(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 SECOND QUARTER FROM 1 APRIL 2016 TO 30 JUNE 2016 AND FIRST HALF FROM 1 JANUARY 2016 TO 30 JUNE 2016

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 properties at 200 Pandan Loop and 3 Kallang Way 2A (the "**Divestment Properties**") for sale considerations of S$38.0 million and S$16.6 million on 14 March 2016 and 30 March 2016 respectively, the portfolio of Sabana Shari'ah Compliant REIT as at the reporting date comprises 21 quality industrial properties (the "**Properties**") strategically located across Singapore. The Properties are:

1. 151 Lorong Chuan, New Tech Park, Singapore 556741
2. 8 Commonwealth Lane, Singapore 149555
3. 9 Tai Seng Drive, Geo-Tele Centre, Singapore 535227
4. 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. 218 Pandan Loop, Singapore 128408
12. 123 Genting Lane, Yenom Industrial Building, Singapore 349574
13. 30 & 32 Tuas Avenue 8, Singapore 639246/639247
14. 3A Joo Koon Circle, Singapore 629033
15. 2 Toh Tuck Link, Singapore 596225
16. 21 Joo Koon Crescent, Singapore 629026
17. 39 Ubi Road 1, Singapore 408695
18. 6 Woodlands Loop, Singapore 738346
19. 23 Serangoon North Avenue 5, BTH Centre, Singapore 554530
20. 508 Chai Chee Lane, Singapore 469032
21. 10 Changi South Street 2, Singapore 486596

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the second quarter ended 30 June 2016 ("**2Q 2016**") and the comparative period ("**2Q 2015**") as set out in this announcement have been extracted from the interim financial information for 2Q 2016 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

SUMMARY OF RESULTS FOR SABANA GROUP

	Group					
	Quarter		Fav / (Unfav)	YTD		Fav / (Unfav)
	2Q 2016	2Q 2015		30/06/16	30/06/15	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	22,630	25,405	(10.9)	46,236	50,769	(8.9)
Net property income	13,965	18,437	(24.3)	29,137	37,024	(21.3)
Income available for distribution	9,063	13,156	(31.1)	18,833	26,129	(27.9)
Distribution per unit ("DPU") (cents) [(a)]	1.23	1.80	(31.7)	2.56	3.58	(28.5)
Annualised DPU (cents)	4.95	7.22	(31.4)	5.15	7.22	(28.7)

Note:

(a) Please refer to Item 6 on Page 15 for the DPU computation.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR SECOND QUARTER FROM 1 APRIL 2016 TO 30 JUNE 2016 AND FIRST HALF FROM 1 JANUARY 2016 TO 30 JUNE 2016

1 (a)(i) Statements of Total Return and Distribution Statements (2Q 2016 vs 2Q 2015)

Statements of Total Return	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	2Q 2016	2Q 2015		2Q 2016	2Q 2015	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [(a)]	22,630	25,405	(10.9)	22,630	25,405	(10.9)
Property expenses [(b)]	(8,665)	(6,968)	(24.4)	(8,665)	(6,968)	(24.4)
Net property income	**13,965**	**18,437**	**(24.3)**	**13,965**	**18,437**	**(24.3)**
Finance income	49	31	58.1	49	31	58.1
Finance costs	(5,012)	(5,368)	6.6	(4,933)	(5,247)	6.0
Net finance costs [(c)]	**(4,963)**	**(5,337)**	**7.0**	**(4,884)**	**(5,216)**	**6.4**
Amortisation of intangible assets	-	(185)	100.0	-	(185)	100.0
Manager's fees	(1,318)	(1,600)	17.6	(1,318)	(1,600)	17.6
Trustee's fees	(113)	(134)	15.7	(113)	(134)	15.7
Donation of non-Shari'ah compliant income [(d)]	(16)	(13)	(23.1)	(16)	(13)	(23.1)
Other trust expenses	(283)	(220)	(28.6)	(287)	(223)	(28.7)
Net income	**7,272**	**10,948**	**(33.6)**	**7,347**	**11,066**	**(33.6)**
Net change in fair value of financial derivatives [(e)]	(259)	(504)	48.6	(260)	(658)	60.5
Net change in fair value of investment properties [(f)]	(50,843)	-	NM	(50,843)	-	NM
Total return for the period before taxation	**(43,830)**	**10,444**	**(519.7)**	**(43,756)**	**10,408**	**(520.4)**
Tax expense [(g)]	*	*	-	-	-	-
Total return for the period after taxation	**(43,830)**	**10,444**	**(519.7)**	**(43,756)**	**10,408**	**(520.4)**

Distribution Statements	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	2Q 2016	2Q 2015		2Q 2016	2Q 2015	
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period after taxation	**(43,830)**	**10,444**	**(519.7)**	**(43,756)**	**10,408**	**(520.4)**
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units	1,054	1,280	(17.7)	1,054	1,280	(17.7)
Amortisation of intangible assets	-	185	(100.0)	-	185	(100.0)
Amortisation of transaction costs [(h)]	562	573	(1.9)	488	455	7.3
Trustee's fees	113	134	(15.7)	113	134	(15.7)
Donation of non-Shari'ah compliant income	16	13	23.1	16	13	23.1
Net change in fair value of financial derivatives	259	504	(48.6)	260	658	(60.5)
Net change in fair value of investment properties	50,843	-	NM	50,843	-	NM
Effects of recognising rental income on a straight line basis over the lease term	(65)	(70)	7.1	(65)	(70)	7.1
Other items	111	93	19.4	110	93	18.3
Net effect of non-tax deductible items	**52,893**	**2,712**	**NM**	**52,819**	**2,748**	**NM**
Income available for distribution to Unitholders for the period	**9,063**	**13,156**	**(31.1)**	**9,063**	**13,156**	**(31.1)**

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$641,000 (2015: Nil) mainly provided for the outstanding balances of debtors which were past due and in excess of security deposits held.

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

	Group			Trust		
	2Q 2016	2Q 2015	Fav / (Unfav)	2Q 2016	2Q 2015	Fav / (Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	3	16	(81.3)	3	16	(81.3)
- Ta'widh (compensation on late payment of rent)	46	15	206.7	46	15	206.7
	49	31	58.1	49	31	58.1
Finance costs:						
- Commodity Murabaha Facilities	(1,853)	(1,826)	(1.5)	(1,853)	(1,826)	(1.5)
- Revolving Murabahah Facility	(96)	-	NM	(96)	-	NM
- Profit rate swaps	(19)	(154)	87.7	(19)	(154)	87.7
- Convertible Sukuk	(479)	(814)	41.2	-	-	-
- Trust Certificates	(1,957)	(1,957)	-	-	-	-
- Loans from subsidiaries	-	-	-	(2,436)	(2,771)	12.1
- Amortisation of transaction costs	(562)	(573)	1.9	(488)	(455)	(7.3)
- Brokerage and agent fees	(46)	(44)	(4.5)	(41)	(41)	-
	(5,012)	(5,368)	6.6	(4,933)	(5,247)	6.0
Net finance costs	**(4,963)**	**(5,337)**	**7.0**	**(4,884)**	**(5,216)**	**6.4**

NM denotes "not meaningful"

(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 beneficiaries:

2Q 2016

- The Operation Hope Foundation Ltd for their Nepal Earthquake Rebuilding Project and Bursaries Sponsorship.

2Q 2015

- Mendaki Social Enterprise Network Services Pte Ltd ("**Mendaki Sense"**).

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

(f) Net change in fair value of investment properties in 2Q 2016 relates to the revaluation loss based on independent desktop valuations of the properties undertaken by the independent valuers Knight Frank Pte Ltd ("**Knight Frank**") and Debenham Tie Leung (SEA) Pte Ltd ("**DTZ**") as at 30 June 2016. 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**"), Revolving Murabahah Facility, Convertible Sukuk, Trust Certificates and loans from subsidiaries. These items are non-tax deductible and have no impact on income 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)
	30/06/16	30/06/15		30/06/16	30/06/15	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [(a)]	46,236	50,769	(8.9)	46,236	50,769	(8.9)
Property expenses [(b)]	(17,099)	(13,745)	(24.4)	(17,099)	(13,745)	(24.4)
Net property income	**29,137**	**37,024**	**(21.3)**	**29,137**	**37,024**	**(21.3)**
Finance income	107	62	72.6	107	62	72.6
Finance costs	(10,339)	(10,629)	2.7	(10,184)	(10,389)	2.0
Net finance costs [(c)]	**(10,232)**	**(10,567)**	**3.2**	**(10,077)**	**(10,327)**	**2.4**
Amortisation of intangible assets	-	(447)	100.0	-	(447)	100.0
Manager's fees	(2,715)	(3,180)	14.6	(2,715)	(3,180)	14.6
Trustee's fees	(233)	(278)	16.2	(233)	(278)	16.2
Donation of non-Shari'ah compliant income [(d)]	(59)	(24)	(145.8)	(59)	(24)	(145.8)
Other trust expenses	(632)	(644)	1.9	(640)	(651)	1.7
Net income	**15,266**	**21,884**	**(30.2)**	**15,413**	**22,117**	**(30.3)**
Net change in fair value of financial derivatives [(e)]	(1,052)	639	(264.6)	(1,054)	537	(296.3)
Net change in fair value of investment properties [(f)]	(50,843)	-	NM	(50,843)	-	NM
Loss on divestment of investment properties [(g)]	(558)	-	NM	(558)	-	NM
Total return for the period before taxation	**(37,187)**	**22,523**	**(265.1)**	**(37,042)**	**22,654**	**(263.5)**
Tax expense [(h)]	*	*	-	-	-	-
Total return for the period after taxation	**(37,187)**	**22,523**	**(265.1)**	**(37,042)**	**22,654**	**(263.5)**

Distribution Statements	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	30/06/16	30/06/15		30/06/16	30/06/15	
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period after taxation	**(37,187)**	**22,523**	**(265.1)**	**(37,042)**	**22,654**	**(263.5)**
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units	2,172	2,544	(14.6)	2,172	2,544	(14.6)
Amortisation of intangible assets	-	447	(100.0)	-	447	(100.0)
Amortisation of transaction costs [(i)]	1,118	1,134	(1.4)	970	900	7.8
Trustee's fees	233	278	(16.2)	233	278	(16.2)
Donation of non-Shari'ah compliant income	59	24	145.8	59	24	145.8
Net change in fair value of financial derivatives	1,052	(639)	264.6	1,054	(537)	296.3
Net change in fair value of investment properties	50,843	-	NM	50,843	-	NM
Loss on divestment of investment properties	558	-	NM	558	-	NM
Effects of recognising rental income on a straight line basis over the lease term	(281)	(354)	20.6	(281)	(354)	20.6
Other items	266	172	54.7	267	173	54.3
Net effect of non-tax deductible items	**56,020**	**3,606**	**NM**	**55,875**	**3,475**	**NM**
Income available for distribution to Unitholders for the period	**18,833**	**26,129**	**(27.9)**	**18,833**	**26,129**	**(27.9)**

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$624,000 (2015: Nil) mainly provided for the outstanding balances of debtors which were past due and in excess of security deposits held.

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

	Group			Trust		
	YTD		Fav /	YTD		Fav /
	30/06/16	30/06/15	(Unfav)	30/06/16	30/06/16	(Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	18	36	(50.0)	18	36	(50.0)
- Ta'widh (compensation on late payment of rent)	89	26	242.3	89	26	242.3
	107	62	72.6	107	62	72.6
Finance costs:						
- Commodity Murabaha Facilities	(3,909)	(3,461)	(12.9)	(3,909)	(3,461)	(12.9)
- Revolving Murabahah Facility	(394)	-	NM	(394)	-	NM
- Profit rate swaps	45	(435)	110.3	45	(435)	110.3
- Convertible Sukuk	(959)	(1,618)	40.7	-	-	-
- Trust Certificates	(3,914)	(3,893)	(0.5)	-	-	-
- Loans from subsidiaries	-	-	-	(4,873)	(5,511)	11.6
- Amortisation of transaction costs	(1,118)	(1,134)	1.4	(970)	(900)	(7.8)
- Brokerage and agent fees	(90)	(88)	(2.3)	(83)	(82)	(1.2)
	(10,339)	(10,629)	2.7	(10,184)	(10,389)	2.0
Net finance costs	**(10,232)**	**(10,567)**	**3.2**	**(10,077)**	**(10,327)**	**2.4**

NM denotes "not meaningful"

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

Current YTD
- Lien Aid (1Q 2016); and
- The Operation Hope Foundation Ltd for their Nepal Earthquake Rebuilding Project and Bursaries Sponsorship (2Q 2016).

Prior YTD
- Singapore Red Cross for the Cyclone Pam 2015 Relief Fund (1Q 2015); and
- Mendaki Sense (2Q 2015).

(e) Net change in fair value of financial derivatives relates to the change in the fair value of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk based on broker quotes and option pricing models respectively recognised YTD.

(f) Net change in fair value of investment properties in Current YTD relates to the revaluation loss based on independent desktop valuations of the properties undertaken by the independent valuers Knight Frank and DTZ as at 30 June 2016. These items are non-tax deductible and has no impact on income available for distribution.

(g) This 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 Divestment Properties. This item is non-tax deductible and has no impact on income available for distribution.

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

(i) This represents the amortisation of upfront fees and legal fees pertaining to the CMF, Revolving Murabahah Facility, Convertible Sukuk, Trust Certificates and loans from subsidiaries. These items are non-tax deductible and have 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

	Group			Trust		
Statements of Financial Position	30/06/16	31/12/15	Change	30/06/16	31/12/15	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Non-current assets						
Investment properties [(a)]	1,040,500	1,090,200	(4.6)	1,040,500	1,090,200	(4.6)
Subsidiaries [(b)]	-	-	-	*	*	-
Total non-current assets	**1,040,500**	**1,090,200**	**(4.6)**	**1,040,500**	**1,090,200**	**(4.6)**
Current assets						
Investment properties held for divestment [(c)]	-	54,600	(100.0)	-	54,600	(100.0)
Derivative assets [(d)]	-	403	(100.0)	-	403	(100.0)
Trade and other receivables [(e)]	10,811	9,758	10.8	10,799	9,750	10.8
Cash and cash equivalents [(f)]	8,434	10,438	(19.2)	8,428	10,432	(19.2)
Total current assets	**19,245**	**75,199**	**(74.4)**	**19,227**	**75,185**	**(74.4)**
Total assets	**1,059,745**	**1,165,399**	**(9.1)**	**1,059,727**	**1,165,385**	**(9.1)**
Current liabilities						
Trade and other payables [(g)]	12,911	14,438	(10.6)	12,901	14,431	(10.6)
Borrowings [(h)]	97,530	147,288	(33.8)	97,530	147,288	(33.8)
Derivative liabilities [(i)]	*	2	(100.0)	-	-	-
Total current liabilities	**110,441**	**161,728**	**(31.7)**	**110,431**	**161,719**	**(31.7)**
Non-current liabilities						
Trade and other payables [(g)]	15,846	15,928	(0.5)	15,846	15,928	(0.5)
Borrowings [(h)]	334,672	333,796	0.3	335,057	334,329	0.2
Derivative liabilities [(i)]	857	206	316.0	857	206	316.0
Total non-current liabilities	**351,375**	**349,930**	**0.4**	**351,760**	**350,463**	**0.4**
Total liabilities	**461,816**	**511,658**	**(9.7)**	**462,191**	**512,182**	**(9.8)**
Net assets	**597,929**	**653,741**	**(8.5)**	**597,536**	**653,203**	**(8.5)**
Represented by:						
Unitholders' funds [(j)]	**597,929**	**653,741**	**(8.5)**	**597,536**	**653,203**	**(8.5)**

* Less than S$1,000

Notes:

(a) The carrying amounts of the investment properties as at 30 June 2016 were based on the independent desktop valuations of the properties undertaken by independent valuers, Knight Frank and DTZ. The decrease in investment properties mainly arises from the lower fair values of the properties appraised.

(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.

(c) This relates to the Divestment Properties as at 31 December 2015, which were classified as investment properties held for divestment in accordance with FRS 105 – *Non-current Assets held for Sale and Discontinued Operations.* As at the reporting date, the Divestment Properties have been divested.

(d) Derivative assets as at 31 December 2015 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. As at the reporting date, the profit rate swap has fully matured.

(e) This relates to trade receivables, prepayments, deposits, and other receivables. The increase is mainly due to higher outstanding trade receivables from certain master 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 current trade and other payables from 31 December 2015 is mainly due to:

(i) Lower rental received in advance from tenants as at 30 June 2016 as compared to 31 December 2015;
(ii) Transfer of cash security deposits of tenants relating to the Divestment Properties to the purchasers upon legal completion of the divestments in 1Q 2016; and
(iii) Higher settlement of accrued operating expenses as at 30 June 2016 as compared to 31 December 2015, in line with the lower cash and cash equivalents balances as at 30 June 2016.

(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$8.0 million drawn from Revolving Murabahah Facility; and
(ii) Amortised cost of the principal amount of S$90.0 million drawn from Term CMF B.

The lower current borrowings is mainly due to the repayment of the Revolving CMF D and Revolving Murabahah Facility with the proceeds received from the divestment of the Divestment Properties.

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$105.0 million drawn from Term CMF C and Term CMF F;
(ii) Amortised cost of the principal amount of the S$90.0 million Trust Certificates due 2018 ("**Trust Certificates Series I**") and the S$100.0 million Trust Certificates due 2019 ("**Trust Certificates Series II**") (collectively, the "**Trust Certificates Series**") issued by SSPL;
(iii) Amortised cost of the principal amount of S$190.0 million of SSPL's profit bearing loans to the Trust, which was raised from the issuance of the Trust Certificates Series by SSPL;
(iv) Amortised cost of the liability component of the remaining principal amount of S$42.8 million of Convertible Sukuk issued by STPL; and
(v) Amortised cost of the remaining principal amount of S$42.8 million of STPL's profit bearing loan to the Trust, which was raised from the issuance of the Convertible Sukuk by STPL.

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

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

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

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

(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	
	30/06/16	31/12/15	30/06/16	31/12/15
	S$'000	S$'000	S$'000	S$'000
Secured borrowings				
Amount repayable within one year:				
Revolving CMF D [(a)]	-	30,000	-	30,000
Revolving Murabahah Facility[(b)]	8,000	28,000	8,000	28,000
Term CMF B [(a)]	90,000	90,000	90,000	90,000
Less: Unamortised capitalised transaction costs	(470)	(712)	(470)	(712)
	97,530	**147,288**	**97,530**	**147,288**
Amount repayable after one year:				
Term CMF (C and F) [(a)]	105,000	105,000	105,000	105,000
Less: Unamortised capitalised transaction costs	(1,461)	(1,900)	(1,461)	(1,900)
	103,539	**103,100**	**103,539**	**103,100**
Total secured borrowings	**201,069**	**250,388**	**201,069**	**250,388**
Unsecured borrowings				
Amount repayable after one year:				
Convertible Sukuk - debt component [(c)]	42,160	41,933	-	-
Trust Certificates [(d)]	190,000	190,000	-	-
Loans from subsidiaries [(e)]	-	-	232,750	232,750
Less: Unamortised capitalised transaction costs	(1,027)	(1,237)	(1,232)	(1,521)
	231,133	**230,696**	**231,518**	**231,229**
Total unsecured borrowings	**231,133**	**230,696**	**231,518**	**231,229**
Total borrowings	**432,202**	**481,084**	**432,587**	**481,617**

Details of borrowings, debt securities and collaterals

Secured borrowings

(a) Commodity Murabaha Facilities

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

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

As at the reporting date, the Revolving CMF D of S$48.0 million maturing in November 2016 is fully undrawn.

The CMF are secured by, *inter alia*:

(1) A first ranking legal mortgage over 10 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) Revolving Murabahah Facility

As at the reporting date, the outstanding 3-year Revolving Murabahah Facility maturing in September 2018, has an outstanding amount of S$8.0 million and an undrawn amount of S$42.0 million.

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

(1) A first ranking legal mortgage over 8 Commonwealth Lane and 34 Penjuru Lane ("**Dual Secured Properties**");
(2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Dual Secured Properties; and
(3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Dual Secured Properties.

Unsecured borrowings

(c) Convertible Sukuk

	Group	
	30/06/16	31/12/15
Convertible Sukuk - debt component	S$'000	S$'000
Carrying amount of debt component at beginning of the period/year	41,933	70,375
Profit accretion, including amortisation of transaction costs	227	660
Extinguishment of debt component arising from the redemption of Convertible Sukuk pursuant to the put option exercised by Sukukholders	-	(29,102)
Carrying amount of debt component at end of the period/year	**42,160**	**41,933**

The S$80.0 million 4.5 per cent. Convertible Sukuk issued by STPL on 24 September 2012 and due on 24 September 2017, is unsecured, and convertible by Sukukholders into units of the Trust at any time on or after 9 November 2012 at the initial conversion price of S$1.1933 per unit. As at the reporting date, the conversion price per unit is S$1.0431.

(d) Trust Certificates

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

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

(e) Loans from subsidiaries

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

(i) S$42.8 million loan, which is equivalent to the principal amount of the Convertible Sukuk outstanding, granted by STPL to the Trust, through the proceeds raised from the issuance of the Convertible Sukuk at the same repayment terms, is unsecured and profit bearing; and
(ii) 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)(d) above.

1 (c) Statement of Cash Flows

Statement of Cash Flows	Group			
	Quarter		YTD	
	2Q 2016	2Q 2015	30/06/16	30/06/15
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total return for the period after taxation and before distribution	(43,830)	10,444	(37,187)	22,523
Adjustments for:				
Amortisation of intangible assets	-	185	-	447
Manager's fees paid/payable in units	1,054	1,280	2,172	2,544
Net change in fair value of financial derivatives	259	504	1,052	(639)
Net change in fair value of fair value of investment properties	50,843	-	50,843	
Loss on divestment of investment properties	-	-	558	-
Net finance costs	4,963	5,337	10,232	10,567
	13,289	17,750	27,670	35,442
Change in trade and other receivables	(509)	(328)	(1,053)	(181)
Change in trade and other payables	(4,335)	627	(2,166)	(1)
Cash generated from operating activities	8,445	18,049	24,451	35,260
Ta'widh (compensation on late payment of rent) received	46	15	89	26
Net cash from operating activities	**8,491**	**18,064**	**24,540**	**35,286**
Cash flows from investing activities				
Capital expenditure on investment properties	(637)	(837)	(1,143)	(1,047)
Divestment of investment properties	-	-	54,600	-
Profit income received from Islamic financial institutions	3	16	18	36
Net cash (used in)/from investing activities	**(634)**	**(821)**	**53,475**	**(1,011)**
Cash flows from financing activities				
Proceeds from borrowings	8,000	-	8,000	-
Repayment of borrowings	(16,500)	-	(58,000)	-
Issue expenses paid	-	(19)	-	(40)
Finance costs paid	(4,013)	(4,088)	(9,222)	(9,403)
Distributions paid	(9,786)	(12,541)[(a)]	(20,797)	(24,265)[(b)]
Net cash used in financing activities	**(22,299)**	**(16,648)**	**(80,019)**	**(33,708)**
Net (decrease)/increase in cash and cash equivalents	**(14,442)**	**595**	**(2,004)**	**567**
Cash and cash equivalents at beginning of the period	22,876	12,259	10,438	12,287
Cash and cash equivalents at end of the period	**8,434**	**12,854**	**8,434**	**12,854**

Notes:

(a) This amount excludes approximately S$0.4 million (net of withholding tax) distributed by the issuance of 492,892 new units in 2Q 2015 as part payment of distributions for the period from 1 January 2015 to 31 March 2015, pursuant to the Distribution Reinvestment Plan ("**DRP**"). There was no DRP applied for the period from 1 January 2016 to 31 March 2016.

(b) This amount excludes approximately S$1.6 million (net of withholding tax) distributed by the issuance of 1,811,131 new units in 2Q 2015 in Prior YTD as part payment of distributions for the period from 1 October 2014 to 31 March 2015, pursuant to the DRP. There was no DRP applied for the period from 1 October 2015 to 31 March 2016.

1 (d)(i) Statements of Movements in Unitholders' Funds (2Q 2016 vs 2Q 2015)

	Group		Trust	
	Quarter		Quarter	
Statements of Movements in Unitholders' Funds	2Q 2016	2Q 2015	2Q 2016	2Q 2015
	S$'000	S$'000	S$'000	S$'000
Balance at beginning of the period	650,491	774,183	650,024	773,565
Operations				
Total return for the period after taxation	(43,830)	10,444	(43,756)	10,408
	606,661	**784,627**	**606,268**	**783,973**
Unitholders' transactions				
Issue of new units:				
- Manager's fees payable in units [(a)]	1,054	1,280	1,054	1,280
- DRP [(b)]	-	430	-	430
Issue expenses	-	(19)	-	(19)
Distributions to Unitholders	(9,786)	(12,971)	(9,786)	(12,971)
Net decrease in net assets resulting from Unitholders' transactions	**(8,732)**	**(11,280)**	**(8,732)**	**(11,280)**
Unitholders' funds at end of the period	**597,929**	**773,347**	**597,536**	**772,693**

Notes:

(a) This represents the value of new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units are to be issued within 30 days from the quarter end.

(b) This represents the value of new units issued as part payment of distributions for the period from 1 January 2015 to 31 March 2015, pursuant to the DRP

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

	Group		Trust	
	YTD		YTD	
Statements of Movements in Unitholders' Funds	30/06/16	30/06/15	30/06/16	30/06/15
	S$'000	S$'000	S$'000	S$'000
Balance at beginning of the period	653,741	772,585	653,203	771,800
Operations				
Total return for the period after taxation	(37,187)	22,523	(37,042)	22,654
	616,554	**795,108**	**616,161**	**794,454**
Unitholders' transactions				
Issue of new units:				
- Manager's fees paid/payable in units [(a)]	2,172	2,544	2,172	2,544
- DRP [(b)]	-	1,628	-	1,628
Issue expenses pursuant to DRP	-	(40)	-	(40)
Distributions to Unitholders	(20,797)	(25,893)	(20,797)	(25,893)
Net decrease in net assets resulting from Unitholders' transactions	**(18,625)**	**(21,761)**	**(18,625)**	**(21,761)**
Unitholders' funds at end of the period	**597,929**	**773,347**	**597,536**	**772,693**

Notes:

(a) This represents the value of new units issued and to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units that are to be issued, will be issued within 30 days from the quarter end.

(b) This represents the value of new units issued as part payment of distributions for the period from 1 October 2014 to 31 March 2015 pursuant to the DRP.

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

	Group and Trust			
	Quarter		YTD	
	2Q 2016	2Q 2015	30/06/16	30/06/15
Units in issue:				
Units in issue at beginning of the period	734,026,663	727,300,810	732,381,036	724,623,716
Manager's fees paid in units	1,767,466	1,401,544	3,413,093	2,760,399
DRP [(a)]	-	492,892	-	1,811,131
Issued units at the end of the period	**735,794,129**	**729,195,246**	**735,794,129**	**729,195,246**
Units to be issued:				
Manager's fees payable in units [(b)]	1,946,359	1,493,583	1,946,359	1,493,583
Total issued and to be issued units	**737,740,488**	**730,688,829**	**737,740,488**	**730,688,829**

Notes:

(a) These are new units issued pursuant to the DRP.

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

Convertible Sukuk

Sabana Group has the following Convertible Sukuk outstanding as at 30 June 2016:

Principal Amount Outstanding	Maturity Date	Conversion Price per unit as at 30 June 2016
Convertible Sukuk due 2017 S$42.8 million 4.5% per annum.	24 September 2017	S$1.0431

Since the date of their issue, an aggregate principal amount of S$7.5 million of Convertible Sukuk has been converted into 6,285,090 units by converting Sukukholders and an aggregate principal amount of S$29.7 million has been redeemed and cancelled pursuant to the put option exercised by certain Sukukholders.

Assuming all the outstanding Convertible Sukuk are fully converted based on the current conversion price of S$1.0431, the number of new units to be issued would be 40,983,607 units, representing 5.6% of the total number of the Trust's units in issue and to be issued of 737,740,488 units as at 30 June 2016.

1 (d)(iii) 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 2015.

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 (2Q 2016 vs 2Q 2015)

	Group		Trust	
	Quarter		Quarter	
	2Q 2016	2Q 2015	2Q 2016	2Q 2015
Basic EPU				
Weighted average number of units in issue	735,329,950	728,481,665	735,329,950	728,481,665
Earnings per unit for the period based on the weighted average number of units in issue (cents) [(a)]	(5.96)	1.43	(5.95)	1.43
Diluted EPU				
Weighted average number of units in issue (diluted)	776,313,557	794,564,976	776,313,557	794,564,976
Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) [(b)]	(5.96)[(c)]	1.42	(5.95)[(c)]	1.42

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 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	
	30/06/16	30/06/15	30/06/16	30/06/15
Basic EPU				
Weighted average number of units in issue	734,425,133	727,269,154	734,425,133	727,269,154
Earnings per unit for the period based on the weighted average number of units in issue (cents) [(a)]	(5.06)	3.10	(5.04)	3.11
Diluted EPU				
Weighted average number of units in issue (diluted)	775,408,740	793,352,465	775,408,740	793,352,465
Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) [(b)]	(5.06)[(c)]	3.08	(5.04)[(c)]	3.08

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 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.

Distribution per unit

	Group and Trust		Group and Trust	
	Quarter		YTD	
	2Q 2016	2Q 2015	30/06/16	30/06/15
Number of units issued and to be issued at end of period entitled to distribution [(a)]	737,740,488	730,688,829	737,740,488	730,688,829
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	1.23	1.80	2.56	3.58

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 30 June 2016 of 735,794,129 (30 June 2015: 729,195,246); and
(ii) The units to be issued to the Manager by 31 July 2016 as partial consideration of Manager's fees incurred for 2Q 2016 of 1,946,359 (by 31 July 2015 as partial consideration of Manager's fees incurred for 2Q 2015: 1,493,583).

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 30/06/16	As at 31/12/15	As at 30/06/16	As at 31/12/15
Net asset value ("**NAV**") per unit (S$) [(a)]	0.81	0.89	0.81	0.89
Net tangible asset ("**NTA**") per unit (S$) [(a)]	0.81	0.89	0.81	0.89

Note:

(a) The number of units used to compute NAV per unit and NTA per unit is 737,740,488 (31 December 2015: 734,026,663), comprising:

(i) The number of units in issue as at 30 June 2016 of 735,794,129 (31 December 2015: 732,381,036); and
(ii) The units to be issued to the Manager by 31 July 2016 as partial consideration of Manager's fees incurred for 2Q 2016 of 1,946,359 (by 31 January 2016 as partial consideration of Manager's fees incurred for 4Q 2015 of 1,645,627).

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

2Q 2016 vs 2Q 2015

Statement of Total Return	Group		
	Quarter		Fav / (Unfav)
	2Q 2016	2Q 2015	
	S$'000	S$'000	%
Gross revenue [a]	22,630	25,405	(10.9)
Property expenses [b]	(8,665)	(6,968)	(24.4)
Net property income [b]	**13,965**	**18,437**	**(24.3)**
Finance income	49	31	58.1
Finance costs	(5,012)	(5,368)	6.6
Net finance costs	**(4,963)**	**(5,337)**	**7.0**
Amortisation of intangible assets [c]	-	(185)	100.0
Manager's fees [d]	(1,318)	(1,600)	17.6
Trustee's fees [d]	(113)	(134)	15.7
Donation of non-Shari'ah compliant income [e]	(16)	(13)	(23.1)
Other trust expenses [f]	(283)	(220)	(28.6)
Net income	**7,272**	**10,948**	**(33.6)**
Net change in fair value of financial derivatives [g]	(259)	(504)	48.6
Net change in fair value of investment properties [h]	(50,843)	-	NM
Total return for the period before taxation and distribution	**(43,830)**	**10,444**	**(519.7)**
Tax expense	*	*	-
Total return for the period before distribution	**(43,830)**	**10,444**	**(519.7)**
Distribution adjustments [i]	52,893	2,712	NM
Income available for distribution [j]	**9,063**	**13,156**	**(31.1)**

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

Notes:

(a) Gross revenue decreased by 10.9% mainly due to:

(i) Negative rental revisions for certain master leases renewals and non-renewal of 218 Pandan Loop in 4Q 2015;
(ii) Expiry of rental support at 9 Tai Seng Drive in 2Q 2015; and
(iii) Non-contribution of the Divestment Properties which were divested in 1Q 2016.

(b) Property expenses increased by 24.4% mainly due to:

(i) Higher service, repairs, maintenance, property tax, land rent, utilities and marketing expenses from 34 Penjuru Lane, 23 Serangoon North Avenue 5 and 15 Jalan Kilang Barat which were converted into multi-tenanted lease arrangements in 4Q 2015;
(ii) Higher property tax and land rent expenses from 30 & 32 Tuas Avenue 8, 26 Loyang Drive and 21 Joo Koon Crescent which were converted into non-triple net master lease tenancies in 4Q 2015;
(iii) Higher net impairment losses on trade receivables in 2Q 2016 over 2Q 2015 largely arising from the master tenant at 1 Tuas Avenue 4 whose arrears were in excess of the security deposit held; and partially offset by
(iv) Lower property expenses from the Divestment Properties which were divested in 1Q 2016.

In line with the higher property expenses and lower gross revenue, net property income decreased by 24.3%.

(c) Amortisation of intangible assets decreased by 100.0% mainly due to the rental support at 9 Tai Seng Drive being fully amortised in 2Q 2015.

(d) Both Manager's and Trustee's fees decreased by 17.6% and 15.7% respectively mainly due to the lower total assets in 2Q 2016 over 2Q 2015, arising from the revaluation loss on the properties as at 30 June 2016 and the divestment of the Divestment Properties in 1Q 2016, upon which these fees are based on.

(e) Donation of non-Shari'ah compliant income increased by 23.1% is mainly due to more income generated from non-core activities subjected to cleansing in 2Q 2016 over 2Q 2015.

(f) Other trust expenses were 28.6% higher as compared to 2Q 2015 mainly due to higher professional fees, central registry service charges, unitholder reporting and valuation fees incurred in 2Q 2016.

(g) The net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk recognised between the last quarter and at the reporting date.

(h) The net change in fair value of investment properties in 2Q 2016 relates to the revaluation loss of the properties based on independent desktop valuations undertaken by the independent valuers as at 30 June 2016. There was no such valuation exercise in 2Q 2015.

(i) Distribution adjustments were significantly higher as compared to 2Q 2015 mainly due to the higher non-tax deductible effects on the items stated in (h).

(j) Distribution income decreased by 31.1% in 2Q 2016 mainly due to the lower net property income as set out in (b) above and partially offset by lower profit expense arising from lower outstanding borrowings.

Current YTD vs Prior YTD

Statement of Total Return	Group		
	YTD		Fav / (Unfav)
	30/06/16	30/06/15	
	S$'000	S$'000	%
Gross revenue [a]	46,236	50,769	(8.9)
Property expenses [b]	(17,099)	(13,745)	(24.4)
Net property income [b]	**29,137**	**37,024**	**(21.3)**
Finance income	107	62	72.6
Finance costs	(10,339)	(10,629)	2.7
Net finance costs	**(10,232)**	**(10,567)**	**3.2**
Amortisation of intangible assets [c]	-	(447)	100.0
Manager's fees [d]	(2,715)	(3,180)	14.6
Trustee's fees [d]	(233)	(278)	16.2
Donation of non-Shari'ah compliant income [e]	(59)	(24)	(145.8)
Other trust expenses	(632)	(644)	1.9
Net income	**15,266**	**21,884**	**(30.2)**
Net change in fair value of financial derivatives [f]	(1,052)	639	(264.6)
Net change in fair value of investment properties [g]	(50,843)	-	NM
Loss on divestment of investment properties [h]	(558)	-	NM
Total return for the period before taxation and distribution	**(37,187)**	**22,523**	**(265.1)**
Tax expense	*	*	-
Total return for the period before distribution	**(37,187)**	**22,523**	**(265.1)**
Distribution adjustments [i]	56,020	3,606	NM
Income available for distribution [j]	**18,833**	**26,129**	**(27.9)**

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

Notes:

(a) Gross revenue decreased by 8.9% mainly due to:

(i) Negative rental revisions for certain master leases renewals and non-renewal of 218 Pandan Loop in 4Q 2015;
(ii) Expiry of rental support at 9 Tai Seng Drive in 2Q 2015; and
(iii) Lower contribution from the Divestment Properties which were divested in 1Q 2016.

(b) Property expenses increased by 24.4% mainly due to:

(i) Higher service, repairs, maintenance, property tax, land rent, utilities and marketing expenses from 34 Penjuru Lane, 23 Serangoon North Avenue 5 and 15 Jalan Kilang Barat which were converted into multi-tenanted lease arrangements in 4Q 2015;
(ii) Higher property tax and land rent expenses from 30 & 32 Tuas Avenue 8, 26 Loyang Drive and 21 Joo Koon Crescent which were converted into non-triple net master lease arrangements in 4Q 2015;
(iii) Higher net impairment losses on trade receivables, largely arising from the master tenant at 1 Tuas Avenue 4 whose arrears were in excess of the security deposit held, in Current YTD over Prior YTD; and partially offset by
(iv) Lower property expenses from the Divestment Properties which were divested in 1Q 2016.

In line with the higher property expenses and lower gross revenue, net property income decreased by 21.3%.

(c) Amortisation of intangible assets decreased by 100.0% mainly due to the rental support at 9 Tai Seng Drive being fully amortised in 2Q 2015.

(d) Both Manager's and Trustee's fees decreased by 14.6% and 16.2% respectively mainly due to the lower total assets since 4Q 2015, arising from the revaluation loss on the properties as at 31 December 2015 and 30 June 2016 and the divestment of the Divestment Properties in 1Q 2016, upon which these fees are based on.

(e) Donation of non-Shari'ah compliant income increased by 145.8% mainly due to more income generated from non-core activities subjected to cleansing in Current YTD over Prior YTD.

(f) The net change in fair value of financial derivatives relates to the fair value change of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk recognised during Current YTD.

(g) The net change in fair value of investment properties in Current YTD relates to the revaluation loss of the properties based on independent desktop valuations undertaken by the independent valuers as at 30 June 2016. There was no such valuation exercise in Prior YTD.

(h) This 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 Divestment Properties in 1Q 2016.

(i) Distribution adjustments were significantly higher in Current YTD mainly due to the higher non-tax deductible effects on the items stated in (f), (g) and (h).

(j) Distribution income decreased by 27.9% in Current YTD mainly due to the lower net property income as set out in (b) above and partially offset by lower profit expense arising from lower outstanding borrowings.

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 18 April 2016, the Manager remains committed in its efforts to evaluate potential yield-accretive acquisition opportunities, both locally and abroad, as well as development projects and asset enhancement initiatives to grow the Trust's portfolio as well as exploring new ways to diversify funding sources and improve the Trust's borrowings maturity profile.

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

Based on advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 2.2% on a year-on-year basis in 2Q 2016, marginally higher than the 2.1% growth in the last quarter. The economy also expanded by 0.8% on a quarter-on-quarter seasonally-adjusted annualised basis, faster than the 0.2% growth in the preceding quarter[1].

In a survey conducted by the Monetary Authority of Singapore, Singapore's economic growth is expected to reach 1.8% this year, which is slightly lower than the 1.9% that was earlier forecasted in March 2016. Private sector economists are forecasting growth to remain weak in the second half of the year due to a lacklustre external environment[2].

In view of the uncertainties following the "Brexit" vote in June 2016 which will weigh on the global economy, the Manager expects market conditions to continue to remain challenging. Amid sluggish rental markets and relatively high upcoming supply, performance of industrial REITs is expected to come under further pressure[3].

The Group reported a deficit in total return after taxation and before distribution for 2Q 2016 and for first half of the year, mainly due to a 4.6% revaluation loss on its investment properties, against a backdrop of sluggish rental markets and oversupply of industrial space. Consequently, aggregate leverage increased from 39.6% as at 31 March 2016 to approximately 41.2%.

On the capital management front, the Manager is in the midst of refinancing the S$138.0 million Commodity Murabaha Facilities maturing in November 2016 and targets to complete the refinancing exercise by 3Q 2016. The Manager will also continue to explore new ways to diversify funding sources, to improve the Trust borrowings maturity profile and to strengthen the Trust's capital structure.

Further to the announcement made on 6 April 2016, the Manager has commenced rental negotiations with the Sponsor for the renewal of the three of the master leases that are due to expire in 4Q 2016. The remaining property (39 Ubi Road 1) will likely be converted into a multi-tenanted property when the current master lease expires in 4Q 2016.

Even though the Manager anticipates challenging times ahead, it will continue to evaluate potential yield-accretive acquisition opportunities both locally and abroad, as well as development projects and asset enhancement initiatives for income diversification and growth. The Manager will also continue its rigorous marketing and leasing efforts to diligently manage the near-term fluctuations from the Trust's lease expiry/renewal cycle to boost the occupancy level.

Sources:
(1) "Singapore's GDP Grew by 2.2 Per Cent in the Second Quarter of 2016". Ministry of Trade and Industry Singapore. 14 July 2016. Web. 14 July 2016.
(2) "Analysts expect Singapore's economy to grow 1.8% in 2016: MAS survey". Channel NewsAsia. 15 June 2016. Web. 15 June 2016.
(3) "Further boost to S-Reits expected over long-drawn post-Brexit process: Religare". The Business Times. 4 July 2016. Web. 4 July 2016.

11. Distributions

(a) Current financial period

Any distribution declared for the current period: Yes

Name of distribution: Distribution for the second quarter ended 30 June 2016

Distribution Type: Taxable income distribution – 1.23 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 second quarter ended 30 June 2015

Distribution Type: Taxable income distribution – 1.80 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: 30 August 2016

(d) Books Closure Date: 1 August 2016

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

Not applicable.

13. Distribution policy

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

14. General mandate relating to interested person transactions

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

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

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

16. 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

Steven Lim Kok Hoong Director	Kevin Xayaraj 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

22 July 2016

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.

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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

22 July 2016

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 six-month period ended 30 June 2016. The Interim Financial Information comprise the following:

- Statements of financial position of the Group and the Trust as at 30 June 2016;
- Portfolio statement of the Group as at 30 June 2016;
- Statements of total return of the Group and the Trust for the quarter and the six-month period ended 30 June 2016;
- Distribution statements of the Group and the Trust for the quarter and the six-month period ended 30 June 2016;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the six-month period ended 30 June 2016;
- Statement of cash flows of the Group for the six-month period ended 30 June 2016; 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.

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 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
22 July 2016