



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)

SABANA REIT REPORTS RESULTS FOR 1Q 2014

Financial Highlights

(S\$'000)	1Q 2014	1Q 2013	Variance (%)
Gross revenue	24,570	21,509	14.2
Net property income ("NPI")	18,385	20,258	(9.2)
Income available for distribution	13,044	15,486	(15.8)
Distribution per Unit ("DPU") (cents)	1.88	2.41	(22.0)
Annualised DPU (cents)	7.62	9.77	(22.0)
Annualised distribution yield ¹	7.05%	9.05%	(22.0)

Singapore, 16 April 2014 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust"), today announced a DPU of 1.88 Singapore cents for the quarter from 1 January 2014 to 31 March 2014, a 22.0% dip from the quarterly DPU generated in 1Q 2013. This corresponds to an annualised distribution yield of 7.05%, based on an annualised DPU of 7.62 Singapore cents and a closing price of S\$1.080 per Unit on 15 April 2014.

Chief Executive Officer and Executive Director of the Manager, Mr Kevin Xayaraj said, "The decline in DPU in 1Q 2014 is reflective of more difficult and challenging market conditions. Our results for 1Q 2014 have been affected by the conversion of four master-tenanted properties into multi-tenanted properties in 4Q 2013, which led to a significantly lower overall occupancy rate for our multi-tenanted properties.

Our portfolio occupancy remains largely unchanged at 90.6% in 1Q 2014 (versus 91.2% in 4Q 2013). At the property level, occupancy at 151 Lorong Chuan increased to 95.1% from 93.8%, while occupancy at 8 Commonwealth Lane rose to 74.3% from 68.6% in 4Q 2013.

Looking ahead, we will continue to intensify our marketing and leasing efforts to improve our portfolio occupancy. In addition, we will look for opportunities to recycle our capital by divesting underperforming assets and use the sale proceeds to reinvest in new acquisitions, pare down our debt and/or distribute capital gains from divestments to our Unitholders."

Property Portfolio

As at 31 March 2014, Sabana REIT's portfolio had 22 properties, spanning approximately 4.5 million square feet in gross floor area. Total asset value stood at above S\$1.2 billion. Sabana REIT's weighted average leasehold for underlying land in terms of gross floor area was 38.7 years. Approximately 46.0% of the portfolio's net lettable

¹ Based on the last traded price of S\$1.080 per Unit as at 15 April 2014.

area (“NLA”) was in the high-tech industrial sector. The next significant segment was warehouse and logistics space, accounting for 29.6%. Chemical warehouse & logistics space represented 15.1% of the NLA, while general industrial space accounted for the remaining 9.3% of the total NLA. As at 31 March 2014, the occupancy of Sabana REIT’s portfolio was at 90.6% based on the total NLA.

Capital Management

On 19 March 2014, Sabana Sukuk Pte. Ltd., a wholly-owned subsidiary of Sabana REIT issued S\$90.0 million 4.0% fixed periodic distribution trust certificates due 2018 under its S\$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme. The proceeds from the issuance have enabled Sabana REIT to refinance S\$90.0 million of the S\$100.2 million of borrowings due in November 2014.

Commenting on Sabana REIT’s maiden issuance of trust certificates, Mr Xayaraj said, “We are really encouraged by the successful take-up of this issuance, especially in the currently volatile interest rate environment. In addition to having a new source of financing for Sabana REIT, we were able to meet our borrowing obligations way ahead of time and extend our weighted tenor of debt. We are also in the process of unencumbering three properties, which will improve the Trust’s overall credit profile.”

On 1 April 2014, the Manager announced the establishment of a distribution reinvestment plan (the “DRP”), which will provide Sabana REIT’s Unitholders with an opportunity to elect to receive distributions in the form of fully-paid Units, instead of cash. Through the DRP, Unitholders will be able to increase their Unitholdings in the Trust without incurring brokerage fees, stamp duties (if any) and other related costs. The issue of new Units under the DRP will also enlarge Sabana REIT’s capital base and improve the liquidity of Units, and the cash retained thereof will strengthen its working capital.

Donation of non-Shari’ah compliant income

In 1Q 2014, Sabana REIT recorded a non-Shari’ah compliant income of S\$23,859, that was equivalent to less than 0.1% of the quarter’s gross revenue. Sabana REIT will be allocating its 1Q 2014 non-Shari’ah income, together with the remaining amount from the “Save Neira Ng” project², to Lien Aid and Ananias Centre.

Sabana REIT will be allocating \$32,524 to Lien Aid, a non-profit organisation that seeks to make clean water and proper sanitation more accessible and affordable for poor rural communities in Asia. The amount given will co-sponsor the installation of a community-based social water treatment plant in Cambodia and support Lien Aid’s health and hygiene awareness campaigns held for that community.

Sabana REIT will be allocating S\$20,000 to Ananias Centre, a before- and after-school care provider to approximately 240 primary school students, to help needy families which may not meet the criteria for government subsidies for student care for their children. The donations will also be used to sponsor enrolment fees, as well as school fees for children from needy families.

Distributions to Unitholders

The DRP will be applied to 1Q 2014 distribution. Unitholders may elect to receive distributions for the period 1 January 2014 to 31 March 2014 in the form of fully-paid Units, instead of cash.

² Ms Neira Ng passed away a few weeks after the amount allocated to the “Save Neira Ng” project was disbursed. The amount remaining after paying Ms Neira Ng’s hospital bills (S\$28,666) was returned by KK Hospital to Sabana REIT for re-disbursement.

Unitholders can expect to receive their distributions for the period 1 January 2014 to 31 March 2014 on 30 May 2014. The closure of Sabana REIT's transfer books and register of Unitholders will take place at 5pm on 25 April 2014.

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ABOUT 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 22 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\$1.2 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>.

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