



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)

**ENTRY INTO SETTLEMENT DEED RELATING TO LEASE
AT 10 CHANGI SOUTH STREET 2, SINGAPORE 486596**

Singapore, 18 July 2019 – Further to the announcements made by Sabana Real Estate Investment Management Pte. Ltd., as manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**", and as manager of Sabana REIT, the "**Manager**") on (i) 24 September 2018 relating to "Payment of Rental Arrears in relation to 10 Changi South Street 2, Singapore 486596", and (ii) 15 March 2019 relating to "Notice of Termination of Lease at 10 Changi South Street 2, Singapore 486596" (the "**Second Announcement**"), the Manager wishes to inform that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the "**Trustee**"), has today entered into a settlement deed ("**Settlement Deed**") relating to the premises at 10 Changi South Street 2, Singapore 486596 (the "**Property**") with Adviva Distribution Pte. Ltd. (the "**Tenant**").

As mentioned in the Second Announcement, the Tenant issued a notice of special event dated 13 March 2019 ("**Notice of Special Event**") to the Trustee pursuant to the lease entered into between the Trustee and the Tenant in respect of the Property (the "**Lease**"). The Tenant informed the Landlord that there was a change of shareholder in the Tenant and accordingly a 'Special Event' under the Lease had occurred. Following the issuance of Notice of Special Event, the Tenant gave notice that subject to such conditions as JTC might impose, the Lease would terminate on 12 December 2019.

Sabana REIT and the Tenant have since discussed further and have mutually agreed to enter into the Settlement Deed and terminate the Lease on an earlier date before 12 December 2019 in accordance with the terms of the Settlement Deed.

Pursuant to the Settlement Deed, the existing Lease shall cease and determine with effect from 18 July 2019 and the Tenant shall pay to the Trustee a total sum of approximately S\$2.99 million in accordance with the terms of the Settlement Deed, as full and final settlement of all sums payable by the Tenant to the Trustee under the Lease.

The Manager does not expect there to be any material adverse financial impact on Sabana REIT's distribution per unit ("**DPU**") for the current financial year arising from the termination of the Lease. To safeguard the interests of its stakeholders, the Manager has been and will continue to engage in active negotiations with prospective replacement tenants for the Property.

The Manager will, in compliance with its obligations under the Listing Manual of the SGX-ST, make the relevant announcements on SGXNET as and when there are material developments in this matter.

In the meantime, unitholders of Sabana REIT are advised to exercise caution when dealing in the Units of Sabana REIT. Unitholders are further advised to read this announcement and any subsequent announcements by the Manager carefully.

By Order of the Board

Sabana Real Estate Investment Management Pte. Ltd.

(Company registration number 201005493K)

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

Han Yong Lee (Donald)

Chief Executive Officer

18 July 2019

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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 18 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\$1.0 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 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.

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.