
SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017

INTRODUCTION

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

The portfolio of Sabana Shari'ah Compliant REIT as at the reporting date comprises 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 Logisticcentre, 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

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**") for purchase considerations of S\$20.0 million, S\$34.5 million and S\$23.0 million respectively and their related costs.

On the proposed divestment of 218 Pandan Loop, the Manager is targeting to legally complete the transaction by the second quarter of 2017.

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the first quarter ended 31 March 2017 ("**1Q 2017**") as set out in this announcement have been extracted from the interim financial information for 1Q 2017 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

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SUMMARY OF RESULTS FOR SABANA GROUP

	Group		
	1Q 2017	1Q 2016	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue	21,978	23,606	(6.9)
Net property income	13,335	15,172	(12.1)
Income available for distribution	9,318	9,770	(4.6)
Distribution per unit ("DPU") (cents) ^(a)	0.88 ^(b)	1.16 ^(c)	(24.1)
Annualised DPU (cents)	3.57	4.70 ^(c)	(24.0)

Notes:

- (a) Please refer to Item 6 on Page 12 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 for 1Q 2017 only, the Manager has elected to forgo 75.0% of its fees for the quarter, equivalent to approximately S\$944,000.
- The DPU for 1Q 2017 of 0.88 cents would have instead been approximately:
- (i) 0.89 cents had the Manager been able to continue receiving 80.0% of its fees in units; or
 - (ii) 0.80 cents had the Manager not forgone any of its fees and received 100% of its fees in cash.
- (c) DPU for prior periods has been restated to reflect the effect of bonus element in the Rights Issue.

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

Statements of Total Return	Group			Trust		
	1Q 2017	1Q 2016	Fav / (Unfav)	1Q 2017	1Q 2016	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	21,978	23,606	(6.9)	21,978	23,606	(6.9)
Property expenses ^(b)	(8,643)	(8,434)	(2.5)	(8,643)	(8,434)	(2.5)
Net property income	13,335	15,172	(12.1)	13,335	15,172	(12.1)
Finance income	135	58	132.8	135	58	132.8
Finance costs	(5,283)	(5,327)	0.8	(5,202)	(5,251)	0.9
Net finance costs ^(c)	(5,148)	(5,269)	2.3	(5,067)	(5,193)	2.4
Manager's fees ^(d)	(315)	(1,397)	77.5	(315)	(1,397)	77.5
Trustee's fees	(109)	(120)	9.2	(109)	(120)	9.2
Donation of non-Shari'ah compliant income ^(e)	(21)	(43)	51.2	(21)	(43)	51.2
Other trust expenses	(318)	(349)	8.9	(323)	(353)	8.5
Net income	7,424	7,994	(7.1)	7,500	8,066	(7.0)
Net change in fair value of financial derivatives ^(f)	(67)	(793)	91.6	(67)	(794)	91.6
Loss on divestment of investment properties ^(g)	-	(558)	100.0	-	(558)	100.0
Total return for the period before taxation	7,357	6,643	10.7	7,433	6,714	10.7
Tax expense ^(h)	*	*	-	-	-	-
Total return for the period after taxation	7,357	6,643	10.7	7,433	6,714	10.7

Distribution Statements	Group			Trust		
	1Q 2017	1Q 2016	Fav / (Unfav)	1Q 2017	1Q 2016	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxation	7,357	6,643	10.7	7,433	6,714	10.7
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units ^(d)	-	1,118	(100.0)	-	1,118	(100.0)
Amortisation of transaction costs ⁽ⁱ⁾	763	556	37.2	686	482	42.3
Break fees on termination of profit rate swaps ^(j)	656	-	NM	656	-	NM
Trustee's fees	109	120	(9.2)	109	120	(9.2)
Donation of non-Shari'ah compliant income	21	43	(51.2)	21	43	(51.2)
Net change in fair value of financial derivatives	67	793	(91.6)	67	794	(91.6)
Loss on divestment of investment properties	-	558	(100.0)	-	558	(100.0)
Effects of recognising rental income on a straight line basis over the lease term	257	(216)	219.0	257	(216)	219.0
Other items	88	155	(43.2)	89	157	(43.3)
Net effect of non-tax deductible items	1,961	3,127	(37.3)	1,885	3,056	(38.3)
Income available for distribution to Unitholders for the period	9,318	9,770	(4.6)	9,318	9,770	(4.6)

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\$1,234,000 mainly provided for the outstanding balances of the respective master tenants at 1 Tuas Avenue 4 and 6 Woodlands Loop which were past due and in excess of security deposits held.

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

	Group			Trust		
	1Q 2017	1Q 2016	Fav / (Unfav)	1Q 2017	1Q 2016	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	9	15	(40.0)	9	15	(40.0)
- Ta'widh (compensation on late payment of rent)	126	43	193.0	126	43	193.0
	135	58	132.8	135	58	132.8
Finance costs:						
- Commodity Murabaha Facilities	(1,264)	(2,056)	38.5	(1,264)	(2,056)	38.5
- Revolving Murabahah Facility	(73)	(298)	75.5	(73)	(298)	75.5
- Profit rate swaps	(73)	64	(214.1)	(73)	64	(214.1)
- Convertible Sukuk	(474)	(480)	1.3	-	-	-
- Trust Certificates	(1,936)	(1,957)	1.1	-	-	-
- Loans from subsidiaries	-	-	-	(2,410)	(2,437)	1.1
- Amortisation of transaction costs	(763)	(556)	(37.2)	(686)	(482)	(42.3)
- Break fees on termination of profit rate swaps	(656)	-	NM	(656)	-	NM
- Brokerage and agent fees	(44)	(44)	-	(40)	(42)	4.8
	(5,283)	(5,327)	0.8	(5,202)	(5,251)	0.9
Net finance costs	(5,148)	(5,269)	2.3	(5,067)	(5,193)	2.4

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 1Q 2017. In 1Q 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.

For 1Q 2017, the Manager has elected to forgo 75.0% of its fees.

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

1Q 2017

- The Smile Mission Ltd.

1Q 2016

- Lien Aid.

(f) 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 between the last quarter and at the reporting date. These items are non-tax deductible and have 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 200 Pandan Loop and 3 Kallang Way 2A ("**2016 Divested Properties**") in 1Q 2016. 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 and loans from subsidiaries. These items are non-tax deductible and have no impact on income available for distribution.

(j) Pending the deployment of the proceeds from the Rights Issue for the Proposed Acquisitions, part of the proceeds were used to partially prepay S\$60.0 million of the Term CMF F, ahead of its maturity in August 2017, and to terminate the profit rate swap used to hedge Term CMF F ("**PRS F**"). The break fees incurred on the termination of PRS F are non-tax deductible and have no impact on income available for distribution.

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

Statements of Financial Position	Group			Trust		
	31/03/17	31/12/16	Change	31/03/17	31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets						
Investment properties	990,904	990,600	0.0	990,904	990,600	0.0
Subsidiaries ^(a)	-	-	-	*	*	-
Derivative assets ^(b)	-	522.0	NM	-	522.00	NM
Total non-current assets	990,904	991,122	(0.0)	990,904	991,122	(0.0)
Current assets						
Investment properties held for divestment ^(c)	13,000	13,000	-	13,000	13,000	-
Trade and other receivables ^(d)	9,467	9,561	(1.0)	9,454	9,553	(1.0)
Cash and cash equivalents ^(e)	7,529	9,206	(18.2)	7,523	9,201	(18.2)
Total current assets	29,996	31,767	(5.6)	29,977	31,754	(5.6)
Total assets	1,020,900	1,022,889	(0.2)	1,020,881	1,022,876	(0.2)
Current liabilities						
Trade and other payables ^(f)	11,026	14,097	(21.8)	11,019	14,095	(21.8)
Borrowings ^(g)	147,254	130,209	13.1	147,408	130,440	13.0
Derivative liabilities ^(h)	-	562	(100.0)	-	562	(100.0)
Total current liabilities	158,280	144,868	9.3	158,427	145,097	9.2
Non-current liabilities						
Trade and other payables ^(f)	12,552	13,511	(7.1)	12,552	13,511	(7.1)
Borrowings ^(g)	218,133	307,715	(29.1)	218,133	307,715	(29.1)
Derivative liabilities ^(h)	107	-	NM	107	-	NM
Total non-current liabilities	230,792	321,226	(28.2)	230,792	321,226	(28.2)
Total liabilities	389,072	466,094	(16.5)	389,219	466,323	(16.5)
Net assets	631,828	556,795	13.5	631,662	556,553	13.5
Represented by:						
Unitholders' funds ⁽ⁱ⁾	631,828	556,795	13.5	631,662	556,553	13.5

NM denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) 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.
- (b) 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 1Q 2017 change in the fair value of the PRS B, classified under non-current derivative liability as at the reporting date.
- (c) This relates to 218 Pandan Loop which was classified as investment properties held for divestment in accordance with FRS 105 *Non-current Assets held for Sale and Discontinued Operations*.
- (d) This relates to trade receivables, prepayments, deposits, and other receivables.
- (e) 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 9 for further details in the movement of cash and cash equivalents.
- (f) This relates to trade payables, security deposits, rental received in advance, retention sums and accruals and provisions.

The lower non-current trade and other payables from 31 December 2016 is mainly due to higher settlement of accrued operating expenses and finance costs during the quarter, in line with the lower cash and cash equivalents balance as at 31 March 2017 and lower accrued Manager's fees for 1Q 2017 as the Manager has elected to forgo 75.0% of its fees.

- (g) Current borrowings represent the following at Sabana Group and the Trust as at the reporting date:
- (i) Amortised cost of the liability component of the remaining principal amount of S\$42.8 million of Convertible Sukuk issued by STPL;
 - (ii) 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;
 - (iii) Amortised cost of the principal amount of the S\$90.0 million Trust Certificates due 2018 ("**Trust Certificates Series I**") issued by SSPL;
 - (iv) Amortised cost of the principal amount of S\$90.0 million of SSPL's profit bearing loans to the Trust, which was raised from the issuance of the Trust Certificates Series I by SSPL; and
 - (iv) Amortised cost of the remaining principal amount of S\$15.0 million drawn from Term CMF F.

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 (2020);
- (ii) Amortised cost of the principal amount of the S\$100.0 million Trust Certificates due 2019 ("**Trust Certificates Series II**") issued by SSPL; and
- (iii) Amortised cost of the principal amount of S\$100.0 million of SSPL's profit bearing loan to the Trust, which was raised from the issuance of the Trust Certificates Series II by SSPL.

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

- (i) The 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 the S\$13.3 million Revolving CMF D in 1Q 2017; and
- (iii) Partial repayment of S\$60.0 million of Term CMF F in 1Q 2017.

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

- (h) Current derivative liabilities as at 31 December 2016 relate to the fair value of the embedded derivatives component of the Convertible Sukuk issued by STPL and PRS F.

The lower current derivative liabilities over 31 December 2016 is mainly due to the termination of PRS F in 1Q 2017.

Non-current derivative liabilities relate to the fair value of PRS B.

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

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

	Group		Trust	
	31/03/17	31/12/16	31/03/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable within one year:				
Revolving CMF ^(a)	-	13,300	-	13,300
Revolving Murabahah Facility ^(b)	-	-	-	-
Term CMF ^(a)	15,000	75,000	15,000	75,000
Less: Unamortised capitalised transaction costs	(61)	(486)	(61)	(486)
	14,939	87,814	14,939	87,814
Amount repayable after one year:				
Term CMF ^(a)	120,000	120,000	120,000	120,000
Less: Unamortised capitalised transaction costs	(1,364)	(1,476)	(1,364)	(1,476)
	118,636	118,524	118,636	118,524
Total secured borrowings	133,575	206,338	133,575	206,338
Unsecured borrowings				
Amount repayable within one year:				
Convertible Sukuk - debt component ^(c)	42,513	42,395	-	-
Trust Certificates ^(d)	90,000	-	-	-
Loans from subsidiaries ^(e)	-	-	132,750	42,750
Less: Unamortised capitalised transaction costs	(198)	-	(281)	(124)
	132,315	42,395	132,469	42,626
Trust Certificates ^(d)	100,000	190,000	-	-
Loans from subsidiaries ^(e)	-	-	100,000	190,000
Less: Unamortised capitalised transaction costs	(503)	(809)	(503)	(809)
	99,497	189,191	99,497	189,191
Total unsecured borrowings	231,812	231,586	231,966	231,817
Total borrowings	365,387	437,924	365,541	438,155

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 F of S\$15.0 million remaining and maturing in August 2017;
- (ii) 5-year Term CMF C of S\$30.0 million maturing in November 2019; and
- (iii) 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.

The CMF are secured by, *inter alia*:

- (1) A first ranking legal mortgage over 8 (2016: 8) 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.

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(b) Revolving Murabahah Facility

As at the reporting date, the outstanding 3-year Revolving Murabahah Facility of S\$50.0 million maturing in September 2018 was fully undrawn.

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	
	31/03/17	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	118	462
Carrying amount of debt component at end of the year	42,513	42,395

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\$0.8389.

(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.

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1 (c) Statement of Cash Flows

Statement of Cash Flows	Group	
	1Q 2017	1Q 2016
	S\$'000	S\$'000
Cash flows from operating activities		
Total return for the period after taxation and before distribution	7,357	6,643
Adjustments for:		
Manager's fees paid/payable in units	-	1,118
Net change in fair value of financial derivatives	67	793
Loss on divestment of investment properties	-	558
Net finance costs	5,148	5,269
	12,572	14,381
Change in trade and other receivables	94	(544)
Change in trade and other payables	(1,138)	2,169
Cash generated from operating activities	11,528	16,006
Ta'widh (compensation on late payment of rent) received	126	43
Net cash from operating activities	11,654	16,049
Cash flows from investing activities		
Capital expenditure on investment properties	(304)	(506)
Divestment of investment properties	-	54,600
Profit income received from Islamic financial institutions	9	15
Net cash (used in)/from investing activities	(295)	54,109
Cash flows from financing activities		
Proceeds from Rights Issue ^(a)	80,164	-
Issue costs paid in relation to Rights Issue ^(a)	(3,221)	-
Break fees on termination of profit rate swaps	(656)	-
Repayment of borrowings	(73,300)	(41,500)
Finance costs paid	(6,756)	(5,209)
Distributions paid	(9,267)	(11,011)
Net cash used in financing activities	(13,036)	(57,720)
Net (decrease)/increase in cash and cash equivalents	(1,677)	12,438
Cash and cash equivalents at beginning of the period	9,206	10,438
Cash and cash equivalents at end of the period	7,529	22,876

Note:

- (a) As previously announced on 6 February 2017, the Trust had fully utilised the Rights Issue gross proceeds of S\$80.2 million from the Rights Issue as follows:
- (i) S\$60.0 million to repay term CMF F due in August 2017;
 - (ii) S\$16.5 million to be placed in short-term bank deposits;
 - (iii) Approximately S\$2.5 million to pay the underwriting commission and expenses including the applicable GST thereon to the Joint Lead Managers and Underwriters of the Rights Issue; and
 - (iv) Approximately S\$1.2 million to pay the other professional fees and charges relating to the Rights Issue.

Subsequently, approximately S\$13.3 million of the S\$16.5 million placed in short-term bank deposits, upon maturity were used to repay outstanding revolving credit facilities. The balance of approximately S\$3.2 million not utilised for payments of issue-related fees and expenses including the applicable GST thereon were placed in new short-term bank deposits.

As at 31 March 2017, the issuance costs for the Rights Issue amounted to approximately S\$3.2 million.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

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

Statements of Movements in Unitholders' Funds	Group		Trust	
	1Q 2017	1Q 2016	1Q 2017	1Q 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the period	556,795	653,741	556,553	653,203
Operations				
Total return for the period after taxation	7,357	6,643	7,433	6,714
	564,152	660,384	563,986	659,917
Unitholders' transactions				
Issue of new units:				
- Manager's fees payable in units ^(a)	-	1,118	-	1,118
- Proceeds from Rights Issue ^(b)	80,164	-	80,164	-
Issue costs paid in relation to the Rights Issue	(3,221)	-	(3,221)	-
Distributions to Unitholders	(9,267)	(11,011)	(9,267)	(11,011)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	67,676	(9,893)	67,676	(9,893)
Unitholders' funds at end of the period	631,828	650,491	631,662	650,024

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 1Q 2017. In 1Q 2016, 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)(ii) Details of any changes in the units

	Group and Trust	
	1Q 2017	1Q 2016
Units in issue:		
Units in issue at beginning of the period	739,791,059	732,381,036
Manager's fees paid in units	2,580,227	1,645,627
Rights Issue ^(a)	310,712,244	-
Issued units at end of the period	1,053,083,530	734,026,663
Units to be issued:		
Manager's fees payable in units ^(b)	-	1,767,466
Total issued and to be issued units, including Right units	1,053,083,530	735,794,129

Notes:

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

- (b) These are 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 1Q 2017. In 1Q 2016, the Manager had elected to receive 80.0% of its fees in units and 20.0% in cash.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

Convertible Sukuk

Sabana Group has the following Convertible Sukuk outstanding as at 31 March 2017:

Principal Amount Outstanding	Maturity Date	Conversion Price per unit as at 31 March 2017
<u>Convertible Sukuk due 2017</u> S\$42.8 million 4.5% per annum.	24 September 2017	S\$0.8389

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\$0.8389, the number of new units to be issued would be 50,959,590 units, representing 4.8% of the total number of the Trust's units in issue of 1,053,083,530, as at 31 March 2017.

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 2016.

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

Not applicable.

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

Earnings per unit (1Q 2017 vs 1Q 2016)

	Group			Trust		
	1Q 2017	1Q 2016 As restated ^(d)	1Q 2016 As previously reported	1Q 2017	1Q 2016 As restated ^(d)	1Q 2016 As previously reported
<u>Basic and diluted EPU</u>						
Weighted average number of units in issue	969,481,533	839,479,714	733,539,739	969,481,533	839,479,714	733,539,739
Basic and diluted EPU for the period based on the weighted average number of units in issue (cents) ^{(a)(b)}	0.76 ^(c)	0.80	0.91 ^(c)	0.77 ^(c)	0.80	0.91 ^(c)

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

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.
- (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

	Group and Trust		
	1Q 2017	1Q 2016 As restated ^(b)	1Q 2016 As previously reported
Number of units issued and to be issued at end of period entitled to distribution	1,053,083,530 ^(a)	842,059,690	735,794,129 ^(a)
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	0.88	1.16	1.33

Notes:

- (a) The computation of DPU is based on the number of units entitled to distribution, comprising:
 - (i) The number of units in issue as at 31 March 2017 of 1,053,083,530 (31 March 2016: 734,026,663); and
 - (ii) No new units (31 March 2016: 1,767,466 units) to be issued to the Manager as consideration of Manager's fees incurred for 1Q 2017 (31 March 2016: by 30 April 2016 as partial consideration of Manager's fees incurred for 1Q 2016) as the resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM.
- (b) The number of units issued and to be issued at end of the period entitled to distribution and DPU have been restated to reflect the effect of bonus element in the Rights Issue.

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 31/03/17	As at 31/12/16	As at 31/03/17	As at 31/12/16
Net asset value ("NAV") per unit (S\$) ^(a)	0.60	0.75	0.60	0.75
Net tangible asset ("NTA") per unit (S\$) ^(a)	0.60	0.75	0.60	0.75

Note:

- (a) The number of units used to compute NAV per unit 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 March 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 1Q 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.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

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

1Q 2017 vs 1Q 2016

Statement of Total Return	Group		
	1Q 2017	1Q 2016	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue ^(a)	21,978	23,606	(6.9)
Property expenses ^(a)	(8,643)	(8,434)	(2.5)
Net property income ^(a)	13,335	15,172	(12.1)
Finance income	135	58	132.8
Finance costs	(5,283)	(5,327)	0.8
Net finance costs ^(b)	(5,148)	(5,269)	2.3
Manager's fees ^(c)	(315)	(1,397)	77.5
Trustee's fees ^(d)	(109)	(120)	9.2
Donation of non-Shari'ah compliant income ^(e)	(21)	(43)	51.2
Other trust expenses ^(f)	(318)	(349)	8.9
Net income	7,424	7,994	(7.1)
Net change in fair value of financial derivatives ^(g)	(67)	(793)	91.6
Loss on divestment of investment properties ^(h)	-	(558)	100.0
Total return for the period before taxation and distribution	7,357	6,643	10.7
Tax expense	*	*	-
Total return for the period before distribution	7,357	6,643	10.7
Distribution adjustments ⁽ⁱ⁾	1,961	3,127	(37.3)
Income available for distribution ^(j)	9,318	9,770	(4.6)

*Less than S\$1,000

Notes:

- (a) Net property income decreased by 12.1% mainly due to:

Lower gross revenue by 6.9% largely arising from lower contribution from:

- (i) 2016 Divested Properties which were divested in 1Q 2016;
- (ii) 23 Serangoon North Ave 5, 34 Penjuru Lane, 2 Toh Tuck Link and 8 Commonwealth Lane in 1Q 2017 over 1Q 2016; and
- (iii) 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016.

Higher property expenses by 2.5% largely arising from:

- (i) Higher net impairment losses on trade receivables in 1Q 2017 over 1Q 2016 largely arising from the master tenants at 1 Tuas Avenue 4 and 6 Woodlands whose arrears were in excess of security deposits held;
- (ii) 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; partially offset by
- (iii) Lower overall service, repairs, maintenance, property tax, land rent, utilities and marketing expenses from the multi-tenanted and non-triple-net master tenanted properties in 1Q 2017 over 1Q 2016; and
- (iv) Lower property expenses from the 2016 Divested Properties which were divested in 1Q 2016.

- (b) Net finance costs decreased by 2.3% mainly due to:

- (i) Lower profit expense arising from lower outstanding borrowings in 1Q 2017 over 1Q 2016 due to the repayment of outstanding borrowings using the net sale proceeds from the 2016 Divested Properties and the net proceeds from the Rights Issue, pending the deployment of such funds for their intended purposes; and partially offset by
- (ii) 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.

- (c) Manager's fees decreased by 77.5% mainly due to:

- (i) The Manager forgoing 75.0% of its fees for 1Q 2017; and
- (ii) The lower total assets in 1Q 2017 over 1Q 2016, arising from lower valuation of the Properties as at 31 December 2016 and the divestment of the 2016 Divested Properties in 1Q 2016, upon which these fees are based on.

- (d) Trustee fees decreased by 9.2% mainly due to the lower total assets in 1Q 2017 over 1Q 2016, arising from lower valuation of the Properties as at 31 December 2016 and the divestment of the 2016 Divested Properties in 1Q 2016, upon which these fees are based on.

- (e) Donation of non-Shari'ah compliant income decreased by 51.2% mainly due to less income generated from non-core activities subjected to cleansing in 1Q 2017 over 1Q 2016.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

- (f) Other trust expenses decreased by 8.9% mainly due to lower professional fees and lower credit rating agency fees incurred in 1Q 2017 over 1Q 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 the reporting date.
- (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 2016 Divested Properties in 1Q 2016.
- (i) Distribution adjustments decreased by 37.3% in 1Q 2017 mainly due to:
 - (i) No non-tax deductible Manager's fees payable in units;
 - (ii) Absence of non-tax deductible loss relating to the divestment of the 2016 Divested Properties;
 - (iii) Lower non-tax deductible net change in fair value of financial derivatives; and partially offset by
 - (iv) One-time non-tax deductible break fees on termination of PRS F.
- (j) Distribution income decreased by 4.6% in 1Q 2017 mainly due to:
 - (i) Lower net property income as set out in (a) above; partially offset by
 - (ii) Lower profit expense arising from lower outstanding borrowings; and
 - (iii) Higher non-tax deductible straight-lining adjustments on rental income in 1Q 2017 over 1Q 2016.

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 25 January 2017, the Manager remains committed in its efforts to stay proactive in managing lease expiry profile and maintain rigorous marketing and leasing efforts to increase the Trust's portfolio occupancy. The Manager is also very focused on actively managing the Trust's cost and remains committed to enhancing the Trust's portfolio to deliver a stable income stream to the Unitholders.

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 released by the Ministry of Trade and Industry (MTI), the Singapore economy grew by 2.5% in the first quarter of 2017 on a y-o-y basis, a decrease from the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the overall GDP declined by 1.9%, after a strong rebound of 12.3% from the last quarter¹.

In the latest quarterly survey by the Monetary Authority of Singapore in March, private economists forecasted the economic growth for 2017 to be at 2.3%. This is a significant increase from the 1.5% growth projected in the survey reported in December 2016².

In a 1Q 2017 industrial property market report by JTC, the price and rental indices for the overall industrial property market has dipped by 2.2% and 0.9% respectively on a quarter-on-quarter basis. With more supply coming on-stream in the upcoming quarters, it is forecasted that the prices and rentals of industrial space will continue to soften in tandem with the fall in occupancy rates³.

As at 31 March 2017, 36.3% of Sabana REIT's leases by Net Lettable Area ("NLA") will expire in year 2017 (17.3% are Sponsor-related master leases, 5.3% are non-Sponsor-related master leases and 13.7% are leases of multi-tenanted properties). The Manager is already in discussions with all affected tenants on lease renewals. The Sponsor has indicated its commitment to exercise its option to renew the three master leases (17.3% by NLA).

On the divestment of 218 Pandan Loop, the Manager is targeting to legally complete the transaction by the second quarter of 2017.

The Manager has also resumed discussions with lenders for the refinancing of the Commodity Murabaha Facility and Convertible Sukuk maturing in August 2017 and September 2017 following the conclusion of the Extraordinary General Meeting held on 28 April 2017, and targets to refinance the S\$57.8 million maturing borrowings ahead of their maturity dates. The Manager will also continue to explore new ways to diversify funding sources and improve the Trust's borrowings maturity profile.

The Manager expects market conditions to remain challenging. With the onset of economic and political uncertainties in the global economy and over-supply of industrial space, overall rentals are likely to continue to face downward pressure. The Manager will continue its rigorous marketing and leasing efforts to diligently manage the near-term fluctuations from the Trust's lease expiry/renewal cycle to improve the occupancy level.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017

The Strategic Review Process is on-going and as announced on 20 April 2017, the Strategic Review Committee ("SRC") has received non-binding proposals from several parties. The SRC is evaluating these proposals and Sabana REIT has not entered into any binding arrangement. The Manager will make the necessary announcements in accordance with its obligations under the listing rules as and when there are any material developments arising out of the Strategic Review Process.

Sources:

- (1) "Singapore's GDP Grew by 2.5 Per Cent in the First Quarter of 2017". Ministry of Trade and Industry Singapore. 13 April 2017. Web. 13 April 2017.
- (2) "Singapore's GDP growth eases to 2.5% in Q1: Flash data". The Straits Times. 13 April 2017. Web. 13 April 2017.
- (3) "JTC Quarterly Market Report. Industrial Properties. First Quarter 2017". 1Q 2017. Web. 1Q 2017.

11. Distributions

(a) Current financial period

Any distribution declared for the current period: Yes

Name of distribution: Distribution for the first quarter ended 31 March 2017

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 income tax on the distributions received except for individuals where these distributions are exempt from tax.

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

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

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the previous corresponding period: Yes

Name of distribution: Distribution for the first quarter ended 31 March 2016

Distribution Type: Taxable income distribution – 1.33 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.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2017 TO 31 MARCH 2017**

(c) **Date Payable:** 14 June 2017

(d) **Books Closure Date:** 18 May 2017

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

9 May 2017

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

9 May 2017

Dear Sirs

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

Introduction

We have reviewed the accompanying Interim Financial Information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively the "Group") for the quarter ended 31 March 2017. The Interim Financial Information comprise the following:

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