



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)

COMPLETION OF ACQUISITION OF 10 CHANGI SOUTH STREET 2, SINGAPORE 486596 AND ISSUE OF CONSIDERATION UNITS

Unless otherwise defined, all terms and references used herein shall bear the same meanings as ascribed to them in the announcements dated 21 August 2014 and 13 October 2014.

Further to its announcements dated 21 August 2014 and 13 October 2014 in relation to, among others, the acquisition of 10 Changi South Street 2, Singapore 486596 (the "**Property**"), and the acquisition of the Property, the "**Acquisition**"), Sabana Real Estate Investment Management Pte. Ltd., as the manager of Sabana REIT (the "**Manager**") is pleased to announce that Sabana REIT has completed the Acquisition today.

In connection with the Acquisition, the following agreements have been entered into today:

- a master lease agreement between HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the "**Trustee**") and Adviva Distribution Pte. Ltd. (the "**Vendor**"), in respect of the Property; and
- a property management agreement between the Manager, the Trustee and Sabana Property Management Pte. Ltd., as property manager, in respect of the Property.

The Acquisition will bring the total number of buildings in Sabana REIT's portfolio to 23, and will increase its weighted lease tenure and reduce Sabana REIT's lease expiry concentration in 2015.

As part satisfaction of the purchase consideration for the Acquisition, the Manager has today issued 23,464,386 Consideration Units to the Vendor, bringing the total number of Units in issue to 724,623,716. The Consideration Units will, upon issue, rank *pari passu* in all respects with the existing Units, including the right to any distributions which may be paid for the period from 1 October 2014 to 31 December 2014 ("**4Q distribution**"), as well as all distributions thereafter.

While the Consideration Units would rank *pari passu* with the existing Unitholders for the 4Q distribution, the Manager believes that the issue of Consideration Units is on the whole beneficial to Sabana REIT for the following reasons:

- the issue price of the Consideration Units was based on a 10-day VWAP which did not exclude entitlement to any distribution which may accrue from 1 October 2014;
- there have not been any recent transactions in relation to Singapore REITs where a third party vendor is willing to accept part of the purchase consideration of the relevant property in units of the REIT especially for a large amount of up to 45% of the purchase consideration;

- the funding of the Acquisition partly through the issue of Consideration Units and not entirely by debt is prudent as this will keep the aggregate leverage of Sabana REIT to a moderate level. As at 30 September 2014, Sabana REIT's aggregate leverage was at 37.0% and immediately after completion of the Acquisition based on part-satisfaction of the purchase consideration by a combination of debt and Consideration Units, the aggregate leverage of Sabana REIT will be approximately 38.1%; and
- there are substantial cost savings for existing Unitholders as there was no need to appoint bank(s) to carry out a private placement exercise to raise the required equity to fund the purchase consideration.

The Consideration Units will be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. tomorrow on 16 December 2014.

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

15 December 2014

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 23 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\$1.3 billion.

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

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

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

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 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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