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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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**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.

Following the divestment of the property located at 218 Pandan Loop for sale consideration of S\$14.8 million on 11 August 2017, the portfolio of Sabana Shari'ah Compliant REIT as at the reporting date comprises 20 quality industrial 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. 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 Logisticcentre, 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. 6 Woodlands Loop, Singapore 738346
18. 23 Serangoon North Avenue 5, BTH Centre, Singapore 554530
19. 508 Chai Chee Lane, Singapore 469032
20. 10 Changi South Street 2, Singapore 486596

On 25 January 2017, Sabana Shari'ah Compliant REIT issued 310,712,244 new units in the Trust ("**Rights units**") pursuant to the underwritten and renounceable rights issue launched on 20 December 2016 (the "**Rights Issue**") to raise gross proceeds of approximately S\$80.2 million mainly to partially finance the proposed acquisition of the properties located at 72 Eunos Avenue 7, 107 Eunos Avenue 3 and 47 Changi South Avenue 2 ("**Proposed Acquisitions**").

The Proposed Acquisitions were subsequently terminated. Consequently, the gross proceeds were utilised in accordance with the stated uses in the Offer Information Statement dated 30 December 2016 should any of the Proposed Acquisitions not complete. Please refer to Note (a) of Item 1(c) on Page 11 for further details on the utilisation of the gross proceeds from the Rights Issue.

On 28 November 2017, Sabana Shari'ah Compliant REIT entered into a new financing arrangement for a four-year term loan facility of up to S\$30.0 million ("**Term Loan Facility**"). As at the reporting date, the Term Loan Facility has been utilised to repay existing revolving credit facilities.

On 21 December 2017, Sabana Shari'ah Compliant REIT entered into a supplementary lease with the master tenant of 10 Changi South Street 2 upon the completion of the additions and alterations ("**Additional Works**") for an additional gross floor area of 49,415 square feet to the property.

On 28 December 2017, Sabana Shari'ah Compliant REIT entered into another new financing arrangement for a three-year term and revolving Commodity Murabahah Facilities of up to S\$100.0 million ("**New Murabahah Facilities**"), mainly to refinance the Trust Certificates and Revolving Murabahah Facility maturing in 2018. The new facilities are expected to be drawn down in 1Q 2018.

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 2017 and their comparative periods as set out in this announcement have been extracted from the interim financial information for the period from 1 January 2017 to 31 December 2017 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  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
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**SUMMARY OF RESULTS FOR SABANA GROUP**

	Group					
	Quarter		Fav / (Unfav)	YTD		Fav / (Unfav)
	4Q 2017	4Q 2016		31/12/17	31/12/16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	20,395	22,540	(9.5)	85,196	91,807	(7.2)
Net property income	13,711	13,894	(1.3)	53,379	56,942	(6.3)
Income available for distribution	8,783	9,258	(5.1)	35,005	36,949	(5.3)
Distribution per unit ("DPU") (cents) <sup>(a)</sup>	0.83 <sup>(b)</sup>	0.88	(5.7)	3.31 <sup>(b)</sup>	4.17 <sup>(c)</sup>	(20.6)
Annualised DPU (cents)	3.29	3.50	(6.0)	3.31 <sup>(b)</sup>	4.17 <sup>(c)</sup>	(20.6)

**Notes:**

- (a) Please refer to Item 6 on Page 15 for the DPU computation.
- (b) The ordinary resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the Annual General Meeting held on 28 April 2017 ("**AGM**"). Without the general mandate to issue new units, the Manager is not able to continue to receive 80.0% of its base fee in units and has to receive its fees fully in cash from 1Q 2017 onwards.

Such payment mode would reduce the income available for distribution and hence DPU. To cushion the impact on DPU, the Manager had elected to:

- (i) forgo 75.0% of its fees, equivalent to approximately S\$944,000 for 1Q 2017;
- (ii) forgo 25.0% of its fees, equivalent to approximately S\$310,000 for 2Q 2017; and
- (iii) receive 100% of its fees only from 3Q 2017 onwards.

DPU for 4Q 2017 of 0.83 cents would have instead been approximately 0.92 cents had the Manager been able to continue receiving 80.0% of its fees in units.

DPU for the year ended 31 December 2017 of 3.31 cents would have instead been approximately:

- (i) 3.56 cents had the Manager been able to continue receiving 80.0% of its fees in units; or
- (ii) 3.20 cents had the Manager not forgone any of its fees and received 100.0% of its fees in cash from 1Q 2017 onwards.

- (c) DPU for prior periods has been restated to reflect the effect of bonus element in the Rights Issue.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

**1 (a)(i) Statements of Total Return and Distribution Statements (4Q 2017 vs 4Q 2016)**

<b>Statements of Total Return</b>	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	4Q 2017	4Q 2016		4Q 2017	4Q 2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue <sup>(a)</sup>	20,395	22,540	(9.5)	20,395	22,540	(9.5)
Property expenses <sup>(b)</sup>	(6,684)	(8,646)	22.7	(6,684)	(8,646)	22.7
<b>Net property income</b>	<b>13,711</b>	<b>13,894</b>	<b>(1.3)</b>	<b>13,711</b>	<b>13,894</b>	<b>(1.3)</b>
Finance income	6	106	(94.3)	6	106	(94.3)
Finance costs	(3,703)	(5,375)	31.1	(3,701)	(5,294)	30.1
<b>Net finance costs <sup>(c)</sup></b>	<b>(3,697)</b>	<b>(5,269)</b>	<b>29.8</b>	<b>(3,695)</b>	<b>(5,188)</b>	<b>28.8</b>
Manager's fees <sup>(d)</sup>	(1,217)	(1,286)	5.4	(1,217)	(1,286)	5.4
Trustee's fees	(104)	(110)	5.5	(104)	(110)	5.5
Donation of non-Shari'ah compliant income <sup>(e)</sup>	-	(31)	100.0	-	(31)	100.0
Other trust expenses	(1,302)	(198)	(557.6)	(1,304)	(202)	(545.5)
<b>Net income</b>	<b>7,391</b>	<b>7,000</b>	<b>5.6</b>	<b>7,391</b>	<b>7,077</b>	<b>4.4</b>
Net change in fair value of financial derivatives <sup>(f)</sup>	162	1,281	(87.4)	162	1,281	(87.4)
Net change in fair value of investment properties <sup>(g)</sup>	(29,329)	(40,019)	26.7	(29,329)	(40,019)	26.7
<b>Total return for the period before taxation</b>	<b>(21,776)</b>	<b>(31,738)</b>	<b>31.4</b>	<b>(21,776)</b>	<b>(31,661)</b>	<b>31.2</b>
Tax expense <sup>(h)</sup>	*	*	-	-	-	-
<b>Total return for the period after taxation</b>	<b>(21,776)</b>	<b>(31,738)</b>	<b>31.4</b>	<b>(21,776)</b>	<b>(31,661)</b>	<b>31.2</b>

<b>Distribution Statements</b>	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	4Q 2017	4Q 2016		4Q 2017	4Q 2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation</b>	<b>(21,776)</b>	<b>(31,738)</b>	<b>31.4</b>	<b>(21,776)</b>	<b>(31,661)</b>	<b>31.2</b>
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units <sup>(d)</sup>	-	1,028	(100.0)	-	1,028	(100.0)
Amortisation of transaction costs <sup>(i)</sup>	239	821	(70.9)	239	743	(67.8)
Trustee's fees	104	110	(5.5)	104	110	(5.5)
Donation of non-Shari'ah compliant income	-	31	(100.0)	-	31	(100.0)
Net change in fair value of financial derivatives	(162)	(1,281)	87.4	(162)	(1,281)	87.4
Net change in fair value of investment properties	29,329	40,019	(26.7)	29,329	40,019	(26.7)
Effects of recognising rental income on a straight line basis over the lease term	11	146	(92.5)	11	146	(92.5)
Other items	1,038	122	750.8	1,038	123	743.9
<b>Net effect of non-tax deductible items</b>	<b>30,559</b>	<b>40,996</b>	<b>(25.5)</b>	<b>30,559</b>	<b>40,919</b>	<b>(25.3)</b>
<b>Income available for distribution to Unitholders for the period</b>	<b>8,783</b>	<b>9,258</b>	<b>(5.1)</b>	<b>8,783</b>	<b>9,258</b>	<b>(5.1)</b>

\* 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 (2016: Impairment losses on trade receivables of approximately S\$899,000 mainly provided for on the outstanding balances of the master tenant at 1 Tuas Avenue 4 which were past due and in excess of security deposits held).

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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

	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	4Q 2017	4Q 2016		4Q 2017	4Q 2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Finance income:</b>						
- Profit income from fixed deposits with Islamic financial institutions	2	5	(60.0)	2	5	(60.0)
- Ta'widh (compensation on late payment of rent)	4	101	(96.0)	4	101	(96.0)
	6	106	(94.3)	6	106	(94.3)
<b>Finance costs:</b>						
- Commodity Murabaha Facilities	(963)	(1,540)	37.5	(963)	(1,540)	37.5
- Revolving Murabahah Facility	(278)	(104)	(167.3)	(278)	(104)	(167.3)
- Profit rate swaps	(121)	(403)	70.0	(121)	(403)	70.0
- Convertible Sukuk	-	(485)	100.0	-	-	-
- Trust Certificates	(1,979)	(1,979)	-	-	-	-
- Term Loan Facility	(82)	-	NM	(82)	-	NM
- Loans from subsidiaries	-	-	-	(1,979)	(2,464)	19.7
- Amortisation of transaction costs	(239)	(821)	70.9	(239)	(743)	67.8
- Brokerage and agent fees	(41)	(43)	4.7	(39)	(40)	2.5
	(3,703)	(5,375)	31.1	(3,701)	(5,294)	30.1
<b>Net finance costs</b>	<b>(3,697)</b>	<b>(5,269)</b>	<b>29.8</b>	<b>(3,695)</b>	<b>(5,188)</b>	<b>28.8</b>

NM denotes "not meaningful"

(d) The ordinary resolution to authorise the Manager to issue units and make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash from 1Q 2017 onwards. In 4Q 2016, the Manager had elected to receive 80.0% of its fees in units and 20.0% in cash. Fees paid in units are non-tax deductible items and have no impact on income available for distribution.

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

**4Q 2016**

- Singapore Kadayanallur Muslim League.

There was no net income subjected to the cleansing process for 4Q 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 the last quarter and at the reporting date. These items are non-tax deductible and have no impact on income available for distribution.

(g) The net change in fair value of investment properties in 4Q 2017 and 4Q 2016 mainly relates to the revaluation loss based on the independent valuations of the properties undertaken by the independent valuers of Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd and Suntec Real Estate Consultants Pte Ltd ("**Independent Valuers**") in respect of the properties, as at 31 December 2017 and 31 December 2016 respectively.

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

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

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

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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

<b>Statements of Total Return</b>	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/17	31/12/16		31/12/17	31/12/16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue <sup>(a)</sup>	85,196	91,807	(7.2)	85,196	91,807	(7.2)
Property expenses <sup>(b)</sup>	(31,817)	(34,865)	8.7	(31,817)	(34,865)	8.7
<b>Net property income</b>	<b>53,379</b>	<b>56,942</b>	<b>(6.3)</b>	<b>53,379</b>	<b>56,942</b>	<b>(6.3)</b>
Finance income	308	293	5.1	308	293	5.1
Finance costs	(17,193)	(21,089)	18.5	(16,948)	(20,773)	18.4
<b>Net finance costs <sup>(c)</sup></b>	<b>(16,885)</b>	<b>(20,796)</b>	<b>18.8</b>	<b>(16,640)</b>	<b>(20,480)</b>	<b>18.8</b>
Manager's fees <sup>(d)</sup>	(3,700)	(5,333)	30.6	(3,700)	(5,333)	30.6
Trustee's fees	(423)	(454)	6.8	(423)	(454)	6.8
Donation of non-Shari'ah compliant income <sup>(e)</sup>	(21)	(113)	81.4	(21)	(113)	81.4
Other trust expenses	(3,546)	(1,055)	(236.1)	(3,562)	(1,073)	(232.0)
<b>Net income</b>	<b>28,804</b>	<b>29,191</b>	<b>(1.3)</b>	<b>29,033</b>	<b>29,489</b>	<b>(1.5)</b>
Net change in fair value of financial derivatives <sup>(f)</sup>	(225)	235	4.3	(225)	(237)	5.1
Net change in fair value of investment properties <sup>(g)</sup>	(57,205)	(90,862)	37.0	(57,205)	(90,862)	37.0
Gain/(Loss) on divestment of investment properties <sup>(h)</sup>	1,816	(558)	425.4	1,816	(558)	425.4
<b>Total return for the year before taxation</b>	<b>(26,810)</b>	<b>(62,464)</b>	<b>57.1</b>	<b>(26,581)</b>	<b>(62,168)</b>	<b>57.2</b>
Tax expense <sup>(i)</sup>	*	*	-	-	-	-
<b>Total return for the year after taxation</b>	<b>(26,810)</b>	<b>(62,464)</b>	<b>57.1</b>	<b>(26,581)</b>	<b>(62,168)</b>	<b>57.2</b>

<b>Distribution Statements</b>	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/17	31/12/16		31/12/17	31/12/16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation</b>	<b>(26,810)</b>	<b>(62,464)</b>	<b>57.1</b>	<b>(26,581)</b>	<b>(62,168)</b>	<b>57.2</b>
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units <sup>(d)</sup>	-	4,266	(100.0)	-	4,266	(100.0)
Amortisation of transaction costs <sup>(i)</sup>	1,757	2,784	(36.9)	1,526	2,482	(38.5)
Break fees on termination of profit rate swaps <sup>(k)</sup>	656	-	NM	656	-	NM
Trustee's fees	423	454	(6.8)	423	454	(6.8)
Donation of non-Shari'ah compliant income	21	113	(81.4)	21	113	(81.4)
Net change in fair value of financial derivatives	225	235	(4.3)	225	237	(5.1)
Net change in fair value of investment properties	57,205	90,862	(37.0)	57,205	90,862	(37.0)
(Gain)/Loss on divestment of investment properties	(1,816)	558	(425.4)	(1,816)	558	(425.4)
Effects of recognising rental income on a straight line basis over the lease term	578	(362)	259.7	578	(362)	259.7
Other items	2,766	503	449.9	2,768	507	446.0
<b>Net effect of non-tax deductible items</b>	<b>61,815</b>	<b>99,413</b>	<b>(37.8)</b>	<b>61,586</b>	<b>99,117</b>	<b>(37.9)</b>
<b>Income available for distribution to Unitholders for the year</b>	<b>35,005</b>	<b>36,949</b>	<b>(5.3)</b>	<b>35,005</b>	<b>36,949</b>	<b>(5.3)</b>

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 impairment losses on trade receivables of approximately S\$2,414,000 (2016: S\$2,354,000) mainly provided for the outstanding balances of the respective master tenants at 1 Tuas Avenue 4 and 6 Woodlands Loop (2016: 1 Tuas Avenue 4) which were past due and in excess of security deposits held.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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

	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	31/12/17	31/12/16		31/12/17	31/12/16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Finance income:</b>						
- Profit income from fixed deposits with Islamic financial institutions	44	30	46.7	44	30	46.7
- Ta'widh (compensation on late payment of rent)	264	263	0.4	264	263	0.4
	308	293	5.1	308	293	5.1
<b>Finance costs:</b>						
- Commodity Murabaha Facilities	(4,251)	(7,091)	40.1	(4,251)	(7,091)	40.1
- Revolving Murabahah Facility	(526)	(599)	12.2	(526)	(599)	12.2
- Profit rate swaps	(499)	(637)	21.7	(499)	(637)	21.7
- Convertible Sukuk	(1,401)	(1,929)	27.4	-	-	-
- Trust Certificates	(7,850)	(7,872)	0.3	-	-	-
- Term Loan Facility	(82)	-	NM	(82)	-	NM
- Loans from subsidiaries	-	-	-	(9,251)	(9,801)	5.6
- Amortisation of transaction costs	(1,757)	(2,784)	36.9	(1,526)	(2,482)	38.5
- Break fees on termination of profit rate swaps	(656)	-	NM	(656)	-	NM
- Brokerage and agent fees	(171)	(177)	3.4	(157)	(163)	3.7
	(17,193)	(21,089)	18.5	(16,948)	(20,773)	18.4
<b>Net finance costs</b>	<b>(16,885)</b>	<b>(20,796)</b>	<b>18.8</b>	<b>(16,640)</b>	<b>(20,480)</b>	<b>18.8</b>

NM denotes "not meaningful"

(d) The ordinary resolution to authorise the Manager to issue units and make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash for Current YTD. In Prior YTD, the Manager had elected to receive 80.0% of its fees in units and 20.0% in cash. Fees paid in units are non-tax deductible items and have no impact on income available for distribution.

For 1Q 2017 and 2Q 2017, the Manager had elected to forgo 75.0% and 25.0% of its fees respectively.

(e) This relates to the net income, less any impaired amounts, which was subjected to the cleansing process and donated to the following beneficiaries with the approval of the Independent Shari'ah Committee.

**Current YTD**

- The Smile Mission Ltd (1Q 2017).

**Prior YTD**

- Lien Aid (1Q 2016);
- The Operation Hope Foundation Ltd for their Nepal Earthquake Rebuilding Project and Bursaries Sponsorship (2Q 2016);
- Mendaki Sense (3Q 2016); and
- Singapore Kadayanallur Muslim League (4Q 2016).

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

(g) The net change in fair value of investment properties in Current YTD and Prior YTD mainly relates to the revaluation loss based on the independent valuations of the properties undertaken by the Independent Valuers in respect of the properties, as at 31 December 2017 and 31 December 2016 respectively.

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

(h) The Current YTD gain on divestment relates to the gain on divestment of 218 Pandan Loop in 3Q 2017, after deducting the applicable agent commissions and other professional fees and expenses.

The Prior YTD loss on divestment relates to the applicable agent commissions, divestment fee payable to the Manager, and other professional fees and expenses incurred in connection with the divestment of 200 Pandan Loop and 3 Kallang Way 2A ("**2016 Divested Properties**") in 1Q 2016.

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

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

- (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 Commodity Murabaha Facilities ("CMF"), Revolving Murabahah Facility, Convertible Sukuk, Trust Certificates, Term Loan Facility and loans from subsidiaries. These items are non-tax deductible and have no impact on income available for distribution.
- (k) This relates to the break fees on termination of the profit rate swap that was used to hedge Term CMF F ("PRS F") in 1Q 2017 as the proceeds from the Rights Issue were used to partially prepay S\$60.0 million of the Term CMF F, ahead of its maturity in August 2017. This item is non-tax deductible and has no impact on income available for distribution.

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

<b>Statements of Financial Position</b>	Group			Trust		
	31/12/17	31/12/16	Change	31/12/17	31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>						
Investment properties <sup>(a)</sup>	942,400	990,600	(4.9)	942,400	990,600	(4.9)
Subsidiaries <sup>(b)</sup>	-	-	-	*	*	-
Derivative assets <sup>(c)</sup>	-	522	(100.0)	-	522	(100.0)
<b>Total non-current assets</b>	<b>942,400</b>	<b>991,122</b>	<b>(4.9)</b>	<b>942,400</b>	<b>991,122</b>	<b>(4.9)</b>
<b>Current assets</b>						
Investment properties held for divestment <sup>(d)</sup>	12,900	13,000	(0.8)	12,900	13,000	(0.8)
Trade and other receivables <sup>(e)</sup>	3,128	9,561	(67.3)	3,125	9,553	(67.3)
Cash and cash equivalents <sup>(f)</sup>	7,681	9,206	(16.6)	7,681	9,201	(16.5)
<b>Total current assets</b>	<b>23,709</b>	<b>31,767</b>	<b>(25.4)</b>	<b>23,706</b>	<b>31,754</b>	<b>(25.3)</b>
<b>Total assets</b>	<b>966,109</b>	<b>1,022,889</b>	<b>(5.6)</b>	<b>966,106</b>	<b>1,022,876</b>	<b>(5.6)</b>
<b>Current liabilities</b>						
Trade and other payables <sup>(g)</sup>	18,105	14,097	28.4	18,115	14,095	28.5
Borrowings <sup>(h)</sup>	117,456	130,209	(9.8)	117,456	130,440	(10.0)
Derivative liabilities <sup>(i)</sup>	-	562	(100.0)	-	562	(100.0)
<b>Total current liabilities</b>	<b>135,561</b>	<b>144,868</b>	<b>(6.4)</b>	<b>135,571</b>	<b>145,097</b>	<b>(6.6)</b>
<b>Non-current liabilities</b>						
Trade and other payables <sup>(g)</sup>	10,388	13,511	(23.1)	10,388	13,511	(23.1)
Borrowings <sup>(h)</sup>	248,350	307,715	(19.3)	248,350	307,715	(19.3)
Derivative liabilities <sup>(i)</sup>	265	-	NM	265	-	NM
<b>Total non-current liabilities</b>	<b>259,003</b>	<b>321,226</b>	<b>(19.4)</b>	<b>259,003</b>	<b>321,226</b>	<b>(19.4)</b>
<b>Total liabilities</b>	<b>394,564</b>	<b>466,094</b>	<b>(15.3)</b>	<b>394,574</b>	<b>466,323</b>	<b>(15.4)</b>
<b>Net assets</b>	<b>571,545</b>	<b>556,795</b>	<b>2.6</b>	<b>571,532</b>	<b>556,553</b>	<b>2.7</b>
Represented by:						
Unitholders' funds <sup>(j)</sup>	571,545	556,795	2.6	571,532	556,553	2.7

NM denotes "not meaningful"

\* Less than S\$1,000

**Notes:**

- (a) The carrying amounts of the investment properties as at 31 December 2017 were based on the independent valuations of the properties undertaken by the Independent Valuers.

The decrease in investment properties mainly arises from the lower fair values of the properties appraised by the Independent Valuers as at 31 December 2017 and the reclassification of 6 Woodlands Loop to investment properties held for divestment as divestment is planned within the next 12 months from the reporting date.

- (b) 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.

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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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- (c) Non-current derivative assets as at 31 December 2016 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 ("**PRS B**").

The movement in non-current derivative assets is mainly due to the Current YTD change in the fair value of the PRS B, classified under non-current derivative liability as at the reporting date.

- (d) The movement in investment properties held for divestment is due to the legal completion of the divestment of 218 Pandan Loop on 11 August 2017 which was held for divestment as at 31 December 2016 and the reclassification of 6 Woodlands Loop to investment properties held for divestment during Current YTD.

- (e) This relates to trade receivables, prepayments, deposits, and other receivables. The lower trade and other receivables from 31 December 2016 is mainly due to:

- (i) Non-impaired outstanding arrears of the master tenant at 1 Tuas Avenue 4 in rental default repaid using the entire security deposit withheld;
- (ii) Lower outstanding trade receivables from the other tenants;
- (iii) Negative adjustment of straight line rent in respect of the properties with leases containing rental escalation clauses to net change in fair value of investment properties during Current YTD;
- (iv) Refund of the option fees paid in respect of the Proposed Acquisitions whose put and call option agreements were either terminated or had ceased and determined.

- (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 higher current trade and other payables is mainly due to higher accrued Manager's fees payable in cash, higher accrued trust expenses as at the reporting date and reclassification of security deposits of leases that are expiring 12 months from the reporting date from non-current to current.

The lower non-current trade and other payables is mainly due to the utilisation of the security deposit of the master tenant at 1 Tuas Avenue 4 to repay its outstanding arrears and reclassification of security deposits of leases that are expiring 12 months from the reporting date from non-current to current.

- (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\$90.0 million Trust Certificates due 2018 ("**Trust Certificates Series I**") issued by SSPL;
- (ii) Amortised cost of the principal amount of S\$90.0 million SSPL's profit bearing loans to the Trust, which was raised from the issuance of the Trust Certificates Series I by SSPL; and
- (iii) Amortised cost of the principal amount of S\$27.5 million of Revolving Murabahah Facility.

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\$120.0 million drawn from Term CMF C and Term CMF B;
- (ii) Amortised cost of the principal amount of S\$30.0 million drawn from the Term Loan Facility;
- (iii) Amortised cost of the principal amount of S\$100.0 million Trust Certificates due 2019 ("**Trust Certificates Series II**") issued by SSPL; and
- (iv) Amortised cost of the principal amount of S\$100.0 million SSPL's profit bearing loan to the Trust, which was raised from the issuance of the Trust Certificates Series II by SSPL.

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

- (i) Reclassification of Trust Certificates Series I from non-current to current as they are maturing within 12 months from the reporting date;
- (ii) Repayment of S\$13.3 million Revolving CMF D in Current YTD;
- (iii) Partial repayment of S\$60.0 million of Term CMF in 1Q 2017 and final repayment of the remaining S\$15.0 million of Term CMF F in 3Q 2017;
- (iv) Full redemption of S\$42.8 million Convertible Sukuk using the Revolving Murabahah Facility drawn down in 3Q 2017; and
- (v) Drawdown of S\$30.0 million Term Loan Facility to repay partially the outstanding Revolving Murabahah Facility in 4Q 2017.



**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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

- (i) Current derivative liabilities as at 31 December 2016 relate to the fair value of PRS F.

The lower current derivative liabilities over 31 December 2016 is mainly due to the termination of PRS F in Current YTD.

Non-current derivative liabilities as at the reporting date relate to the fair value of PRS B.

- (j) 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	
	31/12/17	31/12/16	31/12/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured borrowings</b>				
Amount repayable within one year:				
Revolving CMF <sup>(a)</sup>	-	13,300	-	13,300
Revolving Murabahah Facility <sup>(b)</sup>	27,500	-	27,500	-
Term CMF <sup>(a)</sup>	-	75,000	-	75,000
Less: Unamortised capitalised transaction costs	-	(486)	-	(486)
	<b>27,500</b>	<b>87,814</b>	<b>27,500</b>	<b>87,814</b>
Amount repayable after one year:				
Term CMF <sup>(a)</sup>	120,000	120,000	120,000	120,000
Term Loan Facility <sup>(c)</sup>	30,000	-	30,000	-
New Murabahah Facilities <sup>(d)</sup>	-	-	-	-
Less: Unamortised capitalised transaction costs	(1,330)	(1,476)	(1,330)	(1,476)
	<b>148,670</b>	<b>118,524</b>	<b>148,670</b>	<b>118,524</b>
<b>Total secured borrowings</b>	<b>176,170</b>	<b>206,338</b>	<b>176,170</b>	<b>206,338</b>
<b>Unsecured borrowings</b>				
Amount repayable within one year:				
Convertible Sukuk - debt component <sup>(e)</sup>	-	42,395	-	-
Trust Certificates <sup>(f)</sup>	90,000	-	-	-
Loans from subsidiaries <sup>(g)</sup>	-	-	90,000	42,750
Less: Unamortised capitalised transaction costs	(44)	-	(44)	(124)
	<b>89,956</b>	<b>42,395</b>	<b>89,956</b>	<b>42,626</b>
Amount repayable after one year:				
Trust Certificates <sup>(f)</sup>	100,000	190,000	-	-
Loans from subsidiaries <sup>(g)</sup>	-	-	100,000	190,000
Less: Unamortised capitalised transaction costs	(320)	(809)	(320)	(809)
	<b>99,680</b>	<b>189,191</b>	<b>99,680</b>	<b>189,191</b>
<b>Total unsecured borrowings</b>	<b>189,636</b>	<b>231,586</b>	<b>189,636</b>	<b>231,817</b>
<b>Total borrowings</b>	<b>365,806</b>	<b>437,924</b>	<b>365,806</b>	<b>438,155</b>

**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 of S\$18.0 million maturing in February 2020 was fully undrawn.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

The CMF are secured by, *inter alia*:

- (1) A first ranking legal mortgage over 3 (2016: 8) investment properties ("**CMF Securitised Properties**"), (or, where title to or lease relating to the CMF Securitised Properties has not been issued, an assignment of building agreement or agreement for lease (as the case may be) relating to that CMF Secured Property coupled with a mortgage in escrow);
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the CMF Securitised Properties; and
- (3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the CMF Securitised Properties.

(b) Revolving Murabahah Facility

As at the reporting date, the outstanding 3-year Revolving Murabahah Facility of S\$48.9 million maturing in September 2018 had an outstanding amount of S\$27.5 million and an undrawn amount of S\$21.4 million.

The Revolving Murabahah Facility is secured by, *inter alia*:

- (1) A first ranking legal mortgage over 2 (2016: 2) investment properties ("**Original Murabahah Secured Properties**");
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Original Murabahah Secured Properties; and
- (3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Original 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 2 (2016: Nil) investment properties ("**Term Loan Facility Secured Properties**");
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Term Loan Facility Secured Properties.

(d) New Murabahah Facilities

As at the reporting date, the New Murabahah Facilities of S\$100.0 million had yet to be drawn down to refinance amounts owing under the Revolving Murabahah Facility or the Trust Certificates maturing in 2018.

The New Murabahah Facilities will, from the date of first draw down thereof, be secured by, *inter alia*:

- (1) A first ranking legal mortgage over 5 (2016: Nil) investment properties, (the "**New Murabahah Secured Properties**"), 2 of which are the Original Murabahah Secured Properties which will be discharged once the Revolving Murabahah Facility is refinanced in full;
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the New Murabahah Secured Properties; and
- (3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the New Murabahah Secured Properties.

Unsecured borrowings

(e) Convertible Sukuk

	Group	
	31/12/17	31/12/16
Convertible Sukuk - debt component	S\$'000	S\$'000
Carrying amount of debt component at beginning of the year	42,395	41,933
Profit accretion, including amortisation of transaction costs	355	462
Redemption of Convertible Sukuk on scheduled dissolution date	(42,750)	-
<b>Carrying amount of debt component at end of the year</b>	<b>-</b>	<b>42,395</b>

As at the reporting date, there was no outstanding Convertible Sukuk as they had been fully redeemed on the scheduled dissolution date of 25 September 2017.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

(f) 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.

(Collectively, the "Trust Certificates Series")

(g) Loans from subsidiaries

As at the reporting date, S\$190.0 million loans, which are equivalent to the principal amount of the Trust Certificates, granted by SSPL to the Trust, through the proceeds raised from the issuance of the Trust Certificates Series at the same repayment terms stated in Item (1)(b)(ii)(e) above were outstanding.

**1 (c) Statement of Cash Flows**

<b>Statement of Cash Flows</b>	Group			
	Quarter		YTD	
	4Q 2017	4Q 2016	31/12/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total return for the period/year after taxation and before distribution	(21,776)	(31,738)	(26,810)	(62,464)
Adjustments for:				
Manager's fees paid/payable in units	-	1,028	-	4,266
Net change in fair value of financial derivatives	(162)	(1,281)	225	235
Net change in fair value of investment properties	29,329	40,019	57,205	90,862
(Gain)/Loss on divestment of investment properties	-	-	(1,816)	558
Net finance costs	3,697	5,269	16,885	20,796
	11,088	13,297	45,689	54,253
Change in trade and other receivables	(125)	(1,411)	3,283	(2,235)
Change in trade and other payables	(354)	(1,906)	1,499	(3,604)
Cash generated from operating activities	10,609	9,980	50,471	48,414
Ta'widh (compensation on late payment of rent) received	4	101	264	263
<b>Net cash from operating activities</b>	<b>10,613</b>	<b>10,081</b>	<b>50,735</b>	<b>48,677</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on investment properties <sup>(a)</sup>	(13,778)	(287)	(18,555)	(1,830)
Divestment of investment properties	-	-	14,800	54,600
Profit income received from Islamic financial institutions	2	5	44	30
<b>Net cash (used in)/from investing activities</b>	<b>(13,776)</b>	<b>(282)</b>	<b>(3,711)</b>	<b>52,800</b>
<b>Cash flows from financing activities</b>				
Proceeds from Rights Issue <sup>(b)</sup>	-	-	80,164	-
Issue costs paid in relation to Rights Issue <sup>(b)</sup>	-	-	(3,221)	-
Break fees on termination of profit rate swaps	-	-	(656)	-
Proceeds from borrowings	30,000	13,300	73,000	115,200
Repayment of borrowings	(15,500)	(11,900)	(146,550)	(159,900)
Transaction costs paid	(325)	-	(325)	(1,244)
Finance costs paid	(3,530)	(1,933)	(15,578)	(18,017)
Distributions paid	(8,320)	(8,877)	(35,383)	(38,748)
<b>Net cash from/(used in) financing activities</b>	<b>2,325</b>	<b>(9,410)</b>	<b>(48,549)</b>	<b>(102,709)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(838)</b>	<b>389</b>	<b>(1,525)</b>	<b>(1,232)</b>
Cash and cash equivalents at beginning of the period/year	8,519	8,817	9,206	10,438
<b>Cash and cash equivalents at end of the period/year</b>	<b>7,681</b>	<b>9,206</b>	<b>7,681</b>	<b>9,206</b>

**Notes:**

- (a) This includes a S\$12.5 million (2016: Nil) expenditure for the Additional Works at 10 Changi South Street 2.
- (b) Following the announcement on 6 February 2017, the subsequent termination of the Proposed Acquisitions and cost finalisation of the Rights Issue, the gross proceeds from the Rights Issue of S\$80.2 million had been effectively utilised by the Trust as follows:

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

- (i) S\$60.0 million to repay term CMF F due in August 2017 in 1Q 2017;
- (ii) S\$13.3 million to repay revolving credit facilities in 2Q 2017;
- (iii) Approximately S\$3.5 million to pay the underwriting commission, professional fees and charges, including the applicable GST thereon, relating to the Rights Issue in 1Q 2017; and
- (iv) Approximately S\$3.4 million which were placed in short-term bank fixed deposits since 1Q 2017, to partially repay the remaining CMF F upon its maturity in 3Q 2017.

The above uses of the proceeds are in accordance with the stated uses in the Offer Information Statement dated 30 December 2016.

**1 (d)(i) Statements of Movements in Unitholders' Funds (4Q 2017 vs 4Q 2016)**

Statements of Movements in Unitholders' Funds	Group		Trust	
	Quarter		Quarter	
	4Q 2017	4Q 2016	4Q 2017	4Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at beginning of the period</b>	601,641	596,382	601,628	596,063
<b>Operations</b>				
Total return for the period after taxation	(21,776)	(31,738)	(21,776)	(31,661)
	<b>579,865</b>	<b>564,644</b>	<b>579,852</b>	<b>564,402</b>
<b>Unitholders' transactions</b>				
Issue of new units:				
- Manager's fees payable in units <sup>(a)</sup>	-	1,028	-	1,028
Distributions to Unitholders	(8,320)	(8,877)	(8,320)	(8,877)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(8,320)</b>	<b>(7,849)</b>	<b>(8,320)</b>	<b>(7,849)</b>
<b>Unitholders' funds at end of the period</b>	<b>571,545</b>	<b>556,795</b>	<b>571,532</b>	<b>556,553</b>

**Note:**

- (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 ordinary resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash for 4Q 2017. In 4Q 2016, the Manager had elected to receive 80.0% of its fee in units and 20.0% in cash.

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

Statements of Movements in Unitholders' Funds	Group		Trust	
	YTD		YTD	
	31/12/17	31/12/16	31/12/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at beginning of the year</b>	556,795	653,741	556,553	653,203
<b>Operations</b>				
Total return for the year after taxation	(26,810)	(62,464)	(26,581)	(62,168)
	<b>529,985</b>	<b>591,277</b>	<b>529,972</b>	<b>591,035</b>
<b>Unitholders' transactions</b>				
Issue of new units:				
- Manager's fees payable in units <sup>(a)</sup>	-	4,266	-	4,266
- Proceeds from Rights Issue <sup>(b)</sup>	80,164	-	80,164	-
Issue costs paid in relation to the Rights Issue	(3,221)	-	(3,221)	-
Distributions to Unitholders	(35,383)	(38,748)	(35,383)	(38,748)
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>	<b>41,560</b>	<b>(34,482)</b>	<b>41,560</b>	<b>(34,482)</b>
<b>Unitholders' funds at end of the year</b>	<b>571,545</b>	<b>556,795</b>	<b>571,532</b>	<b>556,553</b>

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

**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 ordinary resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash for Current YTD. In Prior YTD, the Manager had elected to receive 80.0% of its fee in units and 20.0% in cash.

- (b) 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 2017	4Q 2016	31/12/17	31/12/16
<b>Units in issue:</b>				
Units in issue at beginning of the period/year	1,053,083,530	737,740,488	739,791,059	732,381,036
Manager's fees paid in units <sup>(a)</sup>	-	2,050,571	2,580,227	7,410,023
Rights Issue <sup>(b)</sup>	-	-	310,712,244	-
<b>Issued units at end of the period/year</b>	<b>1,053,083,530</b>	<b>739,791,059</b>	<b>1,053,083,530</b>	<b>739,791,059</b>
<b>Units to be issued:</b>				
Manager's fees payable in units <sup>(a)</sup>	-	2,580,227	-	2,580,227
<b>Total issued and to be issued units, excluding Right Units</b>	<b>1,053,083,530</b>	<b>742,371,286</b>	<b>1,053,083,530</b>	<b>742,371,286</b>
Rights Issue <sup>(b)</sup>	-	310,712,244	-	310,712,244
<b>Total issued and to be issued units, including Right Units</b>	<b>1,053,083,530</b>	<b>1,053,083,530</b>	<b>1,053,083,530</b>	<b>1,053,083,530</b>

**Notes:**

- (a) These are new units issued and to be issued to the Manager as partial consideration of the Manager's fees incurred for the period/year.

The ordinary resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash for 4Q 2017 and Current YTD. In 4Q 2016 and Prior YTD, the Manager had elected to receive 80.0% of its fees in units and 20.0% in cash.

- (b) 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**

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 2016.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 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

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 (4Q 2017 vs 4Q 2016)**

	Group			Trust		
	Quarter			Quarter		
	4Q 2017	4Q 2016 As restated <sup>(d)</sup>	4Q 2016 As previously reported	4Q 2017	4Q 2016 As restated <sup>(d)</sup>	4Q 2016 As previously reported
<b>Basic and diluted EPU</b>						
Weighted average number of units in issue	1,053,083,530	846,053,776	739,284,173	1,053,083,530	846,053,776	739,284,173
Basic and diluted EPU for the period based on the weighted average number of units in issue (cents) <sup>(a)(b)</sup>	(2.07) <sup>(c)</sup>	(3.75) <sup>(e)</sup>	(4.29) <sup>(e)</sup>	(2.07) <sup>(c)</sup>	(3.74) <sup>(e)</sup>	(4.28) <sup>(e)</sup>

**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.
- (c) The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period as the Convertible Sukuk had been fully redeemed in 3Q 2017.
- (d) The weighted average number of units in issue and EPU have been restated to reflect the effect of bonus element pursuant to the Rights Issue.
- (e) The diluted EPU were the same as the basic EPU for the Group and Trust as the Convertible Sukuk was anti-dilutive at the Group and the Trust level.

**Earnings per unit (Current YTD vs Prior YTD)**

	Group			Trust		
	YTD			YTD		
	31/12/17	31/12/16 As restated <sup>(d)</sup>	31/12/16 As previously reported	31/12/17	31/12/16 As restated <sup>(d)</sup>	31/12/16 As previously reported
<b>Basic and diluted EPU</b>						
Weighted average number of units in issue	1,032,469,339	842,668,008	736,325,679	1,032,469,339	842,668,008	736,325,679
Basic and diluted EPU for the period based on the weighted average number of units in issue (cents) <sup>(a)(b)</sup>	(2.60) <sup>(c)</sup>	(7.41) <sup>(d)</sup>	(4.18) <sup>(c)</sup>	(2.57) <sup>(c)</sup>	(7.37) <sup>(d)</sup>	(4.15) <sup>(c)</sup>

**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.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

- (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.
- (c) The diluted EPU were the same as the basic EPU for the Group and Trust as the Convertible Sukuk was anti-dilutive at the Group and the Trust level.
- (d) The weighted average number of units in issue and EPU have been restated to reflect the effect of bonus element pursuant to the Rights Issue.

**Distribution per unit (4Q 2017 vs 4Q 2016)**

	Group and Trust	
	Quarter	
	4Q 2017	4Q 2016
Number of units issued and to be issued at end of period entitled to distribution <sup>(a)</sup>	1,053,083,530	1,053,083,530
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	0.83	0.88

**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 December 2017 of 1,053,083,530 (31 December 2016: 739,791,059);
- (ii) No new units (31 December 2016: 2,580,227 units) to be issued to the Manager as consideration of Manager's fees incurred for 4Q 2017 (31 December 2016: by 31 January 2017 as partial consideration of Manager's fees incurred for 4Q 2016) as the resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM; and
- (iii) 310,712,244 Rights Units to be issued as at 31 December 2016 on 25 January 2017 to Unitholders pursuant to the Rights Issue.

**Distribution per unit (Current YTD vs Prior YTD)**

	Group and Trust	
	31/12/2017	31/12/2016
Number of units issued and to be issued at end of year entitled to distribution <sup>(a)</sup>	1,053,083,530	1,053,083,530
Distribution per unit for the year based on the total number of units entitled to distribution (cents)	3.31	4.17

**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 December 2017 of 1,053,083,530 (31 December 2016: 739,791,059);
- (ii) No new units (31 December 2016: 2,580,227 units) to be issued to the Manager as consideration of Manager's fees incurred for 4Q 2017 (31 December 2016: by 31 January 2017 as partial consideration of Manager's fees incurred for 4Q 2016) as the resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM; and
- (iii) 310,712,244 Rights Units to be issued as at 31 December 2016 on 25 January 2017 to Unitholders pursuant to the Rights Issue.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

**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 31/12/17	As at 31/12/16	As at 31/12/17	As at 31/12/16
Net asset value ("NAV") and net tangible asset ("NTA") per unit (S\$) <sup>(a)</sup>	0.54	0.75	0.54	0.75

**Note:**

- (a) The number of units used to compute NAV and NTA per unit is 1,053,083,530 (31 December 2016: 742,371,286), comprising:
- (i) The number of units in issue as at 31 December 2017 of 1,053,083,530 (31 December 2016: 739,791,059); and
  - (ii) No new units (31 December 2016: 2,580,227 units) to be issued to the Manager as consideration of Manager's fees incurred for 4Q 2017 (31 December 2016: by 31 January 2017 as partial consideration of Manager's fees incurred for 4Q 2016) as the resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM.

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

**4Q 2017 vs 4Q 2016**

<b>Statement of Total Return</b>	Group		Fav / (Unfav)
	Quarter		
	4Q 2017	4Q 2016	%
	S\$'000	S\$'000	
Gross revenue <sup>(a)</sup>	20,395	22,540	(9.5)
Property expenses <sup>(b)</sup>	(6,684)	(8,646)	22.7
<b>Net property income <sup>(b)</sup></b>	<b>13,711</b>	<b>13,894</b>	<b>(1.3)</b>
Finance income	6	106	(94.3)
Finance costs	(3,703)	(5,375)	31.1
<b>Net finance costs <sup>(c)</sup></b>	<b>(3,697)</b>	<b>(5,269)</b>	<b>29.8</b>
Manager's fees <sup>(d)</sup>	(1,217)	(1,286)	5.4
Trustee's fees <sup>(e)</sup>	(104)	(110)	5.5
Donation of non-Shari'ah compliant income <sup>(f)</sup>	-	(31)	100.0
Other trust expenses <sup>(g)</sup>	(1,302)	(198)	(557.6)
<b>Net income</b>	<b>7,391</b>	<b>7,000</b>	<b>5.6</b>
Net change in fair value of financial derivatives <sup>(h)</sup>	162	1,281	(87.4)
Net change in fair value of investment properties <sup>(i)</sup>	(29,329)	(40,019)	26.7
<b>Total return for the period before taxation and distribution</b>	<b>(21,776)</b>	<b>(31,738)</b>	<b>(31.4)</b>
Tax expense	*	*	-
<b>Total return for the period before distribution</b>	<b>(21,776)</b>	<b>(31,738)</b>	<b>(31.4)</b>
Distribution adjustments <sup>(j)</sup>	30,559	40,996	<b>(25.5)</b>
<b>Income available for distribution <sup>(k)</sup></b>	<b>8,783</b>	<b>9,258</b>	<b>(5.1)</b>

\*Less than S\$1,000

**Notes:**

- (a) Gross revenue decreased by 9.5% mainly due to:
- (i) Non-recognition of revenue from the properties located at 1 Tuas Avenue 4 and 6 Woodlands Loop in 4Q 2017 as collections from the master tenants are no longer probable; and
  - (ii) Lower contribution from 2 Toh Tuck Link, 8 Commonwealth Lane, 23 Serangoon North Avenue 5, 151 Lorong Chuan and 508 Chai Chee Lane in 4Q 2017 over 4Q 2016.
- (b) Property expenses decreased by 22.7% mainly due to:
- (i) Net reversal of impairment losses upon recovery of trade receivables relating to certain tenants in 4Q 2017 that were previously impaired or written off;
  - (ii) Lower land rent and utilities expenses from certain multi-tenanted and non-triple-net master tenanted properties in 4Q 2017 over 4Q 2016;



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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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- (iii) Lower property expenses from 218 Pandan Loop which was divested in 3Q 2017; and partially offset by
- (iv) Higher service, repairs, maintenance, property tax, land rent, utilities and marketing expenses from 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016.

Consequently, net property income decreased marginally by 1.3%.

- (c) Net finance costs decreased by 29.8% mainly due to:
  - (i) Lower profit expense arising from lower outstanding borrowings in 4Q 2017 over 4Q 2016 following the repayment of the then outstanding borrowings using the net proceeds from the Rights Issue and the divestment of 218 Pandan Loop; and
  - (ii) Redemption of the higher cost Convertible Sukuk using the lower cost revolving credit facility.
- (d) Manager's fees decreased by 5.4% mainly due to lower total assets in 4Q 2017 over 4Q 2016, arising from the lower valuation of the properties as at 31 December 2017 and the divestment of 218 Pandan Loop, upon which these fees are based on.
- (e) Trustee fees decreased by 5.5% mainly due to lower total assets in 4Q 2017 over 4Q 2016, arising from the revaluation loss on the properties as at 31 December 2017 and the divestment of 218 Pandan Loop, upon which these fees are based on.
- (f) Donation of non-Shari'ah compliant income decreased by 100.0% mainly due to nil income generated from non-core activities subjected to cleansing in 4Q 2017 over 4Q 2016.
- (g) Other trust expenses increased by 557.6% mainly due to the higher non-tax deductible legal, professional and advisory fees in 4Q 2017 over 4Q 2016, arising from the strategic review.
- (h) The net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps between the last quarter and the reporting date.
- (i) The lower net change in fair value of investment properties in 4Q 2017 over 4Q 2016 mainly relates to the lower revaluation loss on the properties based on independent valuations undertaken by the independent valuers as at 31 December 2017 as compared to 31 December 2016 partially offset by the higher negative straight lining adjustments.
- (j) Distribution adjustments decreased by 25.5% mainly due to:
  - (i) No non-tax deductible Manager's fees payable in units in 4Q 2017;
  - (ii) Lower non-tax deductible on the item stated in (i);
  - (iii) Lower non-tax deductible amortisation of transaction costs of borrowings in 4Q 2017 over 4Q 2016; partially offset by
  - (iv) Higher non-tax deductible legal, professional and advisory fees incurred in 4Q 2017 over 4Q 2016; and
  - (v) Lower non-taxable effects on the item stated in (h).
- (k) Income available for distribution decreased by 5.1% mainly due to:
  - (i) Lower net property income as set out in items (a) and (b) above;
  - (ii) Higher Manager's fees payable in cash in 4Q 2017 over 4Q 2016; and partially offset by
  - (iii) Lower profit expense arising in 4Q 2017 over 4Q 2016.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

**Current YTD vs Prior YTD**

<b>Statement of Total Return</b>	<b>Group</b>		
	YTD		Fav / (Unfav)
	31/12/17	31/12/16	
	S\$'000	S\$'000	%
Gross revenue <sup>(a)</sup>	85,196	91,807	(7.2)
Property expenses <sup>(b)</sup>	(31,817)	(34,865)	8.7
<b>Net property income <sup>(b)</sup></b>	<b>53,379</b>	<b>56,942</b>	<b>(6.3)</b>
Finance income	308	293	5.1
Finance costs	(17,193)	(21,089)	18.5
<b>Net finance costs <sup>(c)</sup></b>	<b>(16,885)</b>	<b>(20,796)</b>	<b>18.8</b>
Manager's fees <sup>(d)</sup>	(3,700)	(5,333)	30.6
Trustee's fees <sup>(e)</sup>	(423)	(454)	6.8
Donation of non-Shari'ah compliant income <sup>(f)</sup>	(21)	(113)	81.4
Other trust expenses <sup>(g)</sup>	(3,546)	(1,055)	(236.1)
<b>Net income</b>	<b>28,804</b>	<b>29,191</b>	<b>(1.3)</b>
Net change in fair value of financial derivatives <sup>(h)</sup>	(225)	(235)	4.3
Net change in fair value of investment properties <sup>(i)</sup>	(57,205)	(90,862)	37.0
Gain/(Loss) of divestment on investment properties <sup>(j)</sup>	1,816	(558)	425.4
<b>Total return for the period before taxation and distribution</b>	<b>(26,810)</b>	<b>(62,464)</b>	<b>57.1</b>
Tax expense	*	*	-
<b>Total return for the period before distribution</b>	<b>(26,810)</b>	<b>(62,464)</b>	<b>57.1</b>
Distribution adjustments <sup>(k)</sup>	61,815	99,413	(37.8)
<b>Income available for distribution <sup>(l)</sup></b>	<b>35,005</b>	<b>36,949</b>	<b>(5.3)</b>

\*Less than S\$1,000

**Notes:**

- (a) Gross revenue decreased by 7.2% mainly due to:
- (i) Non-recognition of revenue from the properties located at 1 Tuas Avenue 4 and 6 Woodlands Loop from 3Q 2017 onwards as collections of income from these master tenants are no longer probable;
  - (ii) Lower contribution from 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016;
  - (iii) Lower contribution from 2016 Divested Properties which were divested in 1Q 2016;
  - (iv) Lower contribution from 2 Toh Tuck Link, 8 Commonwealth Lane, 23 Serangoon North Avenue 5, 151 Lorong Chuan and 508 Chai Chee Lane, in Current YTD over Prior YTD; and partially offset by
  - (v) Higher contribution from 9 Tai Seng Drive in Current YTD over Prior YTD.
- (b) Property expenses decreased by 8.7% mainly due to:
- (i) Lower property tax, land rent, utilities and marketing expenses from certain multi-tenanted and non-triple-net master tenanted properties in Current YTD over Prior YTD; and
  - (ii) Lower property expenses from the 2016 Divested Properties and 218 Pandan Loop which were divested in 1Q 2016 and 3Q 2017 respectively; and partially offset by
  - (iii) Higher service, repairs, maintenance, property tax, land rent, utilities and marketing expenses from 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016.
- Consequently, net property income decreased by 6.3%.
- (c) Net finance costs decreased by 18.8% mainly due to:
- (i) Lower profit expense arising from lower outstanding borrowings in Current YTD over Prior YTD due to the repayment of the then outstanding borrowings using the net sale proceeds from the 2016 Divested Properties and 218 Pandan Loop, and the net proceeds from the Rights Issue;
  - (ii) Redemption of the higher cost Convertible Sukuk using the lower cost revolving credit facility; and partially offset by
  - (iii) The one-time break fees on the termination of PRS F, which are non-tax deductible and have no impact on income available for distribution.
- (d) Manager's fees decreased by 30.6% mainly due to:
- (i) The Manager forgoing 75.0% of its fees for 1Q 2017 and 25.0% of its fees for 2Q 2017; and

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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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- (ii) Lower total assets in Current YTD over Prior YTD, arising from the revaluation loss on the properties during Current YTD and the divestment of the 2016 Divested Properties in 1Q 2016 and 218 Pandan Loop in 3Q 2017, upon which these fees are based on.
- (e) Trustee fees decreased by 6.8% mainly due to lower total assets in Current YTD over Prior YTD, arising from the revaluation loss on the properties during Current YTD and the divestment of the 2016 Divested Properties in 1Q 2016 and 218 Pandan Loop in 3Q 2017, upon which these fees are based on.
- (f) Donation of non-Shari'ah compliant income decreased by 81.4% mainly due to less income generated from non-core activities subjected to cleansing in Current YTD over Prior YTD.
- (g) Other trust expenses increased by 236.1% mainly due to the higher non-tax deductible legal, professional and advisory fees, largely arising from the one-time Extraordinary General Meeting held on 28 April 2017 and the strategic review as well as higher unitholder reporting expenses incurred in Current YTD over 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 lower net change in fair value of investment properties in Current YTD and Prior YTD mainly relates to the lower revaluation loss on the properties undertaken by the Independent Valuers as at 31 December 2017 as compared to 31 December 2016.
- (j) The Current YTD gain on divestment on investment properties relates to the gain on divestment of 218 Pandan Loop in 3Q 2017, after deducting the applicable agent commissions and other professional fees and expenses.  
  
The Prior YTD loss on divestment on investment properties relates to the applicable agent commissions, divestment fee payable to the Manager, and other professional fees and expenses incurred in connection with the divestment of the 2016 Divested Properties in 1Q 2016.
- (k) Distribution adjustments decreased by 37.8% mainly due to:
  - (i) No non-tax deductible Manager's fees payable in units in Current YTD;
  - (ii) Lower non-tax deductible effects on the items stated in (h) and (i) in Current YTD over Prior YTD;
  - (iii) Higher non-taxable effects on the item stated in (j) in Current YTD over Prior YTD;
  - (iv) Lower non-tax deductible amortisation of transaction costs of borrowings in Current YTD; partially offset by
  - (v) One-time non-tax deductible break fees on termination of PRS F in Current YTD;
  - (vi) Higher non-tax deductible legal, professional and advisory fees incurred in Current YTD over Prior YTD; and
  - (vii) Higher non-tax deductible straight-lining adjustments on rental income in Current YTD over Prior YTD.
- (l) Income available for distribution decreased by 5.3% mainly due to:
  - (i) Lower net property income as set out in items (a) and (b) above;
  - (ii) Higher Manager's fees payable in cash in Current YTD over Prior YTD; partially offset by
  - (iii) Lower profit expense in Current YTD over Prior YTD; and
  - (iv) Higher non-tax deductible straight-lining adjustments on rental income in Current YTD over Prior YTD.

**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 23 October 2017, the Manager continues to be proactive in rebalancing and strengthening its portfolio, despite the challenging overall market.

**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 by the Ministry of Trade and Industry (MTI), Singapore's GDP grew by 3.1% on a year-on-year basis in 4Q 2017, easing from the 5.4% growth in the previous quarter. For the whole of 2017, the economy grew by 3.5%, in line with MTI's earlier announced GDP growth forecast of 3.0% to 3.5%<sup>1</sup>.

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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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Despite improving manufacturing performance in recent quarters, Savills Singapore expects this to be mainly confined to the technology sector and may not spill over to the general industrial market. It therefore foresees declining industrial rents for 4Q 2017 and 2018<sup>2</sup>. This is echoed by the latest industrial property market report by JTC, which indicated that an additional 1.4 million square metres of industrial space will come on stream in 2018. With this increased supply, prices and rentals are likely to continue to moderate<sup>3</sup>.

Amid challenging market conditions, the Manager will focus on rejuvenating its portfolio through active asset management, selective divestments and driving operational efficiencies.

This year, six master leases are due to expire, three of which are Sponsor-related properties. The Manager is working towards renewing or securing new master leases for five of them – the remaining property may be divested or converted into a multi-tenanted arrangement. The Manager is also in advanced discussions with a prospective buyer for 6 Woodlands Loop and targets to complete the divestment by 1H 2018.

The refinancing of the S\$90.0 million Islamic Trust Certificates Series I and the S\$50.0 million Revolving Murabahah Facility maturing in 2018 is expected to be completed by 1Q 2018. Thereafter, there is no refinancing requirements till 2Q 2019.

*Sources:*

- (1) "Singapore's GDP Grew by 3.1 Per Cent in the Fourth Quarter of 2017". Ministry of Trade and Industry. 2 January 2018. Web. 2 January 2018.
- (2) "Savills: Briefing Industrial Sector. December 2017". Savills World Research Singapore. December 2017.
- (3) "JTC Quarterly Market Report. Industrial Properties. Third Quarter 2017". 3Q2017. Web. 3Q2017.

## **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 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.

### **(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 2016

Distribution Type: Taxable income distribution – 0.88 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

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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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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 2018**

**(d) Books Closure Date: 5 February 2018**

**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.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

**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)
	31/12/17	31/12/16	
	S\$'000	S\$'000	%
High-tech Industrial	49,239	53,598	(8.1)
Chemical Warehouse & Logistics	6,821	6,919	(1.4)
Warehouse & Logistics	20,813	21,553	(3.4)
General Industrial	8,323	9,737	(14.5)
	85,196	91,807	(7.2)

Total net property income by property types	Group		
	YTD		Fav / (Unfav)
	31/12/17	31/12/16	
	S\$'000	S\$'000	%
High-tech Industrial	27,600	27,782	(0.7)
Chemical Warehouse & Logistics	6,567	6,641	(1.1)
Warehouse & Logistics	15,486	15,503	(0.1)
General Industrial	3,726	7,016	(46.9)
	53,379	56,942	(6.3)

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)
	31/12/17	31/12/16	
	S\$'000	S\$'000	%
(a) Gross revenue reported for first half year	43,942	46,236	(5.0)
(b) Total return after tax before distribution for first half year	(14,448)	(37,187)	61.1
(c) Gross revenue reported for second half year	41,254	45,571	(9.5)
(d) Total return after tax before distribution for second half year	(12,362)	(25,277)	51.1

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM 1 JANUARY 2017 TO 31 DECEMBER 2017**

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

	Group	
	YTD	
	31/12/17	31/12/16
	S\$'000	S\$'000
<b>In respect of the quarter from:</b>		
1 October 2017 - 31 December 2017 <sup>(a)</sup>	8,783	-
1 July 2017 - 30 September 2017	8,320	-
1 April 2017 - 30 June 2017	8,529	-
1 January 2017 - 31 March 2017	9,267	-
1 October 2016 - 31 December 2016	-	9,267
1 July 2016 - 30 September 2016	-	8,877
1 April 2016 - 30 June 2016	-	9,074
1 January 2016 - 31 March 2016	-	9,786
	<b>34,899</b>	<b>37,004</b>

**Note:**

(a) The distribution for the quarter from 1 October 2017 to 31 December 2017 will be paid out by February 2018.

**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

25 January 2018

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**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR FOURTH QUARTER FROM 1 OCTOBER 2017 TO 31 DECEMBER 2017 AND FULL YEAR FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017**

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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

25 January 2018

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 2017. The Interim Financial Information comprise the following:

- Statements of financial position of the Group and the Trust as at 31 December 2017;
- Portfolio statement of the Group as at 31 December 2017;
- Statements of total return of the Group and the Trust for the quarter and the year ended 31 December 2017;
- Distribution statements of the Group and the Trust for the quarter and the year ended 31 December 2017;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the year ended 31 December 2017;
- Statement of cash flows of the Group for the year ended 31 December 2017; 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* 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.



***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