
**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014
TO 30 SEPTEMBER 2014**

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 22 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. 200 Pandan Loop, Pantech 21, Singapore 128388
5. 15 Jalan Kilang Barat, Frontech Centre, Singapore 159357
6. 33 & 35 Penjuru Lane, Freight Links Express Logisticpark, Singapore 609200/609202
7. 18 Gul Drive, Singapore 629468
8. 1 Tuas Avenue 4, Singapore 639382
9. 34 Penjuru Lane, Penjuru Logistics Hub, Singapore 609201
10. 51 Penjuru Road, Freight Links Express Logisticcentre, Singapore 609143
11. 26 Loyang Drive, Singapore 508970
12. 3 Kallang Way 2A, Fong Tat Building, Singapore 347493
13. 218 Pandan Loop, Singapore 128408
14. 123 Genting Lane, Yenom Industrial Building, Singapore 349574
15. 30 & 32 Tuas Avenue 8, Singapore 639246/639247
16. 3A Joo Koon Circle, Singapore 629033
17. 2 Toh Tuck Link, Singapore 596225
18. 21 Joo Koon Crescent, Singapore 629026
19. 39 Ubi Road 1, Singapore 408695
20. 6 Woodlands Loop, Singapore 738346
21. 23 Serangoon North Avenue 5, BTH Centre, Singapore 554530
22. 508 Chai Chee Lane, Singapore 469032

On 19 March 2014, Sabana Sukuk Pte. Ltd. ("**SSPL**"), a wholly-owned subsidiary of the Trust, issued S\$90.0 million in principal amount of 4.0 Per Cent. Fixed Periodic Distribution Trust Certificates due 19 March 2018 ("**Trust Certificates Series I**") under the S\$500.0 million Multicurrency Islamic Trust Certificates Issuance Programme (the "**Programme**") that was set up on 16 April 2013. The proceeds of the Trust Certificates Series I were applied towards the refinancing of S\$90.0 million on a term facility under the Commodity Murabaha Facilities ("**CMF**") ahead of its maturity in November 2014.

On 1 April 2014, Sabana Shari'ah Compliant REIT announced the establishment of a distribution reinvestment plan ("**DRP**"), which will give Unitholders the option to receive distributions in the form of fully-paid new units in Sabana Shari'ah Compliant REIT in lieu of part only or all of the cash amount of any distribution to which the DRP applies.

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the third quarter ended 30 September 2014 ("**3Q 2014**") and the comparative period ("**3Q 2013**") as set out in this announcement have been extracted from the interim condensed financial information for the period 3Q 2014 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

Subsequently, on 3 October 2014, SSPL issued S\$100.0 million in principal amount of 4.25 Per Cent. Fixed Periodic Distribution Trust Certificates due 2019. The proceeds of the Trust Certificates Series II will be applied towards the refinancing of existing borrowings of the Group and/or financing the proposed acquisition of the property located at 10 Changi South Street 2, Singapore 486596 ("**Proposed Acquisition**"). The Proposed Acquisition is expected to be legally completed in 4Q 2014.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014
TO 30 SEPTEMBER 2014**

SUMMARY OF RESULTS FOR SABANA GROUP

	Group					
	Quarter		Fav / (Unfav)	YTD		Fav / (Unfav)
	3Q 2014	3Q 2013		30/09/14	30/09/13	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	25,126	21,598	16.3	75,050	64,661	16.1
Net property income	18,048	19,998	(9.8)	54,783	60,485	(9.4)
Income available for distribution	12,689	15,552	(18.4)	38,733	46,628	(16.9)
Distribution per unit ("DPU") (cents) ^(a)	1.81	2.38	(23.9)	5.55	7.19	(22.8)
Annualised DPU (cents)	7.18	9.44	(23.9)	7.42	9.61	(22.8)

Note:

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

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

1 (a)(i) Statements of Total Return and Distribution Statements (3Q 2014 vs 3Q 2013)

Statements of Total Return	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	3Q 2014	3Q 2013		3Q 2014	3Q 2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	25,126	21,598	16.3	25,126	21,598	16.3
Property expenses ^(b)	(7,078)	(1,600)	(342.4)	(7,078)	(1,600)	(342.4)
Net property income	18,048	19,998	(9.8)	18,048	19,998	(9.8)
Finance income	24	12	100.0	24	12	100.0
Finance costs	(5,177)	(4,983)	(3.9)	(5,060)	(4,872)	(3.9)
Net finance costs ^(c)	(5,153)	(4,971)	(3.7)	(5,036)	(4,860)	(3.6)
Amortisation of intangible assets	(418)	(326)	(28.2)	(418)	(326)	(28.2)
Manager's fees	(1,555)	(1,453)	(7.0)	(1,555)	(1,453)	(7.0)
Trustee's fees	(131)	(124)	(5.6)	(131)	(124)	(5.6)
Donation of non-Shari'ah compliant income ^(d)	(13)	(29)	55.2	(13)	(29)	55.2
Other trust expenses	(308)	(176)	(75.0)	(311)	(180)	(72.8)
Net income	10,470	12,919	(19.0)	10,584	13,026	(18.7)
Net change in fair value of financial derivatives ^(e)	322	622	(48.2)	819	(790)	203.7
Net change in fair value of investment properties ^(f)	-	(415)	100.0	-	(415)	100.0
Total return for the period before taxation	10,792	13,126	(17.8)	11,403	11,821	(3.5)
Tax expense ^(g)	*	*	-	-	-	-
Total return for the period after taxation	10,792	13,126	(17.8)	11,403	11,821	(3.5)

Distribution Statements	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	3Q 2014	3Q 2013		3Q 2014	3Q 2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxation	10,792	13,126	(17.8)	11,403	11,821	(3.5)
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units	1,243	1,162	7.0	1,243	1,162	7.0
Amortisation of intangible assets	418	326	28.2	418	326	28.2
Amortisation of transaction costs ^(h)	803	901	(10.9)	688	794	(13.4)
Trustee's fees	131	124	5.6	131	124	5.6
Donation of non-Shari'ah compliant income	13	29	(55.2)	13	29	(55.2)
Net change in fair value of financial derivatives	(322)	(622)	48.2	(819)	790	(203.7)
Net change in fair value of investment properties	-	415	(100.0)	-	415	(100.0)
Effects of recognising rental income on a straight line basis over the lease term	(507)	(8)	NM	(507)	(8)	NM
Other items	118	99	19.2	119	99	20.2
Net effect of non-tax deductible items	1,897	2,426	(21.8)	1,286	3,731	(65.5)
Income available for distribution to Unitholders for the period	12,689	15,552	(18.4)	12,689	15,552	(18.4)

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; and
 - (v) Other reimbursable expenses payable to the Property Manager.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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

	Group			Trust		
	Quarter		Fav / (Unfav)	Quarter		Fav / (Unfav)
	3Q 2014	3Q 2013		3Q 2014	3Q 2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
- Finance income from fixed deposits with Islamic financial institutions	11	10	10.0	11	10	10.0
- Ta'widh (compensation on late payment of rent)	13	2	NM	13	2	NM
	24	12	100.0	24	12	100.0
Finance costs:						
- Commodity Murabaha Facilities	(1,834)	(2,464)	25.6	(1,834)	(2,464)	25.6
- Profit rate swaps	(751)	(735)	(2.2)	(751)	(735)	(2.2)
- Convertible Sukuk	(823)	(823)	-	-	-	-
- Trust Certificates	(907)	-	NM	-	-	-
- Loans from subsidiaries	-	-	-	(1,730)	(823)	(110.2)
- Amortisation of transaction costs	(803)	(901)	10.9	(688)	(794)	13.4
- Brokerage and agent fees	(59)	(60)	1.7	(57)	(56)	(1.8)
	(5,177)	(4,983)	(3.9)	(5,060)	(4,872)	(3.9)
Net finance costs	(5,153)	(4,971)	(3.7)	(5,036)	(4,860)	(3.6)

NM denotes "not meaningful"

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

3Q 2014

- Operation Hope Foundation; and
- Habitat for Humanity Singapore.

3Q 2013

- Ng Wei Qi Neira, an infant diagnosed with brain tumours

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

(f) Net change in fair value of investment properties in 3Q 2013 relates to the difference in the acquisition costs of 508 Chai Chee Lane ("**Acquisition Property**") and its fair value per the independent valuer, CKS Property Consultants Pte Ltd ("**Independent Valuer**"). The acquisition costs comprise the purchase consideration paid to the vendor, land premium payable to Jurong Town Corporation ("**Land Premium**"), stamp duty on the Land Premium and any directly attributable expenditure, such as acquisition fees and professional fees ("**Acquisition Costs**").

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

(h) This represents the amortisation of upfront fees and legal fees pertaining to the CMF, Convertible Sukuk, Trust Certificates Series I and loans from subsidiaries. These items are non-tax deductible and have no impact on income available for distribution.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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)
	30/09/14	30/09/13		30/09/14	30/09/13	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	75,050	64,661	16.1	75,050	64,661	16.1
Property expenses ^(b)	(20,267)	(4,176)	(385.3)	(20,267)	(4,176)	(385.3)
Net property income	54,783	60,485	(9.4)	54,783	60,485	(9.4)
Finance income	67	54	24.1	67	54	24.1
Finance costs	(17,019)	(14,667)	(16.0)	(16,676)	(14,331)	(16.4)
Net finance costs ^(c)	(16,952)	(14,613)	(16.0)	(16,609)	(14,277)	(16.3)
Amortisation of intangible assets	(1,042)	(1,036)	(0.6)	(1,042)	(1,036)	(0.6)
Manager's fees	(4,613)	(4,309)	(7.1)	(4,613)	(4,309)	(7.1)
Trustee's fees	(388)	(360)	(7.8)	(388)	(360)	(7.8)
Donation of non-Shari'ah compliant income ^(d)	(47)	(92)	48.9	(47)	(92)	48.9
Other trust expenses	(959)	(1,289)	25.6	(969)	(1,297)	25.3
Loss on conversion of Convertible Sukuk ^(e)	-	(1,228)	100.0	-	(1,010)	100.0
Net income	30,782	37,558	(18.0)	31,115	38,104	(18.3)
Net change in fair value of financial derivatives ^(f)	3,306	653	406.3	1,623	2,440	(33.5)
Net change in fair value of investment properties ^(g)	-	(415)	100.0	-	(415)	100.0
Total return for the period before taxation	34,088	37,796	(9.8)	32,738	40,129	(18.4)
Tax expense ^(h)	*	*	-	-	-	-
Total return for the period after taxation	34,088	37,796	(9.8)	32,738	40,129	(18.4)

Distribution Statements	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	30/09/14	30/09/13		30/09/14	30/09/13	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxation	34,088	37,796	(9.8)	32,738	40,129	(18.4)
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units	3,690	3,447	7.0	3,690	3,447	7.0
Amortisation of intangible assets	1,042	1,036	0.6	1,042	1,036	0.6
Amortisation of transaction costs ⁽ⁱ⁾	2,414	2,508	(3.7)	2,079	2,179	(4.6)
Transaction costs written off ^(c)	260	-	NM	260	-	NM
Break costs on prepayment of borrowings ^(c)	909	-	NM	909	-	NM
Break fees on termination of profit rate swap ^(c)	589	-	NM	589	-	NM
Trustee's fees	388	360	7.8	388	360	7.8
Donation of non-Shari'ah compliant income	47	92	(48.9)	47	92	(48.9)
Net change in fair value of financial derivatives	(3,306)	(653)	(406.3)	(1,623)	(2,440)	33.5
Net change in fair value of investment properties	-	415	(100.0)	-	415	(100.0)
Loss on conversion of Convertible Sukuk	-	1,228	(100.0)	-	1,010	(100.0)
Effects of recognising rental income on a straight line basis over the lease term	(1,770)	(478)	(270.3)	(1,770)	(478)	(270.3)
Other items	382	877	(56.4)	384	878	(56.3)
Net effect of non-tax deductible items	4,645	8,832	(47.4)	5,995	6,499	(7.8)
Income available for distribution to Unitholders for the period	38,733	46,628	(16.9)	38,733	46,628	(16.9)

NM denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) Gross revenue comprises rental and other operating income from the Properties.
- (b) Property expenses comprise:
- (i) Service, repairs, maintenance and insurances;
 - (ii) Property and lease management fees;
 - (iii) Applicable property tax, land rent and utilities expenses related to properties not under triple-net master lease agreements;
 - (iv) Marketing and lease administrative expenses; and
 - (v) Other reimbursable expenses payable to the Property Manager.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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

	Group			Trust		
	YTD		Fav / (Unfav)	YTD		Fav / (Unfav)
	30/09/14	30/09/13		30/09/14	30/09/13	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
- Finance income from fixed deposits with Islamic financial institutions	33	44	(25.0)	33	44	(25.0)
- Ta'widh (compensation on late payment of rent)	34	10	240.0	34	10	240.0
	67	54	24.1	67	54	24.1
Finance costs:						
- Commodity Murabaha Facilities	(6,318)	(7,344)	14.0	(6,318)	(7,344)	14.0
- Profit rate swaps	(1,979)	(2,127)	7.0	(1,979)	(2,127)	7.0
- Convertible Sukuk	(2,441)	(2,508)	2.7	-	-	-
- Trust Certificates	(1,923)	-	NM	-	-	-
- Loans from subsidiaries	-	-	-	(4,364)	(2,508)	(74.0)
- Amortisation of transaction costs	(2,414)	(2,508)	3.7	(2,079)	(2,179)	4.6
- Transaction costs written off	(260)	-	NM	(260)	-	NM
- Break costs on prepayment of borrowings	(909)	-	NM	(909)	-	NM
- Break fees for profit rate swap	(589)	-	NM	(589)	-	NM
- Brokerage and agent fees	(186)	(180)	(3.3)	(178)	(173)	(2.9)
	(17,019)	(14,667)	(16.0)	(16,676)	(14,331)	(16.4)
Net finance costs	(16,952)	(14,613)	(16.0)	(16,609)	(14,277)	(16.3)

NM denotes "not meaningful"

In March 2014, Sabana Group completed a refinancing exercise whereby the net proceeds from the issuance of the Trust Certificates Series I were used to partially prepay S\$90.0 million of the Term CMF C ahead of its maturity in November 2014 ("**Early Refinancing Exercise**").

As a result, the following one-time finance costs associated with the Early Refinancing Exercise were incurred during Current YTD:

- (i) Unamortised transaction costs relating to the S\$90.0 million of Term CMF C which was prepaid being written off;
- (ii) Break costs on the prepayment of S\$90.0 million on Term CMF C; and
- (iii) Break fees on the termination of the profit rate swap used for hedging Term CMF C.

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

Refer to Item 1(b)(ii) on Page 9 for further details.

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

Current YTD

- Lien Aid (1Q 2014);
- Ananias Centre (1Q 2014);
- Muslim Kidney Action Association (2Q 2014);
- Operation Hope Foundation (3Q 2014); and
- Habitat for Humanity Singapore (3Q 2014).

Prior YTD

- Mendaki Social Enterprise Network Services Pte Ltd (1Q 2013);
- Singapore Red Cross Society for the Philippines Relief Fund (1Q 2013);
- Lions Befrienders Service Association (Singapore) (2Q 2013);
- Ananias Centre (2Q 2013); and
- Ng Wei Qi Neira, an infant diagnosed with brain tumours (3Q 2013).

(e) This represents the Prior YTD loss relating to the conversion of aggregate principal amount of S\$7.5 million of Convertible Sukuk by Converting Sukukholders into 6,285,090 units at the then conversion price of S\$1.1933. This item is non-tax deductible and has no impact on income available for distribution.

(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 recognised YTD.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

- (g) Net change in fair value of investment properties in Prior YTD relates to the difference in the Acquisition Costs of the Acquisition Property and its fair value per the Independent Valuer.
- (h) This pertains to the tax expense of subsidiaries.
- (i) This represents the amortisation of upfront fees and legal fees pertaining to the CMF, Convertible Sukuk, Trust Certificates Series I and loans from subsidiaries. These items are non-tax deductible and have no impact on income available for distribution.

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

Statements of Financial Position	Group			Trust		
	30/09/14	31/12/13	Change	30/09/14	31/12/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets						
Investment properties	1,212,300	1,211,430	0.1	1,212,300	1,211,430	0.1
Intangible assets ^(a)	788	1,830	(56.9)	788	1,830	(56.9)
Subsidiaries ^(b)	-	-	-	*	*	-
Total non-current assets	1,213,088	1,213,260	NM	1,213,088	1,213,260	NM
Current assets						
Trade and other receivables ^(c)	8,299	6,409	29.5	8,292	6,407	29.4
Cash and cash equivalents ^(d)	12,423	17,084	(27.3)	12,417	17,078	(27.3)
Total current assets	20,722	23,493	(11.8)	20,709	23,485	(11.8)
Total assets	1,233,810	1,236,753	(0.2)	1,233,797	1,236,745	(0.2)
Current liabilities						
Trade and other payables ^(e)	14,208	18,869	(24.7)	14,200	18,864	(24.7)
Borrowings ^(f)	287,024	130,376	120.2	288,521	130,376	121.3
Derivative liabilities ^(g)	2,011	3,479	(42.2)	932	717	30.0
Total current liabilities	303,243	152,724	98.6	303,653	149,957	102.5
Non-current liabilities						
Trade and other payables ^(e)	8,975	6,626	35.5	8,975	6,626	35.5
Borrowings ^(f)	162,272	317,016	(48.8)	162,272	318,848	(49.1)
Derivative liabilities ^(g)	2,045	3,883	(47.3)	2,045	3,883	(47.3)
Total non-current liabilities	173,292	327,525	(47.1)	173,292	329,357	(47.4)
Total liabilities	476,535	480,249	(0.8)	476,945	479,314	(0.5)
Net assets	757,275	756,504	0.1	756,852	757,431	(0.1)
Represented by:						
Unitholders' funds ^(h)	757,275	756,504	0.1	756,852	757,431	(0.1)

NM denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) This represents the unamortised rental support provided by the vendors of 9 Tai Seng Drive and 6 Woodlands Loop which can be drawn down over five years from the 26 November 2010 and three years from 15 December 2011, being their respective acquisition dates. The decrease in intangible assets is mainly due to the amortisation of the rental support.
- (b) This relates to the cost of investments in Sabana Treasury Pte. Ltd. ("STPL") and SSPL, wholly-owned subsidiaries of the Trust.
- (c) This relates to trade receivables, prepayments, deposits, and other receivables. The increase is mainly due to:
- (i) The straight-lining adjustments on rental revenue over the term of leases which have step-up rental escalation clauses and rent-free periods during Current YTD; and
 - (ii) Payment of the deposit relating to the Proposed Acquisition.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

(d) This relates to bank balances and Shari'ah compliant deposits held with Islamic financial institutions. Please refer to the Statement of Cashflows under Item 1(c) on Page 11 for further details in the movement of cash and cash equivalents.

(e) This relates to trade payables, security deposits, rental received in advance, retention sums and accruals and provisions.

The movements in current and non-current trade payables from 31 December 2013 are mainly due to:

- (i) Reclassification of security deposits from current to non-current upon renewal of tenants' expiring leases to new expiry dates of more than twelve months from the reporting date; and
- (ii) Utilisation of rental support received upfront from the vendors of 9 Tai Seng Drive and 6 Woodlands Loop.

(f) Current borrowings represent the following at Sabana Group and the Trust:

- (i) Amortised cost of the principal amount of S\$218.3 million drawn from the Revolving CMF D, remaining Term CMF C and Term CMF E;
- (ii) Amortised cost of the liability component of the remaining principal amount of S\$72.5 million of Convertible Sukuk issued by STPL; and
- (iii) Amortised cost of the remaining principal amount of S\$72.5 million of STPL's profit bearing loan to the Trust, which was raised from the issuance of the Convertible Sukuk by STPL.

Non-current borrowings represent the following at Sabana Group and the Trust:

- (i) Amortised cost of the principal amount of S\$75.0 million drawn from Term CMF F;
- (ii) Amortised cost of the principal amount of S\$90.0 million Trust Certificates Series I issued by SSPL; and
- (iii) Amortised cost of the principal amount of S\$90.0 million of SSPL's profit bearing loan to the Trust, which was raised from the issuance of the Trust Certificates Series I by SSPL.

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

- (i) Issuance of the S\$90.0 million Trust Certificates Series I by SSPL and the S\$90.0 million loan from SSPL to the Trust at the Group and Trust level respectively;
- (ii) The prepayment of S\$90.0 million of the Term CMF C, then maturing in November 2014, using the proceeds from the Trust Certificates Series I;
- (iii) Reclassification of the Term CMF E from non-current to current as it is maturing within the next 12 months; and
- (iv) Reclassification of the Convertible Sukuk and STPL's profit bearing loan to the Trust from non-current to current as these borrowings, which have put options exercisable on 24 September 2015 may be redeemed by their respective holders.

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

(g) Current derivative liabilities relate to the fair value of the embedded derivatives component of the Convertible Sukuk issued by STPL and the profit rate swap entered into to hedge the profit rate risk on the S\$177.6 million Term CMF E.

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

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

- (i) Current YTD change in the fair value of the embedded derivatives component of the Convertible Sukuk and the profit rate swap used to hedge Term CMF E and F;
- (ii) The termination of the then current profit rate swap used for hedging Term CMF C; and
- (iii) Reclassification of the profit rate swap used for hedging Term CMF E from non-current to current.

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

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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

	Group		Trust	
	30/09/14	31/12/13	30/09/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable within one year:				
Term CMF C ^(a)	10,274	100,274	10,274	100,274
Revolving CMF D ^(a)	30,500	30,500	30,500	30,500
Term CMF E ^(a)	177,563	-	177,563	-
Less: Unamortised capitalised transaction costs	(1,509)	(398)	(1,509)	(398)
	216,828	130,376	216,828	130,376
Amount repayable after one year:				
Term CMF E ^(a)	-	177,563	-	177,563
Term CMF F ^(a)	75,000	75,000	75,000	75,000
Less: Unamortised capitalised transaction costs	(2,054)	(5,225)	(2,054)	(5,225)
	72,946	247,338	72,946	247,338
Total secured borrowings	289,774	377,714	289,774	377,714
Unsecured borrowings				
Amount repayable within one year:				
Convertible Sukuk - debt component ^(b)	70,196	-	-	-
Loans from subsidiaries ^(c)	-	-	72,500	-
Less: Unamortised capitalised transaction costs	-	-	(807)	-
	70,196	-	71,693	-
Amount repayable after one year:				
Convertible Sukuk - debt component ^(b)	-	69,678	-	-
Trust Certificates ^(d)	90,000	-	-	-
Loans from subsidiaries ^(c)	-	-	90,000	72,500
Less: Unamortised capitalised transaction costs	(674)	-	(674)	(990)
	89,326	69,678	89,326	71,510
Total unsecured borrowings	159,522	69,678	161,019	71,510
Total borrowings	449,296	447,392	450,793	449,224

Details of borrowings, debt securities and collaterals

Secured borrowings

- (a) In March 2014, Sabana Group completed a refinancing exercise to increase the weighted average term of existing debt and further diversify both debt maturity profile and funding sources. S\$90.0 million of the then outstanding S\$100.2 million Term CMF C maturing in November 2014 were partially prepaid by the net proceeds from the newly issued Trust Certificates Series I due in March 2018.

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

- (i) 3-year Term CMF C of S\$10.2 million maturing in November 2014;
- (ii) 3-year Term CMF E of S\$177.6 million maturing in August 2015;
- (iii) 3-year Revolving CMF D of S\$30.5 million maturing in November 2016; and
- (iv) 5-year Term CMF F of S\$75.0 million maturing in August 2017.

As at the reporting date, the Revolving CMF D has an undrawn amount of S\$17.5 million.

The Term and Revolving CMF are secured by, *inter alia*:

- (1) A first ranking legal mortgage over all the Properties except for 3A Joo Koon Circle, 2 Toh Tuck Link, 21 Joo Koon Crescent¹, 39 Ubi Road 1, 6 Woodlands Loop, 23 Serangoon North Avenue 5, and 508 Chai Chee Lane (collectively, the "**Securitized Properties**"), (or, where title to the Securitized Properties has not been issued, an assignment of building agreement coupled with a mortgage in escrow);

¹ The discharge documents in respect of the first ranking legal mortgage over 21 Joo Koon Crescent were executed and the notification of registration from Singapore Land Authority in respect of the discharge was received on 3 October 2014

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

- (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.

Unsecured borrowings

- (b) Convertible Sukuk

	Group	
	30/09/14	31/12/13
	S\$'000	S\$'000
Convertible Sukuk - debt component		
Carrying amount of debt component at beginning of the period/year	69,678	76,163
Profit accretion, including amortisation of transaction costs	518	679
Extinguishment of debt component arising from conversion of Convertible Sukuk	-	(7,164)
Carrying amount of debt component at end of the period/year	70,196	69,678

The S\$80.0 million 4.5 Per Cent. Convertible Sukuk issued by STPL on 24 September 2012 and due on 24 September 2017, is unsecured, and convertible by Sukukholders into units of the Trust at any time on or after 9 November 2012 at the initial conversion price of S\$1.1933 per unit. As at the reporting date, the conversion price per unit is S\$1.1358.

The Convertible Sukuk with a put option exercisable on 24 September 2015 may be redeemed by Sukukholders.

- (c) Loans from subsidiaries

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

- (i) S\$72.5 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\$90.0 million loan, which is equivalent to the principal amount of the Trust Certificates Series I, granted by SSPL to the Trust, through the proceeds raised from the issuance of the Trust Certificates Series I at the same repayment terms, is unsecured and profit bearing.

- (d) Trust Certificates

The S\$90.0 million 4.0 Per Cent. Trust Certificates Series I issued by SSPL on 19 March 2014 and due on 19 March 2018 is unsecured.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014
TO 30 SEPTEMBER 2014**

1 (c) Statement of Cash Flows

Statement of Cash Flows	Group			
	Quarter		YTD	
	3Q 2014	3Q 2013	30/09/14	30/09/13
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total return for the period after taxation and before distribution	10,792	13,126	34,088	37,796
Adjustments for:				
Amortisation of intangible assets	418	326	1,042	1,036
Manager's fees paid/payable in units	1,243	1,162	3,690	3,447
Net change in fair value of financial derivatives	(322)	(622)	(3,306)	(653)
Net change in fair value of investment properties	-	415	-	415
Loss on conversion of Convertible Sukuk	-	-	-	1,228
Net finance costs	5,153	4,971	16,952	14,613
	17,284	19,378	52,466	57,882
Change in trade and other receivables	(881)	(239)	(1,890)	(513)
Change in trade and other payables	35	(1,004)	(1,536)	(5,715)
Cash generated from operating activities	16,438	18,135	49,040	51,654
Ta'widh (compensation on late payment of rent) received	13	2	34	10
Net cash from operating activities	16,451	18,137	49,074	51,664
Cash flows from investing activities				
Capital expenditure on investment properties	(316)	-	(870)	-
Purchase of investment properties	-	(68,165)	-	(68,165)
Finance income received from Islamic financial institutions	11	10	33	44
Net cash used in investing activities	(305)	(68,155)	(837)	(68,121)
Cash flows from financing activities				
Proceeds from issue of new units	-	40,000	-	40,000
Costs incurred on prepayment of borrowings	-	-	(909)	-
Break fee for profit rate swap	-	-	(589)	-
Proceeds from borrowings	-	30,000	90,000	30,000
Repayment of borrowings	-	-	(90,000)	-
Issue expenses paid	(25)	(633)	(50)	(633)
Transaction costs paid	-	(82)	(770)	(82)
Finance costs paid	(5,979)	(4,791)	(13,623)	(12,932)
Distributions paid	(11,562) ^(a)	(15,593)	(36,957) ^(b)	(46,536)
Net cash (used in)/from financing activities	(17,566)	48,901	(52,898)	9,817
Net decrease in cash and cash equivalents	(1,420)	(1,117)	(4,661)	(6,640)
Cash and cash equivalents at beginning of the period	13,843	13,442	17,084	18,965
Cash and cash equivalents at end of the period	12,423	12,325	12,423	12,325

Notes:

- (a) This amount excludes approximately S\$1.4 million (net of withholding tax) distributed by the issuance of 1,374,022 new units in 3Q 2014 as part payment of distributions for the period from 1 April 2014 to 30 June 2014, pursuant to the DRP.
- (b) This amount excludes approximately S\$4.2 million (net of withholding tax) distributed by the issuance of 4,103,535 new units in Current YTD as part payment of distributions for the first half from 1 January 2014 to 30 June 2014, pursuant to the DRP.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

1 (d)(i) Statements of Movements in Unitholders' Funds (3Q 2014 vs 3Q 2013)

Statements of Movements in Unitholders' Funds	Group		Trust	
	Quarter		Quarter	
	3Q 2014	3Q 2013	3Q 2014	3Q 2013
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the period	756,827	707,140	755,793	709,754
Operations				
Total return for the period after taxation and before distribution	10,792	13,126	11,403	11,821
	767,619	720,266	767,196	721,575
Unitholders' transactions				
Issue of new units:				
- Private placement	-	40,000	-	40,000
- Manager's fees payable in units ^(a)	1,243	1,162	1,243	1,162
- DRP ^(b)	1,403	-	1,403	-
Issue expenses	(25)	(633)	(25)	(633)
Distributions to Unitholders	(12,965)	(15,593)	(12,965)	(15,593)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(10,344)	24,936	(10,344)	24,936
Unitholders' funds at end of the period	757,275	745,202	756,852	746,511

Notes:

- (a) This represents the value of new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units are to be issued within 30 days from the quarter end.
- (b) This represents the value of new units issued as part payment of distributions for the period from 1 April 2014 to 30 June 2014, pursuant to the DRP.

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

Statements of Movements in Unitholders' Funds	Group		Trust	
	YTD		YTD	
	30/09/14	30/09/13	30/09/14	30/09/13
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the period	756,504	702,857	757,431	701,833
Operations				
Total return for the period after taxation and before distribution	34,088	37,796	32,738	40,129
	790,592	740,653	790,169	741,962
Unitholders' transactions				
Issue of new units:				
- Private placement	-	40,000	-	40,000
- Manager's fees paid/payable in units ^(a)	3,690	3,447	3,690	3,447
- Conversion of Convertible Sukuk ^(b)	-	8,271	-	8,271
- DRP ^(c)	4,193	-	4,193	-
Issue expenses	(50)	(633)	(50)	(633)
Distributions to Unitholders	(41,150)	(46,536)	(41,150)	(46,536)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(33,317)	4,549	(33,317)	4,549
Unitholders' funds at end of the period	757,275	745,202	756,852	746,511

Notes:

- (a) This represents the value of new units issued and to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units that are to be issued, will be issued within 30 days from the quarter end.
- (b) This represents the value of new units issued in Prior YTD upon the conversion of aggregate principal amount of S\$7.5 million of Convertible Sukuk by Converting Sukukholders into 6,285,090 units at the then conversion price of S\$1.1933.
- (c) This represents the value of new units issued as part payment of distributions for the first half from 1 January 2014 to 30 June 2014, pursuant to the DRP.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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

	Group and Trust			
	Quarter		YTD	
	3Q 2014	3Q 2013	30/09/14	30/09/13
Units in issue:				
Units in issue at beginning of the period/year	695,881,178	648,711,000	690,774,855	640,490,459
Private Placement	-	40,000,000	-	40,000,000
Manager's fees paid in units	1,170,218	993,185	3,547,028	2,928,636
Conversion of Convertible Sukuk ^(a)	-	-	-	6,285,090
DRP ^(b)	1,374,022	-	4,103,535	-
Issued units at the end of the period/year	698,425,418	689,704,185	698,425,418	689,704,185
Units to be issued:				
Manager's fees payable in units ^(c)	1,228,107	1,070,670	1,228,107	1,070,670
Total issued and to be issued units	699,653,525	690,774,855	699,653,525	690,774,855

Notes:

- (a) These are new units issued in Prior YTD upon conversion of aggregate principal amount of S\$7.5 million of Convertible Sukuk by converting Sukukholders at the then conversion price of S\$1.1933.
- (b) These are new units issued pursuant to the DRP.
- (c) These are new units to be issued to the Manager as partial consideration of the Manager's fees incurred for the period. The units are to be issued within 30 days from the quarter end.

Convertible Sukuk

Sabana Group has the following Convertible Sukuk outstanding as at 30 September 2014:

Principal Amount Outstanding	Maturity Date	Conversion Price per unit as at 30 September 2014
Convertible Sukuk due 2017 S\$72.5 million 4.5% per annum.	24 September 2017	S\$1.1358

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.

Assuming all the outstanding Convertible Sukuk are fully converted based on the current conversion price of S\$1.1358, the number of new units to be issued would be 63,831,661 units, representing 9.1% of the total number of the Trust's units in issue and to be issued of 699,653,525 units as at 30 September 2014.

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.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

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 2013.

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 (3Q 2014 vs 3Q 2013)

	Group		Trust	
	Quarter		Quarter	
	3Q 2014	3Q 2013	3Q 2014	3Q 2013
Basic EPU				
Weighted average number of units in issue	697,265,046	652,500,209	697,265,046	652,500,209
Earnings per unit for the period based on the weighted average number of units in issue (cents) ^(a)	1.55	2.01	1.64	1.81
Diluted EPU				
Weighted average number of units in issue (diluted)	761,096,707	713,256,096	761,096,707	713,256,096
Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) ^(b)	1.55 ^(c)	1.78	1.61	1.78

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 was the same as the basic EPU for the Group as the Convertible Sukuk was anti-dilutive at the Group level.

Earnings per unit (Current YTD vs Prior YTD)

	Group		Trust	
	YTD		YTD	
	30/09/14	30/09/13	30/09/14	30/09/13
Basic EPU				
Weighted average number of units in issue	694,238,461	646,482,462	694,238,461	646,482,462
Earnings per unit for the period based on the weighted average number of units in issue (cents) ^(a)	4.91	5.85	4.72	6.21
Diluted EPU				
Weighted average number of units in issue (diluted)	758,070,122	707,238,349	758,070,122	707,238,349
Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) ^(b)	4.67	5.85 ^(c)	4.67	6.21 ^(c)

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

Notes:

- (a) The EPU calculation uses the total return for the period after taxation and before distribution, and the weighted average number of units outstanding during the period.
- (b) The diluted EPU calculation uses the total return for the period after taxation and before distribution and the weighted average number of units outstanding during the period, adjusted for the effects of all dilutive potential units arising from the assumed conversion of the Convertible Sukuk to units.
- (c) The diluted EPU were the same as the basic EPU for the Group and Trust as the Convertible Sukuk was anti-dilutive at the Group and the Trust level.

Distribution per unit

	Group and Trust		
	01/07/2014 to 30/09/2014	01/07/2013 to 23/09/2013	24/09/2013 to 30/09/2013
Income available for distribution for the period (S\$'000)	12,689	14,324	1,228
Number of units issued and to be issued at end of period entitled to distribution	699,653,525 ^(a)	649,704,185 ^(b)	690,774,855 ^(c)
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	1.81	2.20	0.18

	Group and Trust		
	01/01/2014 to 30/09/2014	01/01/2013 to 23/09/2013	24/09/2013 to 30/09/2013
Income available for distribution for the period (S\$'000)	38,733	45,400	1,228
Number of units issued and to be issued at end of period entitled to distribution	699,653,525 ^(a)	649,704,185 ^(b)	690,774,855 ^(c)
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	5.55	7.01	0.18

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 September 2014 of 698,425,418; and
- (ii) The units to be issued to the Manager by 31 October 2014 as partial consideration of Manager's fees incurred for 3Q 2014 of 1,228,107.
- (b) The computation of DPU for the period 1 July 2013 to 23 September 2013 and the period 1 January 2013 to 23 September 2013 is based on the number of units entitled to distribution as at 23 September 2013 of 649,704,185.
- (c) The computation of DPU for the period 24 September 2013 to 30 September 2013 is based on the number of units entitled to distribution, comprising:
- (i) The number of units in issue as at 30 September 2013 of 689,704,185; and
- (ii) The units to be issued to the Manager by 31 October 2013 as partial consideration of Manager's fees incurred for 3Q 2013 of 1,070,670.

7. Net asset value per unit based on units issued at the end of the financial year and immediately preceding financial year

	Group		Trust	
	As at 30/09/14	As at 31/12/13	As at 30/09/14	As at 31/12/13
NAV per unit (S\$) ^(a)	1.08	1.09	1.08	1.09

Note:

- (a) The number of units used to compute NAV per unit is 699,653,525 (31 December 2013: 691,959,462), comprising:

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

- (i) The number of units in issue as at 30 September 2014 of 698,425,418 (31 December 2013: 690,774,855); and
(ii) The units to be issued to the Manager by 31 October 2014 as partial consideration of Manager's fees incurred for 3Q 2014 of 1,228,107 (by 31 January 2014 as partial consideration of Manager's fees incurred for 4Q 2013 of 1,184,607).

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

3Q 2014 vs 3Q 2013

Statement of Total Return	Group		
	Quarter		Fav / (Unfav)
	3Q 2014	3Q 2013	
	S\$'000	S\$'000	%
Gross revenue ^(a)	25,126	21,598	16.3
Property expenses ^(b)	(7,078)	(1,600)	(342.4)
Net property income	18,048	19,998	(9.8)
Finance income	24	12	100.0
Finance costs	(5,177)	(4,983)	(3.9)
Net finance costs ^(c)	(5,153)	(4,971)	(3.7)
Amortisation of intangible assets ^(d)	(418)	(326)	(28.2)
Manager's fees ^(e)	(1,555)	(1,453)	(7.0)
Trustee's fees ^(e)	(131)	(124)	(5.6)
Donation of non-Shari'ah compliant income ^(f)	(13)	(29)	55.2
Other trust expenses ^(g)	(308)	(176)	(75.0)
Net income	10,470	12,919	(19.0)
Net change in fair value of financial derivatives ^(h)	322	622	(48.2)
Net change in fair value of investment properties ⁽ⁱ⁾	-	(415)	100.0
Total return for the period before taxation and distribution	10,792	13,126	(17.8)
Tax expense	*	*	-
Total return for the period before distribution	10,792	13,126	(17.8)
Distribution adjustments ^(j)	1,897	2,426	(21.8)
Income available for distribution ^(k)	12,689	15,552	(18.4)

*Less than S\$1,000

Notes:

- (a) Gross revenue increased by 16.3% mainly due to the contribution from the Acquisition Property which was acquired on 26 September 2013 and higher gross revenue from 151 Lorong Chuan, which was converted into multi-tenanted lease arrangement in 4Q 2013.
- (b) Property expenses increased by 342.4% mainly due to:
- (i) Higher property tax, maintenance, utilities, marketing and lease administrative expenses and applicable land rent expense, in line with the increase of directly managed multi-tenanted properties from two in 3Q 2013 to six in 3Q 2014; and
(ii) Lease management fees being charged to the 15 properties acquired during IPO, following the expiry of the three-year waiver period in 4Q 2013.
- In line with the higher property expenses, net property income decreased by 9.8%.
- (c) Net finance costs increased by 3.7% mainly due to the higher profit expense arising from higher principal amount of Revolving RCF D of S\$30.5 million utilised in 3Q 2014 over 3Q 2013 to partially fund the purchase of the Acquisition Property.
- (d) Amortisation of intangible asset increased by 28.2% mainly due to higher utilisation of the rental support at 9 Tai Seng Drive in 3Q 2014.
- (e) Manager's and Trustee's fees increased by 7.0% and 5.6% respectively mainly due to the higher total assets since 4Q 2013, arising from the Acquisition Property and the revaluation surplus on the properties at 31 December 2013, upon which these fees are based on.
- (f) The decrease in donation of non-Shari'ah compliant income by 55.2% is mainly due to less income generated from non-Shari'ah compliant activities subjected to cleansing in 3Q 2014 over 3Q 2013.
- (g) Other trust expenses were 75.0% higher mainly due to higher central registry service charges in 3Q 2014 over 3Q 2013, consequent to the implementation of DRP.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

- (h) The lower net change in fair value of financial derivatives relates to the net fair value change of the profit rate swaps and the embedded derivatives component of the Convertible Sukuk recognised between the last quarter and at the reporting date.
- (i) Net change in fair value of investment properties in 3Q 2013 relates mainly to the difference in the Acquisition Costs of the Acquisition Property and its fair value per the Independent Valuer.
- (j) Distribution adjustments were 21.8% lower in 3Q 2014 mainly due to the higher net non-tax chargeable effects on the items stated in (h) and (i) above and the straight-lining adjustments on rental income for tenants of multi-tenanted properties given rent-free period as these items were adjusted back to derive the income available for distribution.
- (k) Distributable income decreased by 18.4% mainly due to the following factors in 3Q 2014 over 3Q 2013:
- (i) Lower net property income;
 - (ii) Higher non-taxable straight-lining adjustments on rental income for tenants of multi-tenanted properties given rent-free period; and
 - (iii) Higher profit expense incurred on higher borrowings outstanding during the period.

Current YTD vs Prior YTD

Statement of Total Return	Group		
	YTD		Fav / (Unfav)
	30/09/14	30/09/13	(Unfav)
	S\$'000	S\$'000	%
Gross revenue ^(a)	75,050	64,661	16.1
Property expenses ^(b)	(20,267)	(4,176)	(385.3)
Net property income	54,783	60,485	(9.4)
Finance income	67	54	24.1
Finance costs	(17,019)	(14,667)	(16.0)
Net finance costs ^(c)	(16,952)	(14,613)	(16.0)
Amortisation of intangible assets	(1,042)	(1,036)	(0.6)
Manager's fees ^(d)	(4,613)	(4,309)	(7.1)
Trustee's fees ^(d)	(388)	(360)	(7.8)
Donation of non-Shari'ah compliant income ^(e)	(47)	(92)	48.9
Other trust expenses ^(f)	(959)	(1,289)	25.6
Loss on conversion of Convertible Sukuk ^(g)	-	(1,228)	100.0
Net income	30,782	37,558	(18.0)
Net change in fair value of financial derivatives ^(h)	3,306	653	406.3
Net change in fair value of investment properties ⁽ⁱ⁾	-	(415)	100.0
Total return for the period before taxation and distribution	34,088	37,796	(9.8)
Tax expense	*	*	-
Total return for the period before distribution	34,088	37,796	(9.8)
Distribution adjustments ^(j)	4,645	8,832	(47.4)
Income available for distribution ^(k)	38,733	46,628	(16.9)

*Less than S\$1,000

Notes:

- (a) Gross revenue increased by 16.1% mainly due to the contribution of the Acquisition Property which was acquired on 26 September 2013 and higher gross revenue from 151 Lorong Chuan, which was converted into multi-tenanted lease arrangement in 4Q 2013.
- (b) Property expenses increased by 385.3% mainly due to:
- (i) Higher property tax, maintenance, utilities and applicable land rent expense, in line with the increase of directly managed multi-tenanted properties from two in Prior YTD to six in Current YTD; and
 - (ii) Lease management fees being charged to the 15 properties acquired during IPO, following the expiry of the three-year waiver period in 4Q 2013.

In line with the higher property expenses, net property income decreased by 9.4%.

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

- (c) Net finance costs increased by 16.0% mainly due to:
- (i) The following one-time finance costs associated with the Early Refinancing Exercise:
 - Unamortised transaction costs relating to the S\$90.0 million of Term CMF C which was prepaid being written off;
 - Break costs on the prepayment of S\$90.0 million on Term CMF C; and
 - Break fees on termination of the profit rate swap used for hedging Term CMF C.
 - (ii) Higher profit expense arising from the higher principal amount of Revolving CMF D of S\$30.5 million utilised in Current YTD over Prior YTD; and
 - (iii) Partially offset by lower profit expense arising from the lower weighted average principal amount of Convertible Sukuk outstanding in Current YTD over Prior YTD as a result of the conversion of principal amount of S\$7.5 million of Convertible Sukuk in 2Q 2013.
- (d) Manager's and Trustee's fees increased by 7.1% and 7.8% respectively mainly due to the higher total assets since 4Q 2013, arising from the Acquisition Property and the revaluation surplus on the properties at 31 December 2013, upon which these fees are based on.
- (e) The decrease in donation of non-Shari'ah compliant income by 48.9% is mainly due to less income generated from non-Shari'ah compliant activities subjected to cleansing in Current YTD over Prior YTD.
- (f) Other trust expenses were 25.6% lower mainly due to one-time professional and advisory fees incurred on the establishment of the Programme in 2Q 2013 and partially offset by higher central registry service charges in Current YTD over Prior YTD.
- (g) This represents the loss on conversion of aggregate principal amount of S\$7.5 million of Convertible Sukuk by Converting Sukukholders at the then conversion price of S\$1.1933 during Prior YTD. There was no conversion of Convertible Sukuk during Current YTD.
- (h) The higher net change in fair value of financial derivatives relates to the net 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 respectively.
- (i) Net change in fair value of investment properties in Prior YTD relates mainly to the difference in the Acquisition Costs of the Acquisition Property and its fair value per the Independent Valuer.
- (j) Distribution adjustments were 47.4% lower in Current YTD mainly due to the higher net non-tax chargeable effects on the items stated in (g), (h) and (i) above and the straight-lining adjustments on rental income for tenants of multi-tenanted properties given rent-free period as these items were adjusted back to derive the income available for distribution.
- (k) Distributable income decreased by 16.9% mainly due to the following factors during Current YTD over Prior YTD:
- (i) Lower net property income;
 - (ii) Higher non-taxable straight-lining adjustments on rental income for new tenants of multi-tenanted properties given rent-free period; and
 - (iii) Higher profit expense incurred on higher borrowings outstanding during the period.

9. Variance between forecast and the actual results

The Manager has not disclosed any financial forecast to the market. However as indicated in the full year results announcement dated 16 July 2014, the Manager remains committed in its efforts to improve the portfolio occupancy and continue to make selective acquisition.

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

Based on advanced estimates, the Singapore economy grew by 2.4% on a year-on-year basis in 3Q 2014, the same pace of growth as the previous quarter, though markedly slower compared to the 5.0% growth in 3Q 2013. On a quarter-on-quarter seasonally adjusted annualised basis, the economy expanded by 1.2%, a reversal from the 0.1% contraction in 2Q 2014.¹

Industrial property market was relatively more subdued in 3Q 2014 compared to 2Q 2014, with sales of strata-titled industrial properties easing by approximately 36.0% compared to 2Q 2014, though business parks remained a bright spot with monthly gross rents rising by 2.0% quarter-on-quarter.² Leasing activity was stable in 3Q 2014 as industrialists' real estate decisions remained largely guided by cost containment

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

and longer cost savings objectives.³ Citing caveats from the Urban Redevelopment Authority's REALIS, DTZ said both average capital and rental values of conventional industrial space remained unchanged in 3Q 2014.²

In July 2014, JTC announced a revised subletting policy which states that third party facility providers can only sublet up to 50% of the building's gross floor area to non-anchor tenants within 5 years after obtaining Temporary Occupation Permit, and up to 30% thereafter. The new policy will be effective from 1 October 2014.⁴

DPU in 3Q 2014 has declined as compared to the same period last year as it continues to be affected by the conversion of four master tenanted properties into multi-tenanted properties.

The Manager expects to see rental contribution from the proposed acquisition of 10 Changi South Street, which was announced on 21 August 2014, in the later part of 4Q 2014, subject to approval from JTC.

For 4Q 2014, Sabana REIT will have three master leases expiring and the Manager is in the process of signing new master leases for two of the three properties. The Manager expects to convert the remaining one into a multi-tenanted property.

Looking forward, the Manager anticipates market conditions to be challenging. The Manager will continue to prudently manage Sabana REIT's capital structure by improving borrowings maturity profile and maintaining aggregate leverage below 40%. It will actively manage Sabana REIT's lease expiry profile and continue to be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy. In addition, the Manager will continue to evaluate potential yield-accretive acquisition opportunities and also explore opportunities to divest underperforming assets to recycle Sabana REIT's capital.

Sources:

(1) "Singapore's GDP Grew 2.4 Per Cent in the Third Quarter of 2014". www.mti.gov.sg. Ministry of Trade and Industry Singapore. 14 October 2014. Web. 14 October 2014.

(2) "Industrial property transactions down sharply in Q3: DTZ". www.channelnewsasia.com/news/singapore/industrial-property/1405682.html. Channel News Asia. 9 October 2014. Web. 9 October 2014.

(3) "Stable leasing activity and weak sales amid mixed sentiments". <http://www.colliers.com/media/Files/APAC/Singapore/Research-Reports/TKInd-3Q2014.pdf>. Colliers International. 9 October 2014. Web. 14 October 2014.

(4) "Revised subletting policy (with effect from 1 October 2014)". www.jtc.gov.sg. JTC. 3 July 2014. Web. 8 July 2014.

11. Distributions

(a) Current financial period

Any distribution declared for the current period: Yes

Name of distribution: Distribution for the third quarter ended 30 September 2014

Distribution Type: Taxable income distribution – 1.81 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

SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

Name of distribution: Advanced distribution for the period 1 July 2013 to 23 September 2013

Distribution Type: Taxable income distribution – 2.20 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.

Name of distribution: Distribution for the period 24 September 2013 to 30 September 2013

Distribution Type: Taxable income distribution – 0.18 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: 28 November 2014

(d) Books Closure Date: 24 October 2014

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.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THIRD QUARTER FROM 1 JULY 2014 TO 30 SEPTEMBER 2014 AND PERIOD FROM 1 JANUARY 2014
TO 30 SEPTEMBER 2014**

**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
Chang Ai Ling
Company Secretary
Sabana Real Estate Investment Management Pte. Ltd.
(Company registration number 201005493K)
as Manager of Sabana Shari'ah Compliant Real Estate Investment Trust

15 October 2014

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.



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

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

The Board of Directors
Sabana Real Estate Investment Management Pte. Ltd.
(in its capacity as Manager of Sabana Shari'ah
Compliant Industrial Real Estate Investment Trust)
151 Lorong Chuan
#02-03 New Tech Park
Singapore 556741

15 October 2014

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 9-month period ended 30 September 2014. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 September 2014;
- Portfolio statement of the Group as at 30 September 2014;
- Statements of total return of the Group and the Trust for the quarter and the 9-month period ended 30 September 2014;
- Distribution statements of the Group and the Trust for the quarter and the 9-month period ended 30 September 2014;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the 9-month period ended 30 September 2014;
- Statement of cash flows of the Group for the 9-month period ended 30 September 2014; 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 this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 (2012) *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on this 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 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.

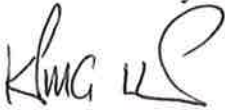
Conclusion

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 (2012) 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 to meet 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
*Public Accountants and
Chartered Accountants*

Singapore
15 October 2014