b>	HSBC Institutional Trust Service (Singapore) Limited (as Trustee of Sabana Shari'ah Compliant Industrial REIT)
<b>Purpose of Valuation</b>	Acquisition
<b>Legal Description</b>	Lot 9936A Mukim 27
<b>Tenure</b>	Leasehold 30 + 30 years commencing from 16 November 1996 (we are instructed to value based on balance un-expired interest of about 39.9 years)
<b>Registered Lessee</b>	Freight Links Properties Pte. Ltd.
<b>Brief Description</b>	The subject property is located on the north-western side of Changi South Avenue 2, off Xilin Avenue, within Changi South Industrial Estate. It is a 4-storey industrial building. The property appeared to be in average condition. We understand the Temporary Occupation Permit was issued on 1 July 1998 and the Certificate of Statutory Completion was issued on 23 June 1999. All public essential services are connected.
<b>Site Area</b>	5,453.2 sm or thereabouts, subject to government's re-survey
<b>Gross Floor Area (GFA)</b>	8,507.4 sm, as provided and subject to final survey
<b>Lettable Floor Area (LFA)</b>	8,507.4 sm, as provided and subject to final survey
<b>Tenancy Brief</b>	Based on the tenancy information provided to us, about 74% of the GFA is leased back to Freight Links Properties Pte. Ltd., the Vendor. Currently about 26% of the total LFA is let to a third party tenant which will be assigned or novated to Sabana Shari'ah Compliant Industrial REIT. The Vendor will lease a total LFA of about 67,573 sf for a lease term of 10 years commencing from date of completion of sale. For Year 4 to 10, the Vendor will pay double net annual rent for their leased area at \$1,501,744.48, \$1,516,641.92, \$1,531,688.34, \$1,546,885.22, \$1,562,234.08, \$1,577,736.42 and \$1,593,393.78 for each respective year. The third party tenant has leased a total LFA of about 24,000 sf at a monthly gross rent of \$32,400 for a lease term of 2 years commencing on 1 September 2016 with an option to renew for another one year with a rental increase cap at 10%. The current monthly service charge is \$6,000. For Year 1 to 3, the Vendor will be responsible for all outgoings expenses such as property tax, insurance, maintenance, utilities, cleaning and security services, etc., for the entire property while for Year 4 to 10, the Vendor will be responsible for 70% of all outgoings. The landlord will be responsible for 30% of all outgoings for Year 4 to Year 10, and lease and property management fee.
<b>Rental Income Support</b>	The Vendor will provide a rental guarantee at property level for the first 3 years at \$2,077,616.16, \$2,098,272.32 and \$2,119,135.04 for each respective year. We are of the opinion that this rental support is not unreasonable and is in line with general market practice for similar kind of arrangement where rental support is given to compensate for lower passing rents as compared to current market when vacant units and/or expiring leases are expected to be renewed or re-let at the prevailing market rents. Based on our research data, we are of the opinion that the current market rent for comparable class of property is in the range of \$1.80 to \$2.10 psf per month and the property rental income (taking into account the rental support amount) falls within the acceptable range of market parameters for the subject property.
<b>Annual Value (AV)</b>	\$1,173,000 per annum. Property tax is payable at 10.00% per annum of the assessed AV.
<b>Master Plan Zoning (2014)</b>	Business 2 with a plot ratio of 1.6
<b>Land Rent (pa)</b>	Currently, land rent is payable for the subject property. However, we understand that the upfront land premium for the initial un-expired lease term will be paid upon completion of the sale.
<b>Permitted Use</b>	For warehouse with specialized storage and handling facilities only except with the prior consent in writing of the Lessor.
<b>Basis of Valuation</b>	As-Is Basis and subject to pre-arranged lease arrangement
<b>Valuation Approaches</b>	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
<b>Capitalisation Rate</b>	6.25%
<b>Terminal Capitalisation Rate</b>	6.50%
<b>Discount Rate</b>	8.00%
<b>Rate of Lettable Floor Area</b>	\$2,704/sm
<b>Date of Valuation</b>	9 December 2016
<b>Recommended Market Value (with rental income support)</b>	\$23,000,000 (Singapore Dollars Twenty-Three Million Only)
<b>Prepared by</b>	 <b>Cynthia Ng</b> Licensed Appraiser No. AD041-2003388A Savills Valuation And Professional Services (S) Pte Ltd
	 <b>Ee Kong Han Daniel</b> Licensed Appraiser No. AD041-2004607E Savills Valuation And Professional Services (S) Pte Ltd

This valuation is exclusive of Goods and Services Tax.

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Confidentiality:</b>	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose (s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p> <p>Notwithstanding the foregoing, Savills' liability and its responsibility in relation to the valuation report and/or the valuation certificate as well as the extent and/or amount of liability is subject always to and to the extent permitted by applicable laws.</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Titles:</b>	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Plans:</b>	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Reinstatement Cost:</b>	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

In relation to this Offer Information Statement

Dated 30 December 2016

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

**(as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust)**

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Mr Steven Lim Kok Hoong  
Chairman and Independent  
Non-Executive Director

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Mr Yong Kok Hoon  
Independent Non-Executive Director

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Ms Ng Shin Ein  
Non-Executive Director

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Mr Henry Chua Tiong Hock  
Non-Executive Director

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Mr Kevin Xayaraj  
Chief Executive Officer and  
Executive Director



