



SABANA SHARI'AH COMPLIANT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

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

S\$108.0 MILLION NEW COMMODITY MURABAHA FACILITIES AND DISCLOSURE PURSUANT TO RULE 704(31)

The Board of Directors of Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**" and the manager of Sabana REIT, the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the "**Trustee**"), has on this day, entered into a new financing arrangement with The Hongkong and Shanghai Banking Corporation Limited (as facility agent) ("**HSBC**"), HSBC Amanah Malaysia Berhad (as commodity agent) ("**HSBC Amanah**") and HSBC Amanah, Malayan Banking Berhad, Singapore Branch ("**Maybank**") and United Overseas Bank Limited ("**UOB**") (as participants), for new Commodity Murabaha facilities of up to S\$108.0 million (the "**New Facilities**"), comprising (i) a 3.5-year term Commodity Murabaha facility of up to S\$90.0 million (Facility B), which will be fully utilised to re-finance the existing two-year term facility ("**Existing Facility B**") under the existing Master Murabaha Agreement made on 25 November 2014 between the Trustee, HSBC and HSBC Amanah (the "**Existing Master Murabaha Agreement (2014)**")¹, and (ii) a 3.5-year revolving Commodity Murabaha facility of up to S\$18.0 million (Facility D), which will be used to re-finance and replace the existing three-year revolving facility ("**Existing Facility D**") under the existing Master Murabaha Agreement made on 9 November 2010 between the Trustee, HSBC and HSBC Amanah (as amended) (the "**Existing Master Murabaha Agreement (2013)**")² and/or for working capital requirements including the acquisition of Shari'ah compliant industrial properties located in Singapore or other Shari'ah compliant properties. A request to utilise S\$90.0 million under Facility B of the New Facilities has been made today. In connection with the above, the security in respect of 218 Pandan Loop and 15 Jalan Kilang Barat will be released and discharged.

The New Facilities were effected by a new S\$108.0 million Master Murabaha Agreement entered into on 25 August 2016 by the Trustee, HSBC and HSBC Amanah (the "**New Master Murabaha Agreement**") and a common terms agreement entered into on 25 November 2014 (as amended by the amendment letter dated 25 August 2016) by the Trustee, HSBC, HSBC Amanah, Maybank and UOB in connection with the Existing Master Murabaha Agreement (2014) (the "**Common Terms Agreement**").

Pursuant to Rule 704(31) of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Manager wishes to announce that, both the Existing Master Murabaha Agreement

¹ See announcements dated 25 November 2014 for further details on the Existing Master Murabaha Agreement (2014).

² See announcements dated 23 August 2012 and 12 November 2013 for further details on the Existing Master Murabaha Agreement (2013).

(2013) and the Common Terms Agreement, which also applies in respect of the New Facilities, contain similar provisions which relate to shareholding interests of any controlling shareholder of the Manager or place restrictions on any change in control of the Manager or change of manager of Sabana REIT, the breach of which will cause a default in respect of the New Facilities, significantly affecting the operations of Sabana REIT.

The Manager was incorporated in Singapore on 15 March 2010 and has a paid-up capital of S\$1.0 million (the “**Manager Shares**”). It is 100 per cent. owned by Sabana Investment Partners Pte. Ltd., which is 51 per cent. owned by Vibrant Group Limited and/or its affiliates (the “**Vibrant Group**”), 45 per cent. owned by Blackwood Investment Pte. Ltd. (“**Blackwood**”) (collectively, the “**Controlling Shareholders**” of the Manager) and 4 per cent. owned by Atrium Asia Capital Partners Pte. Ltd.. The shareholders of Blackwood are Mr Kevin Xayaraj (the Chief Executive Officer and the Executive Director of the Manager), Mr Bobby Tay Chiew Sheng (the Chief Strategy Officer and Head of Investor Relations of the Manager), Mr Aw Wei Been (the Chief Operating Officer and Head of Asset Management of the Manager) (collectively, the “**Material Blackwood Shareholders**”) and Ms Ng Shin Ein (the Non-executive Director of the Manager).

Clause 12.14 of the Common Terms Agreement states that it shall be an event of default if Sabana Real Estate Investment Management Pte. Ltd. ceases to be the manager of Sabana REIT and Clause 12.15 of the Common Terms Agreement states that it shall be an event of default when a Change of Control occurs (collectively, the “**Change of Control Provisions**”). A “Change of Control” means:

- (i) the Vibrant Group ceases to be the owner, directly or indirectly, of at least 51 per cent. of the Manager Shares;
- (ii) the Material Blackwood Shareholders together cease to be the owner, directly or indirectly, of at least 30 per cent. of the Manager Shares;
- (iii) any Blackwood shareholder increases or reduces, directly or indirectly, the number of Manager Shares owned by it by five per cent. or more of the Manager Shares from that owned by it on the date of the Common Terms Agreement or from that owned by it when it first becomes a shareholder of Blackwood after the date of the Common Terms Agreement; or
- (iv) any shareholder of the Manager (other than the Controlling Shareholders) increases or reduces the number of Manager Shares owned by it by five per cent. or more of the Manager Shares from that owned by it on the date of the Common Terms Agreement or from that owned by it when it first becomes a shareholder of the Manager.

As at the date of this announcement, the existing facilities which have been utilised and the outstanding sukuk of Sabana REIT which contain covenants similar to the Change of Control Provisions, the breach of which may constitute an event of default under the existing facilities and the sukuk, amount to approximately S\$239.75 million³. The aggregate amount of facilities (which comprises both the amounts which have been utilised, and the amounts which have not been

³ Assuming that Facility B of the New Facilities has been drawn down in full to refinance the outstanding Existing Facility B.

utilised and which remain available for utilisation) under the existing facilities, the sukuk and the New Facilities is approximately S\$305.75 million^{4,5}.

As at the date of this announcement, the Controlling Shareholders have not entered into any share pledging arrangement relating to their shareholding interests in the Manager and there has been no breach of the Change of Control Provisions.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company registration number 201005493K)

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

Kevin Xayaraj

Chief Executive Officer and Executive Director

25 August 2016

⁴ Assuming that the New Facilities have been drawn down in full to refinance the outstanding Existing Facility B and refinance and replace the Existing Facility D.

⁵ While the trust certificates under the S\$500 Million Multicurrency Islamic Certificates Issuance Programme (the "Trust Certificates") of Sabana REIT do not contain covenants similar to the Change of Control Provisions, an event of default under the existing facilities and the sukuk may in turn result in a dissolution event in respect of the Trust Certificates. The aggregate amount of outstanding facilities including the outstanding Trust Certificates is S\$429.75 million while the aggregate amount of both the outstanding and unutilised facilities and the outstanding Trust Certificates is S\$495.75 million, in each case assuming that Facility B of the New Facilities has been drawn down in full to refinance the outstanding Existing Facility B.

ABOUT SABANA REIT

Sabana REIT was listed on Singapore Exchange Securities Trading Limited on 26 November 2010. It was established principally to invest in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. Sabana REIT currently has a diversified portfolio of 21 quality properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors. Its total assets amount to approximately S\$1.1 billion.

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

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

For further information on Sabana REIT, please visit <http://www.sabana-reit.com>.

Important Notice

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

The value of units in Sabana REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of Sabana REIT, or any of their respective affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not an offer or sale of any Units in the United States. No Units have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act.

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