



ANNUAL GENERAL MEETING

28 APRIL 2017



Important Notice



Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "Trust") for the full financial year from 1 January 2016 to 31 December 2016 ("FY 2016").

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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

Contents

I.	Overview
II.	Portfolio Highlights
III.	Financial Highlights
IV.	Outlook

Overview – FY 2016 Key Highlights

- In FY 2016, Sabana REIT generated a distributable income of S\$36.9 million which translated into Distribution per Unit (“DPU”) of 4.64^{(1),(2)} Singapore cents.
- Announced the proposed divestment of 218 Pandan Loop on 5 December 2016
- The Manager undertook an underwritten and renounceable Rights Issue of 310,712,244 new units in Sabana REIT. At the successful completion of the exercise, the Rights Issue raised gross proceeds of approximately S\$80.2 million.
- Multi-tenanted occupancy level dipped slightly from 80.5% in FY 2015 to 80.1%⁽³⁾ in FY 2016. As at 31 December 2016, overall portfolio occupancy level is at 87.2%⁽⁴⁾.

(1) Includes the 310,712,244 new units issued on 25 January 2017 (“Rights Units”) at an issue price of S\$0.258 per unit pursuant to the 42-for-100 rights issue to raise gross proceeds of approximately S\$80.2 million (“Rights Issue”).

(2) Excluding the effects of the Rights Issue, DPU would have been 5.01 cents.

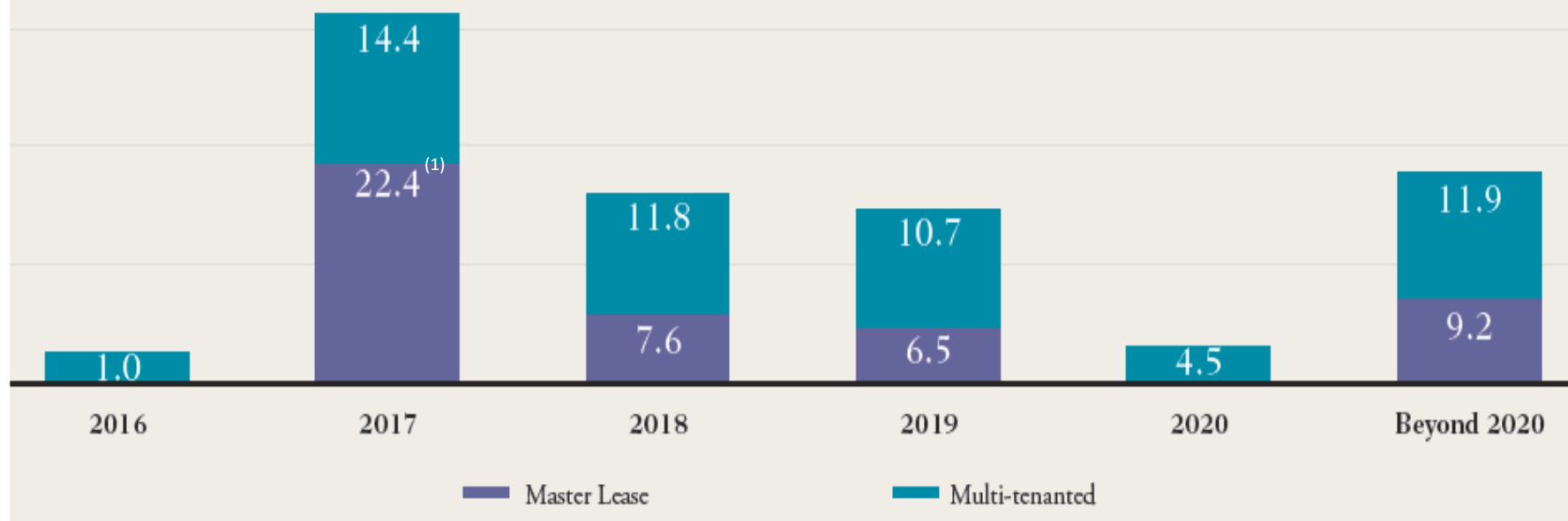
(3) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 15 Jalan Kilang Barat, 23 Serangoon North Avenue 5, 508 Chai Chee Lane, 34 Penjuru Lane, 2 Toh Tuck Link, 123 Genting Lane and 39 Ubi Road 1.

(4) By Net Lettable Area (“NLA”). One property, 218 Pandan Loop (NLA 43,103 sq ft), is currently vacant, pending divestment announced on 5 December 2016.

Portfolio Highlights – Lease Expiry Profile

Active Asset Management

LEASE EXPIRY BY NLA (%)
(As at 31 December 2016)



(1) 33 & 35 Penjuru Lane, 18 Gul Drive, 51 Penjuru Road, 21 Joo Koon Crescent and 6 Woodlands Loop.

Financial Highlights

S\$'000	FY 2016	FY 2015
Gross revenue	91,807	100,824
Net property income	56,942	71,605
Distributable income	36,949	50,135
DPU (cents)	4.64 ⁽¹⁾	6.85

The lower net property income and distributable income mainly due to:

- Higher property expenses arising from the conversion of triple-net master leases into multi-tenanted arrangements and non-triple-net tenancies and negative rental reversion for master lease renewals upon the expiry of the master leases between FY 2015 and FY 2016
- Lower contribution from 200 Pandan Loop and 3 Kallang Way 2A which were divested in 1Q 2016
- Impairment of trade receivables from the master tenant of 1 Tuas Avenue 4

S\$'000	As at 31 December 2016	As at 31 December 2015
Total assets	1,022,889	1,165,399
Borrowings, at amortised costs	437,924	481,084
Net assets attributable to Unitholders	556,795	653,741
Units in issue and to be issued entitled to distribution ('000)	1,053,084 ⁽²⁾	734,027
NAV per Unit (S\$)	0.75 ⁽³⁾	0.89
Adjusted NAV per Unit (S\$)	0.74 ⁽³⁾	0.88
Market capitalisation	399,191 ⁽²⁾	523,652

Footnotes:

- (1) Includes the effects of the Rights Issue that was concluded in January 2017.
 (2) Includes the Rights Units that are to be issued on 25 January 2017.
 (3) Excludes the Rights Units that are to be issued on 25 January 2017.

Outlook for FY 2017

- Five master leases are to expire in 4Q 2017⁽¹⁾, three of which are Sponsor related properties. The Manager has already initiated discussions with the master tenants of these five properties.
- The proceeds from the Rights Issue, net of issue-related expenses, had been fully utilized as at the date of AGM, partly to repay short-term borrowings and partly placed as short-term bank deposits, pending their deployment for the proposed acquisitions. Gearing is currently at approximately 36.1%, down from 43.2% as at 31 December 2016.
- Proceeds from the divestment of 218 Pandan Loop may be used for the repayment of the Trust's outstanding borrowings or for working capital purposes.
- Establishment of a Strategic Review Committee to look into enhancing unitholders value and the long term sustainability of distribution to unitholders.

(1) 33 & 35 Penjuru Lane, 18 Gul Drive, 51 Penjuru Road, 21 Joo Koon Crescent and 6 Woodlands Loop.

Thank you!

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