



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)

SOLID GROWTH MOMENTUM FOR SABANA SHARI'AH COMPLIANT REIT IN 4Q 2012 AND FY2012

- 4Q 2012 distribution per Unit (DPU) rose by 11.4% year-on-year ("y-o-y").
- FY2012 DPU increased by 7.0% y-o-y to 9.28 cents per Unit, compared to 8.67 cents annualised for FY2011.
- New acquisition made in 4Q 2012 at S\$61.0 million.
- Achieved a net revaluation gain of about S\$25.3 million in 4Q 2012. Consequently, Sabana Shari'ah Compliant REIT's total assets stand at more than S\$1.1 billion.
- Strong portfolio performance with high occupancy at 99.9%.
- Healthy aggregate leverage of 37.6%.

Financial Highlights

(S\$'000)	FY2012 Actual ¹	FY2012 Forecast ²	Variance (%) ³	FY2011 Actual ⁴	Variance (%) ⁵
Gross revenue	81,768	68,889	18.7	76,945	6.3
Net property income ("NPI")	76,937	66,155	16.3	73,074	5.3
Distributable income	59,395	55,361	7.3	60,603	(2.0)
DPU (cents)	9.28	8.67	7.0	9.53	(2.6)
Annualised DPU (cents)	9.28	8.67	7.0	8.67	7.0
Annualised distribution yield					
- IPO price at S\$1.05	8.84%	8.25%	7.2	8.26%	7.0
- Closing Price at S\$1.15 ⁶	8.07%	7.54%	7.0	7.54%	7.0

Singapore, 17 January 2013 – Sabana Real Estate Investment Management Pte. Ltd., the Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana Shari'ah Compliant REIT" or the "Trust"), is pleased to announce that it has exceeded its DPU forecasts for 4Q 2012 and FY2012.

For the quarter ended 31 December 2012, the Manager reported a distributable income of S\$15.4 million, which beat both the Trust's forecast at IPO for 4Q 2012 and that of 4Q 2011 by more than 11.0%. The total income available for distribution corresponds to 2.41 cents per Unit based on 641,522,917 units entitled for distribution.

¹ For the period from 1 January 2012 to 31 December 2012.

² Based on figures for Projection Year 2012, as stated in the IPO Prospectus.

³ The difference of FY2012 Actual from FY2012 Forecast.

⁴ For the period from 26 Nov 2010 to 31 Dec 2011.

⁵ The difference of FY2012 from FY2011 Actual.

⁶ Based on the last traded price of S\$1.15 per Unit as at 16 January 2013.

On an annual basis, the distributable income for FY2012 totalled S\$59.4 million. This translates to an annualised DPU of 9.28 cents per Unit, a 7.0% increase from that of FY2011, as well as that of the Trust's IPO forecast.

The Trust saw FY2012 gross revenue increased by 6.3% y-o-y to S\$81.8 million and by 18.7% compared to the Trust's forecast at IPO. Acquisitions made post the Trust's listing largely contributed to an increase in the NPI compared to a year ago, which was 16.3% higher than the Trust's IPO forecast.

The Manager's Chief Executive Officer and Executive Director, Mr Kevin Xayaraj said, "We're pleased to be able to achieve a 7.0% increase in annualised DPU for FY2012 from the previous financial year. This also marks the eighth consecutive quarter of DPU growth for investors, made possible by the prudent investment approach and proactive management of our capital structure that has enabled us to make a number of quality acquisitions since the time of the Trust's listing."

Mr Xayaraj continued, "In addition, despite economic uncertainties for the global economy in 2012, the share price of Sabana Shari'ah Compliant REIT rose significantly. At the end of 2012, the share price had risen by 30.3% from a closing price of S\$0.875 on 31 December 2011. On a 12-month total return basis, it was approximately 39.0%.⁷ This has surpassed our expectations."

Portfolio update

As of 31 December 2012, independent valuations for the Trust's portfolio increased by approximately 8.2% a year ago. In addition to the acquisition of 23 Serangoon North Avenue 5 in 4Q 2012, positive mark-to-market revaluations made up approximately S\$25.3 million in total asset value growth, taking the Trust's total assets past S\$1.1 billion.

Commenting on the growth, Mr Kevin Xayaraj said, "In FY2011, Sabana Shari'ah Compliant REIT acquired five properties and the portfolio size grew by 22.6% from the time on listing in November 2010. That brought the total asset value past the S\$1.0 billion mark. In 2012, we continued to expand our portfolio with the acquisition of 23 Serangoon North Avenue 5. Together with the latest net revaluation gains, the total asset value now exceeds S\$1.1 billion, which is 33.2% higher than its initial portfolio at IPO. These were achieved while maintaining a healthy level of aggregate leverage, which stood at 37.6% as of 31 December 2012."

As of the end of 2012, approximately 42.4% of the portfolio by GFA is in the high-tech industrial sector. The next significant segment is warehouse and logistics space, accounting for 32.3%. General industrial space represented 15.2%, while chemical warehouse & logistics space accounted for the remaining 10.1% of the total GFA.

In terms of gross revenue, the main revenue driver in Sabana Shari'ah Compliant REIT's portfolio was the high-tech industrial sector, which made up 56.1% of the Trust's gross revenue. Warehouse and logistics space contributed 22.5% and chemical warehouse and logistics space contributed 10.6%. The remaining 10.8% of revenue came from general industrial space.

Capital management activities in 2012

During the year, Sabana Shari'ah Compliant REIT completed the refinancing of the Trust's S\$252.6 million term facilities due to mature in November 2013. In addition, the Trust issued S\$80.0 million

⁷ "High Beta vs High Div stocks over past 12 months".www.sgx.com. Singapore Exchange. 28 Dec 2012.Web.5 Jan 2013.

in principal amount of Convertible Sukuk due 2017 to mainly fund the acquisition of 23 Serangoon North Avenue 5, as well as to repay its existing Revolving Commodity Murabaha Facility.

As a result, Sabana Shari'ah Compliant REIT's average all-in financing cost was lowered to 4.3% per annum, from 4.4% per annum in 4Q 2011. The weighted term of debt also increased to 3.2 years as of 31 December 2012, compared to 2.2 years as of 31 December 2011, strengthening the overall capital structure of the Trust.

New Accolades

In January 2013, Islamic Finance News, a leading publication in Islamic finance announced that Sabana Shari'ah Compliant REIT won two categories in its *2012 Deals of the Year* awards. The Trust will be receiving accolades as *Equity Deal of the Year*, as well as *Real Estate Deal for the Year* for its S\$80.0 million Convertible Sukuk al Ijarah.

Outlook

According to Ministry of Trade & Industry, the Singapore economy grew by 1.2% in 2012, slightly lower than MTI's growth forecast of around 1.5%.⁸ As for 2013, the government forecasts GDP growth at 1% to 3%.⁹

The Singapore Government has recently introduced Seller's Stamp Duty ("SSD") on industrial property to discourage short-term speculative activity which could distort the underlying prices of industrial properties and raise costs for businesses. These SSDs will apply for industrial properties and land bought on or after 12 January 2013.¹⁰

The new SSD could potentially weed out speculators and moderate industrial property prices, particularly strata-title units. The impact on Sabana Shari'ah Compliant REIT is not expected to be significant as it holds its properties for investment purposes on a long term basis.

Despite the subdued outlook for the global economy and the Singapore industrial property market, the Manager is positive about the Trust's performance for 2013, given that the majority of the existing master leases will not expire until the end of 2013, and beyond.

Donation of non-Shari'ah compliant income

In 4Q 2012, Sabana Shari'ah Compliant REIT recorded a non-Shari'ah compliant income of S\$35,726 which represented less than 0.2% of the quarter's gross revenue.

Sabana Shari'ah Compliant REIT will donate half of the amount to Majlis Ugama Islam Singapura or Islamic Religious Council of Singapore ("MUIS") to support its initiative to introduce Islamic Finance into the religious schools under MUIS' purview. This will be achieved through providing scholarships or subsidising the course fees for students to pursue market recognized accreditation such as Islamic Finance Qualifications.

The other half of the non-Shari'ah income will be donated to Singapore Kadayannallur Muslim League to sponsor its Women Empowerment Program which supports home-based micro-business

⁸ "Singapore's GDP Grew 1.1 Per Cent in the Fourth Quarter of 2012". www.mti.com.sg. Ministry of Trade and Industry. 2 Jan 2013. Web. 7 Jan 2013.

⁹ "Manage Growth Expectations". www.asiaone.com. AsiaOne. 4 Jan 2013. Web. 8 Jan 2013.

¹⁰ "Additional Measure to Ensure a Stable and Sustainable Property Market". www.ur.gov.sg. Urban Redevelopment Authority. 11 Jan 2013. Web. 16 Jan 2013.

opportunities for single or stay-home mums. This will fund activities such as upgrading courses offered by Work Development Authority, as well as the providing seed money for small home-based business set-up.

Distribution to Unitholders

Unitholders can expect to receive their DPU for the period 1 October 2012 to 31 December 2012 on 28 February 2013. The closure of Sabana Shari'ah Compliant REIT's transfer books and register of Unitholders will take place at 5pm on 25 January 2013.

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For enquiries, please contact:

Sabana Real Estate Investment Management Pte. Ltd.

Bobby Tay Chiew Sheng
Chief Strategy Officer & Head of Investor Relations
DID: +65 6580 7768
Email: bobby.tay@sabana.com.sg

Grace Chen
Manager, Investor Relations
DID: +65 6580 7857
Email: grace.chen@sabana.com.sg

ABOUT SABANA SHARI'AH COMPLIANT REIT

Sabana Shari'ah Compliant REIT was listed on Singapore Exchange Securities Trading Limited on 26 November 2010.

Sabana Shari'ah Compliant REIT 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.

Since its successful market debut at S\$664.4 million, Sabana Shari'ah Compliant REIT has won numerous regional and international awards and still remains the biggest listed Shari'ah Compliant REIT in the world. Currently, Sabana Shari'ah Compliant REIT has a portfolio of 21 quality industrial properties in Singapore, valued at approximately S\$1.1 billion.

The Manager's key objective is to provide Unitholders of Sabana Shari'ah Compliant REIT with regular and stable distributions and long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure.

Sabana Shari'ah Compliant REIT is managed by Sabana Real Estate Investment Management Pte. Ltd., in accordance with the terms of the trust deed dated 29 October 2010 (as amended). Sabana Shari'ah Compliant REIT is a real estate investment trust constituted on 29 October 2010 under the laws of Singapore.

For further information on Sabana Shari'ah Compliant REIT, please visit <http://www.sabana-reit.com>.

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