



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)

**PAYMENT OF RENTAL ARREARS IN RELATION TO 10 CHANGI SOUTH STREET 2,
SINGAPORE 486596**

Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the previous announcement made by the Manager on 31 August 2018 relating to "Issue Of Notice Of Termination For Default On Rental Payment In Relation To 10 Changi South Street 2, Singapore 486596" (the "Announcement").

Singapore, 24 September 2018 – Further to the Announcement, 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**") wishes to inform that following discussions with Adviva Distribution Pte. Ltd. (the "**Tenant**"), HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Sabana REIT (the "**Trustee**") has received a cashier's order of S\$2,153,755.04 from the Tenant, which would be applied towards the settlement of the outstanding rental arrears and late payment charges as at 31 August 2018.

Following negotiations, the Trustee and the Tenant have on 21 September 2018 entered into an agreement to vary the terms of the Lease Agreement (the "**Variation of Lease**"). The Variation of Lease provides the Trustee rights to mitigate occupancy risks by bringing in direct subtenant(s). This is subject to JTC Corporation's approval.

The Tenant has agreed to continue to perform all of its obligations under the Lease Agreement (as amended by the Variation of Lease) to the extent not performed or undertaken by the Direct Subtenant(s). Under the Variation of Lease, there will be no reduction in the fixed rent payable by the Tenant to the Trustee.

The Manager believes the Variation of Lease will give flexibility to Sabana REIT and will be in the interest of Sabana REIT and its unitholders. Further, once the payment of S\$2,153,755.04 is applied towards the settlement of the outstanding rental arrears, the Manager does not expect there will be any material adverse financial impact on Sabana REIT's distribution per unit ("**DPU**") for the current financial year in relation to 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.

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
24 September 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

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\$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 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.