SABANA
SHARI'AH COMPLIANT REIT



SABANA SHARI'AH COMPLIANT INDUSTRIAL REIT

3Q 2016: Third Quarter Ended 30 September 2016 Financial Results Presentation

17 October 2016

Important Notice

Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust") for the third quarter from 1 July 2016 to 30 September 2016 ("3Q 2016").

This presentation 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 presentation between the listed amounts and total thereof are due to rounding.

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Key Highlights for 3Q 2016

- Sabana REIT generated Distribution per Unit ("DPU") of 1.20 Singapore cents and an annualised distribution yield of 9.0%(1) for 3Q 2016.

- On a quarter-on-quarter basis, gross revenue rose by 1.8% and net property income ("NPI") dipped slightly by 0.4%.

- Multi-tenancy occupancy level improved to 82.6%(2) in 3Q 2016, from 81.9% in 2Q 2016. This resulted in an overall occupancy level increase to 89.2%(3) in 3Q 2016, as compared to 88.8% in 2Q 2016.

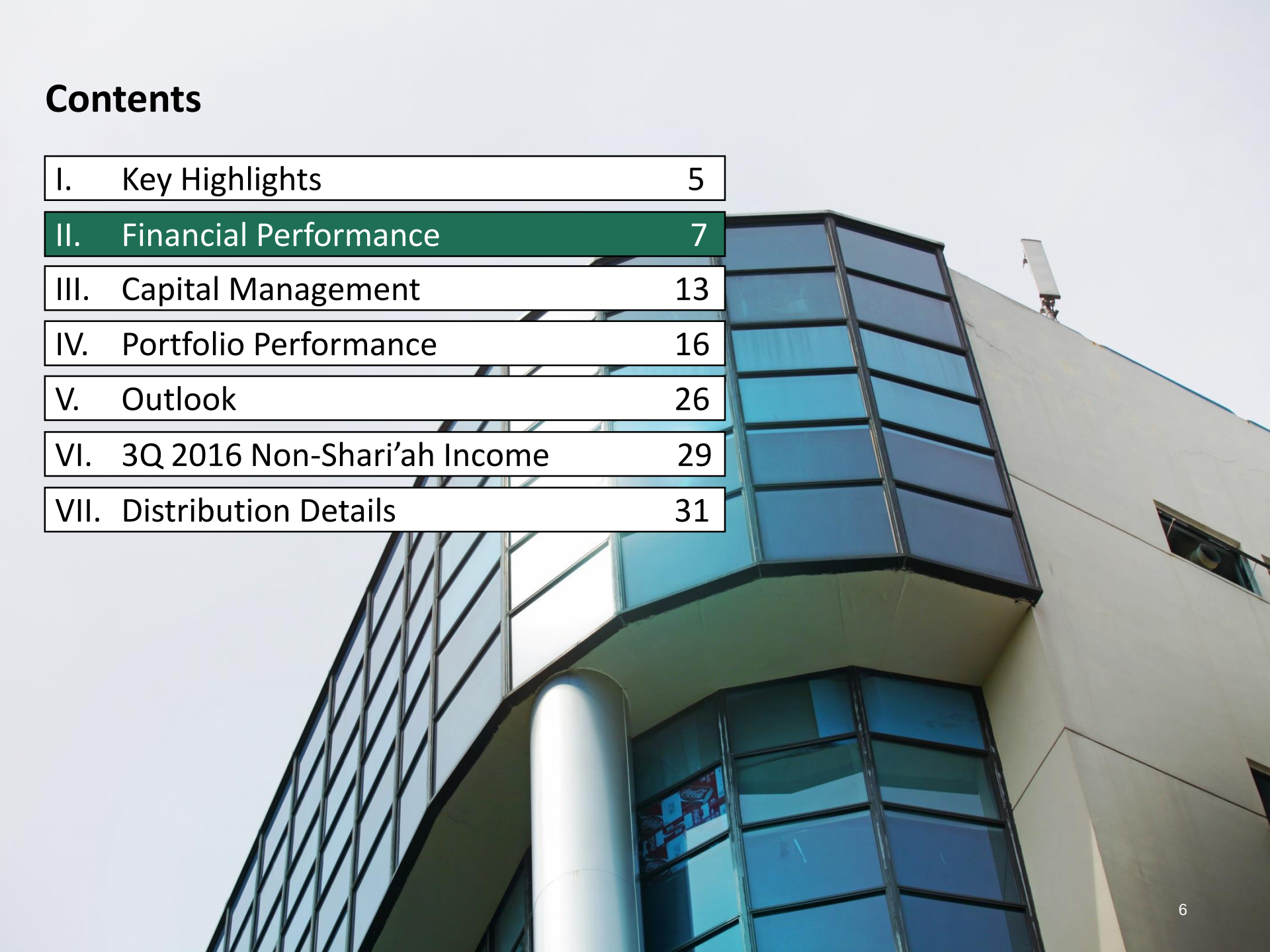
- Weighted average lease term to expiry for master leases is at 2.5 years(4) and weighted average lease term to expiry for sub-tenancies increased to 31.0 months(5) as at 30 September 2016 as compared to 2Q 2016.

- Secured new S$108.0 million Commodity Murabahah Facilities due in 2020 on 25 August 2016, further diversifying both the maturity profile and extending weighted average tenor of borrowings.

(1) Based on the last traded price of S$0.53 per Unit as at 14 October 2016.
(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 15 Jalan Kilang Barat, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 34 Penjuru Lane, 2 Toh Tuck Link and 123 Genting Lane.
(3) By Net Lettable Area ("NLA"). One property, 218 Pandan Loop (NLA 43,103 sq ft), is temporarily vacant.
(4) Weighted by gross revenue (master leases of 11 properties).
(5) Weighted by sub-tenancy gross rent.

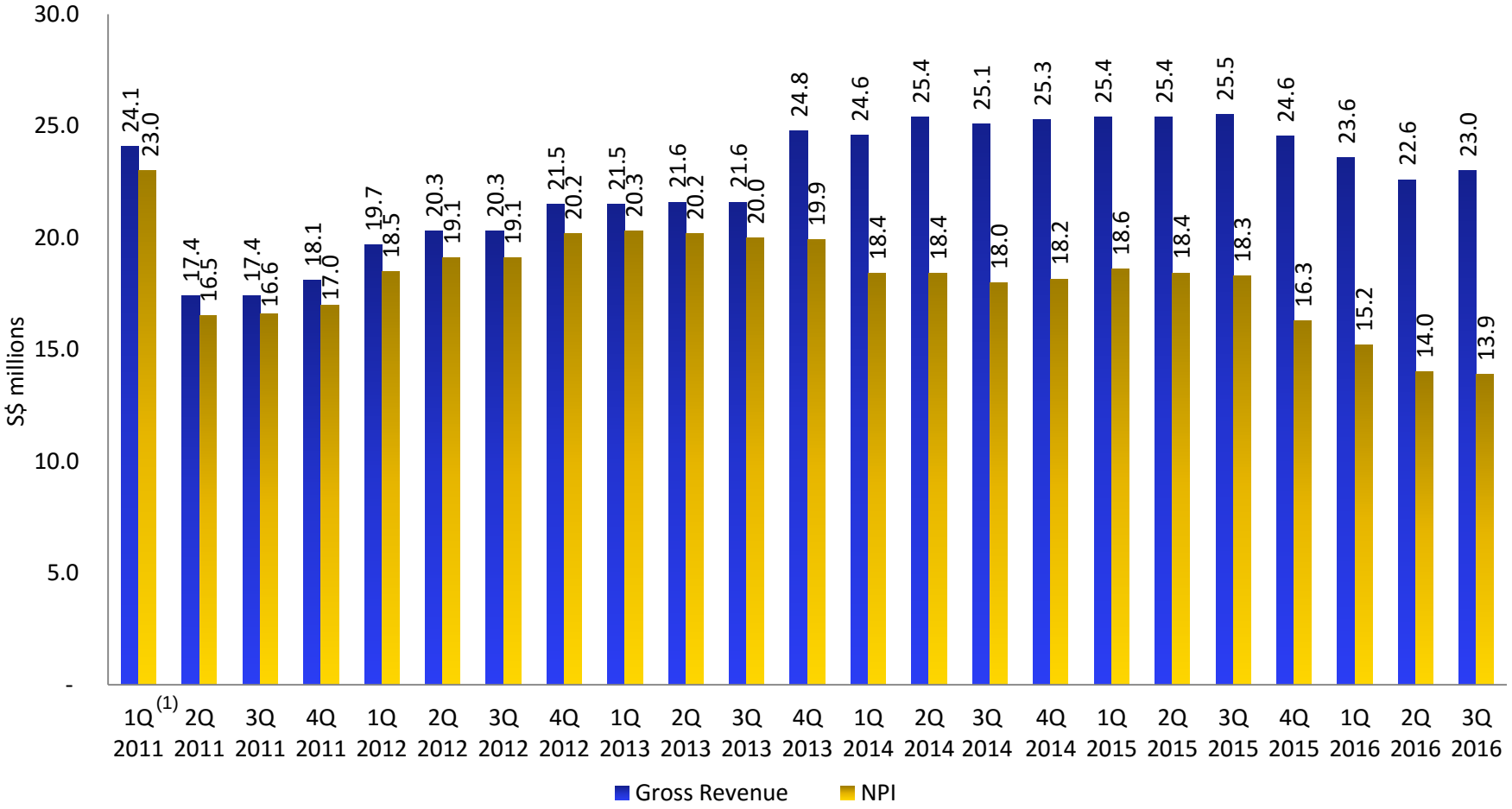
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Gross Revenue and NPI Since Listing

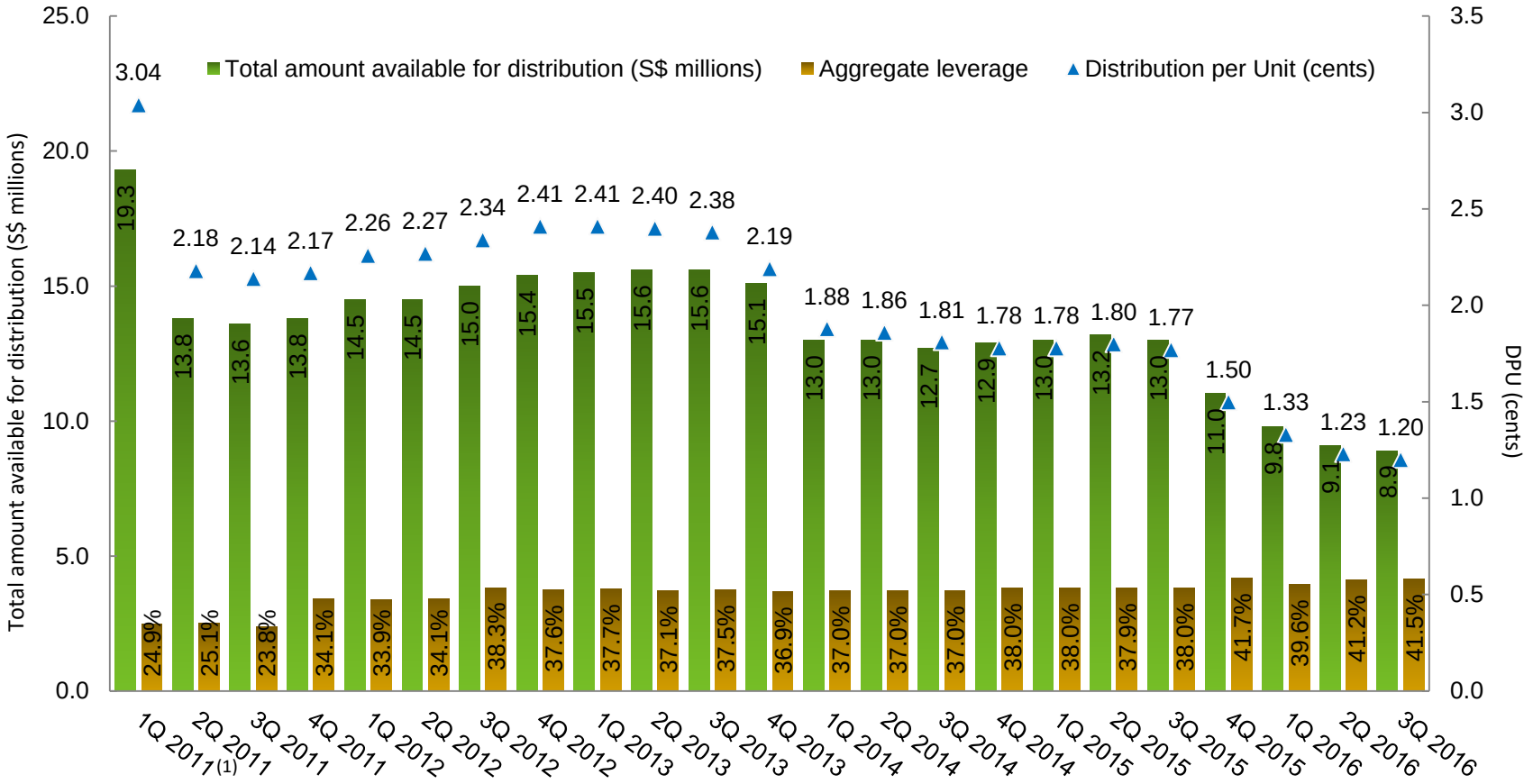
As at 30 September 2016



(1) For the period from date of listing on 26 November 2010 to 31 March 2011.

Quarterly DPU Performance

As at 30 September 2016



(1) For the period from 26 November 2010 to 31 March 2011.

Financial Performance

For the quarter ended 30 September 2016

(in S$'000)	3Q 2016	3Q 2015	Variance (%)	3Q 2016	2Q 2016	Variance (%)
Gross revenue	**23,031**	25,494	(9.7)	**23,031**	22,630	1.8
Net property income ("NPI")	**13,911**	18,294	(24.0)	**13,911**	13,965	(0.4)
Income available for distribution	**8,858**	12,971	(31.7)	**8,858**	9,063	(2.3)
DPU (cents)	**1.20**[(1)]	1.77	(32.2)	**1.20**[(1)]	1.23	(2.4)
Annualised DPU (cents)	**4.77**	7.02	(32.1)	**4.77**	4.95	(3.6)
Distribution yield[(2)]	**9.0%**	13.2%	(31.8)	**9.0%**	9.3%	(3.2)

(1) Based 739,791,059 Units issued and to be issued as at 30 September 2016.
(2) Based on the last traded price of S$0.53 per unit as at 14 October 2016.

Financial Performance

For the quarter ended 30 September 2016

(in S$'000)	3Q 2016	3Q 2015	Variance (%)
Gross revenue	**23,031**	25,494	(9.7)
Property expenses	**(9,120)**	(7,200)	(26.7)
NPI	**13,911**	18,294	(24.0)
Net finance costs	**(5,295)**	(5,470)	3.2
Manager's fees	**(1,332)**	(1,614)	17.5
Trustee's fees	**(111)**	(136)	18.4
Donation of non-Shari'ah compliant income	**(23)**	(15)	(53.3)
Other trust expenses	**(225)**	(253)	11.1
Loss on exercise of put option on Convertible Sukuk by Sukuk Holders	**-**	(648)	100.0
Net income	**6,925**	10,158	(31.8)
Net change in fair value of financial derivatives	**(464)**	1,496	(131.0)
Total return before taxation	**6,461**	11,654	(44.6)
Distribution adjustments[(1)]	**2,397**	1,317	82.0
Income available for distribution	**8,858**	12,971	(31.7)

NM denotes "not meaningful".

(1) Comprise the portion of management fees paid/payable in Units, donation of non-Shari'ah compliant income, amortisation of capitalised transaction costs incurred on borrowings, straight-lining adjustments on rental income for accounting purposes, Trustee's fees, net change in fair value of financial derivatives and other income/expenses which are non-chargeable/deductible for tax purposes.

- **Gross revenue** decreased by 9.7% mainly due to negative rental revisions for certain master leases renewals in 4Q 2015; lower portfolio property occupancy in 3Q 2016 over 3Q 2015 largely arising from the conversion of 23 Serangoon North Avenue 5, 34 Penjuru Lane and 15 Jalan Kilang Barat into multi-tenanted lease arrangement and the non-renewal of 218 Pandan Loop upon the expiry of their master leases in 4Q 2015; and lower contribution from the Divestment Properties which were divested in 1Q 2016.

- **Property expenses** increased by 26.7% mainly due to 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 and non-renewal of 218 Pandan Loop's triple-net master lease in 4Q 2015; 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; higher net impairment losses on trade receivables in 3Q 2016 over 3Q 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 lower property expenses from the Divestment Properties which were divested in 1Q 2016.

Balance Sheet

As at 30 September 2016	S$'000
Investment properties	1,027,900
Investment properties held for divestment	13,000
Other assets	19,399
Total assets	1,060,299
Borrowings, at amortised cost	435,703
Other liabilities	28,214
Total liabilities	463,917
Net assets attributable to Unitholders	596,382
Units in issue[(1)]	739,791,059
NAV per unit (S$)	0.81
Adjusted NAV per unit[(2)] (S$)	0.79

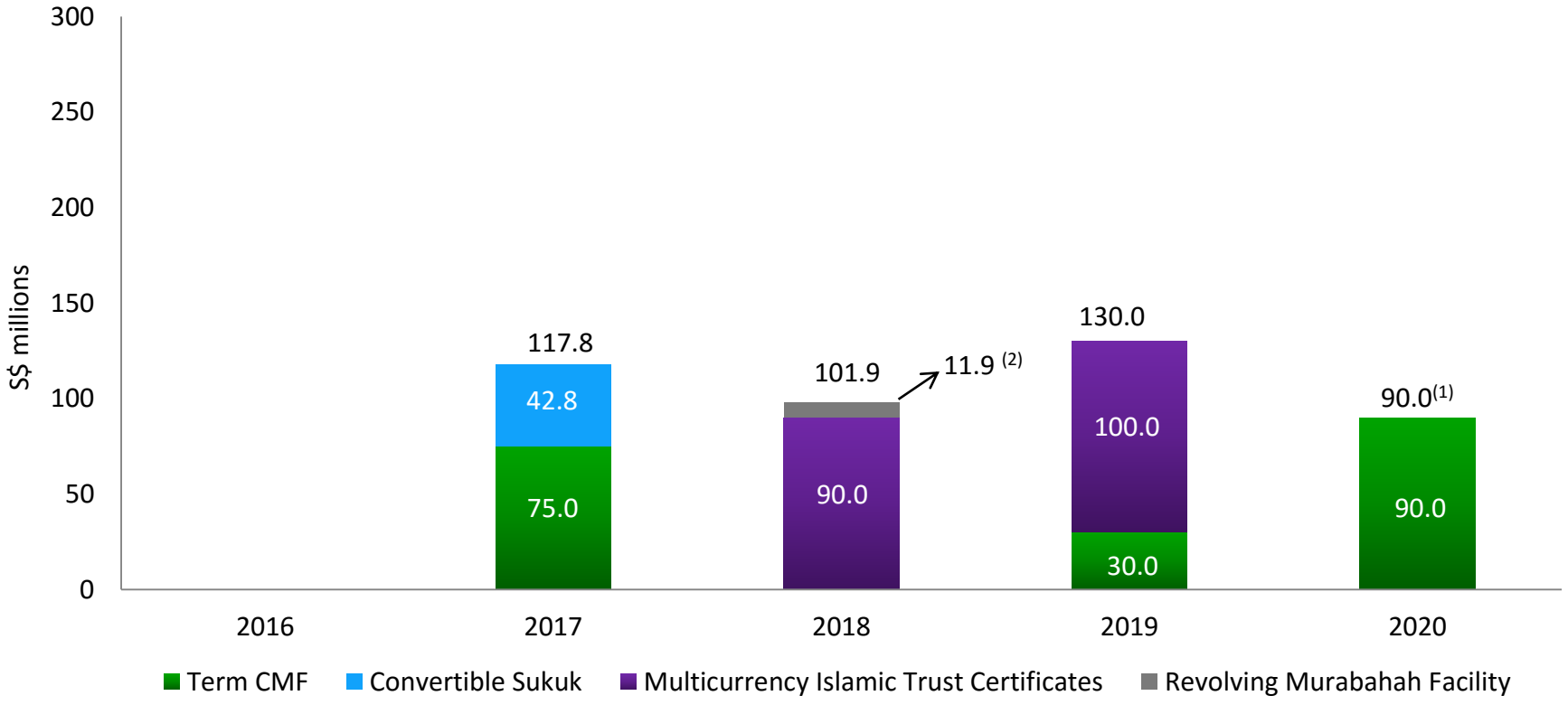
(1) Comprises 737,740,488 units in issue as at 30 September 2016 and 2,050,571 units to be issued to the Manager by 31 October 2016, as partial consideration of Manager's fees incurred for the period from 1 July 2016 to 30 September 2016.
(2) Excludes distributable income of approximately S$8.9 million available for distribution for the quarter ended 30 September 2016.

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Borrowings Maturity Profile

As at 30 September 2016



Maturities of total outstanding borrowings of S$439.7 million evenly staggered over the next 4 years.

(1) Excludes S$18.0 million of undrawn Revolving CMF.
(2) Excludes S$38.1 million of undrawn Revolving Murabahah Facility.

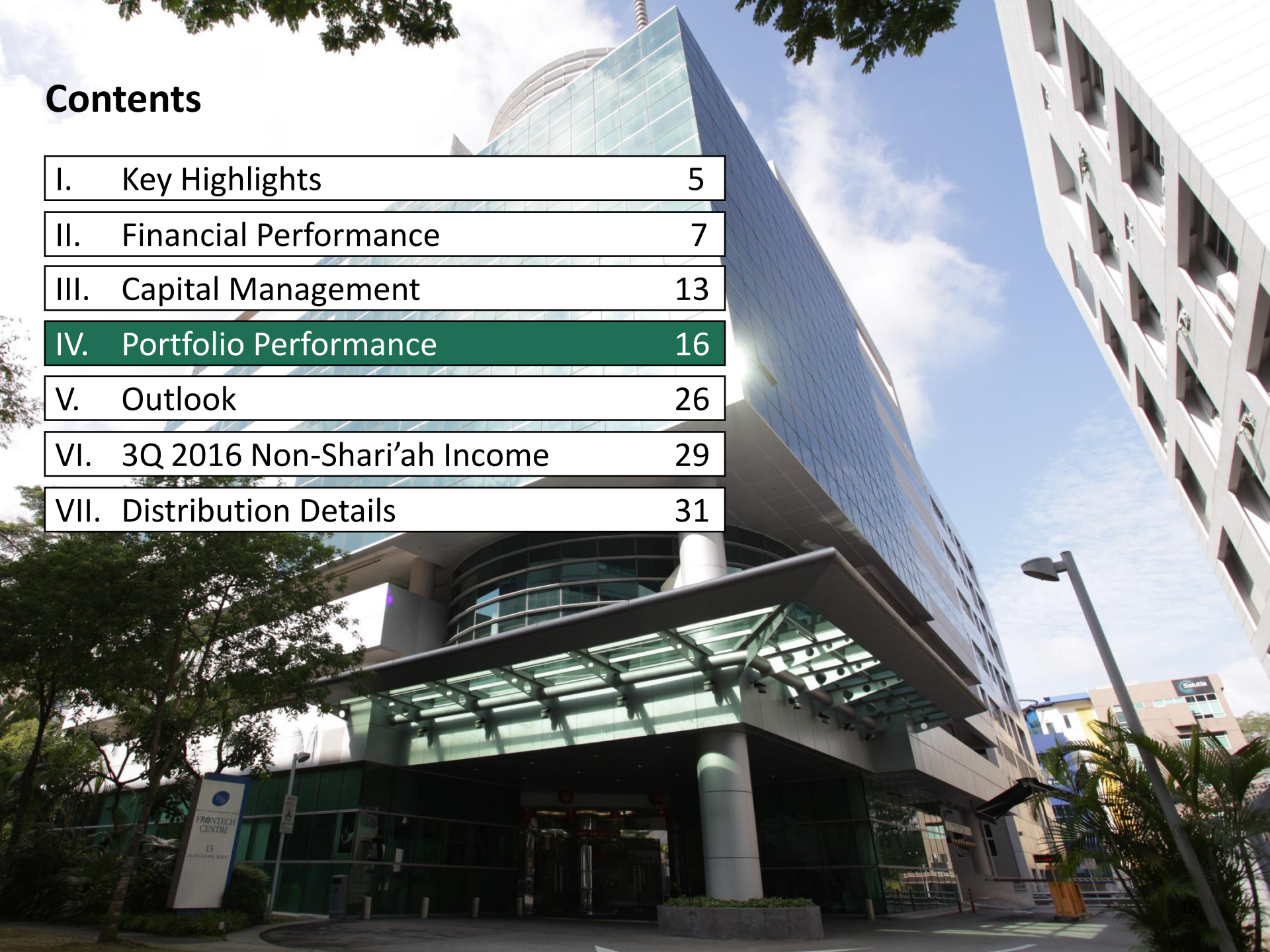
Capital Structure At A Glance

As at 30 September 2016	
Borrowings	S$439.7 million
Aggregate leverage[1]	41.5%
Proportion of total borrowings fixed	90.5%
Average all-in financing cost[2]	**4.1%**
Outstanding Term CMF	S$195.0 million
Outstanding Revolving Commodity Murabahah Facility	S$11.9 million
Convertible Sukuk due 2017	S$42.8 million
Trust Certificates	S$190.0 million
Weighted average tenor of borrowings	**2.1 years**
Profit cover[3]	3.1 times
Unencumbered assets	S$339.6 million

(1) Ratio of total borrowings and deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.
(2) Inclusive of amortisation transaction costs.
(3) Ratio of Net Property Income over profit expense (excluding amortisation of transaction costs and other fees) for the period from 1 July 2016 to 30 September 2016.

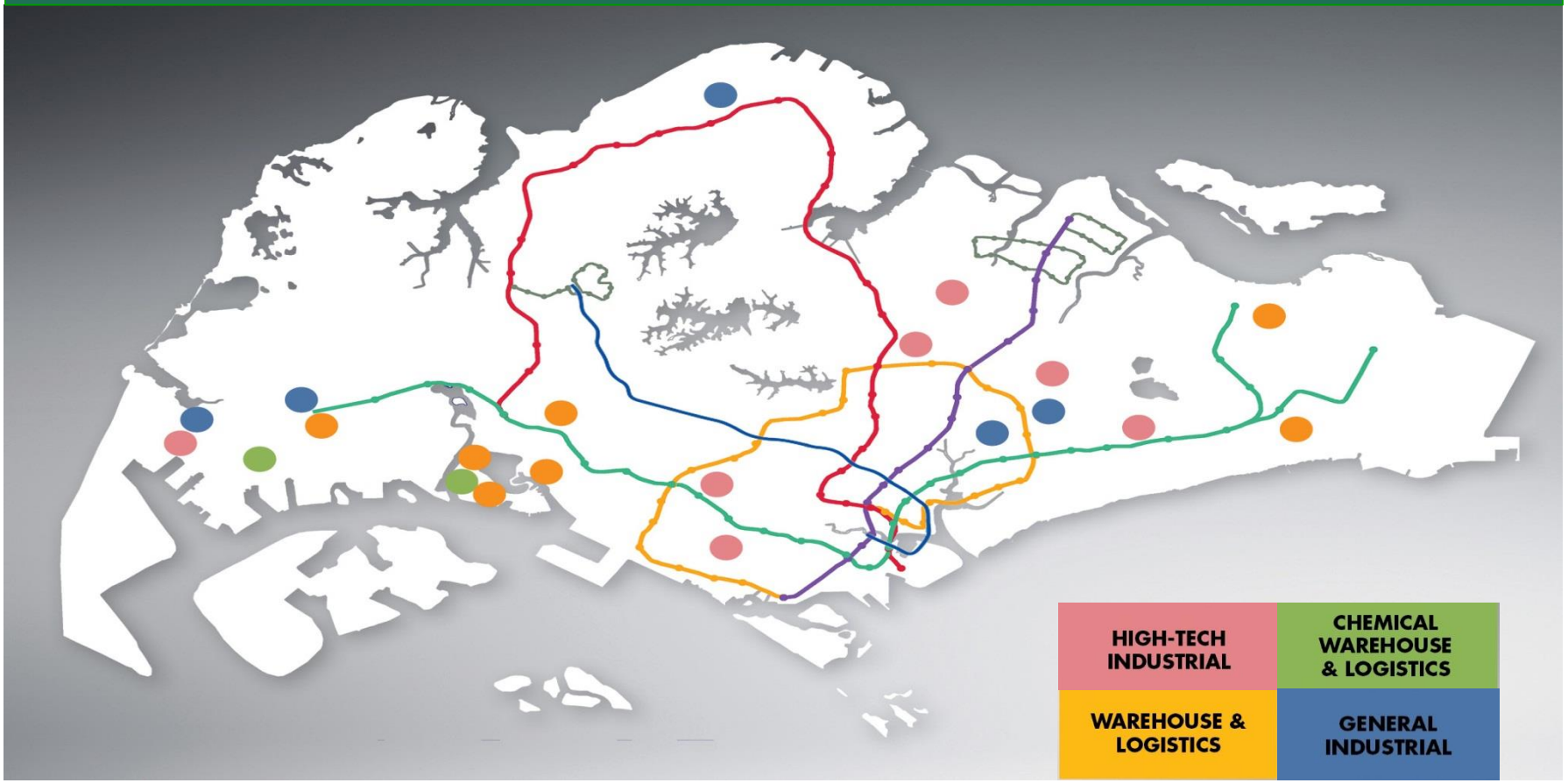
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Property Locations

Our properties are diversified into four industrial segments across Singapore, close to expressways and public transportation.



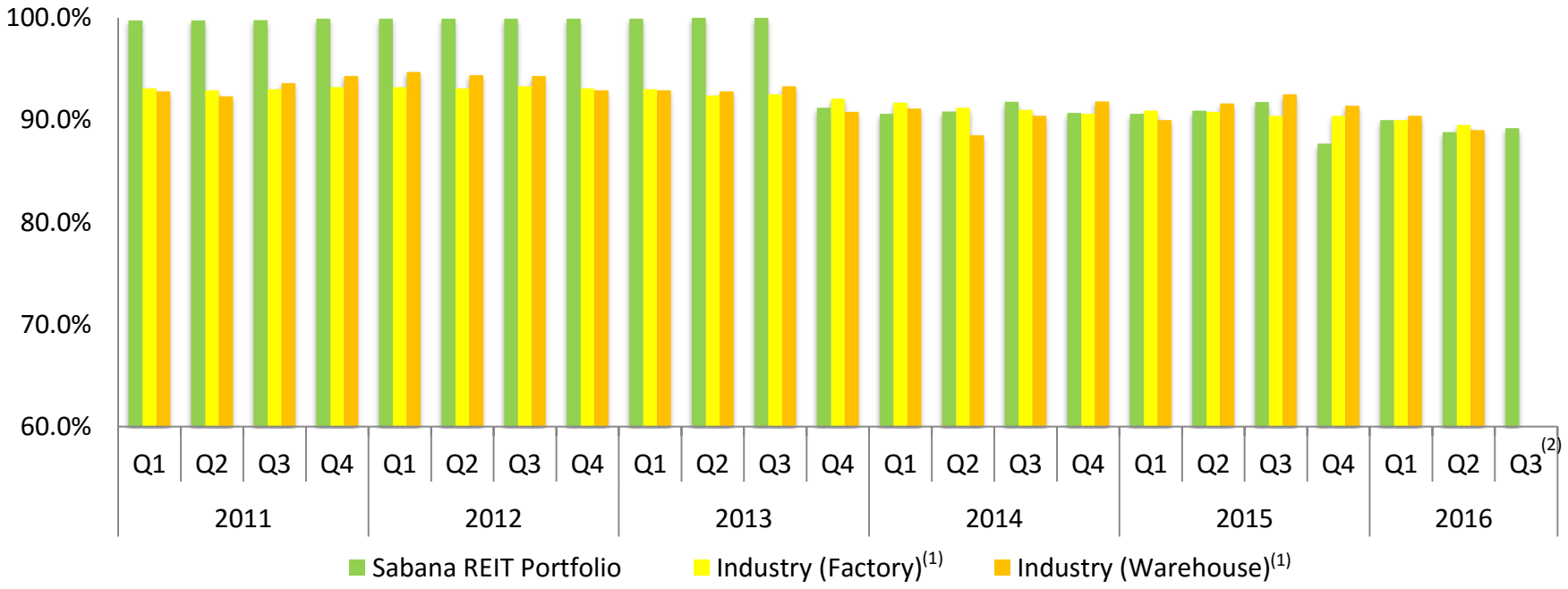
Occupancy Rates

As at 30 September 2016	
Total portfolio GFA	4,403,674 sq ft
Portfolio occupancy	
11 properties, master leases[1]	100.0%
9 properties, multi-tenanted[2]	82.6%
21 properties, total portfolio[3]	89.2%
Weighted average lease term to expiry[4]	2.5 years
Weighted average unexpired lease term for the underlying land[5]	34.8 years

(1) 6 triple net & 5 single net master leases.
(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 15 Jalan Kilang Barat, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 34 Penjuru Lane, 2 Toh Tuck Link and 123 Genting Lane.
(3) By Net Lettable Area ("NLA"). One property, 218 Pandan Loop (NLA 43,103 sq ft), is temporarily vacant.
(4) Weighted by gross revenue (master leases of 11 properties).
(5) Weighted by GFA.

Occupancy Levels Since Listing

Comparisons to Singapore industrial average occupancy levels



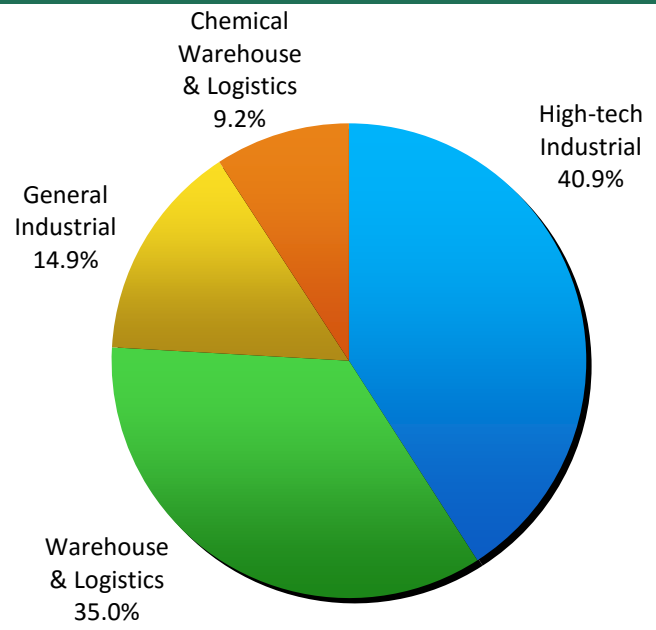
(1) Source: Property Market Information by Urban Redevelopment Authority and Quarterly Market Report by Jurong Town Corporation.
(2) 3Q 2016 data are not available as at 30 September 2016 from Jurong Town Corporation.

Diverse Asset Types

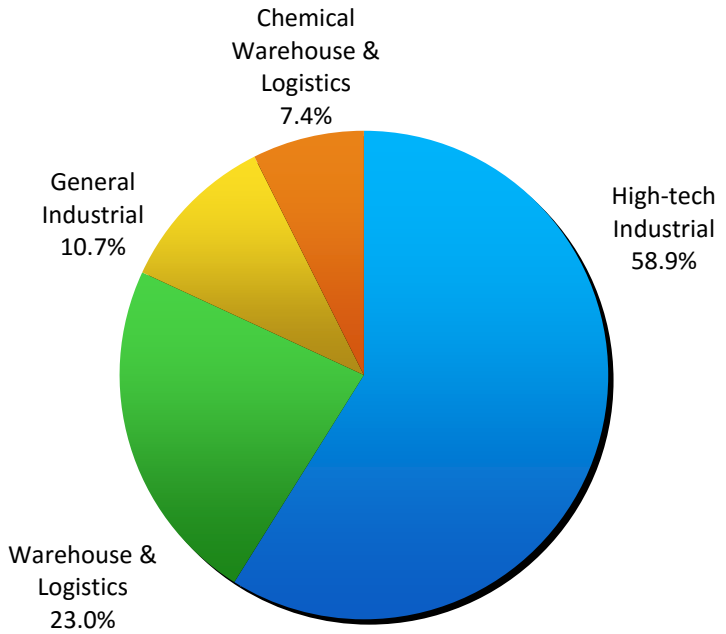
Sabana REIT's portfolio is diversified in the following asset types:

- High-tech Industrial
- Chemical Warehouse & Logistics
- Warehouse & Logistics
- General Industrial

Asset Breakdown by NLA for 3Q 2016(1)



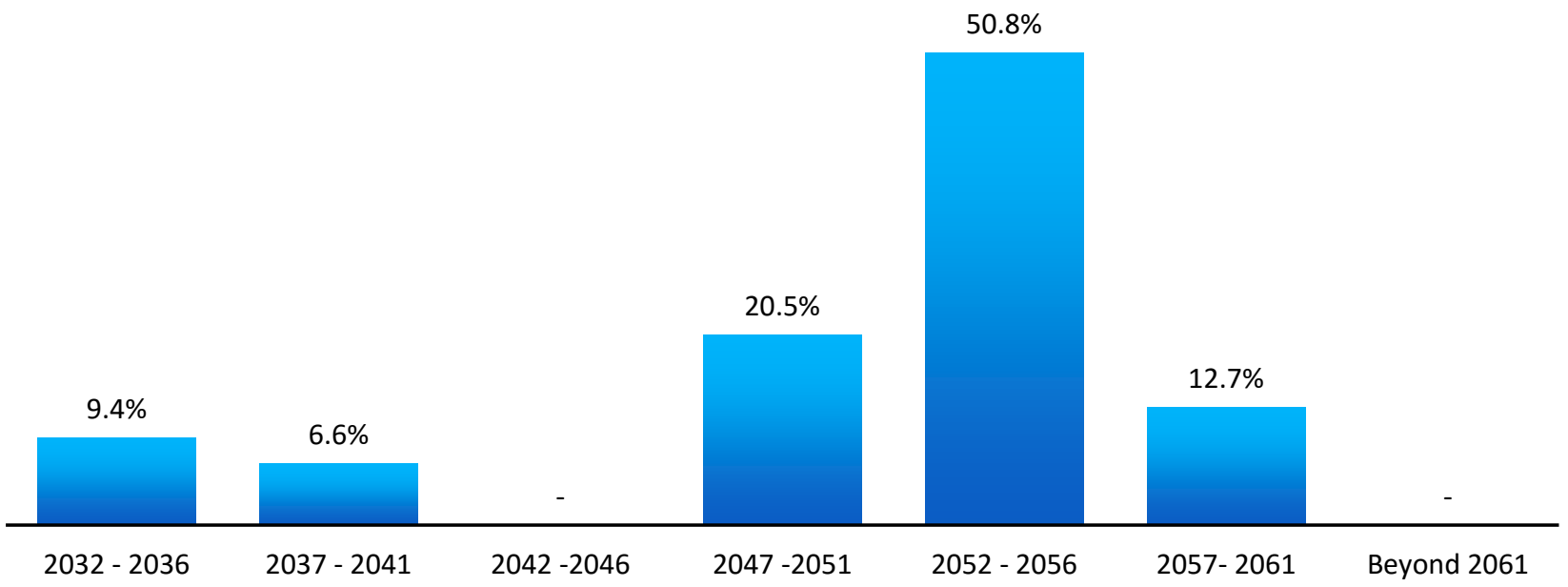
Gross Revenue by Asset Type for 3Q 2016



(1) As at 30 September 2016.

Long Weighted Average Leasehold For Underlying Land

Percentage of unexpired land lease term by GFA(1)



Well distributed, long underlying land leases, with an average of 34.8 years by GFA.

(1) As at 30 September 2016, weighted by GFA.

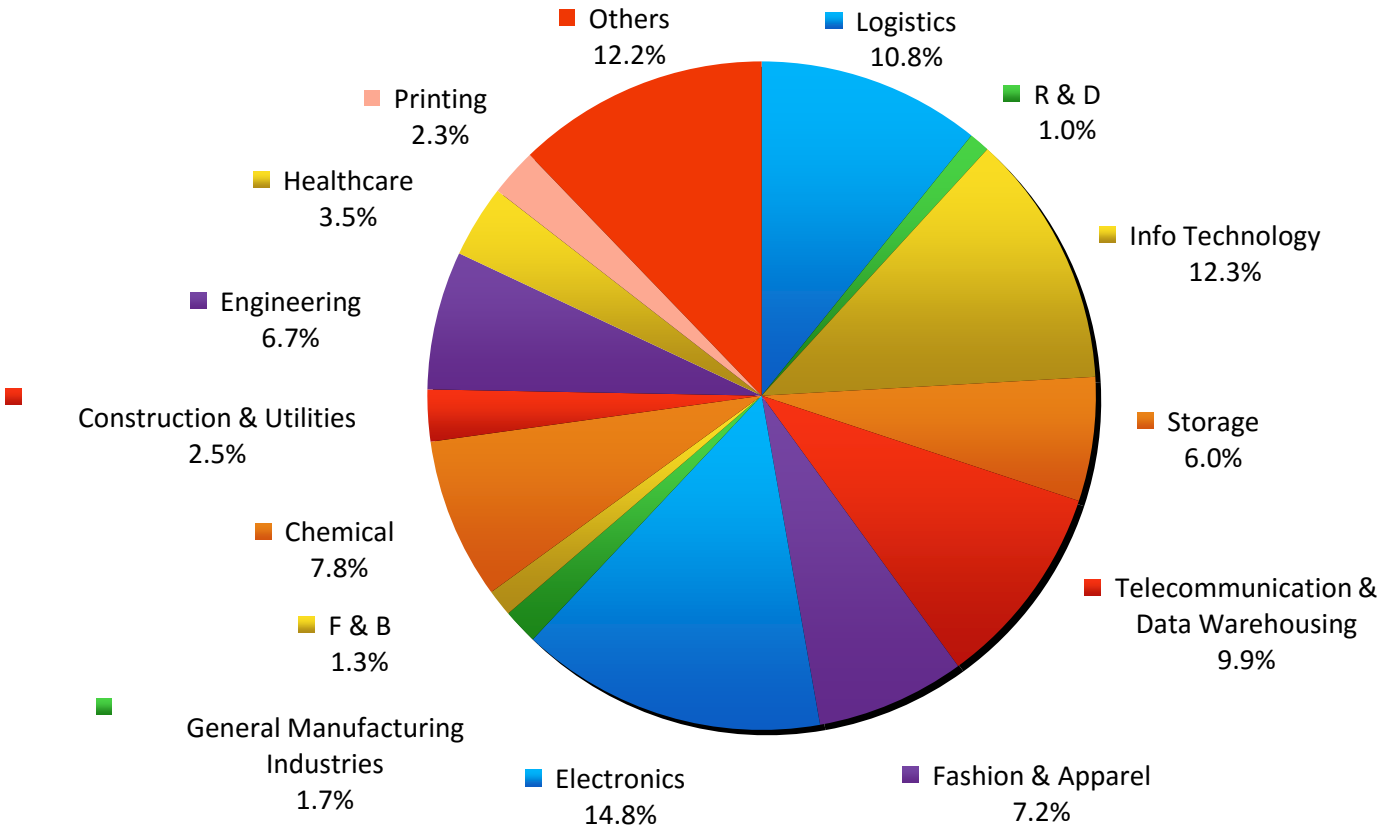
Quality Assets Attract Quality Tenants

	As at 30 Sept 2016	As at 30 Jun 2016
Total NLA (sq ft)	3,605,294[1]	3,605,498
Total number of direct and sub-tenants	122	121
Weighted average lease term to expiry (mths)[2]	31.0	29.9

(1) Adjustment for reconfiguration of space at 9 Tai Seng Drive.
(2) Weighted by sub-tenancy gross rent.

Diverse Sub-tenant Base

Sub-tenants' industry diversification by NLA(1):

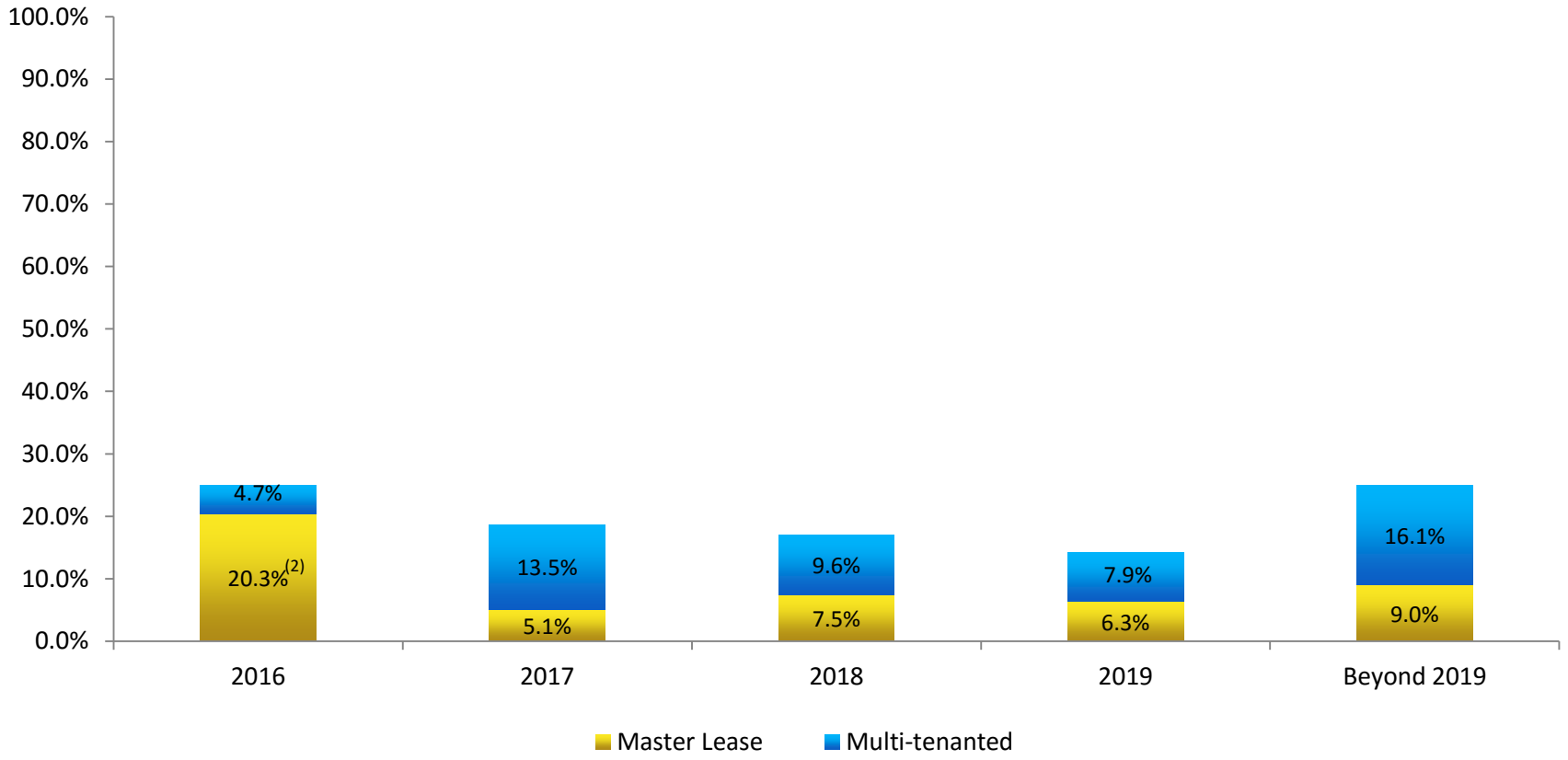


No concentration in any single trade sector

(1) As at 30 September 2016.

Lease Management

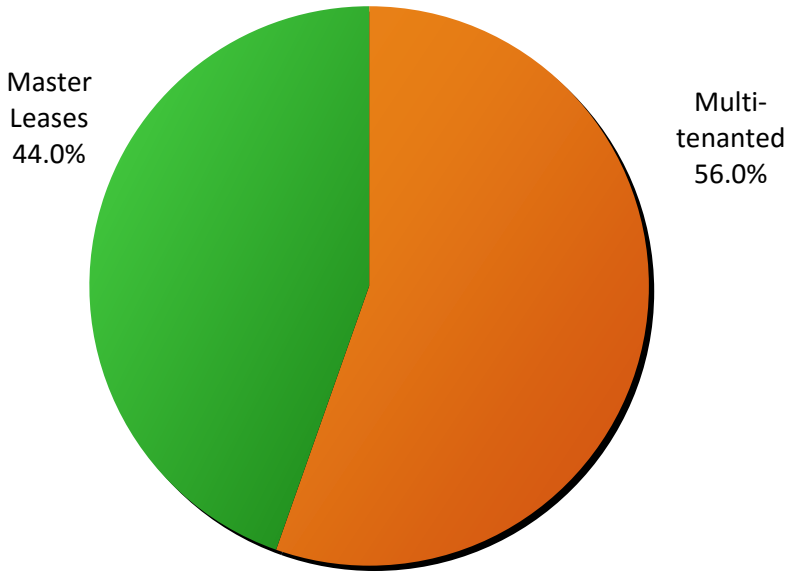
Lease Expiry by NLA for 3Q 2016(1)



(1) As at 30 September 2016.
(2) Four properties: 51 Penjuru Road, 33 & 35 Penjuru Lane, 18 Gul Drive and 39 Ubi Road 1.

Lease Management

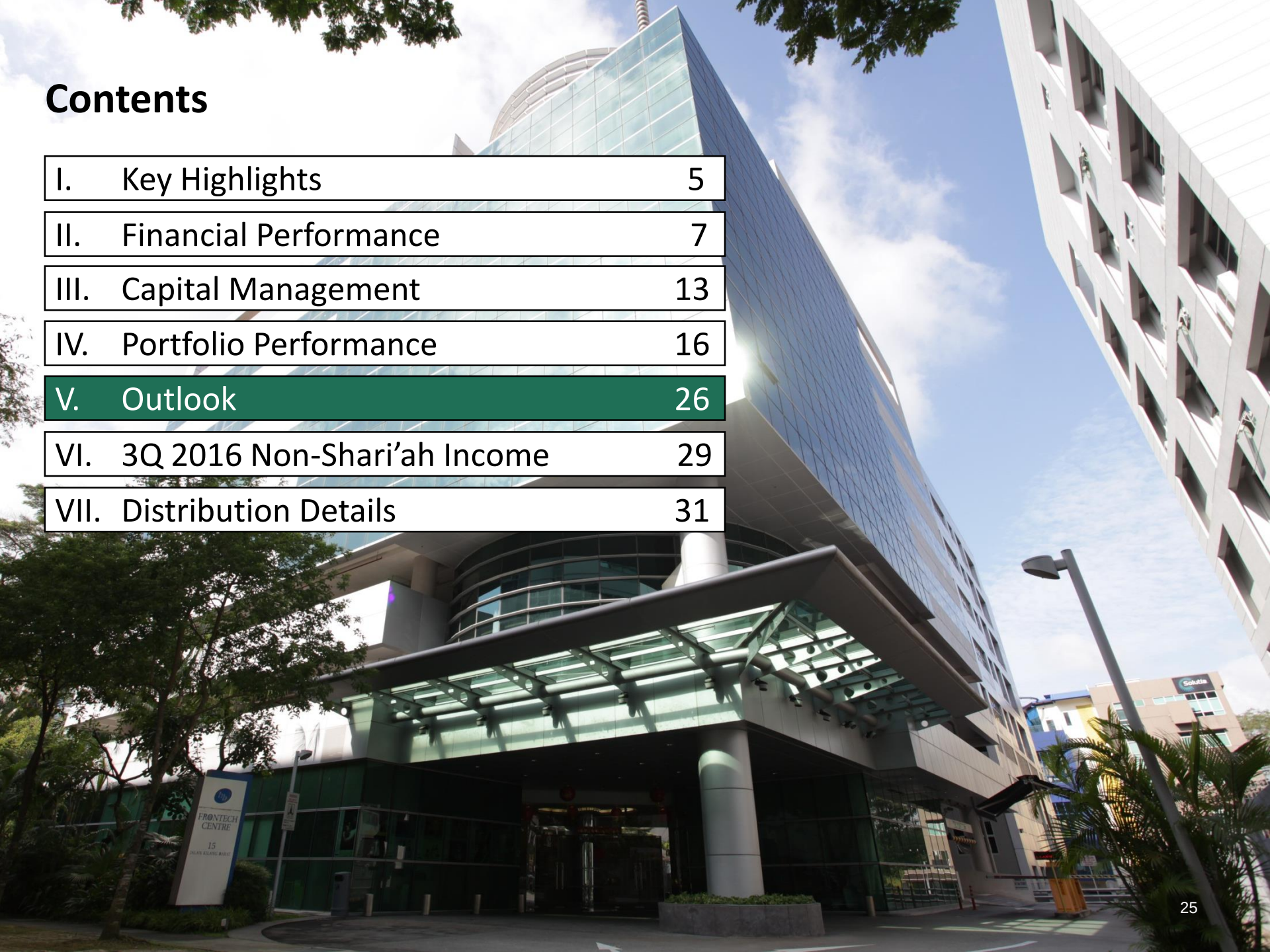
Lease Type by NLA for 3Q 2016(1)



(1) As at 30 September 2016. Excludes 218 Pandan Loop which is temporarily vacant.

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Outlook

Singapore Economy

Singapore's economic growth outlook for 3Q 2016

- According to advance estimates released by the Ministry of Trade and Industry (MTI), the Singapore economy only grew 0.6% in comparison to the previous year, which is lower than what the market expected in Q3 2016. Based on a seasonally-adjusted quarter-on-quarter annualised basis, overall GDP had contracted 4.1%, which is a reversal from the annualised 0.2% growth in the previous quarter(1).
- Previously in August 2016, the Ministry of Trade and Industry has narrowed the Singapore's economy growth forecast to range between 1% and 2%, which is lower than the earlier wider range of between 1% and 3%. However, according to the latest Monetary Authority of Singapore survey of professional forecasters, the survey predicted the economic growth to be at 1.8% for both this year and the next(2).

Singapore Industrial Sector

Industrial property outlook

- In a recent report by Knight Frank, industrials rents are expected to be under pressure with the onset of the softening demand and high supply of industrial space in the market(3).
- Knight Frank also estimated that average industrial rents could fall 6 – 8% year on year in the fourth quarter of 2016, as industrialists seek to consolidate and relocate in order to cope with the challenging business climate(3).

Sources:

(1) "Singapore Q3 GDP grows 0.6% year-on-year, below expectations". The Business Times. 14 October 2016. Web. 14 October 2016.
(2) "2016 growth to be at lower end of 1-2% forecast: Tharman". The Business Times. 29 September 2016. Web. 29 September 2016.
(3) "Industrial rents could dip 6-8% in Q4: Knight Frank". The Business Times. 1 October 2016. Web. 1 October 2016.

Outlook

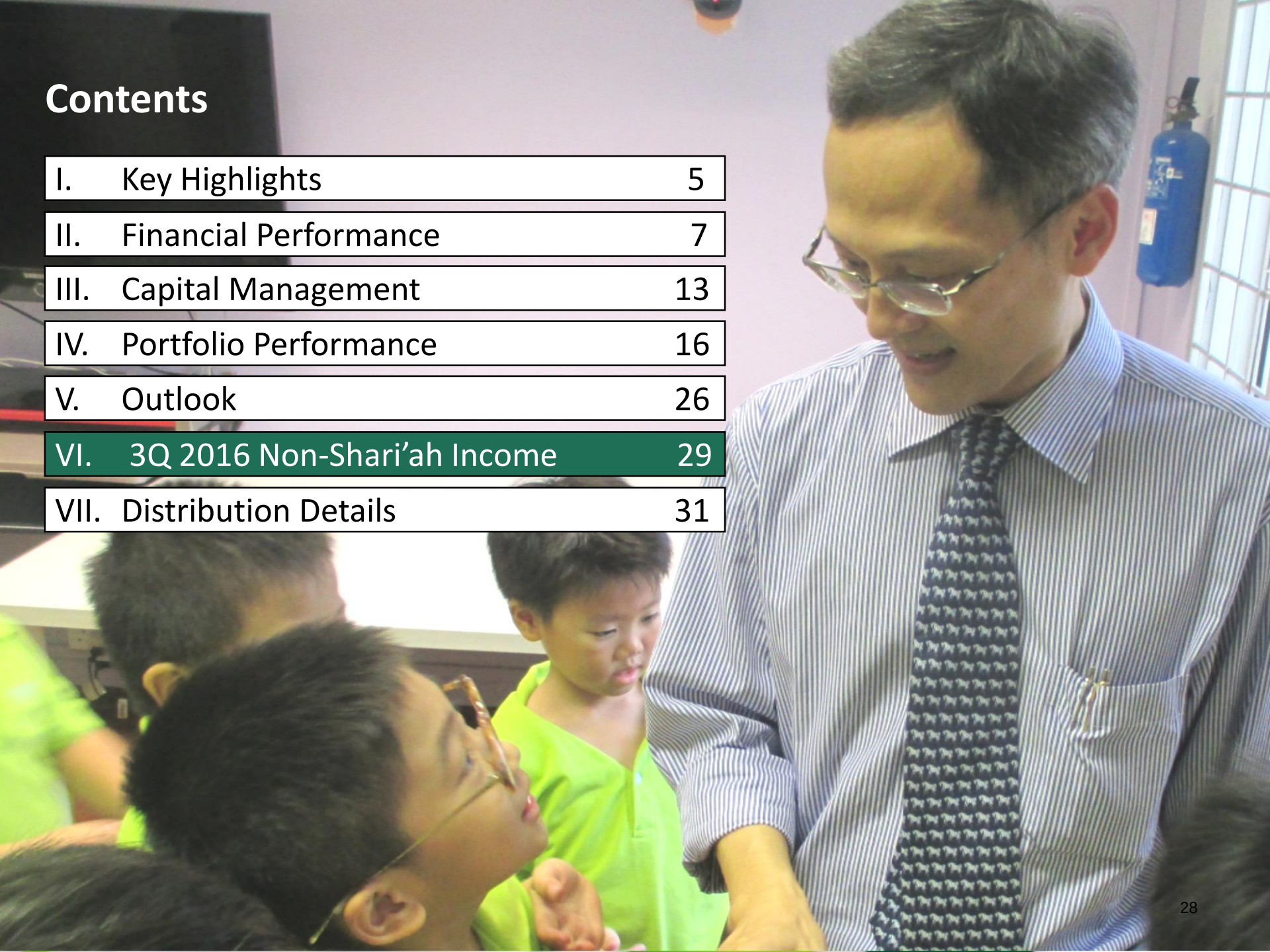
The Trust

Management Strategy and Outlook

- Even though the Manager anticipates market conditions to remain challenging, it will continue to stay proactive in managing the lease expiry profile, be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy and take necessary measures to mitigate potential credit risks. The Manager is very focused on filling up any available space within the shortest time possible and is consistently actively engaging with tenants to manage the lease expiries.
- The Manager will also continue to evaluate potential yield-accretive acquisition opportunities both locally and abroad, as well as asset enhancement initiatives to grow the Trust's portfolio. The Manager also intends to divest underperforming or non-core assets to recycle Sabana REIT's capital and is evaluating opportunities to do so. On the capital management front, the Manager will 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 announcements made on 6 April 2016 and 22 July 2016, the Manager is currently in the final stage of negotiations with the Sponsor for the renewal of the three of the master leases that are due to expire in 4Q 2016. On the remaining property (39 Ubi Road 1), the transition phase for the conversion from master-lease arrangement to multi-tenanted arrangement has already commenced and is well under way.

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3Q 2016 Non-Shari'ah Income

Sabana REIT gives out its non-Shari'ah income on a quarterly basis, to charitable causes

The charitable cause below is the chosen beneficiary of Sabana REIT's 3Q 2016 non-Shari'ah income:

Organisation: Mendaki SENSE

Purpose: Mendaki SENSE is the training arm of Yayasan MENDAKI, set up to help individuals who are affected by the structural changes in the economy. The organisation actively promotes education and skills upgrading, caring and giving back to the community at large.

Sabana REIT will be allocating approximately S$22,728 to Mendaki SENSE to provide funding for their "Back-to-Work" women programme called "Empo*WOMEN*t". This programme aims to educate and help equip the under-privileged with the necessary skills required to return to the work force.

The total amount of **S$22,728** allocated to the organisation above represents less than **0.1%** of Sabana REIT's 3Q 2016 gross revenue.

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Distribution Details

Sabana REIT Code: MIGU

Distribution period	DPU (cents)
1 July 2016 to 30 September 2016	1.20
Distribution Timetable	
Last date that the Units are quoted on a “cum”- distribution basis	20 October 2016
Ex-date	21 October 2016, 9am
Books closure date	25 October 2016, 5pm
Distribution payment date	29 November 2016
Disbursement of non-Shari’ah income to approved charities	29 November 2016 or earlier

Thank you

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