



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)

PROPOSED DIVESTMENT OF 218 PANDAN LOOP, SINGAPORE 128408

Singapore, 5 December 2016 - Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**" or the "**Trust**"), is pleased 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 conditional sale and purchase agreement for the proposed divestment of 218 Pandan Loop, Singapore 128408 (the "**Property**") with X Properties Inc Pte Ltd. (the "**Purchaser**") for the sum of S\$14.8 million (the "**Sale Consideration**") (the "**Divestment**"). The Divestment is conditional upon the receipt of approvals from the relevant authorities and it is expected to be completed by the first quarter of 2017.

The Property comprises a single-storey cold room warehouse with mezzanine floor and a two-storey office building, located along Pandan Loop in the south-western part of Singapore within close proximity to residential estates. The Property, which has a gross floor area ("**GFA**") of approximately 50,374 square feet representing about 1.1% of the Trust's current portfolio GFA, was acquired on 26 November 2010 as part of the initial public offering (IPO) portfolio, for a purchase consideration of S\$13.5 million (the "**Purchase Consideration**") under a five-year triple-net, sale and leaseback arrangement. With the expiry of the master lease, the property has been vacant since 26 November 2015 while the Manager explored various options.

The Sale Consideration is approximately 9.6% higher than the Purchase Consideration and approximately 13.8% above the Property's book value of S\$13.0 million as at 30 June 2016 based on the desktop valuation performed by independent valuer Knight Frank Pte Ltd, respectively. The Sale Consideration, which will be paid in cash, was arrived at on a willing-buyer, willing-seller basis taking into account the independent valuation.

The Purchaser has as at this day paid a cash deposit of S\$791,800, equivalent to 5.0% of the Sale Consideration with the goods and services tax ("**GST**") thereon, for the purpose of the Divestment. The balance of the Sale Consideration with the GST thereon will be paid in cash on completion of the Divestment.

The proceeds from the Divestment, after taking into account all relevant costs and expenses, including a divestment fee of 0.5% on the Sale Consideration (approximately S\$74,000) which is payable to the Manager, may be used for the repayment of the Trust's outstanding borrowings, to pursue acquisition opportunities or for working capital purposes.

The Divestment, which is expected to have minimal impact on the Trust's net asset value, distributable income and aggregate leverage for FY 2016 and FY 2017, is in line with the Manager's strategy to divest non-core and under-performing assets to recycle Sabana REIT's capital into higher yielding assets, so as to optimize portfolio returns for Unitholders.

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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 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.

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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