
**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015**

INTRODUCTION

Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana Shari'ah Compliant REIT**" or "**Trust**") is a real estate investment trust constituted on 29 October 2010 (as amended) under the laws of Singapore by the Trust Deed entered between Sabana Real Estate Investment Management Pte. Ltd. as the manager (the "**Manager**") and HSBC Institutional Trust Services (Singapore) Limited as the trustee (the "**Trustee**") of Sabana Shari'ah Compliant REIT.

The portfolio of Sabana Shari'ah Compliant REIT as at the reporting date comprises 23 quality industrial properties (the "**Properties**") strategically located across Singapore. The Properties are:

1. 151 Lorong Chuan, New Tech Park, Singapore 556741
2. 8 Commonwealth Lane, Singapore 149555
3. 9 Tai Seng Drive, Geo-Tele Centre, Singapore 535227
4. 200 Pandan Loop, Pantech 21, Singapore 128388
5. 15 Jalan Kilang Barat, Frontech Centre, Singapore 159357
6. 33 & 35 Penjuru Lane, Freight Links Express Logisticpark, Singapore 609200/609202
7. 18 Gul Drive, Singapore 629468
8. 1 Tuas Avenue 4, Singapore 639382
9. 34 Penjuru Lane, Penjuru Logistics Hub, Singapore 609201
10. 51 Penjuru Road, Freight Links Express Logisticcentre, Singapore 609143
11. 26 Loyang Drive, Singapore 508970
12. 3 Kallang Way 2A, Fong Tat Building, Singapore 347493
13. 218 Pandan Loop, Singapore 128408
14. 123 Genting Lane, Yenom Industrial Building, Singapore 349574
15. 30 & 32 Tuas Avenue 8, Singapore 639246/639247
16. 3A Joo Koon Circle, Singapore 629033
17. 2 Toh Tuck Link, Singapore 596225
18. 21 Joo Koon Crescent, Singapore 629026
19. 39 Ubi Road 1, Singapore 408695
20. 6 Woodlands Loop, Singapore 738346
21. 23 Serangoon North Avenue 5, BTH Centre, Singapore 554530
22. 508 Chai Chee Lane, Singapore 469032
23. 10 Changi South Street 2, Singapore 486596

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the first quarter ended 31 March 2015 ("**1Q 2015**") and the comparative period ("**1Q 2014**") as set out in this announcement have been extracted from the interim condensed financial statements for 1Q 2015 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
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SUMMARY OF RESULTS FOR SABANA GROUP

| | Group | | |
|--|---------|---------|------------------|
| | 1Q 2015 | 1Q 2014 | Fav / (Unfav) |
| | S\$'000 | S\$'000 | % |
| Gross revenue | 25,364 | 24,570 | 3.2 |
| Net property income | 18,587 | 18,385 | 1.1 |
| Income available for distribution | 12,973 | 13,044 | (0.5) |
| Distribution per unit ("DPU") (cents) ^(a) | 1.78 | 1.88 | (5.3) |
| Annualised DPU (cents) | 7.22 | 7.62 | (5.3) |

Note:

- (a) Please refer to Item 6 on Page 12 for the DPU computation.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015**

1 (a) Statements of Total Return and Distribution Statements (1Q 2015 vs 1Q 2014)

| Statements of Total Return | Group | | | Trust | | |
|--|----------------|----------------|------------------|----------------|----------------|------------------|
| | 1Q 2015 | 1Q 2014 | Fav / (Unfav) | 1Q 2015 | 1Q 2014 | Fav / (Unfav) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Gross revenue ^(a) | 25,364 | 24,570 | 3.2 | 25,364 | 24,570 | 3.2 |
| Property expenses ^(b) | (6,777) | (6,185) | (9.6) | (6,777) | (6,185) | (9.6) |
| Net property income | 18,587 | 18,385 | 1.1 | 18,587 | 18,385 | 1.1 |
| Finance income | 31 | 23 | 34.8 | 31 | 23 | 34.8 |
| Finance costs | (5,261) | (6,731) | 21.8 | (5,142) | (6,619) | 22.3 |
| Net finance costs ^(c) | (5,230) | (6,708) | 22.0 | (5,111) | (6,596) | 22.5 |
| Amortisation of intangible assets | (262) | (265) | 1.1 | (262) | (265) | 1.1 |
| Manager's fees | (1,580) | (1,519) | (4.0) | (1,580) | (1,519) | (4.0) |
| Trustee's fees | (144) | (128) | (12.5) | (144) | (128) | (12.5) |
| Donation of non-Shari'ah compliant income ^(d) | (11) | (24) | 54.2 | (11) | (24) | 54.2 |
| Other trust expenses | (424) | (311) | (36.3) | (428) | (315) | (35.9) |
| Net income | 10,936 | 9,430 | 16.0 | 11,051 | 9,538 | 15.9 |
| Net change in fair value of financial derivatives ^(e) | 1,143 | 2,878 | (60.3) | 1,195 | 1,176 | 1.6 |
| Total return for the period before taxation | 12,079 | 12,308 | (1.9) | 12,246 | 10,714 | 14.3 |
| Tax expense ^(f) | * | * | - | - | - | - |
| Total return for the period after taxation | 12,079 | 12,308 | (1.9) | 12,246 | 10,714 | 14.3 |

| Distribution Statements | Group | | | Trust | | |
|---|---------------|---------------|------------------|---------------|---------------|------------------|
| | 1Q 2015 | 1Q 2014 | Fav / (Unfav) | 1Q 2015 | 1Q 2014 | Fav / (Unfav) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Total return for the period after taxation | 12,079 | 12,308 | (1.9) | 12,246 | 10,714 | 14.3 |
| Non-tax deductible/(chargeable) items: | | | | | | |
| Manager's fees paid/payable in units | 1,264 | 1,215 | 4.0 | 1,264 | 1,215 | 4.0 |
| Amortisation of intangible assets | 262 | 265 | (1.1) | 262 | 265 | (1.1) |
| Amortisation of transaction costs ^(g) | 561 | 827 | (32.2) | 445 | 718 | (38.0) |
| Transaction costs written off | - | 260 | (100.0) | - | 260 | (100.0) |
| Break costs on prepayment of borrowings | - | 909 | (100.0) | - | 909 | (100.0) |
| Break costs on termination of profit rate swaps | - | 589 | (100.0) | - | 589 | (100.0) |
| Trustee's fees | 144 | 128 | 12.5 | 144 | 128 | 12.5 |
| Donation of non-Shari'ah compliant income | 11 | 24 | (54.2) | 11 | 24 | (54.2) |
| Net change in fair value of financial derivatives | (1,143) | (2,878) | 60.3 | (1,195) | (1,176) | (1.6) |
| Effects of recognising rental income on a straight line basis over the lease term | (284) | (730) | 61.1 | (284) | (730) | 61.1 |
| Other items | 79 | 127 | (37.8) | 80 | 128 | (37.5) |
| Net effect of non-tax deductible items | 894 | 736 | 21.5 | 727 | 2,330 | (68.8) |
| Income available for distribution to Unitholders for the period | 12,973 | 13,044 | (0.5) | 12,973 | 13,044 | (0.5) |

* Less than S\$1,000

Notes:

- (a) Gross revenue comprises rental and other operating income from the Properties.
- (b) Property expenses comprise:
- (i) Service, repairs, maintenance and insurances;
 - (ii) Property and lease management fees;
 - (iii) Applicable property tax, land rent and utilities expenses related to properties not under triple-net master lease agreements;
 - (iv) Marketing and lease administrative expenses; and
 - (v) Other reimbursable expenses payable to the Property Manager.

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(c) Included in net finance costs are the following:

| | Group | | | Trust | | |
|---|----------------|----------------|------------------|----------------|----------------|------------------|
| | YTD | | Fav / (Unfav) | YTD | | Fav / (Unfav) |
| | 31/03/15 | 31/03/14 | | 31/03/15 | 31/03/14 | |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Finance income: | | | | | | |
| - Profit income from fixed deposits with Islamic financial institutions | 20 | 12 | 66.7 | 20 | 12 | 66.7 |
| - Ta'widh (compensation on late payment of rent) | 11 | 11 | - | 11 | 11 | - |
| | 31 | 23 | 34.8 | 31 | 23 | 34.8 |
| Finance costs: | | | | | | |
| - Commodity Murabaha Facilities | (1,635) | (2,410) | 32.2 | (1,635) | (2,410) | 32.2 |
| - Profit rate swaps | (281) | (751) | 62.6 | (281) | (751) | 62.6 |
| - Convertible Sukuk | (804) | (804) | - | - | - | - |
| - Trust Certificates | (1,936) | (118) | NM | - | - | - |
| - Loans from subsidiaries | - | - | - | (2,740) | (922) | (197.2) |
| - Amortisation of transaction costs | (561) | (827) | 32.2 | (445) | (718) | 38.0 |
| - Transaction costs written off | - | (260) | 100.0 | - | (260) | 100.0 |
| - Break costs on prepayment of borrowings | - | (909) | 100.0 | - | (909) | 100.0 |
| - Break costs on termination of profit rate swaps | - | (589) | 100.0 | - | (589) | 100.0 |
| - Brokerage and agent fees | (44) | (63) | 30.2 | (41) | (60) | 31.7 |
| | (5,261) | (6,731) | 21.8 | (5,142) | (6,619) | 22.3 |
| Net finance costs | (5,230) | (6,708) | 22.0 | (5,111) | (6,596) | 22.5 |

NM denotes "not meaningful"

In March 2014, Sabana Group completed a refinancing exercise whereby the net proceeds from the issuance of the \$90.0 million Trust Certificates due 19 March 2018 ("**Trust Certificates Series I**") were used to partially prepay S\$90.0 million of a then existing Term Commodity Murabaha Facility ("**Refinanced Term CMF**") ahead of its maturity in November 2014 ("**Early Refinancing Exercise**").

As a result, the following one-time finance costs associated with the Early Refinancing Exercise were incurred in 1Q 2014:

- (i) Unamortised transaction costs relating to the Refinanced Term CMF which was prepaid being written off;
- (ii) Break costs on the prepayment of S\$90.0 million on the Refinanced Term CMF; and
- (iii) Break costs on the termination of the profit rate swap used to hedge the profit rate risk of the Refinanced Term CMF.

(collectively, the "**Early Refinancing Costs**")

The Early Refinancing Costs are non-tax deductible and have no impact on income available for distribution. No such costs were incurred in 1Q 2015.

(d) This relates to the net income which was subjected to the cleansing process and was approved by the Independent Shari'ah Committee to be and donated to the following beneficiaries:

1Q 2015

- Singapore Red Cross for the Cyclone Pam 2015 Relief Fund.

1Q 2014

- Lien Aid; and
- Ananias Centre.

(e) Net change in fair value of financial derivatives relates to the change in the fair value of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk based on broker quotes between the last quarter and at the reporting date.

(f) This pertains to the tax expense of subsidiaries of the Trust.

(g) This represents the amortisation of upfront fees and legal fees pertaining to the Commodity Murabaha Facilities ("**CMF**"), Convertible Sukuk, Trust Certificates and loans from subsidiaries. These items are non-tax deductible and have no impact on income available for distribution.

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1 (b)(i) Statements of financial position, together with comparatives as at the end of the immediate preceding financial year

| Statements of Financial Position | Group | | | Trust | | |
|--|------------------|------------------|--------------|------------------|------------------|--------------|
| | 31/03/15 | 31/12/14 | Change | 31/03/15 | 31/12/14 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Non-current assets | | | | | | |
| Investment properties | 1,260,263 | 1,260,053 | NM | 1,260,263 | 1,260,053 | NM |
| Intangible assets ^(a) | 185 | 447 | (58.6) | 185 | 447 | (58.6) |
| Subsidiaries ^(b) | - | - | - | * | * | - |
| Derivative assets ^(c) | 615 | 154 | 299.4 | 615 | 154 | 299.4 |
| Total non-current assets | 1,261,063 | 1,260,654 | NM | 1,261,063 | 1,260,654 | NM |
| Current assets | | | | | | |
| Trade and other receivables ^(d) | 8,572 | 8,719 | (1.7) | 8,567 | 8,712 | (1.7) |
| Cash and cash equivalents ^(e) | 12,259 | 12,287 | (0.2) | 12,253 | 12,282 | (0.2) |
| Total current assets | 20,831 | 21,006 | (0.8) | 20,820 | 20,994 | (0.8) |
| Total assets | 1,281,894 | 1,281,660 | NM | 1,281,883 | 1,281,648 | NM |
| Current liabilities | | | | | | |
| Trade and other payables ^(f) | 13,171 | 14,803 | (11.0) | 13,166 | 14,796 | (11.0) |
| Borrowings ^(g) | 99,053 | 98,875 | 0.2 | 100,318 | 100,256 | 0.1 |
| Derivative liabilities ^(h) | 653 | 601 | 8.7 | - | - | - |
| Total current liabilities | 112,877 | 114,279 | (1.2) | 113,484 | 115,052 | (1.4) |
| Non-current liabilities | | | | | | |
| Trade and other payables ^(f) | 13,595 | 13,206 | 2.9 | 13,595 | 13,206 | 2.9 |
| Borrowings ^(g) | 380,356 | 379,973 | 0.1 | 380,356 | 379,973 | 0.1 |
| Derivative liabilities ^(h) | 883 | 1,617 | (45.4) | 883 | 1,617 | (45.4) |
| Total non-current liabilities | 394,834 | 394,796 | NM | 394,834 | 394,796 | NM |
| Total liabilities | 507,711 | 509,075 | (0.3) | 508,318 | 509,848 | (0.3) |
| Net assets | 774,183 | 772,585 | 0.2 | 773,565 | 771,800 | 0.2 |
| Represented by: | | | | | | |
| Unitholders' funds ⁽ⁱ⁾ | 774,183 | 772,585 | 0.2 | 773,565 | 771,800 | 0.2 |

NM denotes "not meaningful"

* Less than S\$1,000

Notes:

- This represents the unamortised rental support provided by the vendor of 9 Tai Seng Drive which can be drawn down over five years from its acquisition date of 26 November 2010. The decrease in intangible assets is mainly due to the amortisation of the rental support.
- This relates to the cost of investments in Sabana Treasury Pte. Ltd. ("**STPL**") and Sabana Sukuk Pte. Ltd. ("**SSPL**"), wholly-owned subsidiaries of the Trust.
- Non-current derivative assets relate to the fair value of the profit rate swap entered into to hedge the profit rate risk on the S\$90.0 million Term CMF B during 1Q 2015.
- This relates to trade receivables, prepayments, deposits, and other receivables.
- This relates to bank balances and Shari'ah compliant deposits held with Islamic financial institutions. Please refer to the Statement of Cashflows under Item 1(c) on Page 9 for further details in the movement of cash and cash equivalents.
- This relates to trade payables, security deposits, rental received in advance, retention sums and accruals and provisions.

The lower current trade and other payables from 31 December 2014 are mainly due to:

- Lower rental received in advance from tenants as at 31 March 2015 as compared to 31 December 2014; and
- Utilisation of rental support received upfront from the vendor of 9 Tai Seng Drive.

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- (g) Current borrowings represent the following at Sabana Group and the Trust:
- (i) Amortised cost of the principal amount of S\$28.5 million drawn from Revolving CMF D;
 - (ii) Amortised cost of the liability component of the remaining principal amount of S\$72.5 million of Convertible Sukuk issued by STPL; and
 - (iii) Amortised cost of the remaining principal amount of S\$72.5 million of STPL's profit bearing loan to the Trust, which was raised from the issuance of the Convertible Sukuk by STPL.

Non-current borrowings represent the following at Sabana Group and the Trust:

- (i) Amortised cost of the principal amount of S\$75.0 million drawn from Term CMF F;
- (ii) Amortised cost of the principal amount of the \$90.0 million Trust Certificates Series I and the \$100.0 million Trust Certificates due April 2019 ("**Trust Certificates Series II**") (Collectively "**Trust Certificates Series**") issued by SSPL; and
- (iii) Amortised cost of the principal amount of S\$190.0 million of SSPL's profit bearing loans to the Trust, which was raised from the issuance of the Trust Certificates Series by SSPL.

As at the reporting date, both the Group and the Trust are in net current liabilities position mainly due to the current borrowings.

- (h) Current derivative liabilities relate to the fair value of the embedded derivatives component of the Convertible Sukuk issued by STPL.

Non-current derivative liabilities relate to the fair value of the profit rate swap entered into to hedge the profit rate risk on the S\$75.0 million Term CMF F.

The movements in current and non-current derivative liabilities are mainly due to the change in fair value of the embedded derivatives component of the Convertible Sukuk and the profit rate swap used for hedging Term CMF F respectively.

- (i) Please refer to the Statements of Movements in Unitholders' Funds under Item (1)(d)(i) on Page 10 for details.

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1 (b)(ii) Aggregate amount of borrowings and debt securities

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 31/03/15 | 31/12/14 | 31/03/15 | 31/12/14 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Secured borrowings | | | | |
| Amount repayable within one year: | | | | |
| Revolving CMF D ^(a) | 28,500 | 28,500 | 28,500 | 28,500 |
| | 28,500 | 28,500 | 28,500 | 28,500 |
| Amount repayable after one year: | | | | |
| Term CMF (B, C & F) ^(a) | 195,000 | 195,000 | 195,000 | 195,000 |
| Less: Unamortised capitalised transaction costs | (3,099) | (3,383) | (3,099) | (3,383) |
| | 191,901 | 191,617 | 191,901 | 191,617 |
| Total secured borrowings | 220,401 | 220,117 | 220,401 | 220,117 |
| Unsecured borrowings | | | | |
| Amount repayable within one year: | | | | |
| Convertible Sukuk - debt component ^(b) | 70,553 | 70,375 | - | - |
| Loans from subsidiaries ^(c) | - | - | 72,500 | 72,500 |
| Less: Unamortised capitalised transaction costs | - | - | (682) | (744) |
| | 70,553 | 70,375 | 71,818 | 71,756 |
| Amount repayable after one year: | | | | |
| Trust Certificates ^(d) | 190,000 | 190,000 | - | - |
| Loans from subsidiaries ^(c) | - | - | 190,000 | 190,000 |
| Less: Unamortised capitalised transaction costs | (1,545) | (1,644) | (1,545) | (1,644) |
| | 188,455 | 188,356 | 188,455 | 188,356 |
| Total unsecured borrowings | 259,008 | 258,731 | 260,273 | 260,112 |
| Total borrowings | 479,409 | 478,848 | 480,674 | 480,229 |

Details of borrowings, debt securities and collaterals

Secured borrowings

(a) As at the reporting date, the following CMF were outstanding:

- (i) 2-year Term CMF B of S\$90.0 million maturing in November 2016;
- (ii) 3-year Revolving CMF D of S\$28.5 million maturing in November 2016;
- (iii) 5-year Term CMF F of S\$75.0 million maturing in August 2017; and
- (iv) 5-year Term CMF C of S\$30.0 million maturing in November 2019.

As at the reporting date, the Revolving CMF D has an undrawn amount of S\$19.5 million.

The CMF are secured by, *inter alia*:

- (1) A first ranking legal mortgage over 10 investment properties with a combined carrying value of S\$720.6 million ("**Securitized Properties**"), (or, where title to or lease relating to the Securitized Properties has not been issued, an assignment of building agreement or agreement for lease (as the case may be) coupled with a mortgage in escrow);
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Securitized Properties; and
- (3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Securitized Properties.

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Unsecured borrowings

(b) Convertible Sukuk

| | Group | |
|--|---------------|---------------|
| | 31/03/15 | 31/12/14 |
| | S\$'000 | S\$'000 |
| Convertible Sukuk - debt component | | |
| Carrying amount of debt component at beginning of the year | 70,375 | 69,678 |
| Profit accretion, including amortisation of transaction costs | 178 | 697 |
| Carrying amount of debt component at end of the period/year | 70,553 | 70,375 |

The S\$80.0 million 4.5 Per Cent. Convertible Sukuk issued by STPL on 24 September 2012 and due on 24 September 2017, is unsecured, and convertible by Sukukholders into units of the Trust at any time on or after 9 November 2012 at the initial conversion price of S\$1.1933 per unit. As at the reporting date, the conversion price per unit is S\$1.0971.

The Convertible Sukuk with a put option exercisable on 24 September 2015 may be redeemed by Sukukholders.

(c) Loans from subsidiaries

As at the reporting date, the following loans from subsidiaries were outstanding:

- (i) S\$72.5 million loan, which is equivalent to the principal amount of the Convertible Sukuk outstanding, granted by STPL to the Trust, through the proceeds raised from the issuance of the Convertible Sukuk at the same repayment terms, is unsecured and profit bearing;
- (ii) S\$90.0 million loan, which is equivalent to the principal amount of the Trust Certificates Series I, granted by SSPL to the Trust, through the proceeds raised from the issuance of the Trust Certificates Series I at the same repayment terms, is unsecured and profit bearing; and
- (iii) S\$100.0 million loan, which is equivalent to the principal amount of the Trust Certificates Series II, granted by SSPL to the Trust, through the proceeds raised from the issuance of the Trust Certificates Series II at the same repayment terms, is unsecured and profit bearing.

(d) Trust Certificates

As at the reporting date, the following unsecured Trust Certificates issued under the Group's S\$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme were outstanding:

- (i) S\$90.0 million 4.0 Per Cent. Trust Certificates Series I issued on 19 March 2014 and due on 19 March 2018; and
- (ii) S\$100.0 million 4.25 Per Cent. Trust Certificates Series II issued on 3 October 2014 and due on 3 April 2019.

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1 (c) Statement of Cash Flows

| Statement of Cash Flows | Group | |
|--|-------------------------|-----------------|
| | 1Q 2015 | 1Q 2014 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Total return for the period after taxation and before distribution | 12,079 | 12,308 |
| Adjustments for: | | |
| Amortisation of intangible assets | 262 | 265 |
| Manager's fees paid/payable in units | 1,264 | 1,215 |
| Net change in fair value of financial derivatives | (1,143) | (2,878) |
| Net finance costs | 5,230 | 6,708 |
| | 17,692 | 17,618 |
| Change in trade and other receivables | 147 | (985) |
| Change in trade and other payables | (628) | 774 |
| Cash generated from operations | 17,211 | 17,407 |
| Ta'widh (compensation on late payment of rent) received | 11 | 11 |
| Net cash from operating activities | 17,222 | 17,418 |
| Cash flows from investing activities | | |
| Capital expenditure on investment properties | (210) | (547) |
| Profit income received from Islamic financial institutions | 20 | 12 |
| Net cash used in investing activities | (190) | (535) |
| Cash flows from financing activities | | |
| Break costs on prepayment of borrowings | - | (909) |
| Break costs on termination of profit rate swaps | - | (589) |
| Proceeds from borrowings | - | 90,000 |
| Repayment of borrowings | - | (90,000) |
| Issue expenses paid | (21) | - |
| Transaction costs paid | - | (770) |
| Finance costs paid | (5,315) | (5,147) |
| Distributions paid | (11,724) ^(a) | (15,154) |
| Net cash used in financing activities | (17,060) | (22,569) |
| Net decrease in cash and cash equivalents | (28) | (5,686) |
| Cash and cash equivalents at beginning of the period | 12,287 | 17,084 |
| Cash and cash equivalents at end of the period | 12,259 | 11,398 |

Note:

- (a) This amount excludes approximately S\$1.2 million (net of withholding tax) distributed by the issuance of 1,318,239 new units in 1Q 2015 as part payment of distributions for the period from 1 October 2014 to 31 December 2014, pursuant to the Distribution Reinvestment Plan ("DRP").

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1 (d)(i) Statements of Movements in Unitholders' Funds (1Q 2015 vs 1Q 2014)

| Statements of Movements in Unitholders' Funds | Group | | Trust | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1Q 2015 | 1Q 2014 | 1Q 2015 | 1Q 2014 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at beginning of the period | 772,585 | 756,504 | 771,800 | 757,431 |
| Operations | | | | |
| Total return for the period after taxation and before distribution | 12,079 | 12,308 | 12,246 | 10,714 |
| | 784,664 | 768,812 | 784,046 | 768,145 |
| Unitholders' transactions | | | | |
| Issue of new units: | | | | |
| - Manager's fees payable in units ^(a) | 1,264 | 1,215 | 1,264 | 1,215 |
| - DRP ^(b) | 1,198 | - | 1,198 | - |
| Issue expenses | (21) | - | (21) | - |
| Distributions to Unitholders | (12,922) | (15,154) | (12,922) | (15,154) |
| Net decrease in net assets resulting from Unitholders' transactions | (10,481) | (13,939) | (10,481) | (13,939) |
| Unitholders' funds at end of the period | 774,183 | 754,873 | 773,565 | 754,206 |

Notes:

- (a) This represents the value of new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units are to be issued within 30 days from the quarter end.
- (b) This represents the value of new units issued as part payment of distributions for the period from 1 October 2014 to 31 December 2014, pursuant to the DRP.

1 (d)(ii) Details of any changes in the units

| | Group and Trust | |
|--|--------------------|--------------------|
| | 1Q 2015 | 1Q 2014 |
| Units in issue: | | |
| Units in issue at beginning of the period | 724,623,716 | 690,774,855 |
| Manager's fees paid in units | 1,358,855 | 1,184,607 |
| DRP ^(a) | 1,318,239 | - |
| Issued units at the end of the period | 727,300,810 | 691,959,462 |
| Units to be issued: | | |
| Manager's fees payable in units ^(b) | 1,401,544 | 1,192,203 |
| Total issued and to be issued units | 728,702,354 | 693,151,665 |

Notes:

- (a) These are new units issued pursuant to the DRP.
- (b) These are new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The new units are to be issued within 30 days from the quarter end.

Convertible Sukuk

Sabana Group has the following Convertible Sukuk outstanding as at 31 March 2015:

| Principal Amount Outstanding | Maturity Date | Conversion Price per unit as at 31 March 2015 |
|---|-------------------|---|
| <u>Convertible Sukuk due 2017</u> S\$72.5 million 4.5% per annum. | 24 September 2017 | S\$1.0971 |

Since the date of their issue, an aggregate principal amount of S\$7.5 million of Convertible Sukuk has been converted into 6,285,090 units by converting Sukukholders.

Assuming all the outstanding Convertible Sukuk are fully converted based on the current conversion price of S\$1.0971, the number of new units to be issued would be 66,083,311 units, representing 9.1% of the total number of the Trust's units in issue and to be issued of 728,702,354 units as at 31 March 2015.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared with the audited financial statements for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU") of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per unit (1Q 2015 vs 1Q 2014)

| | Group | | Trust | |
|--|-------------|-------------|-------------|-------------|
| | 1Q 2015 | 1Q 2014 | 1Q 2015 | 1Q 2014 |
| <u>Basic EPU</u> | | | | |
| Weighted average number of units in issue | 726,058,743 | 691,604,164 | 726,058,743 | 691,604,164 |
| Earnings per unit for the period based on the weighted average number of units in issue (cents) ^(a) | 1.66 | 1.78 | 1.69 | 1.55 |
| <u>Diluted EPU</u> | | | | |
| Weighted average number of units in issue (diluted) | 792,142,054 | 755,435,825 | 792,142,054 | 755,435,825 |
| Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) ^(b) | 1.66 | 1.53 | 1.66 | 1.53 |

Notes:

- (a) The EPU calculation uses the total return for the period after taxation and before distribution, and the weighted average number of units outstanding during the period.
- (b) The diluted EPU calculation uses the total return for the period after taxation and before distribution and the weighted average number of units outstanding during the period, adjusted for the effects of all dilutive potential units arising from the assumed conversion of the Convertible Sukuk to units.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015**

Distribution per unit

| | Group and Trust | |
|--|-----------------|-------------|
| | 1Q 2015 | 1Q 2014 |
| Number of units issued and to be issued at end of period entitled to distribution ^(a) | 728,702,354 | 693,151,665 |
| Distribution per unit for the period based on the total number of units entitled to distribution (cents) | 1.78 | 1.88 |

Note:

- (a) The computation of DPU is based on the number of units entitled to distribution, comprising:
- (i) The number of units in issue as at 31 March 2015 of 727,300,810 (31 March 2014: 691,959,462); and
 - (ii) The units to be issued to the Manager by 30 April 2015 as partial consideration of Manager's fees incurred for 1Q 2015 of 1,401,544 (by 30 April 2014 as partial consideration of Manager's fees incurred for 1Q 2014: 1,192,203).

7. Net asset value per unit based on units issued at the end of the period and immediately preceding financial year

| | Group | | Trust | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | As at 31/03/15 | As at 31/12/14 | As at 31/03/15 | As at 31/12/14 |
| NAV per unit (S\$) ^(a) | 1.06 | 1.06 | 1.06 | 1.06 |

Note:

- (a) The number of units used to compute NAV per unit is 728,702,354 (31 December 2014: 725,982,571), comprising:
- (i) The number of units in issue as at 31 March 2015 of 727,300,810 (31 December 2014: 724,623,716); and
 - (ii) The units to be issued to the Manager by 30 April 2015 as partial consideration of Manager's fees incurred for 1Q 2015 of 1,401,544 (by 31 January 2015 as partial consideration of Manager's fees incurred for 4Q 2014 of 1,358,855).

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015

8. Review of the performance of the Group for the current financial period reported on

1Q 2015 vs 1Q 2014

| Statement of Total Return | Group | | |
|---|----------------|----------------|---------------|
| | 1Q 2015 | 1Q 2014 | Fav / (Unfav) |
| | S\$'000 | S\$'000 | % |
| Gross revenue | 25,364 | 24,570 | 3.2 |
| Property expenses | (6,777) | (6,185) | (9.6) |
| Net property income^(a) | 18,587 | 18,385 | 1.1 |
| Finance income | 31 | 23 | 34.8 |
| Finance costs | (5,261) | (6,731) | 21.8 |
| Net finance costs^(b) | (5,230) | (6,708) | 22.0 |
| Amortisation of intangible assets | (262) | (265) | 1.1 |
| Manager's fees ^(c) | (1,580) | (1,519) | (4.0) |
| Trustee's fees ^(c) | (144) | (128) | (12.5) |
| Donation of non-Shari'ah compliant income ^(d) | (11) | (24) | 54.2 |
| Other trust expenses ^(e) | (424) | (311) | (36.3) |
| Net income | 10,936 | 9,430 | 16.0 |
| Net change in fair value of financial derivatives ^(f) | 1,143 | 2,878 | (60.3) |
| Total return for the period before taxation and distribution | 12,079 | 12,308 | (1.9) |
| Tax expense | * | * | - |
| Total return for the period before distribution | 12,079 | 12,308 | (1.9) |
| Distribution adjustments ^(g) | 894 | 736 | 21.5 |
| Income available for distribution | 12,973 | 13,044 | (0.5) |

*Less than S\$1,000

Notes:

- (a) Net property income increased marginally by 1.1% mainly due to:
- (i) Higher gross revenue arising from the contribution from 10 Changi South Street 2 ("**Acquisition Property**") which was acquired on 15 December 2014; and partially offset by
 - (ii) Higher property expenses arising from higher service, repairs, maintenance, utilities, property tax, and land rent expenses from 2 Toh Tuck Link which was converted into a multi-tenanted lease arrangement in 4Q 2014.
- (b) Net finance costs decreased by 22.0% mainly due to:
- (i) The one-time Early Refinancing Costs associated with the Early Refinancing Exercise in 1Q 2014; and partially offset by
 - (ii) Higher profit expense arising from higher borrowings with higher average profit rates outstanding in 1Q 2015 over 1Q 2014, attributable to the issuance of the Trust Certificates Series II in 4Q 2014 to partly fund the Acquisition Property.
- (c) Manager's and Trustee's fees increased by 4.0% and 12.5% respectively mainly due to the higher total assets since 4Q 2014, arising from the Acquisition Property, upon which these fees are based on.
- (d) The decrease in donation of non-Shari'ah compliant income by 54.2% is mainly due to less income generated from non-Shari'ah compliant activities subjected to cleansing in 1Q 2015 over 1Q 2014.
- (e) Other trust expenses were 36.3% higher mainly due to higher central registry service charges and printing charges, consequent to the implementation of DRP in 1Q 2015 over 1Q 2014.
- (f) The lower net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk recognised between the last quarter and at the reporting date.
- (g) Distribution adjustments were 21.5% higher in 1Q 2015 mainly due to:
- (i) Lower non-tax chargeable effects on the item stated in (f) and straight-lining adjustments on rental income for tenants of multi-tenanted properties given rent-free period; and partially offset by
 - (ii) One-time non-tax deductible effects of the Early Refinancing Costs in 1Q 2014.

9. Variance between forecast and the actual results

The Manager has not disclosed any financial forecast to the market. However as indicated in the previous quarter's announcement dated 21 January 2015, the Manager remains committed in its efforts to improve the portfolio occupancy, prudently manage Sabana REIT's capital structure, and continue to evaluate potential yield-accretive acquisition opportunities and also explore opportunities to divest underperforming assets to recycle Sabana REIT's capital.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Based on advanced estimates, the Singapore economy grew by 2.1% on a year-on-year basis in 1Q 2015, the same rate of growth as that achieved in the previous quarter. However, on a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1% compared to the 4.9% in the preceding quarter.¹

According to Colliers International, the industrial leasing segment continued to see healthy leasing activity level in 1Q 2015, with the expansion of growth industries such as data centres, as well as businesses that are part of the manufacturing chain of high-technology products. However, for the rest of FY 2015, the outlook of the industrial property sector is expected to be mixed, owing to uncertainties over Singapore's economic growth prospects, a more challenging business climate and continued high business costs. For the multi-user industrial space segment where competition for qualifying tenants is expected to stiffen amid mounting supply pressures, Colliers International foresees rents to slide further for prime conventional industrial space. However, Colliers International also predicts rents for business parks and independent high-specs buildings to continue to buck the downward trend and strengthen in 2015, on the back of a tightening supply.²

The portfolio occupancy and income available for distribution in 1Q 2015 have remained largely stable compared to 1Q 2014 although DPU is slightly lower, owing to an increase in the number of Sabana REIT units from a year ago.

The Manager has been evaluating potential yield-accretive acquisition opportunities both locally, and abroad, as well as development projects and asset enhancement initiatives to grow the Trust's portfolio. In addition, the Manager intends to divest underperforming or non-core assets to recycle Sabana REIT's capital and will look for opportunities to do so. On the capital management front, the Manager will keep on exploring new ways to diversify funding sources and to improve the Trust's borrowings maturity profile.

With approximately seven months to go before the expiry of the 11 master leases, the Manager is working towards renewing or securing new master leases for seven of them. The remaining four properties will likely be converted into multi-tenanted buildings.

While the Manager anticipates market conditions to remain challenging, it will actively manage Sabana REIT's lease expiry profile and continue to be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy. Lease management of the 11 master-tenanted properties and marketing of available space will remain as the Manager's top priorities for FY 2015.

Sources:

(1) "Singapore's GDP Grew by 2.1 Per Cent in the First Quarter of 2015". www.mti.gov.sg. Ministry of Trade and Industry Singapore. 14 April 2015. Web. 14 April 2015.

(2) "Weak sales persist leasing still healthy". www.colliers.com. Colliers International. 1Q 2015. Web. 17 April 2015.

11. Distributions

(a) Current financial period

Any distribution declared for the current period: Yes

Name of distribution: Distribution for the first quarter ended 31 March 2015

Distribution Type: Taxable income distribution – 1.78 cents per unit

Par value of units: Not meaningful

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015**

Tax rate:

Taxable Income

These distributions are made out of Sabana Shari'ah Compliant REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at the level of these individuals at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Sabana Shari'ah Compliant REIT.

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the previous corresponding period: Yes

Name of distribution: Distribution for the first quarter ended 31 March 2014

Distribution Type: Taxable income distribution – 1.88 cents per unit

Par value of units: Not meaningful

Tax rate:

Taxable Income

These distributions are made out of Sabana Shari'ah Compliant REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at the level of these individuals at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Sabana Shari'ah Compliant REIT.

(c) Date Payable: 29 May 2015

(d) Books Closure Date: 28 April 2015

12. If no distribution has been declared/ (recommended), a statement to that effect

Not applicable.

13. Distribution policy

Sabana Shari'ah Compliant REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders. Distributions are usually made on a quarterly basis at the discretion of the Manager.

14. General mandate relating to interested person transactions

The Trust has not obtained a general mandate from Unitholders for interested person transactions.

15. Negative Confirmation By The Board Pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of Sabana Shari'ah Compliant REIT which may render these unaudited interim financial results to be false or leading, in any material aspect.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2015 TO 31 MARCH 2015**

**On behalf of the Board of Directors of
Sabana Real Estate Investment Management Pte. Ltd.
(Company registration number 201005493K)
as Manager of Sabana Shari'ah Compliant Real Estate Investment Trust**

Steven Lim Kok Hoong
Director

Kevin Xayaraj
Director

By Order of the Board
Chang Ai Ling
Company Secretary
Sabana Real Estate Investment Management Pte. Ltd.
(Company registration number 201005493K)
as Manager of Sabana Shari'ah Compliant Real Estate Investment Trust

20 April 2015

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.



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The Board of Directors
Sabana Real Estate Investment Management Pte. Ltd.
(in its capacity as Manager of Sabana Shari'ah
Compliant Industrial Real Estate Investment Trust)
151 Lorong Chuan
#02-03
New Tech Park
Singapore 556741

20 April 2015

Dear Sirs

**Sabana Shari'ah Compliant Industrial Real Estate Investment Trust
Review of Interim Financial Information**

Introduction

We have reviewed the accompanying Interim Financial Information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively the "Group") for the quarter ended 31 March 2015. The Interim Financial Information consist of the following:

- Statements of financial position of the Group and the Trust as at 31 March 2015;
- Portfolio statement of the Group as at 31 March 2015;
- Statements of total return of the Group and the Trust for the quarter ended 31 March 2015;
- Distribution statements of the Group and the Trust for the quarter ended 31 March 2015;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter ended 31 March 2015;
- Statement of cash flows of the Group for the quarter ended 31 March 2015; and
- Certain explanatory notes to the above financial information.

The management of Sabana Real Estate Investment Management Pte. Ltd. (the "Manager" of the Trust) is responsible for the preparation and presentation of the Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on the Interim Financial Information based on our review.



Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information are not prepared, in all material respects, in accordance with the provisions of RAP 7 issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the financial statements for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its financial statements for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
20 April 2015