SABANA
SHARI'AH COMPLIANT REIT

(a real estate investment trust constituted on 29 October 2010
under the laws of the Republic of Singapore)
(Managed by Sabana Real Estate Investment Management Pte. Ltd.)

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2018 TO 31 DECEMBER 2018 AND FULL YEAR FROM 1 JANUARY 2018 TO 31 DECEMBER 2018

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 Institut ional Trust Services (Singapore) Limited as the trustee (the "**Trustee**") of Sabana Shari'ah Compliant REIT.

Following the divestment of the property located at 6 Woodlands Loop for a sale consideration of S$13.8 million on 29 March 2018, the portfolio of Sabana Shari'ah Compliant REIT as at the reporting date comprises 19 industrial properties 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. 15 Jalan Kilang Barat, Frontech Centre, Singapore 159357
5. 33 & 35 Penjuru Lane, Freight Links Express Logisticpark, Singapore 609200/609202
6. 18 Gul Drive, Singapore 629468
7. 1 Tuas Avenue 4, Singapore 639382
8. 34 Penjuru Lane, Penjuru Logistics Hub, Singapore 609201
9. 51 Penjuru Road, Freight Links Express Logisticentre, Singapore 609143
10. 26 Loyang Drive, Singapore 508970
11. 123 Genting Lane, Yenom Industrial Building, Singapore 349574
12. 30 & 32 Tuas Avenue 8, Singapore 639246/639247
13. 3A Joo Koon Circle, Singapore 629033
14. 2 Toh Tuck Link, Singapore 596225
15. 21 Joo Koon Crescent, Singapore 629026
16. 39 Ubi Road 1, Singapore 408695
17. 23 Serangoon North Avenue 5, BTH Centre, Singapore 554530
18. 508 Chai Chee Lane, Singapore 469032
19. 10 Changi South Street 2, Singapore 486596

In March 2018, the three-year term and revolving Murabahah Facilities of up to S$100.0 million, established on 28 December 2017, were drawn down in full to refinance the then outstanding Trust Certificates due in March 2018 ("**Trust Certificates Series I**") and Revolving Murabahah Facility due in September 2018.

In September 2018, Sabana Shari'ah Compliant REIT entered into conditional sales and purchase agreements for the proposed divestment of the properties at 9 Tai Seng Drive and 1 Tuas Avenue 4 for sales considerations of S$99.6 million and S$11.18 million respectively. Regulatory approvals for the divestment of 9 Tai Seng Drive was obtained in December 2018 and the divestment was subsequently legally completed on 10 January 2019. The proposed divestment of 1 Tuas Avenue 4 is expected to be completed by 1Q 2019.

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the fourth quarter and full year ended 31 December 2018 and their comparative period as set out in this announcement have been extracted from the interim financial information for the period from 1 January 2018 to 31 December 2018 which has 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*".

SUMMARY OF RESULTS FOR SABANA GROUP

	Group					
	Quarter		Fav / (Unfav)	YTD		Fav / (Unfav)
	4Q 2018	4Q 2017		31/12/18	31/12/17	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	20,023	20,395	(1.8)	80,961	85,196	(5.0)
Net property income	13,001	13,711	(5.2)	52,790	53,379	(1.1)
Amount available for distribution	7,436	8,783	(15.3)	33,391	35,005	(4.6)
Distribution per unit ("DPU") (cents) [(a)]	0.71	0.83	(14.5)	3.18	3.31	(3.9)

Note:

(a) Please refer to Item 6 on Page 14 for the DPU computation.

1 (a)(i) Statements of Total Return and Distribution Statements (4Q 2018 vs 4Q 2017)

Statements of Total Return	Group			Trust		
	Quarter		Fav /	Quarter		Fav /
	4Q 2018	4Q 2017	(Unfav)	4Q 2018	4Q 2017	(Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [a]	20,023	20,395	(1.8)	20,023	20,395	(1.8)
Property expenses [b]	(7,022)	(6,684)	(5.1)	(7,022)	(6,684)	(5.1)
Net property income	**13,001**	**13,711**	**(5.2)**	**13,001**	**13,711**	**(5.2)**
Finance income	9	6	50.0	9	6	50.0
Finance costs	(3,796)	(3,703)	(2.5)	(3,794)	(3,701)	(2.5)
Net finance costs [c]	**(3,787)**	**(3,697)**	**(2.4)**	**(3,785)**	**(3,695)**	**(2.4)**
Manager's fees	(1,247)	(1,217)	(2.5)	(1,247)	(1,217)	(2.5)
Trustee's fees	(96)	(104)	7.7	(96)	(104)	7.7
Donation of non-Shari'ah compliant income [d]	(3)	-	NM	(3)	-	NM
Other trust expenses	(210)	(1,302)	83.9	(213)	(1,304)	83.7
Net income	**7,658**	**7,391**	**3.6**	**7,657**	**7,391**	**3.6**
Net change in fair value of financial derivatives [e]	(262)	162	(261.7)	(262)	162	(261.7)
Net change in fair value of investment properties [f]	50,958	(29,329)	273.7	50,958	(29,329)	273.7
Total return for the period before taxation	**58,354**	**(21,776)**	**368.0**	**58,353**	**(21,776)**	**368.0**
Tax expense [g]	*	*	-	-	-	-
Total return for the period after taxation	**58,354**	**(21,776)**	**368.0**	**58,353**	**(21,776)**	**368.0**

Distribution Statements	Group			Trust		
	Quarter		Fav /	Quarter		Fav /
	4Q 2018	4Q 2017	(Unfav)	4Q 2018	4Q 2017	(Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period after taxation	**58,354**	**(21,776)**	**368.0**	**58,353**	**(21,776)**	**368.0**
Non-tax deductible/(chargeable) items:						
Amortisation of transaction costs [h]	256	239	7.1	256	239	7.1
Trustee's fees	96	104	(7.7)	96	104	(7.7)
Donation of non-Shari'ah compliant income	3	-	NM	3	-	NM
Net change in fair value of financial derivatives	262	(162)	261.7	262	(162)	261.7
Net change in fair value of investment properties	(50,958)	29,329	(273.7)	(50,958)	29,329	(273.7)
Effects of recognising rental income on a straight line basis over the lease term	(580)	11	NM	(580)	11	NM
Other items	3	1,038	(99.7)	4	1,038	(99.6)
Net effect of non-tax (chargeable)/deductible items	**(50,918)**	**30,559**	**(266.6)**	**(50,917)**	**30,559**	**(266.6)**
Amount available for distribution to Unitholders for the period	**7,436**	**8,783**	**(15.3)**	**7,436**	**8,783**	**(15.3)**

NM denotes "not meaningful"
* 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;
- (v) Other reimbursable expenses payable to the Property Manager; and
- (vi) Net writeback of impairment losses due to partial recovery of trade receivables from certain tenants of approximately S$342,000 which were previously impaired or written off in 4Q 2017. There is no impairment loss or writeback in 4Q 2018.

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

	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	4Q 2018	4Q 2017		4Q 2018	4Q 2017	
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	3	2	50.0	3	2	50.0
- Ta'widh (compensation on late payment of rent)	6	4	50.0	6	4	50.0
	9	6	50.0	9	6	50.0
Finance costs:						
- Commodity Murabaha Facilities	(1,245)	(963)	(29.3)	(1,245)	(963)	(29.3)
- Murabahah Facilities	(916)	(278)	(229.5)	(916)	(278)	(229.5)
- Profit rate swaps	14	(121)	111.6	14	(121)	111.6
- Trust Certificates	(1,071)	(1,979)	45.9	-	-	-
- Term Loan Facility	(289)	(82)	(252.4)	(289)	(82)	(252.4)
- Loans from subsidiaries	-	-	-	(1,071)	(1,979)	45.9
- Amortisation of transaction costs	(256)	(239)	(7.1)	(256)	(239)	(7.1)
- Brokerage and agent fees	(33)	(41)	19.5	(31)	(39)	20.5
	(3,796)	(3,703)	(2.5)	(3,794)	(3,701)	(2.5)
Net finance costs	**(3,787)**	**(3,697)**	**(2.4)**	**(3,785)**	**(3,695)**	**(2.4)**

(d) This relates to the net income, less any impaired amounts, which was subjected to the cleansing process and was approved by the Independent Shari'ah Committee to be and donated to the following beneficiary:

4Q 2018

- National Youth Achievement Award Council (NYAAC)

There was no net income subjected to the cleansing process in 4Q 2017.

(e) Net change in fair value of financial derivatives relates to the change in the fair value of the profit rate swaps based on broker quotes between the last quarter and at the reporting date. These items are non-tax deductible and have no impact on amount available for distribution.

(f) The net change in fair value of the investment properties in 4Q 2018 mainly relates to the revaluation movements based on the sales consideration of 9 Tai Seng Drive and the independent valuations of the other properties undertaken by the independent valuers Knight Frank Pte Ltd, Edmund Tie & Company (SEA) Pte Ltd and Suntec Real Estate Consultants Pte Ltd ("**2018 Independent Valuers**") as at 31 December 2018.

The net change in fair value of the investment properties in 4Q 2017 mainly relates to the revaluation movements based on the independent valuations of the properties undertaken by the independent valuers Savills Valuation and Professional Services (S) Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Suntec Real Estate Consultants Pte Ltd ("**2017 Independent Valuers**") as at 31 December 2017.

These items are non-tax deductible and have no impact on income available for distribution.

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

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

1 (a)(ii) Statements of Total Return and Distribution Statements (Current Year to Date ("YTD") vs Prior YTD)

Statements of Total Return	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/18	31/12/17		31/12/18	31/12/17	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [a]	80,961	85,196	(5.0)	80,961	85,196	(5.0)
Property expenses [b]	(28,171)	(31,817)	11.5	(28,171)	(31,817)	11.5
Net property income	**52,790**	**53,379**	**(1.1)**	**52,790**	**53,379**	**(1.1)**
Finance income	154	308	(50.0)	154	308	(50.0)
Finance costs	(15,149)	(17,193)	11.9	(15,142)	(16,948)	10.7
Net finance costs [c]	**(14,995)**	**(16,885)**	**11.2**	**(14,988)**	**(16,640)**	**9.9**
Manager's fees [d]	(4,568)	(3,700)	(23.5)	(4,568)	(3,700)	(23.5)
Trustee's fees	(385)	(423)	9.0	(385)	(423)	9.0
Donation of non-Shari'ah compliant income [e]	(48)	(21)	(128.6)	(48)	(21)	(128.6)
Other trust expenses	(901)	(3,546)	74.6	(904)	(3,562)	74.6
Net income	**31,893**	**28,804**	**10.7**	**31,897**	**29,033**	**9.9**
Net change in fair value of financial derivatives [f]	363	(225)	261.3	363	(225)	261.3
Net change in fair value of investment properties [g]	34,675	(57,205)	160.6	34,675	(57,205)	160.6
Gain on divestment of investment properties [h]	754	1,816	(58.5)	754	1,816	(58.5)
Total return for the year before taxation	**67,685**	**(26,810)**	**352.5**	**67,689**	**(26,581)**	**354.7**
Tax expense [i]	*	*	-	-	-	-
Total return for the year after taxation	**67,685**	**(26,810)**	**352.5**	**67,689**	**(26,581)**	**354.7**

Distribution Statements	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/18	31/12/17		31/12/18	31/12/17	
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the year after taxation	**67,685**	**(26,810)**	**352.5**	**67,689**	**(26,581)**	**354.7**
Non-tax deductible/(chargeable) items:						
Amortisation of transaction costs [j]	1,217	1,757	(30.7)	1,217	1,526	(20.2)
Break fees on termination of profit rate swaps [k]	-	656	(100.0)	-	656	(100.0)
Trustee's fees	385	423	(9.0)	385	423	(9.0)
Donation of non-Shari'ah compliant income	48	21	128.6	48	21	128.6
Net change in fair value of financial derivatives	(363)	225	(261.3)	(363)	225	(261.3)
Net change in fair value of investment properties	(34,675)	57,205	(160.6)	(34,675)	57,205	(160.6)
Gain on divestment of investment properties	(754)	(1,816)	58.5	(754)	(1,816)	58.5
Effects of recognising rental income on a straight line basis over the lease term	(460)	578	(179.6)	(460)	578	(179.6)
Other items	308	2,766	(88.9)	304	2,768	(89.0)
Net effect of non-tax (chargeable)/ deductible items	**(34,294)**	**61,815**	**(155.5)**	**(34,298)**	**61,586**	**(155.7)**
Amount available for distribution to Unitholders for the year	**33,391**	**35,005**	**(4.6)**	**33,391**	**35,005**	**(4.6)**

* 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;
(v) Other reimbursable expenses payable to the Property Manager; and
(vi) Writeback of previously impaired losses on trade receivables of approximately S$796,000, mainly arising from the recovery of trade receivables from the ex-master tenant of 6 Woodlands Loop through auction sales of its seized machinery and equipment (2017: Net impairment losses on trade receivables of approximately S$2,414,000 mainly provided for the outstanding balances of the respective ex-master tenants at 1 Tuas Avenue 4 and 6 Woodlands Loop which were past due and in excess of security deposits held).

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

	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/18	31/12/17		31/12/18	31/12/17	
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	9	44	(79.5)	9	44	(79.5)
- Ta'widh (compensation on late payment of rent)	145	264	(45.1)	145	264	(45.1)
	154	308	(50.0)	154	308	(50.0)
Finance costs:						
- Commodity Murabaha Facilities	(4,548)	(4,251)	(7.0)	(4,548)	(4,251)	(7.0)
- Murabahah Facilities	(2,942)	(526)	(459.3)	(2,942)	(526)	(459.3)
- Profit rate swaps	(217)	(499)	56.5	(217)	(499)	56.5
- Convertible Sukuk	-	(1,401)	100.0	-	-	-
- Trust Certificates	(5,019)	(7,850)	36.1	-	-	-
- Term Loan Facility	(1,076)	(82)	NM	(1,076)	(82)	NM
- Loans from subsidiaries	-	-	-	(5,019)	(9,251)	45.7
- Amortisation of transaction costs	(1,217)	(1,757)	30.7	(1,217)	(1,526)	20.2
- Break fees on termination of profit rate swaps	-	(656)	100.0	-	(656)	100.0
- Brokerage and agent fees	(130)	(171)	24.0	(123)	(157)	21.7
	(15,149)	(17,193)	11.9	(15,142)	(16,948)	10.7
Net finance costs	**(14,995)**	**(16,885)**	**11.2**	**(14,988)**	**(16,640)**	**9.9**

NM denotes "not meaningful"

(d) For Prior YTD, the fees which the Manager had elected to forgo were 75.0% and 25.0% for 1Q 2017 and 2Q 2017 respectively.

During Current YTD, the Manager had elected to forgo 20.0% of its fees for 1Q 2018.

(e) This relates to the net income, less any impaired amounts, which was subjected to the cleansing process and was approved by the Independent Shari'ah Committee to be and donated to the following beneficiaries:

Current YTD
- Singapore Kadayanallur Muslim League (1Q 2018);
- SG Enable – Today Enable Fund (2Q 2018 and 3Q 2018); and
- National Youth Achievement Award Council (NYAAC) (4Q 2018).

Prior YTD
- The Smile Mission Ltd (1Q 2017).

(f) Net change in fair value of financial derivatives relates to the change in the fair value of the profit rate swaps based on broker quotes recognized YTD. These items are non-tax deductible and have no impact on amount available for distribution.

(g) The net change in fair value of investment properties in Current YTD mainly relates to the revaluation movements based on the sales consideration of 9 Tai Seng Drive and the independent valuations of the other properties undertaken by the 2018 Independent Valuers as at 31 December 2018.

The net change in fair value of investment properties in Prior YTD mainly relates to the revaluation movements based on the independent valuations of the properties undertaken by the 2017 Independent Valuers as at 31 December 2017.

These items are non-tax deductible and have no impact on amount available for distribution.

(h) The Current YTD and Prior YTD relates to the gain on divestment of 6 Woodlands Loop and 218 Pandan Loop respectively, after deducting the applicable agent commissions and other professional fees and expenses, which is non-tax deductible and has no impact on amount available for distribution.

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

(j) This represents the amortisation of upfront fees and legal fees pertaining to the CMF, Murabahah Facilities, Convertible Sukuk, Trust Certificates, Term Loan Facility and loans from subsidiaries. These items are non-tax deductible and have no impact on amount available for distribution.

(k) This represents the break fees on termination of the profit rate swap used to hedge the then Term CMF F ("**PRS F**") of which S$60.0 million was prepaid in March 2017, ahead of its maturity date in August 2017. The break fees incurred on the termination of PRS F are non-tax deductible and have no impact on amount available for distribution.

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

	Group			Trust		
Statements of Financial Position	31/12/18	31/12/17	Change	31/12/18	31/12/17	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Non-current assets						
Investment properties [a]	869,200	942,400	(7.8)	869,200	942,400	(7.8)
Subsidiaries [b]	-	-	-	*	*	-
Total non-current assets	**869,200**	**942,400**	**(7.8)**	**869,200**	**942,400**	**(7.8)**
Current assets						
Investment properties held for divestment [d]	110,550	12,900	757.0	110,550	12,900	757.0
Derivative assets [c]	240	-	NM	240	-	NM
Trade and other receivables [e]	2,204	3,128	(29.5)	2,202	3,125	(29.5)
Cash and cash equivalents [f]	7,215	7,681	(6.1)	7,215	7,681	(6.1)
Total current assets	**120,209**	**23,709**	**407.0**	**120,207**	**23,706**	**407.1**
Total assets	**989,409**	**966,109**	**2.4**	**989,407**	**966,106**	**2.4**
Current liabilities						
Trade and other payables [g]	14,354	18,105	(20.7)	14,361	18,115	(20.7)
Borrowings [h]	172,767	117,456	47.1	172,767	117,456	47.1
Total current liabilities	**187,121**	**135,561**	**38.0**	**187,128**	**135,571**	**38.0**
Non-current liabilities						
Trade and other payables [g]	8,726	10,388	(16.0)	8,726	10,388	(16.0)
Borrowings [h]	188,942	248,350	(23.9)	188,942	248,350	(23.9)
Derivative liabilities [c]	142	265	(46.4)	142	265	(46.4)
Total non-current liabilities	**197,810**	**259,003**	**(23.6)**	**197,810**	**259,003**	**(23.6)**
Total liabilities	**384,931**	**394,564**	**(2.4)**	**384,938**	**394,574**	**(2.4)**
Net assets	**604,478**	**571,545**	**5.8**	**604,469**	**571,532**	**5.8**
Represented by:						
Unitholders' funds [i]	**604,478**	**571,545**	**5.8**	**604,469**	**571,532**	**5.8**

NM denotes "not meaningful"
* Less than S$1,000

Notes:

(a) The decrease in investment properties mainly arises from the lower fair value of the properties appraised by the 2018 Independent Valuers as at 31 December 2018 and the reclassification of 9 Tai Seng Drive and 1 Tuas Avenue 4 to investment properties held for divestment as the divestments are planned or have occurred within the next 12 months from the reporting date.

(b) This relates to the cost of investments in Sabana Treasury Pte. Ltd. ("**STPL**"), which was struck off in 4Q 2018 and Sabana Sukuk Pte. Ltd. ("**SSPL**"), wholly-owned subsidiaries of the Trust.

(c) The current derivative assets and non-current derivative liabilities as at the reporting date relate to the fair value of the profit rate swaps entered into to hedge the profit rate risks on the S$90.0 million Term CMF B ("**PRS B**") and the S$70.0 million Term Murabahah Facility respectively.

The non-current derivative liabilities as at 31 December 2017 relate to the fair value of PRS B.

(d) The movement in investment properties held for divestment is due to the reclassification of 9 Tai Seng Drive and 1 Tuas Avenue 4 to investment properties held for divestment as at the reporting date and the divestment of 6 Woodlands Loop during Current YTD. 6 Woodlands Loop was classified as investment properties held for divestment as at 31 December 2017.

The fair value of 9 Tai Seng Drive as at the reporting date is based on its sales consideration as the regulatory approvals for the divestment has been obtained in December 2018 and the divestment was subsequently legally completed on 10 January 2019.

(e) This relates to trade receivables, prepayments, deposits, and other receivables. The decrease is mainly due to lower outstanding trade receivables from certain tenants.

(f) This relates to bank balances and Shari'ah compliant deposits held with Islamic financial institutions. Please refer to the Statement of Cash Flows under Item 1(c) on Page 11 for further details in the movement of cash and cash equivalents.

(g) This relates to trade payables, security deposits, rental received in advance, retention sums and accruals and provisions.

The lower non-current and current trade and other payables from 31 December 2018 are mainly due to:

(i) Refund of security deposits on expired leases during Current YTD;
(ii) Refund of non-current cash security deposits to tenants who have provided banker's guarantees in lieu of cash furnished previously for security deposits;
(iii) Settlement of trade payables and accrued operating expenses during Current YTD; and
(iv) Refund of retention sums to vendors.

(h) Current borrowings represent the following at Sabana Group and the Trust as at the reporting date:

(i) Amortised cost of the principal amount of S$30.0 million Revolving Murabahah Facility;
(ii) Amortised cost of the principal amount of S$13.0 million Revolving CMF D;
(iii) Amortised cost of the principal amount of S$30.0 million drawn from the Term CMF C;
(iv) Amortised cost of the principal amount of the S$100.0 million Trust Certificates due 2019 ("**Trust Certificates Series II**") issued by SSPL; and
(v) Amortised cost of the principal amount of S$100.0 million of SSPL's profit bearing loan to the Trust, which was raised from the issuance of the Trust Certificates Series II by SSPL.

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

(i) Amortised cost of the principal amount of S$90.0 million drawn from the Term CMF B;
(ii) Amortised cost of the principal amount of S$30.0 million drawn from the Term Loan Facility; and
(iii) Amortised cost of the principal amount of S$70.0 million drawn from the Term Murabahah Facility.

The movements in current and non-current borrowings are mainly due to:

(i) Repayment of S$90.0 million Trust Certificates Series I and S$27.5 million Revolving Murabahah Facility maturing in 2018 (collectively, the "**Maturing 2018 Borrowings**");
(ii) Draw down of the S$70.0 million Term Murabahah Facility, S$30.0 million Revolving Murabahah Facility and S$17.0 million Revolving CMF D to repay the Maturing 2018 Borrowings;
(iii) Reclassification of the Trust Certificates Series II, the Term CMF C and the SSPL's profit bearing loan to the Trust maturing within 12 months from the reporting date from non-current to current; and
(iv) Net repayment of S$4.0 million Revolving CMF D in Current YTD, mainly arising from the proceeds from the divestment of 6 Woodlands Loop.

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

(i) Please refer to the Statements of Movements in Unitholders' Funds under Item (1)(d)(ii) on Page 12 for details.

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

	Group		Trust	
	31/12/18	31/12/17	31/12/18	31/12/17
	S$'000	S$'000	S$'000	S$'000
Secured borrowings				
Amount repayable within one year:				
Revolving CMF [(a)]	13,000	-	13,000	-
Revolving Murabahah Facility [(b)]	30,000	27,500	30,000	27,500
Term CMF [(a)]	30,000	-	30,000	-
Less: Unamortised capitalised transaction costs	(167)	-	(167)	-
	72,833	**27,500**	**72,833**	**27,500**
Amount repayable after one year:				
Term CMF [(a)]	90,000	120,000	90,000	120,000
Term Murababah Facility [(b)]	70,000	-	70,000	-
Term Loan Facility [(c)]	30,000	30,000	30,000	30,000
Less: Unamortised capitalised transaction costs	(1,058)	(1,330)	(1,058)	(1,330)
	188,942	**148,670**	**188,942**	**148,670**
Total secured borrowings	**261,775**	**176,170**	**261,775**	**176,170**
Unsecured borrowings				
Amount repayable within one year:				
Trust Certificates [(d)]	100,000	90,000	-	-
Loans from subsidiaries [(e)]	-	-	100,000	90,000
Less: Unamortised capitalised transaction costs	(66)	(44)	(66)	(44)
	99,934	**89,956**	**99,934**	**89,956**
Amount repayable after one year:				
Trust Certificates [(d)]	-	100,000	-	-
Loans from subsidiaries [(e)]	-	-	-	100,000
Less: Unamortised capitalised transaction costs	-	(320)	-	(320)
	-	**99,680**	**-**	**99,680**
Total unsecured borrowings	**99,934**	**189,636**	**99,934**	**189,636**
Total borrowings	**361,709**	**365,806**	**361,709**	**365,806**

Details of borrowings, debt securities and collaterals

Secured borrowings

(a) Commodity Murabaha Facilities

As at the reporting date, the following Term CMF were outstanding:

(i) 5-year Term CMF C of S$30.0 million maturing in November 2019; and
(ii) 3.5-year Term CMF B of S$90.0 million maturing in February 2020.

As at the reporting date, the 3.5-year Revolving CMF D maturing in February 2020 has an outstanding amount of S$13.0 million and an undrawn amount of S$5.0 million.

The CMF are secured by, *inter alia*:

(1) A first ranking legal mortgage over 3 (2017: 3) investment properties ("**Securitised Properties**"), (or, where title to or lease relating to the Securitised 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 Securitised Properties; and
(3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Securitised Properties.

(b) Murabahah Facilities

As at the reporting date, the 3-year S$70.0 million Term Murabahah Facility and S$30.0 million Revolving Murabahah Facility, both maturing in March 2021, were outstanding and secured by, *inter alia*:

(1) A first ranking legal mortgage over 5 (2017: 5) investment properties ("**Murabahah Secured Properties**");
(2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Murabahah Secured Properties; and
(3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Murabahah Secured Properties.

(c) Term Loan Facility

As at the reporting date, the Term Loan Facility of S$30.0 million maturing in December 2021 was outstanding and secured by, *inter alia:*

(1) A first ranking legal mortgage over 3 (2017: 2) investment properties ("**Term Loan Facility Secured Properties**"); and
(2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Term Loan Facility Secured Properties.

Unsecured borrowings

(d) Trust Certificates

As at the reporting date, the unsecured S$100.0 million 4.25 per cent. Trust Certificates Series II issued on 3 October 2014 and due on 3 April 2019 issued under the Group's S$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme was outstanding.

(e) Loans from subsidiaries

As at the reporting date, S$100.0 million loan, which is equivalent to the principal amount of the Trust Certificates II, granted by SSPL to the Trust, through the proceeds raised from the issuance of the Trust Certificates II at the same repayment terms stated in Item (1)(b)(ii)(d) above, was outstanding.

1 (c) Statement of Cash Flows

Statement of Cash Flows	Group			
	Quarter		YTD	
	4Q 2018	4Q 2017	31/12/18	31/12/17
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total return for the period/year after taxation and before distribution	58,354	(21,776)	67,685	(26,810)
Adjustments for:				
Net change in fair value of financial derivatives	262	(162)	(363)	225
Net change in fair value of investment properties	(50,958)	29,329	(34,675)	57,205
Gain on divestment of investment properties	-	-	(754)	(1,816)
Net finance costs	3,787	3,697	14,995	16,885
	11,445	11,088	46,888	45,689
Change in trade and other receivables	(322)	(125)	464	3,283
Change in trade and other payables	(74)	(354)	(4,828)	1,499
Cash generated from operating activities	11,049	10,609	42,524	50,471
Ta'widh (compensation on late payment of rent) received	6	4	145	264
Net cash from operating activities	**11,055**	**10,613**	**42,669**	**50,735**
Cash flows from investing activities				
Capital expenditure on investment properties	(1,062)	(13,778)	(2,215)	(18,555)
Proceeds from divestment of investment properties	-	-	13,800	14,800
Profit income received from Islamic financial institutions	3	2	9	44
Net cash (used in)/from investing activities	**(1,059)**	**(13,776)**	**11,594**	**(3,711)**
Cash flows from financing activities				
Proceeds from Rights Issue[(a)]	-	-	-	80,164
Issue costs paid in relation to Rights Issue	-	-	-	(3,221)
Break fees on termination of profit rate swaps	-	-	-	(656)
Proceeds from borrowings	2,000	30,000	131,000	73,000
Repayment of borrowings	-	(15,500)	(135,500)	(146,550)
Transaction costs paid	-	(325)	(814)	(325)
Finance costs paid	(4,557)	(3,530)	(14,663)	(15,578)
Distributions paid	(8,109)	(8,320)	(34,752)	(35,383)
Net cash (used in)/from financing activities	**(10,666)**	**2,325**	**(54,729)**	**(48,549)**
Net decrease in cash and cash equivalents	**(670)**	**(838)**	**(466)**	**(1,525)**
Cash and cash equivalents at beginning of the period/year	7,885	8,519	7,681	9,206
Cash and cash equivalents at end of the period/year	**7,215**	**7,681**	**7,215**	**7,681**

Note:

(a) On 25 January 2017, the Trust issued new 310,712,244 units pursuant to the rights issue at an issue price of S$0.258 to raise gross proceeds of approximately S$80.2 million ("**Rights Issue**").

1 (d)(i) Statements of Movements in Unitholders' Funds (4Q 2018 vs 4Q 2017)

	Group		Trust	
Statements of Movements in Unitholders' Funds	4Q 2018	4Q 2017	4Q 2018	4Q 2017
	S$'000	S$'000	S$'000	S$'000
Balance at beginning of the period	554,233	601,641	554,225	601,628
Operations				
Total return for the period after taxation	58,354	(21,776)	58,353	(21,776)
	612,587	**579,865**	**612,578**	**579,852**
Unitholders' transactions				
Distributions to Unitholders	(8,109)	(8,320)	(8,109)	(8,320)
Net decrease in net assets resulting from Unitholders' transactions	**(8,109)**	**(8,320)**	**(8,109)**	**(8,320)**
Unitholders' funds at end of the period	**604,478**	**571,545**	**604,469**	**571,532**

1 (d)(ii) Statements of Movements in Unitholders' Funds (Current YTD vs Prior YTD)

	Group		Trust	
	YTD		YTD	
Statements of Movements in Unitholders' Funds	31/12/18	31/12/2017	31/12/18	31/12/2017
	S$'000	S$'000	S$'000	S$'000
Balance at beginning of the year	571,545	556,795	571,532	556,553
Operations				
Total return for the year after taxation	67,685	(26,810)	67,689	(26,581)
	639,230	**529,985**	**639,221**	**529,972**
Unitholders' transactions				
Proceeds from Rights Issue [(a)]	-	80,164	-	80,164
Issue costs paid in relation to the Rights Issue	-	(3,221)	-	(3,221)
Distributions to Unitholders	(34,752)	(35,383)	(34,752)	(35,383)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(34,752)**	**41,560**	**(34,752)**	**41,560**
Unitholders' funds at end of the year	**604,478**	**571,545**	**604,469**	**571,532**

Note:

(a) On 25 January 2017, the Trust issued 310,712,244 new units pursuant to the Rights Issue at an issue price of S$0.258 to raise gross proceeds of approximately S$80.2 million.

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

	Group and Trust			
	Quarter		YTD	
	4Q 2018	4Q 2017	31/12/18	31/12/17
Units in issue:				
Units in issue at beginning of the period/year	1,053,083,530	1,053,083,530	1,053,083,530	739,791,059
Manager's fees paid in units	-	-	-	2,580,227
Rights Issue [(a)]	-	-	-	310,712,244
Issued units at the end of the period/year	**1,053,083,530**	**1,053,083,530**	**1,053,083,530**	**1,053,083,530**

Note:

(a) On 25 January 2017, the Trust issued new 310,712,244 units pursuant to the Rights Issue at an issue price of S$0.258 to raise gross proceeds of approximately S$80.2 million.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2017.

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

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 January 2018 as follows:

(i) FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(ii) FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model. There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognize any adjustments to its opening unitholders' funds on 1 January 2018.

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 (4Q 2018 vs 4Q 2017)

	Group		Trust	
	Quarter		Quarter	
	4Q 2018	4Q 2017	4Q 2018	4Q 2017
Basic and Diluted EPU				
Weighted average number of units in issue	1,053,083,530	1,053,083,530	1,053,083,530	1,053,083,530
Earnings per unit for the period based on the weighted average number of units in issue (cents) [(a)(b)]	5.54	(2.07)	5.54	(2.07)

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 were the same as the basic EPU for the Group and Trust as there are no EPU dilutive financial instruments.

Earnings per unit (Current YTD vs Prior YTD)

	Group		Trust	
	YTD		YTD	
	31/12/18	31/12/17	31/12/18	31/12/17
Basic and Diluted EPU				
Weighted average number of units in issue	1,053,083,530	1,032,469,339	1,053,083,530	1,032,469,339
Earnings per unit for the year based on the weighted average number of units in issue (cents) [(a)(b)(c)]	6.43	(2.60)	6.43	(2.57)

Notes:

(a) The EPU calculation uses the total return for the year after taxation and before distribution, and the weighted average number of units outstanding during the year.

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

(c) The diluted EPU were the same as the basic EPU for the Group and Trust as there are no EPU dilutive financial instruments (2017: as the Convertible Sukuk was anti-dilutive at the Group and the Trust level).

Distribution per unit (4Q 2018 vs 4Q 2017)

	Group and Trust		Group and Trust	
	Quarter		YTD	
	4Q 2018	4Q 2017	31/12/18	31/12/17
Number of units issued at end of period/year entitled to distribution	1,053,083,530	1,053,083,530	1,053,083,530	1,053,083,530
Distribution per unit for the period/year based on the total number of units entitled to distribution (cents)	0.71	0.83	3.18	3.31

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

	Group		Trust	
	As at 31/12/18	As at 31/12/17	As at 31/12/18	As at 31/12/17
Net asset value ("**NAV**") and net tangible asset ("**NTA**") per unit (S$) [(a)]	0.57	0.54	0.57	0.54

Note:

(a) The number of units used to compute NAV per unit and NTA per unit is 1,053,083,530 (31 December 2017: 1,053,083,530).

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

4Q 2018 vs 4Q 2017

Statement of Total Return	**Group**		
	4Q 2018	4Q 2017	Fav / (Unfav)
	S$'000	S$'000	%
Gross revenue [(a)]	20,023	20,395	(1.8)
Property expenses [(b)]	(7,022)	(6,684)	(5.1)
Net property income [(b)]	**13,001**	**13,711**	**(5.2)**
Finance income	9	6	50.0
Finance costs	(3,796)	(3,703)	(2.5)
Net finance costs [(c)]	**(3,787)**	**(3,697)**	**(2.4)**
Manager's fees [(d)]	(1,247)	(1,217)	(2.5)
Trustee's fees [(e)]	(96)	(104)	7.7
Donation of non-Shari'ah compliant income [(f)]	(3)	-	NM
Other trust expenses [(g)]	(210)	(1,302)	83.9
Net income	**7,658**	**7,391**	**3.6**
Net change in fair value of financial derivatives [(h)]	(262)	162	(261.7)
Net change in fair value of investment properties [(i)]	50,958	(29,329)	273.7
Total return for the period before taxation and distribution	**58,354**	**(21,776)**	**368.0**
Tax expense	*	*	-
Total return for the period before distribution	**58,354**	**(21,776)**	**368.0**
Distribution adjustments [(j)]	(50,918)	30,559	(266.6)
Amount available for distribution [(k)]	**7,436**	**8,783**	**(15.3)**

NM denotes "not meaningful"
*Less than S$1,000

Notes:

(a) Gross revenue decreased marginally by 1.8% mainly due to:

(i) Lower contribution from certain multi-tenanted properties due to lower occupancies in 4Q 2018 over 4Q 2017;
(ii) Lower contribution from 21 Joo Koon Crescent whose master lease expired in 3Q 2018;
(iii) Negative rental reversions for certain master leases renewed in 4Q 2018; partially offset by
(iv) Higher contribution from 10 Changi South Street 2 due to the commencement of a supplementary lease with the master tenant in Dec 2017; and
(v) Higher contribution from 39 Ubi Road 1, 508 Chai Chee Lane and 23 Serangoon North Avenue 5 due to improved occupancies in 4Q 2018 over 4Q 2017.

(b) Property expenses increased by 5.1% mainly due to:

(i) Absence of a non-recurring net reversal of impairment losses upon recovery of trade receivables relating to the ex-master tenant of 1 Tuas Avenue 4;
(ii) Higher utilities expense incurred for multi-tenanted properties in 4Q 2018 over 4Q 2017; partially offset by
(iii) Lower property expenses from 6 Woodlands Loop which was divested in 1Q 2018;
(iv) Net lower repair and maintenance expenses incurred for multi-tenanted properties in 4Q 2018 over 4Q 2017.

Consequently, net property income decreased by 5.2%.

(c) Net finance costs increased by 2.4% mainly due to:

(i) Higher profit expense arising from higher profit rate on floating rate borrowings in 4Q 2018 over 4Q 2017 in line with the higher profit rate environment; and partially offset by
(ii) Redemption of the higher cost Trust Certificates Series I in 1Q 2018 using lower cost facilities.

(d) Manager's fees increased by 2.5% mainly due to the higher total assets in 4Q 2018 over 4Q 2017, arising from:

(i) Higher fair value of the investment properties as at 31 December 2018; and partially offset by
(ii) Divestment of 6 Woodlands Loop in 1Q 2018,

upon which these fees are based on.

(e) Trustee's fees decreased by 7.7% mainly due to lower safekeeping custody fees charged in 4Q 2018 over 4Q 2017 partially offset by higher base fees arising from the higher total assets in 4Q 2018 over 4Q 2017.

(f) The higher donation of non-Shari'ah compliant income in 4Q 2018 is mainly due to higher income generated from non-core activities subjected to cleansing in 4Q 2018 over 4Q 2017.

(g) Other trust expenses decreased by 83.9% mainly due to the absence of the non-tax deductible legal, professional and advisory fees relating to the then strategic review exercise incurred in 4Q 2017.

(h) The net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps recognised between the last quarter and the reporting date.

(i) The net change in fair value of investment properties in 4Q 2018 mainly relates to the revaluation movements based on the sales consideration of 9 Tai Seng Drive and the independent valuations of the other properties undertaken by the 2018 Independent Valuers as at 31 December 2018.

The net change in fair value of investment properties in 4Q 2017 mainly relates to the revaluation movements based on the independent valuations of the properties undertaken by the 2017 Independent Valuers as at 31 December 2017.

(j) Distribution adjustments decreased by 266.6% mainly due to:

(i) Higher rent-free periods given to new tenants of multi-tenanted properties in 4Q 2018 over 4Q 2017;
(ii) Lower non-tax deductible legal, professional and advisory fees incurred in 4Q 2018 over 4Q2017;
(iii) Higher non-tax chargeable effects of the item stated in (i); and partially offset by
(iv) Higher non-tax deductible effects of the item stated in (h).

(k) Amount available for distribution decreased by 15.3% mainly due to:

(i) Lower net property income in 4Q 2018 over 4Q 2017 as set out in (a) and (b) above; and
(ii) Higher rent-free periods given to new tenants of multi-tenanted properties in 4Q 2018 over 4Q 2017.

Current YTD vs Prior YTD

Statement of Total Return	Group		
	YTD		Fav / (Unfav)
	31/12/18	31/12/17	
	S$'000	S$'000	%
Gross revenue [a]	80,961	85,196	(5.0)
Property expenses [b]	(28,171)	(31,817)	11.5
Net property income [b]	**52,790**	**53,379**	**(1.1)**
Finance income	154	308	(50.0)
Finance costs	(15,149)	(17,193)	11.9
Net finance costs [c]	**(14,995)**	**(16,885)**	**11.2**
Manager's fees [d]	(4,568)	(3,700)	(23.5)
Trustee's fees [e]	(385)	(423)	9.0
Donation of non-Shari'ah compliant income [f]	(48)	(21)	(128.6)
Other trust expenses [g]	(901)	(3,546)	74.6
Net income	**31,893**	**28,804**	**10.7**
Net change in fair value of financial derivatives [h]	363	(225)	261.3
Net change in fair value of investment properties [i]	34,675	(57,205)	160.6
Gain on divestment of investment properties [j]	754	1,816	(58.5)
Total return for the year before taxation and distribution	**67,685**	**(26,810)**	**352.5**
Tax expense	*	*	-
Total return for the year before distribution	**67,685**	**(26,810)**	**352.5**
Distribution adjustments [k]	(34,294)	61,815	(155.5)
Amount available for distribution [l]	**33,391**	**35,005**	**(4.6)**

*Less than S$1,000

Notes:

(a) Gross revenue decreased by 5.0% mainly due to:

(i) Lower contribution from certain multi-tenanted properties due to lower occupancies in Current YTD over Prior YTD;
(ii) Negative rental reversions for certain master leases renewed in 4Q 2017 and 4Q 2018;
(iii) Lower contribution from 1 Tuas Avenue 4 in Current YTD as lease was surrendered in 1Q 2018;
(iv) Lower contribution from 21 Joo Koon Crescent whose master lease expired in 3Q 2018;
(v) Lower contribution from 6 Woodlands Loop which was divested in 1Q 2018; partially offset by
(vi) Higher contribution from 10 Changi South Street 2 due to the commencement of a supplementary lease with the master tenant in 4Q 2017;
(vii) Recovery of revenue from the ex-master tenant of 6 Woodlands Loop in 1Q 2018 that was previously de-recognised; and
(viii) Higher contribution from 39 Ubi Road 1,15 Jalan Kilang Barat and 508 Chai Chee Lane due to improved occupancies in Current YTD over Prior YTD.

(b) Property expenses decreased by 11.5% largely arising from:

(i) Net reversal of impairment losses upon recovery of trade receivables mainly from the ex-master tenant of 6 Woodlands Loop in 1Q 2018 that was previously impaired;
(ii) Lower impairment losses on trade receivables in Current YTD over Prior YTD on the master tenant of 1 Tuas Avenue 4 largely arising from the effects of non-recognition of revenue from 3Q 2017 onwards;
(iii) Lower property expenses from 6 Woodlands Loop and 218 Pandan Loop which were divested in 1Q 2018 and 3Q 2017 respectively;
(iv) Net lower repair and maintenance expenses incurred for multi-tenanted properties in Current YTD over Prior YTD; and partially offset by
(v) Higher utilities expenses and marketing expenses incurred for multi-tenanted properties in Current YTD over Prior YTD.

Consequently, net property income decreased marginally by 1.1%.

(c) Net finance costs decreased by 11.2% mainly due to:

(i) Lower profit expense arising from lower average outstanding borrowings in Current YTD over Prior YTD following the repayment of revolving credit facilities using the net proceeds from the divestment of 218 Pandan Loop in 3Q 2017 and 6 Woodlands Loop in 1Q 2018;
(ii) Redemption of the higher cost Convertible Sukuk in 3Q 2017 and Trust Certificates Series I in 1Q 2018 using lower cost facilities; and
(iii) The one-time break fees on the termination of PRS F in Prior YTD, which are non-tax deductible and have no impact on amount available for distribution.

(d) Manager's fees increased by 23.5% mainly due to:

(i) The Manager forgoing 20.0% of its fees for 1Q 2018 (2017: 75.0% of its fees for 1Q 2017 and 25.0% of its fees for 2Q 2017);
(ii) The lower total assets between 4Q 2017 to 3Q 2018, arising from the lower fair value of the investment properties as at 31 December 2017 and 30 June 2018 and the divestment of 218 Pandan Loop and 6 Woodlands Loop in 3Q 2017 and 1Q 2018 respectively; and partially offset by
(iii) The higher total assets in 4Q 2018, arising from higher fair value of the investment properties as at 31 December 2018.

upon which these fees are based on.

(e) Trustee's fees decreased by 9.0% mainly due to the lower total assets between 4Q 2017 to 3Q 2018, arising from the lower fair value of the properties as at 31 December 2017 and 30 June 2018 and the divestment of 218 Pandan Loop and 6 Woodlands Loop in 3Q 2017 and 1Q 2018 respectively, upon which these fees are based on.

(f) Donation of non-Shari'ah compliant income increased by 128.6% mainly due to more income generated from non-core activities subjected to cleansing in Current YTD over Prior YTD.

(g) Other trust expenses decreased by 74.6% mainly due to the one-time non-tax deductible legal, professional and advisory fees relating to the one-time Extraordinary General Meeting held on 28 April 2017 and the then strategic review exercise incurred in Prior YTD.

(h) The net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps recognised during the Current YTD and Prior YTD.

(i) The net change in fair value of investment properties in Current YTD mainly relates to the revaluation movements based on the sales consideration of 9 Tai Seng Drive and the independent valuations of the other properties undertaken by the 2018 Independent Valuers as at 31 December 2018

The net change in fair value of investment properties in Prior YTD mainly relates to the revaluation movements based on the independent valuations of the properties undertaken by the 2017 Independent Valuers as at 31 December 2017.

(j) This relates to the gain on divestment of 6 Woodlands Loop and 218 Pandan Loop in Current YTD and Prior YTD respectively, after deducting the applicable agent commissions and other professional fees and expenses.

(k) Distribution adjustments decreased by 155.5% mainly due to:

(i) Higher non-tax chargeable effects of the item stated in (h) and (i);
(ii) Lower amortisation of transaction costs of borrowings in Current YTD over Prior YTD;
(iii) Higher rent-free periods given to new tenants of multi-tenanted properties in Current YTD over Prior YTD;
(iv) Absence of non-tax deductible effects on break fees on termination of profit rate swaps;
(v) Lower non-tax deductible legal, professional and advisory fees incurred in Current YTD over Prior YTD; and partially offset by
(vi) Lower non-tax chargeable effects of the item stated in (j).

(l) Amount available for distribution decreased by 4.6% mainly due to:

(i) Lower net property income set out in (a) and (b) above;
(ii) Higher Manager's fees payable as set out in (d) above; and
(iii) Higher rent-free periods given to new tenants of multi-tenanted properties in Current YTD over Prior YTD; and partially offset by
(iv) Lower profit expense as set out in (c) above.

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 26 October 2018, the Manager will continue its focus on executing its growth plan through active asset management and progressing on asset enhancement initiatives ("**AEI**").

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 advance estimates from the Ministry of Trade and Industry ("**MTI**"), Singapore's GDP growth moderated to 2.2% y-o-y in 4Q 2018 from 2.3% in 3Q 2018[(1)]. For the full year 2018, Singapore's GDP grew by 3.3%, compared to 3.6% in 2017. MTI forecasts Singapore will grow at 1.5% to 3.5% for 2019[(2)].

Overall rent reversion for 2019 is likely to remain negative, with JTC Corporation data showing continued oversupply and island-wide vacancy of 10.7% as at 4Q 2018[(3)]. Analyst views are generally subdued. Knight Frank sees continued demand for industrial space in the short to medium term, but does not expect rents to rise due to ample supply, especially given the uncertain external environment[(4)]. CBRE however, expects that rents will likely recover in light of higher leasing activity, albeit from a low base[(5)]. Colliers International foresees a pick-up in investment interest in industrial assets as rents bottom out and stabilise, especially those in high-end sectors such as high-spec facilities and modern ramp-up logistics properties[(6)].

Amid challenging market conditions, the Manager continues to focus on its growth plan through active asset management and progressing on proposed AEI.

Sources:
(1) "Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2018". Ministry of Trade and Industry. 2 January 2019.
(2) "MTI Forecasts GDP to Grow by "3.0 to 3.5 Per Cent" in 2018 and "1.5 to 3.5 Per Cent" in 2019". Ministry of Trade and Industry. 22 November 2018.
(3) "JTC Quarterly Market Report. Industrial Properties. Fourth Quarter 2018". JTC. 24 January 2019.
(4) "Knight Frank Q3 2018 industrial market snapshot". Knight Frank Singapore. Retrieved 10 January 2019.
(5) "CBRE Q4 2018 Marketview Singapore". CBRE Research (Singapore). 11 January 2019.
(6) "Q3 2018 Singapore Investment", Colliers International. 14 November 2018.

11. Distributions

(a) Current financial period

Any distribution declared for the current period: Yes

Name of distribution: Distribution for the fourth quarter ended 31 December 2018

Distribution Type: Taxable income distribution – 0.71 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.

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the previous corresponding period: Yes

Name of distribution: Distribution for the fourth quarter ended 31 December 2017

Distribution Type: Taxable income distribution – 0.83 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: 28 February 2019

(d) Books Closure Date: 1 February 2019

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

Not applicable.

13. Distribution policy

The distribution policy is to distribute at least 90.0% of its distributable income to Unitholder on a quarterly basis at the discretion of the Manager, having regards to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

For 4Q 2018, Sabana Shari'ah Compliant REIT will be distributing 100.0% of its distributable income to Unitholders.

14. General mandate relating to interested person transactions

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

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Total gross revenue by property types	Group		
	YTD		Fav / (Unfav)
	31/12/18	31/12/17	
	S$'000	S$'000	%
High-tech Industrial	45,276	49,239	(8.0)
Chemical Warehouse & Logistics	5,892	6,821	(13.6)
Warehouse & Logistics	21,230	20,813	2.0
General Industrial	8,563	8,323	2.9
	80,961	85,196	**(5.0)**

Total net property income by property types	Group		
	YTD		Fav / (Unfav)
	31/12/18	31/12/17	
	S$'000	S$'000	%
High-tech Industrial	24,816	27,600	(10.1)
Chemical Warehouse & Logistics	5,586	6,567	(14.9)
Warehouse & Logistics	16,236	15,486	4.8
General Industrial	6,152	3,726	65.1
	52,790	**53,379**	**(1.1)**

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8 for the review of the actual performance.

17. Breakdown of sales as follows:

	Group		
	YTD		Fav / (Unfav)
	31/12/18	31/12/17	
	S$'000	S$'000	%
(a) Gross revenue reported for first half year	41,083	43,942	(6.5)
(b) Total return after tax before distribution for first half year	14,219	(14,448)	198.4
(c) Gross revenue reported for second half year	39,878	41,254	(3.3)
(d) Total return after tax before distribution for second half year	53,466	(12,362)	532.5

18. A breakdown of the total annual distribution for the latest full year and its previous full year:

	Group	
	YTD	
	31/12/18	31/12/17
	S$'000	S$'000
In respect of the quarter from:		
1 October 2018 - 31 December 2018[(a)]	7,436	-
1 July 2018 - 30 September 2018	8,109	-
1 April 2018 - 30 June 2018	8,635	-
1 January 2018 - 31 March 2018	9,267	-
1 October 2017 - 31 December 2017	-	8,741
1 July 2017 - 30 September 2017	-	8,320
1 April 2017 - 30 June 2017	-	8,529
1 January 2017 - 31 March 2017	-	9,267
	33,447	34,857

Note:

(a) The distribution for the quarter from 1 October 2018 to 31 December 2018 will be paid out by February 2019.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Sabana Real Estate Investment Management Pte. Ltd. (the "Company"), being the Manager of the Trust, confirms that there is no person occupying a managerial position in the Company, the Trust or any of the Trust's subsidiaries, who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of the Trust.

20. Procured Undertakings By The Board and Executive Officers to Rule 720(1)

The Manager of Sabana Shari'ah Compliant REIT has procured undertakings from all its directors and executive officers under Rule 720(1).

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

Yong Kok Hoon
Director

Kelvin Tan
Director

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

24 January 2019

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

24 January 2019

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 and the year ended 31 December 2018. The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 31 December 2018;
- Portfolio statement of the Group as at 31 December 2018;
- Statements of total return of the Group and the Trust for the quarter and the year ended 31 December 2018;
- Distribution statements of the Group and the Trust for the quarter and the year ended 31 December 2018;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the year ended 31 December 2018;
- Statement of cash flows of the Group for the year ended 31 December 2018; and
- Certain explanatory notes to the above Interim 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* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on the Interim Financial Information based on our review.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 is not prepared, in all material respects, in accordance with the provisions of RAP 7 relevant to interim financial information, 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 Interim Financial Information for the purpose of assisting the Trust in meeting the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited's Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its Interim Financial Information 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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore