



**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)

**INTERESTED PERSON TRANSACTIONS ENTRY INTO MASTER LEASES WITH SPONSOR**

**INTRODUCTION**

Sabana Real Estate Investment Management Pte. Ltd. (the “**Manager**”), the manager of Sabana Shari’ah Compliant Industrial Real Estate Investment Trust (“**Sabana REIT**” or the “**Trust**”), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the “**Trustee**”), has entered into master leases with each of the master lessees referred to below (the “**Master Lessees**”) for the following properties (the “**Properties**”):

<b>Properties</b>	<b>Master Lessees</b>
1. 51 Penjuru Road, Singapore 609143	Freight Links Express Logisticcentre Pte Ltd
2. 33 & 35 Penjuru Lane, Singapore 609200/609202	Freight Links Express Logisticpark Pte Ltd
3. 18 Gul Drive, Singapore 629468	Crystal Freight Services Distripark Pte Ltd

The Board is pleased to announce that the Trustee has on 26 October 2018 entered into three master leases (collectively, the “**Master Leases**”), following an exercise of the option to renew in accordance with the relevant terms of the Existing Master Leases and parties’ agreement on the respective rental rates for the relevant term under the relevant Master Leases.

This announcement is released by the Manager on a voluntary basis.

**DETAILS OF THE MASTER LESSEES**

Each of the Master Lessees, namely Freight Links Express Logisticcentre Pte Ltd, Freight Links Express Logisticpark Pte Ltd and Crystal Freight Services Distripark Pte Ltd, are subsidiaries of Vibrant Group Limited (the “**Sponsor**”). As the Sponsor is a controlling shareholder of the Manager, each of the Master Lessees will be considered, for the purpose of the Master Leases, to be an “interested person” under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and an “interested party” pursuant to Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”) respectively of Sabana REIT.

Accordingly, the entry into the Master Leases will constitute “interested person transactions” under Chapter 9 of the Listing Manual and “interested party transactions” under Paragraph 5 of the Property Funds Appendix.

## DETAILS OF THE MASTER LEASES

The aggregate rental for the three Master Leases, which are on triple-net basis, amounts to approximately S\$11.53 million.

Properties	Commencing On	Expiring On
1. 51 Penjuru Road, Singapore 609143	26 November 2018	25 November 2020
2. 33 & 35 Penjuru Lane, Singapore 609200/609202	26 November 2018	25 November 2019
3. 18 Gul Drive, Singapore 629468	26 November 2018	31 December 2019

Prior to the finalisation of the terms of the Master Leases, Suntec Real Estate Consultants Pte. Ltd. ("**Independent Valuer**") was commissioned by the Manager to provide an independent assessment on the fair market rental rates of the Properties. The Independent Valuer had, on 1 October 2018, issued its independent market report on the fair market rental rates for the Properties (the "**Independent Market Report**"). The respective rental rate of each of the Master Leases is within the range of rental rates certified by the Independent Valuer in the Independent Market Report.

Each of the aforementioned options to renew stipulates that notwithstanding an exercise of the same, Sabana REIT as landlord remains entitled, pursuant to that option to renew, to look for potential tenants for the relevant Property while negotiations in respect of the renewal term are ongoing with that Master Lessee.

## RATIONALE

The Master Lessees are incumbent master lessees of the Properties. Having considered the prevailing market conditions, Singapore's economic performance and attributes of the Properties as well as the Independent Market Report, the Manager is of the view that the agreed rental rate for each of the Properties is in line with the prevailing market rents for similar properties in similar locations, and the entry into the Master Leases will provide continuing, predictable and stable cash flow and revenue to Sabana REIT.

## VALUE OF THE INTERESTED PERSON TRANSACTIONS

Under Chapter 9 of the Listing Manual, where Sabana REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 3% of Sabana REIT's latest audited net tangible assets ("**NTA**"), Sabana REIT must make an immediate announcement. Sabana REIT should also announce the transaction immediately under the Property Funds Appendix if the transaction (either in itself or when aggregated with the value of other transactions with the same interested person during the current financial year) is equal to or greater than 3% of Sabana REIT's net asset value ("**NAV**").

The aggregate transaction value of the Master Leases is approximately S\$11.53 million.

As at the date of this announcement, the aggregate transaction value of the Master Leases together with the other transactions entered into with the Sponsor and its subsidiaries (“**Sponsor Group**”) in the current financial year is approximately S\$12.39 million.

Based on the latest audited NTA of approximately S\$571.5 million of Sabana REIT for the financial year ended 31 December 2017 and the latest audited NAV of approximately S\$571.5 million of Sabana REIT for the financial year ended 31 December 2017, (a) the aggregate transaction value of the Master Leases represents less than 3% of the latest audited NTA and NAV of Sabana REIT as at 31 December 2017; and (b) the aggregate value of all transactions entered into with the Sponsor Group in the current financial year (including the Master Leases) represents less than 3% of the latest audited NTA and NAV of Sabana REIT as at 31 December 2017. Therefore, this announcement is being released by the Manager on a voluntary basis.

#### **STATEMENT OF THE AUDIT COMMITTEE**

The Audit Committee of the Manager has reviewed and approved the entry into the Master Leases with the Sponsor Group. The Audit Committee is of the view that the Master Leases are on normal commercial terms and are not prejudicial to the interests of Sabana REIT and its minority Unitholders.

#### **INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS**

A Non-Executive Director of the Manager, Mr Henry Chua, is currently the Executive Director and Chief Corporate Development Officer of the Sponsor. Mr Chua also holds the position of Executive Director in a number of other subsidiaries of the Sponsor.

Based on information available to the Manager as at date of this announcement, save as disclosed in this announcement, none of its Directors (other than in his capacity as a Director or unitholder in Sabana REIT) has any interest, direct or indirect, in the Master Leases. As at the date of this announcement, Sabana REIT does not have any controlling Unitholders.

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

Han Yong Lee (Donald)

Chief Executive Officer

26 October 2018

**For enquiries, please contact:**

Grace Chew  
Manager, Investor Relations & Investments  
Sabana Real Estate Investment Management Pte. Ltd.  
DID: +65 6580 7857  
Email: [grace.chew@sabana.com.sg](mailto:grace.chew@sabana.com.sg)

**Sabana REIT**

Sabana REIT was listed on the SGX-ST 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 19 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 S\$0.9 billion.

Sabana REIT is listed in several indices within the SGX S-REIT Index, Morgan Stanley Capital International, Inc (MSCI) Index and FTSE index. Sabana REIT is one of the constituents of the new FTSE ST Singapore Shariah Index.

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 [www.sabana-reit.com](http://www.sabana-reit.com).

**Important Notice**

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 of Sabana REIT 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.