SABANA
SHARI'AH COMPLIANT REIT

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

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR SECOND QUARTER FROM 1 APRIL 2017 TO 30 JUNE 2017 AND FIRST HALF FROM 1 JANUARY 2017 TO 30 JUNE 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 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

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**").

In light of the feedback from Unitholders, the put and call option agreements entered into for the proposed acquisition of the properties located at 107 Eunos Avenue 3 and 47 Changi South Avenue 2 were terminated on 6 July 2017 and 9 May 2017, respectively. The Manager would also not be proceeding with the proposed acquisition of the property located at 72 Eunos Avenue 7 as the put and call option agreement for the proposed transaction had ceased and determined on 20 July 2017 ("**Target Date**") due to certain conditions precedent not fulfilled by the Target Date in accordance with the terms of the agreement. Please refer to Page 11 for details on the utilisation of the gross proceeds from the Rights Issue, which are in accordance with the stated uses in the Offer Information Statement dated 30 December 2016, should any of the Proposed Acquisitions not complete.

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

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the second quarter ended 30 June 2017 ("**2Q 2017**") and the comparative period ("**2Q 2016**") as set out in this announcement have been extracted from the interim financial information for 2Q 2017 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR SECOND QUARTER FROM 1 APRIL 2017 TO 30 JUNE 2017 AND FIRST HALF FROM 1 JANUARY 2017 TO 30 JUNE 2017

SUMMARY OF RESULTS FOR SABANA GROUP

	Group					
	Quarter		Fav / (Unfav)	YTD		Fav / (Unfav)
	2Q 2017	2Q 2016		30/06/17	30/06/16	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	**21,964**	**22,630**	**(2.9)**	**43,942**	**46,236**	**(5.0)**
Net property income	**12,933**	**13,965**	**(7.4)**	**26,268**	**29,137**	**(9.8)**
Income available for distribution	**8,568**	**9,063**	**(5.5)**	**17,886**	**18,833**	**(5.0)**
Distribution per unit ("DPU") (cents) [a]	**0.81[b]**	**1.07[c]**	**(24.3)**	**1.69[b]**	**2.23[c]**	**(24.2)**
Annualised DPU (cents)	**3.25**	**4.30[c]**	**(24.4)**	**3.41**	**4.48[c]**	**(23.9)**

Notes:

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

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

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

(i) 25.0% of its fees, equivalent to approximately S$310,000, for 2Q 2017; and
(ii) 75.0% of its fees, equivalent to approximately S$944,000 for 1Q 2017.

The DPU for 2Q 2017 of 0.81 cents would have instead been approximately:

(i) 0.87 cents had the Manager been able to continue receiving 80.0% of its fees in units; or
(ii) 0.78 cents had the Manager not forgone any of its fees and received 100.0% of its fees in cash.

The DPU for the six-month period ended 30 June 2017 of 1.69 cents would have instead been approximately:

(i) 1.76 cents had the Manager been able to continue receiving 80.0% of its fees in units; or
(ii) 1.58 cents had the Manager not forgone any of its fees and received 100.0% of its fees in cash.

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

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR SECOND QUARTER FROM 1 APRIL 2017 TO 30 JUNE 2017 AND FIRST HALF FROM 1 JANUARY 2017 TO 30 JUNE 2017

1 (a)(i) Statements of Total Return and Distribution Statements (2Q 2017 vs 2Q 2016)

	Group			Trust		
	Quarter		Fav /	Quarter		Fav /
Statements of Total Return	2Q 2017	2Q 2016	(Unfav)	2Q 2017	2Q 2016	(Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [a]	21,964	22,630	(2.9)	21,964	22,630	(2.9)
Property expenses [b]	(9,031)	(8,665)	(4.2)	(9,031)	(8,665)	(4.2)
Net property income	**12,933**	**13,965**	**(7.4)**	**12,933**	**13,965**	**(7.4)**
Finance income	147	49	200.0	147	49	200.0
Finance costs	(4,121)	(5,012)	17.8	(4,038)	(4,933)	18.1
Net finance costs [c]	**(3,974)**	**(4,963)**	**19.9**	**(3,891)**	**(4,884)**	**20.3**
Manager's fees [d]	(930)	(1,318)	29.4	(930)	(1,318)	29.4
Trustee's fees	(106)	(113)	6.2	(106)	(113)	6.2
Donation of non-Shari'ah compliant income [e]	-	(16)	100.0	-	(16)	100.0
Other trust expenses	(1,296)	(283)	(358.0)	(1,300)	(287)	(353.0)
Net income	**6,627**	**7,272**	**(8.9)**	**6,706**	**7,347**	**(8.7)**
Net change in fair value of financial derivatives [f]	(556)	(259)	(114.7)	(556)	(260)	(113.8)
Net change in fair value of investment properties [g]	(27,876)	(50,843)	45.2	(27,876)	(50,843)	45.2
Total return for the period before taxation	**(21,805)**	**(43,830)**	**50.3**	**(21,726)**	**(43,756)**	**50.3**
Tax expense [h]	*	*	-	-	-	-
Total return for the period after taxation	**(21,805)**	**(43,830)**	**50.3**	**(21,726)**	**(43,756)**	**50.3**

	Group			Trust		
	Quarter		Fav /	Quarter		Fav /
Distribution Statements	2Q 2017	2Q 2016	(Unfav)	2Q 2017	2Q 2016	(Unfav)
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period after taxation	**(21,805)**	**(43,830)**	**50.3**	**(21,726)**	**(43,756)**	**50.3**
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units [d]	-	1,054	(100.0)	-	1,054	(100.0)
Amortisation of transaction costs [i]	385	562	(31.5)	307	488	(37.1)
Trustee's fees	106	113	(6.2)	106	113	(6.2)
Donation of non-Shari'ah compliant income	-	16	(100.0)	-	16	(100.0)
Net change in fair value of financial derivatives	556	259	114.7	556	260	113.8
Net change in fair value of investment properties	27,876	50,843	(45.2)	27,876	50,843	(45.2)
Effects of recognising rental income on a straight line basis over the lease term	336	(65)	NM	336	(65)	NM
Other items	1,114	111	NM	1,113	110	NM
Net effect of non-tax deductible items	**30,373**	**52,893**	**(42.6)**	**30,294**	**52,819**	**(42.6)**
Income available for distribution to Unitholders for the period	**8,568**	**9,063**	**(5.5)**	**8,568**	**9,063**	**(5.5)**

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$1,414,000 (2016: S$641,000) 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.

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

	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	2Q 2017	2Q 2016		2Q 2017	2Q 2016	
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	17	3	466.7	17	3	466.7
- Ta'widh (compensation on late payment of rent)	130	46	182.6	130	46	182.6
	147	49	200.0	147	49	200.0
Finance costs:						
- Commodity Murabaha Facilities	(1,029)	(1,853)	44.5	(1,029)	(1,853)	44.5
- Revolving Murabahah Facility	(75)	(96)	21.9	(75)	(96)	21.9
- Profit rate swaps	(154)	(19)	NM	(154)	(19)	NM
- Convertible Sukuk	(479)	(479)	-	-	-	-
- Trust Certificates	(1,957)	(1,957)	-	-	-	-
- Loans from subsidiaries	-	-	-	(2,436)	(2,436)	-
- Amortisation of transaction costs	(385)	(562)	31.5	(307)	(488)	37.1
- Brokerage and agent fees	(42)	(46)	8.7	(37)	(41)	9.8
	(4,121)	(5,012)	17.8	(4,038)	(4,933)	18.1
Net finance costs	**(3,974)**	**(4,963)**	**19.9**	**(3,891)**	**(4,884)**	**20.3**

NM denotes "not meaningful"

(d) The ordinary resolution to authorise the Manager to issue units and make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash from 1Q 2017 onwards. In 2Q 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 2Q 2017, the Manager has elected to forgo 25.0% 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:

2Q 2016

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

There was no net income subjected to the cleansing process for 2Q 2017.

(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) The net change in fair value of investment properties in 2Q 2017 relates to the revaluation loss based on the independent valuations of the Properties undertaken by the independent valuers Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd and Suntec Real Estate Consultants Pte Ltd ("**1H 2017 Valuers**") as at 30 June 2017.

The net change in fair value of investment properties in 2Q 2016 relates to the revaluation loss based on the independent valuations of the Properties undertaken by the independent valuers Knight Frank Pte Ltd and Debenham Tie Leung (SEA) Pte Ltd ("**1H 2016 Valuers**") as at 30 June 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.

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)
	30/06/17	30/06/16		30/06/17	30/06/16	
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [a]	43,942	46,236	(5.0)	43,942	46,236	(5.0)
Property expenses [b]	(17,674)	(17,099)	(3.4)	(17,674)	(17,099)	(3.4)
Net property income	**26,268**	**29,137**	**(9.8)**	**26,268**	**29,137**	**(9.8)**
Finance income	282	107	163.6	282	107	163.6
Finance costs	(9,404)	(10,339)	9.0	(9,240)	(10,184)	9.3
Net finance costs [c]	**(9,122)**	**(10,232)**	**10.8**	**(8,958)**	**(10,077)**	**11.1**
Manager's fees [d]	(1,245)	(2,715)	54.1	(1,245)	(2,715)	54.1
Trustee's fees	(215)	(233)	7.7	(215)	(233)	7.7
Donation of non-Shari'ah compliant income [e]	(21)	(59)	64.4	(21)	(59)	64.4
Other trust expenses	(1,614)	(632)	(155.4)	(1,623)	(640)	(153.6)
Net income	**14,051**	**15,266**	**(8.0)**	**14,206**	**15,413**	**(7.8)**
Net change in fair value of financial derivatives [f]	(623)	(1,052)	40.8	(623)	(1,054)	40.9
Net change in fair value of investment properties [g]	(27,876)	(50,843)	45.2	(27,876)	(50,843)	45.2
Loss on divestment of investment properties [h]	-	(558)	100.0	-	(558)	100.0
Total return for the period before taxation	**(14,448)**	**(37,187)**	**61.1**	**(14,293)**	**(37,042)**	**61.4**
Tax expense [i]	*	*	-	-	-	-
Total return for the period after taxation	**(14,448)**	**(37,187)**	**61.1**	**(14,293)**	**(37,042)**	**61.4**

Distribution Statements	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	30/06/17	30/06/16		30/06/17	30/06/16	
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period after taxation	**(14,448)**	**(37,187)**	**61.1**	**(14,293)**	**(37,042)**	**61.4**
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units [d]	-	2,172	(100.0)	-	2,172	(100.0)
Amortisation of transaction costs [j]	1,148	1,118	2.7	993	970	2.4
Break fees on termination of profit rate swaps [k]	656	-	NM	656	-	NM
Trustee's fees	215	233	(7.7)	215	233	(7.7)
Donation of non-Shari'ah compliant income	21	59	(64.4)	21	59	(64.4)
Net change in fair value of financial derivatives	623	1,052	(40.8)	623	1,054	(40.9)
Net change in fair value of investment properties	27,876	50,843	(45.2)	27,876	50,843	(45.2)
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	593	(281)	311.0	593	(281)	311.0
Other items	1,202	266	351.9	1,202	267	350.2
Net effect of non-tax deductible items	**32,334**	**56,020**	**(42.3)**	**32,179**	**55,875**	**(42.4)**
Income available for distribution to Unitholders for the period	**17,886**	**18,833**	**(5.0)**	**17,886**	**18,833**	**(5.0)**

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

Notes:

(a) Gross revenue comprises rental and other operating income from the properties.

(b) Property expenses comprise:

(i) Service, repairs, maintenance and insurances;
(ii) Property and lease management fees;
(iii) Applicable property tax, land rent and utilities expenses related to properties not under triple-net master lease agreements;
(iv) Marketing and lease administrative expenses;
(v) Other reimbursable expenses payable to the Property Manager; and
(vi) Net impairment losses on trade receivables of approximately S$2,648,000 (2016: S$624,000) 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.

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

	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	30/06/17	30/06/16		30/06/17	30/06/16	
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
- Profit income from fixed deposits with Islamic financial institutions	26	18	44.4	26	18	44.4
- Ta'widh (compensation on late payment of rent)	256	89	187.6	256	89	187.6
	282	107	163.6	282	107	163.6
Finance costs:						
- Commodity Murabaha Facilities	(2,293)	(3,909)	41.3	(2,293)	(3,909)	41.3
- Revolving Murabahah Facility	(148)	(394)	62.4	(148)	(394)	62.4
- Profit rate swaps	(227)	45	NM	(227)	45	NM
- Convertible Sukuk	(953)	(959)	0.6	-	-	-
- Trust Certificates	(3,893)	(3,914)	0.5	-	-	-
- Loans from subsidiaries	-	-	-	(4,846)	(4,873)	0.6
- Amortisation of transaction costs	(1,148)	(1,118)	(2.7)	(993)	(970)	(2.4)
- Break fees on termination of profit rate swaps	(656)	-	NM	(656)	-	NM
- Brokerage and agent fees	(86)	(90)	4.4	(77)	(83)	7.2
	(9,404)	(10,339)	9.0	(9,240)	(10,184)	9.3
Net finance costs	**(9,122)**	**(10,232)**	**10.8**	**(8,958)**	**(10,077)**	**11.1**

NM denotes "not meaningful"

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

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

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

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

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

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

(g) The net change in fair value of investment properties in Current YTD relates to the revaluation loss based on the independent valuations of the Properties undertaken by the independent 1H 2017 Valuers as at 30 June 2017.

The net change in fair value of investment properties in Prior YTD relates to the revaluation loss based on the independent valuations of the Properties undertaken by the independent 1H 2016 Valuers as at 30 June 2016.

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

(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 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.

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

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

(k) 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.

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	30/06/17	31/12/16	Change	30/06/17	31/12/16	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Non-current assets						
Investment properties [(a)]	964,000	990,600	(2.7)	964,000	990,600	(2.7)
Subsidiaries [(b)]	-	-	-	*	*	-
Derivative assets [(c)]	-	522	(100.0)	-	522	(100.0)
Total non-current assets	**964,000**	**991,122**	**(2.7)**	**964,000**	**991,122**	**(2.7)**
Current assets						
Investment properties held for divestment [(d)]	12,800	13,000	(1.5)	12,800	13,000	(1.5)
Trade and other receivables [(e)]	8,424	9,561	(11.9)	8,412	9,553	(11.9)
Cash and cash equivalents [(f)]	9,587	9,206	4.1	9,582	9,201	4.1
Total current assets	**30,811**	**31,767**	**(3.0)**	**30,794**	**31,754**	**(3.0)**
Total assets	**994,811**	**1,022,889**	**(2.7)**	**994,794**	**1,022,876**	**(2.7)**
Current liabilities						
Trade and other payables [(g)]	14,916	14,097	5.8	14,910	14,095	5.8
Borrowings [(h)]	147,463	130,209	13.3	147,539	130,440	13.1
Derivative liabilities [(i)]	-	562	(100.0)	-	562	(100.0)
Total current liabilities	**162,379**	**144,868**	**12.1**	**162,449**	**145,097**	**12.0**
Non-current liabilities						
Trade and other payables [(g)]	12,704	13,511	(6.0)	12,704	13,511	(6.0)
Borrowings [(h)]	218,309	307,715	(29.1)	218,309	307,715	(29.1)
Derivative liabilities [(i)]	663	-	NM	663	-	NM
Total non-current liabilities	**231,676**	**321,226**	**(27.9)**	**231,676**	**321,226**	**(27.9)**
Total liabilities	**394,055**	**466,094**	**(15.5)**	**394,125**	**466,323**	**(15.5)**
Net assets	**600,756**	**556,795**	**7.9**	**600,669**	**556,553**	**7.9**
Represented by:						
Unitholders' funds [(j)]	**600,756**	**556,795**	**7.9**	**600,669**	**556,553**	**7.9**

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

Notes:

(a) The carrying amounts of the investment properties as at 30 June 2017 were based on the independent desktop valuations of the Properties undertaken by the 1H 2017 Valuers. 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) Non-current derivative assets as at 31 December 2016 relate to the fair value of the profit rate swap entered into to hedge the profit rate risk on the S$90.0 million Term CMF B ("**PRS B**").

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

(d) 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.*

(e) This relates to trade receivables, prepayments, deposits, and other receivables. The lower trade and other receivables from 31 December 2016 is mainly due to lower net trade receivables as at the reporting date.

(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.

(h) 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
(v) 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;
(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 Current YTD; and
. (iii) Partial repayment of S$60.0 million of Term CMF F in Current YTD.

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

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

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

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

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

	Group		Trust	
	30/06/17	31/12/16	30/06/17	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	(23)	(486)	(23)	(486)
	14,977	**87,814**	**14,977**	**87,814**
Amount repayable after one year:				
Term CMF [(a)]	120,000	120,000	120,000	120,000
Less: Unamortised capitalised transaction costs	(1,248)	(1,476)	(1,248)	(1,476)
	118,752	**118,524**	**118,752**	**118,524**
Total secured borrowings	**133,729**	**206,338**	**133,729**	**206,338**
Unsecured borrowings				
Amount repayable within one year:				
Convertible Sukuk - debt component [(c)]	42,634	42,395	-	-
Trust Certificates [(d)]	90,000	-	-	-
Loans from subsidiaries [(e)]	-	-	132,750	42,750
Less: Unamortised capitalised transaction costs	(148)	-	(188)	(124)
	132,486	**42,395**	**132,562**	**42,626**
Amount repayable after one year:				
Trust Certificates [(d)]	100,000	190,000	-	-
Loans from subsidiaries [(e)]	-	-	100,000	190,000
Less: Unamortised capitalised transaction costs	(443)	(809)	(443)	(809)
	99,557	**189,191**	**99,557**	**189,191**
Total unsecured borrowings	**232,043**	**231,586**	**232,119**	**231,817**
Total borrowings	**365,772**	**437,924**	**365,848**	**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.

(b) Revolving Murabahah Facility

As at the reporting date, the outstanding 3-year Revolving Murabahah Facility of S$48.9 million maturing in September 2018 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	
	30/06/17	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	239	462
Carrying amount of debt component at end of the year	**42,634**	**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 was 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.

1 (c) Statement of Cash Flows

Statement of Cash Flows	Group			
	Quarter		YTD	
	2Q 2017	2Q 2016	30/06/17	30/06/16
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total return for the period after taxation and before distribution	(21,805)	(43,830)	(14,448)	(37,187)
Adjustments for:				
Manager's fees paid/payable in units	-	1,054	-	2,172
Net change in fair value of financial derivatives	556	259	623	1,052
Net change in fair value of fair value of investment properties	27,876	50,843	27,876	50,843
Loss on divestment of investment properties	-	-	-	558
Net finance costs	3,974	4,963	9,122	10,232
	10,601	13,289	23,173	27,670
Change in trade and other receivables	1,043	(509)	1,137	(1,053)
Change in trade and other payables	1,528	(4,335)	390	(2,166)
Cash generated from operating activities	13,172	8,445	24,700	24,451
Ta'widh (compensation on late payment of rent) received	130	46	256	89
Net cash from operating activities	**13,302**	**8,491**	**24,956**	**24,540**
Cash flows from investing activities				
Capital expenditure on investment properties	(772)	(637)	(1,076)	(1,143)
Divestment of investment properties	-	-	-	54,600
Profit income received from Islamic financial institutions	17	3	26	18
Net cash (used in)/from investing activities	**(755)**	**(634)**	**(1,050)**	**53,475**
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)	-
Proceeds from borrowings	-	8,000	-	8,000
Repayment of borrowings	-	(16,500)	(73,300)	(58,000)
Finance costs paid	(1,222)	(4,013)	(7,978)	(9,222)
Distributions paid	(9,267)	(9,786)	(18,534)	(20,797)
Net cash used in financing activities	**(10,489)**	**(22,299)**	**(23,525)**	**(80,019)**
Net increase/(decrease) in cash and cash equivalents	**2,058**	**(14,442)**	**381**	**(2,004)**
Cash and cash equivalents at beginning of the period	7,529	22,876	9,206	10,438
Cash and cash equivalents at end of the period	**9,587**	**8,434**	**9,587**	**8,434**

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.

The issuance costs for the Rights Issue amounted to approximately S$3.2 million.

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

1 (d)(i) Statements of Movements in Unitholders' Funds (2Q 2017 vs 2Q 2016)

	Group		Trust	
	Quarter		Quarter	
Statements of Movements in Unitholders' Funds	2Q 2017	2Q 2016	2Q 2017	2Q 2016
	S$'000	S$'000	S$'000	S$'000
Balance at beginning of the period	631,828	650,491	631,662	650,024
Operations				
Total return for the period after taxation	(21,805)	(43,830)	(21,726)	(43,756)
	610,023	**606,661**	**609,936**	**606,268**
Unitholders' transactions				
Issue of new units:				
- Manager's fees payable in units [(a)]	-	1,054	-	1,054
Distributions to Unitholders	(9,267)	(9,786)	(9,267)	(9,786)
Net decrease in net assets resulting from Unitholders' transactions	**(9,267)**	**(8,732)**	**(9,267)**	**(8,732)**
Unitholders' funds at end of the period	**600,756**	**597,929**	**600,669**	**597,536**

Note:

(a) This represents the value of new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period.

The ordinary resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM. As such, the Manager has to receive its fees fully in cash for 2Q 2017. In 2Q 2016, the Manager had elected to receive 80.0% of its fee in units and 20.0% in cash.

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

	Group		Trust	
	YTD		YTD	
Statements of Movements in Unitholders' Funds	30/06/17	30/06/16	30/06/17	30/06/16
	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	(14,448)	(37,187)	(14,293)	(37,042)
	542,347	**616,554**	**542,260**	**616,161**
Unitholders' transactions				
Issue of new units:				
- Manager's fees payable in units [(a)]	-	2,172	-	2,172
- 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	(18,534)	(20,797)	(18,534)	(20,797)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**58,409**	**(18,625)**	**58,409**	**(18,625)**
Unitholders' funds at end of the period	**600,756**	**597,929**	**600,669**	**597,536**

Notes:

(a) This represents the value of new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period.

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

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

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

	Group and Trust			
	Quarter		YTD	
	2Q 2017	2Q 2016	30/06/17	30/06/16
Units in issue:				
Units in issue at beginning of the period	1,053,083,530	734,026,663	739,791,059	732,381,036
Manager's fees paid in units [(a)]	-	1,767,466	2,580,227	3,413,093
Rights Issue [(b)]	-	-	310,712,244	-
Issued units at the end of the period	**1,053,083,530**	**735,794,129**	**1,053,083,530**	**735,794,129**
Units to be issued:				
Manager's fees payable in units [(a)]	-	1,946,359	-	1,946,359
Total issued and to be issued units	**1,053,083,530**	**737,740,488**	**1,053,083,530**	**737,740,488**

Notes:

(a) 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 2Q 2017 and Current YTD. In 2Q 2016 and Prior YTD, the Manager had elected to receive 80.0% of its fees in units and 20.0% in cash.

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

Convertible Sukuk

Sabana Group has the following Convertible Sukuk outstanding as at 30 June 2017:

Principal Amount Outstanding	Maturity Date	Conversion Price per unit as at 30 June 2017
Convertible Sukuk due 2017 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 30 June 2017.

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared with the audited financial statements for the year ended 31 December 2016.

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 2017 vs 2Q 2016)

	Group			Trust		
	Quarter			Quarter		
	2Q 2017	2Q 2016 As restated[d]	2Q 2016 As previously reported	2Q 2017	2Q 2016 As restated[d]	2Q 2016 As previously reported
Basic and diluted EPU						
Weighted average number of units in issue	1,053,083,530	841,528,473	735,329,950	1,053,083,530	841,528,473	735,329,950
Basic and diluted EPU for the period based on the weighted average number of units in issue (cents) [a][b]	(2.07)[c]	(5.21)[c]	(5.96)[c]	(2.06)[c]	(5.20)[c]	(5.95)[c]

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.

Earnings per unit (Current YTD vs Prior YTD)

	Group			Trust		
	YTD			YTD		
	30/06/17	30/06/16 As restated[d]	30/06/16 As previously reported	30/06/17	30/06/16 As restated[d]	30/06/16 As previously reported
Basic and diluted EPU						
Weighted average number of units in issue	1,011,513,476	840,492,979	734,425,133	1,011,513,476	840,492,979	734,425,133
Basic and diluted EPU for the period based on the weighted average number of units in issue (cents) [a][b]	(1.43)[c]	(4.42)[c]	(5.06)[c]	(1.41)[c]	(4.40)[c]	(5.04)[c]

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 (2Q 2017 vs 2Q 2016)

	Group and Trust		
	2Q 2017	2Q 2016 As restated[(b)]	2Q 2016 As previously reported
Number of units issued and to be issued at end of period entitled to distribution	1,053,083,530[(a)]	844,287,148	737,740,488[(a)]
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	0.81	1.07	1.23

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 30 June 2017 of 1,053,083,530 (30 June 2016: 735,794,129); and
(ii) No new units (30 June 2016: 1,946,359 units) to be issued to the Manager as consideration of Manager's fees incurred for 2Q 2017 (30 June 2016: by 31 July 2016 as partial consideration of Manager's fees incurred for 2Q 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.

Distribution per unit (Current YTD vs Prior YTD)

	Group and Trust		
	30/06/17	30/06/16 As restated[(b)]	30/06/16 As previously reported
Number of units issued and to be issued at end of period entitled to distribution	1,053,083,530[(a)]	844,287,148	737,740,488[a)]
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	1.69	2.23	2.56

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 30 June 2017 of 1,053,083,530 (30 June 2016: 735,794,129); and
(ii) No new units (30 June 2016: 1,946,359 units) to be issued to the Manager as consideration of Manager's fees incurred for 2Q 2017 (30 June 2016: by 31 July 2016 as partial consideration of Manager's fees incurred for 2Q 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 30/06/17	As at 31/12/16	As at 30/06/17	As at 31/12/16
Net asset value ("**NAV**") and net tangible asset ("**NTA**") per unit (S$) [(a)]	0.57	0.75	0.57	0.75

Note:

(a) The number of units used to compute NAV and NTA per unit is 1,053,083,530 (31 December 2016: 742,371,286), comprising:

(i) The number of units in issue as at 30 June 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 2Q 2017 (31 December 2016: by 31 January 2017 as partial consideration of Manager's fees incurred for 4Q 2016) as the resolution to authorise the Manager to issue units and to make or grant convertible instruments was not passed at the AGM.

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

2Q 2017 vs 2Q 2016

	Group		
	Quarter		Fav / (Unfav)
Statement of Total Return	2Q 2017	2Q 2016	
	S$'000	S$'000	%
Gross revenue [(a)]	21,964	22,630	(2.9)
Property expenses [(a)]	(9,031)	(8,665)	(4.2)
Net property income [(a)]	**12,933**	**13,965**	**(7.4)**
Finance income	147	49	200.0
Finance costs	(4,121)	(5,012)	17.8
Net finance costs [(b)]	**(3,974)**	**(4,963)**	**19.9**
Manager's fees [(c)]	(930)	(1,318)	29.4
Trustee's fees [(d)]	(106)	(113)	6.2
Donation of non-Shari'ah compliant income [(e)]	-	(16)	100.0
Other trust expenses [(f)]	(1,296)	(283)	(358.0)
Net income	**6,627**	**7,272**	**(8.9)**
Net change in fair value of financial derivatives [(g)]	(556)	(259)	(114.7)
Net change in fair value of investment properties [(h)]	(27,876)	(50,843)	45.2
Total return for the period before taxation and distribution	**(21,805)**	**(43,830)**	**50.3**
Tax expense	*	*	-
Total return for the period before distribution	**(21,805)**	**(43,830)**	**50.3**
Distribution adjustments [(i)]	30,373	52,893	**(42.6)**
Income available for distribution [(j)]	**8,568**	**9,063**	**(5.5)**

*Less than S$1,000

Notes:

(a) Net property income decreased by 7.4% mainly due to:

Lower gross revenue by 2.9% largely arising from lower contribution from:

(i) 8 Commonwealth Lane, 508 Chai Chee Lane, 23 Serangoon North Avenue 5, 123 Genting Lane, 2 Toh Tuck Link in 2Q 2017 over 2Q 2016;
(ii) 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016; and partially offset by
(iii) Higher contribution from 9 Tai Seng Drive and 15 Jalan Kilang Barat in 2Q 2017 over 2Q 2016.

Higher property expenses by 4.2% largely arising from:

(i) Higher net impairment losses on trade receivables in 2Q 2017 over 2Q 2016 largely arising from the master tenants at 1 Tuas Avenue 4 and 6 Woodlands Loop whose arrears were in excess of the security deposit 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; and partially offset by
(iii) Lower property tax, land rent, utilities and marketing expenses from certain multi-tenanted and non-triple-net master tenanted properties in 2Q 2017 over 2Q 2016.

(b) Net finance costs decreased by 19.9% mainly due to lower profit expense arising from lower outstanding borrowings in 2Q 2017 over 2Q 2016 due to the repayment of outstanding borrowings using the net divestment proceeds from the 2016 Divested Properties and the net proceeds from the Rights Issue, pending the deployment of such funds for their intended purposes.

(c) Manager's fees decreased by 29.4% mainly due to:

(i) The Manager forgoing 25.0% of its fees for 2Q 2017; and
(ii) The lower total assets in 2Q 2017 over 2Q 2016, arising from lower valuation of the Properties as at 30 June 2017, upon which these fees are based on.

(d) Trustee fees decreased by 6.2% mainly due to the lower total assets in 2Q 2017 over 2Q 2016, arising from lower valuation of the Properties as at 30 June 2017, upon which these fees are based on.

(e) Donation of non-Shari'ah compliant income decreased by 100.0% in 2Q 2017 over 2Q 2016 mainly due to nil income generated from non-core activities subjected to cleansing.

(f) Other trust expenses increased by 358.0% mainly due to the one-time non-tax deductible legal, professional and advisory fees relating to the Extraordinary General Meeting ("**EGM**") held on 28 April 2017 and higher unitholder reporting expenses incurred in 2Q 2017 over 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 the reporting date.

(h) The net change in fair value of investment Properties in 2Q 2016 and 2Q 2017 relates to the revaluation loss of the Properties undertaken by the independent 1H 2017 Valuers and 1H 2016 Valuers as at 30 June 2017 and 30 June 2016 respectively.

(i) Distribution adjustments decreased by 42.6% mainly due to:

(i) No non-tax deductible Manager's fees payable in units in 2Q 2017;
(ii) Lower non-tax deductible net change in fair value of investment properties; partially offset by
(iii) Higher non-tax deductible legal, professional and advisory fees incurred in 2Q 2017 over 2Q 2016; and
(iv) Higher non-tax deductible straight-lining adjustments on rental income in 2Q 2017 over 2Q 2016.

(j) Distribution income decreased by 5.5% mainly due to:

(i) Lower net property income as set out in (a) above;
(ii) Higher Manager's fees payable in cash in 2Q 2017 over 2Q 2016; partially offset by
(iii) Lower profit expense arising from lower outstanding borrowings in 2Q 2017 over 2Q 2016; and
(iv) Higher non-tax deductible straight-lining adjustments on rental income in 2Q 2017 over 2Q 2016.

Current YTD vs Prior YTD

Statement of Total Return	Group		
	YTD		Fav / (Unfav)
	30/06/17	30/06/16	
	S$'000	S$'000	%
Gross revenue [a]	43,942	46,236	(5.0)
Property expenses [a]	(17,674)	(17,099)	(3.4)
Net property income [a]	**26,268**	**29,137**	**(9.8)**
Finance income	282	107	163.6
Finance costs	(9,404)	(10,339)	9.0
Net finance costs [b]	**(9,122)**	**(10,232)**	**10.8**
Manager's fees [c]	(1,245)	(2,715)	54.1
Trustee's fees [d]	(215)	(233)	7.7
Donation of non-Shari'ah compliant income [e]	(21)	(59)	64.4
Other trust expenses [f]	(1,614)	(632)	(155.4)
Net income	**14,051**	**15,266**	**(8.0)**
Net change in fair value of financial derivatives [g]	(623)	(1,052)	40.8
Net change in fair value of investment properties [h]	(27,876)	(50,843)	45.2
Loss of divestment on investment properties [i]	-	(558)	100.0
Total return for the period before taxation and distribution	**(14,448)**	**(37,187)**	**61.1**
Tax expense	*	*	-
Total return for the period before distribution	**(14,448)**	**(37,187)**	**61.1**
Distribution adjustments [j]	32,334	56,020	(42.3)
Income available for distribution [k]	**17,886**	**18,833**	**(5.0)**

*Less than S$1,000

Notes:

(a) Net property income decreased by 9.8% mainly due to:

Lower gross revenue by 5.0% largely arising from lower contribution from:

(i) 2016 Divested Properties which were divested in 1Q 2016;
(ii) 508 Chai Chee Lane, 8 Commonwealth Lane, 23 Serangoon North Avenue 5, 2 Toh Tuck Link and 34 Penjuru Lane in Current YTD over Prior YTD;
(iii) 39 Ubi Road 1 which was converted into multi-tenanted lease arrangements in 4Q 2016; and partially offset by
(iv) Higher contribution from 9 Tai Seng Drive and 15 Jalan Kilang Barat in Current YTD over Prior YTD.

Higher property expenses by 3.4% largely arising from:

(i) Higher net impairment losses on trade receivables in Current YTD over Prior YTD largely arising from the master tenants at 1 Tuas Avenue 4 and 6 Woodlands Loop whose arrears were in excess of the security deposit 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 property tax, land rent, utilities and marketing expenses from certain multi-tenanted and non-triple-net master tenanted properties in Current YTD over Prior YTD; and
(iv) Lower property expenses from the 2016 Divested Properties which were divested in 1Q 2016.

(b) Net finance costs decreased by 10.8% mainly due to:

(i) Lower profit expense arising from lower outstanding borrowings in Current YTD over Prior YTD 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 54.1% mainly due to:

(i) The Manager forgoing 75.0% of its fees for 1Q 2017 and 25.0% of its fees for 2Q 2017; and
(ii) The lower total assets in Current YTD over Prior YTD, arising from lower valuation of the Properties as at 31 December 2016 and 30 June 2017 and the divestment of the 2016 Divested Properties in 1Q 2016, upon which these fees are based on.

(d) Trustee fees decreased by 7.7% mainly due to the lower total assets in Current YTD over Prior YTD, arising from lower valuation of the Properties as at 31 December 2016 and 30 June 2017 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 64.4% in Current YTD over Prior YTD mainly due to less income generated from non-core activities subjected to cleansing.

(f) Other trust expenses increased by 155.4% mainly due to the one-time non-tax deductible legal, professional and advisory fees relating to the EGM held on 28 April 2017 and higher unitholder reporting expenses incurred in Current YTD over Prior YTD.

(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 during the Current YTD and Prior YTD.

(h) The net change in fair value of investment properties in Current YTD and Prior YTD relates to the revaluation loss of the Properties undertaken by the independent 1H 2017 Valuers and 1H 2016 Valuers as at 30 June 2017 and 30 June 2016 respectively.

(i) 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.

(j) Distribution adjustments decreased by 42.3% mainly due to:

(i) No non-tax deductible Manager's fees payable in units in Current YTD;
(ii) Absence of non-tax deductible loss relating to the divestment of the 2016 Divested Properties in Current YTD;
(iii) Lower non-tax deductible net change in fair value of investment properties and financial derivatives in Current YTD over Prior YTD; partially offset by
(iv) One-time non-tax deductible break fees on termination of PRS F in Current YTD;
(v) Higher non-tax deductible legal, professional and advisory fees incurred in Current YTD over Prior YTD; and
(vi) Higher non-tax deductible straight-lining adjustments on rental income in Current YTD over Prior YTD.

(k) Distribution income decreased by 5.0% mainly due to:

(i) Lower net property income as set out in (a) above;
(ii) Higher Manager's fees payable in cash in Current YTD over Prior YTD; partially offset by
(iii) Lower profit expense arising from lower outstanding borrowings in Current YTD over Prior YTD; and
(iv) Higher non-tax deductible straight-lining adjustments on rental income in Current YTD over Prior YTD.

9. Variance between forecast and the actual results

The Manager has not disclosed any financial forecast to the market. However as indicated in the previous quarter's announcement dated 9 May 2017, the Manager remains committed in 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.

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

According to the advance estimates released by the Ministry of Trade and Industry (MTI), the Singapore economy expanded by 2.5% in the second quarter of 2017 on a y-o-y basis, a same pace of growth as the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the overall GDP increased by 0.4%, contrary to the 1.9% decline in the previous quarter[1].

In the latest survey conducted by the Monetary Authority of Singapore, private economists forecasted economic growth for 2017 to be 2.5% this year, higher than the forecasted growth of 2.3% in March[2].

The softening of the industrial property market together with an increasing supply of industrial space, however, are likely to put further pressure on overall rentals and occupancy levels[3].

While the Manager expects market conditions to remain challenging, it is focusing on managing short-term volatility through marketing and leasing efforts, retaining existing tenants while improving its occupancy levels in the multi-tenanted buildings to secure long-term value for Unitholders. Ahead of their maturity, the Manager has commenced discussions with the relevant parties on the possible renewal of five master leases

expiring this year, three of which are Sponsor-related properties. The Sponsor has indicated its commitment to exercise its options to renew the three master leases at prevailing market rents in line with those of similar properties in similar locations.

On the divestment of 218 Pandan Loop announced on 5 December 2016, the Manager targets to complete the transaction by 3Q 2017. The Manager is also working towards refinancing the Commodity Murabaha Facility and Convertible Sukuk maturing in August and September 2017 ahead of their maturity dates.

As announced previously, Sabana REIT is undertaking a strategic review of the Trust and the Strategic Review Committee ("SRC") continues to evaluate non-binding proposals from several parties. No binding agreements have been entered into at this time and the Manager will make the necessary announcements in accordance with its obligations under the listing rules as and when there are any material developments.

Sources:

(1) "Singapore's GDP Grew by 2.5 Per Cent in the Second Quarter of 2017". Ministry of Trade and Industry Singapore. 14 July 2017. Web. 14 July 2017.

(2) "Singapore to release advance Q2 GDP estimates on July 14". The Straits Times. 7 July 2017. Web. 7 July 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 second quarter ended 30 June 2017

Distribution Type: Taxable income distribution – 0.81 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 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.

(c) Date Payable: 29 August 2017

(d) Books Closure Date: 2 August 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 misleading, 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

25 July 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

25 July 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 and six-month period ended 30 June 2017. The Interim Financial Information comprise the following:

- Statements of financial position of the Group and the Trust as at 30 June 2017;
- Portfolio statement of the Group as at 30 June 2017;
- Statements of total return of the Group and the Trust for the quarter and the six-month period ended 30 June 2017;
- Distribution statements of the Group and the Trust for the quarter and the six-month period ended 30 June 2017;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the six-month period ended 30 June 2017;
- Statement of cash flows of the Group for the six-month period ended 30 June 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.

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

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust in meeting the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited's Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its Interim Financial Information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore