
SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR FIRST QUARTER FROM 1 JANUARY 2013 TO 31 MARCH 2013

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) as the Trustee.

The portfolio of Sabana Shari'ah Compliant REIT as at 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. 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

On 21 October 2011 and 15 February 2013, Sabana Shari'ah Compliant REIT incorporated two wholly-owned subsidiaries, Sabana Treasury Pte. Ltd. ("**STPL**") and Sabana Sukuk Pte. Ltd. ("**SSPL**") respectively. The principal activities of both STPL and SSPL are the provision of treasury services.

On 24 September 2012, STPL issued S\$80.0 million of Convertible Sukuk due on 24 September 2017 ("**Convertible Sukuk**").

The financial information of Sabana Shari'ah Compliant REIT and its subsidiaries ("**Sabana Group**" or "**Group**") for the first quarter ended 31 March 2013 ("**1Q 2013**") and the comparative period ("**1Q 2012**") as set out in this announcement have been extracted from the interim condensed financial information for the period from 1 January 2013 to 31 March 2013 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the Prospectus dated 22 November 2010 (the "**Prospectus**").

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SUMMARY OF RESULTS FOR SABANA GROUP

	Group		
	1Q 2013	1Q 2012	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue	21,509	19,651	9.5
Net property income	20,258	18,496	9.5
Income available for distribution	15,486	14,453	7.1
Distribution per unit ("DPU") (cents) ^(a)	2.41	2.26	6.6
Annualised DPU (cents)	9.77	9.09	7.5

Note:

- (a) Please refer to Item 6 on Page 11 for the DPU computation.

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1(a) Statements of Total Return and Distribution Statements (1Q 2013 vs 1Q 2012)

Statements of Total Return	Group			Trust		
	1Q 2013	1Q 2012	Fav / (Unfav)	1Q 2013	1Q 2012	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	21,509	19,651	9.5	21,509	19,651	9.5
Property expenses ^(b)	(1,251)	(1,155)	(8.3)	(1,251)	(1,155)	(8.3)
Net property income	20,258	18,496	9.5	20,258	18,496	9.5
Finance income	25	55	(54.5)	25	55	(54.5)
Finance costs	(4,861)	(4,021)	(20.9)	(4,747)	(4,021)	(18.1)
Net finance costs ^(c)	(4,836)	(3,966)	(21.9)	(4,722)	(3,966)	(19.1)
Amortisation of intangible assets	(340)	(316)	(7.6)	(340)	(316)	(7.6)
Manager's fees	(1,422)	(1,341)	(6.0)	(1,422)	(1,341)	(6.0)
Trustee's fees	(114)	(113)	(0.9)	(114)	(113)	(0.9)
Donation of non-Shari'ah compliant income ^(d)	(33)	(39)	15.4	(33)	(39)	15.4
Other trust expenses	(309)	(307)	(0.7)	(310)	(307)	(1.0)
Net income	13,204	12,414	6.4	13,317	12,414	7.3
Net change in fair value of financial derivatives ^(e)	(4,057)	(493)	NM	(160)	(493)	67.5
Total return for the period before taxation	9,147	11,921	(23.3)	13,157	11,921	10.4
Income tax expense ^(f)	*	-	NM	-	-	NM
Total return for the period after taxation	9,147	11,921	(23.3)	13,157	11,921	10.4

Distribution Statements	Group			Trust		
	1Q 2013	1Q 2012	Fav / (Unfav)	1Q 2013	1Q 2012	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxation	9,147	11,921	(23.3)	13,157	11,921	10.4
Non-tax deductible/(chargeable) items:						
Manager's fees paid/payable in units	1,137	1,073	6.0	1,137	1,073	6.0
Amortisation of intangible assets	340	316	7.6	340	316	7.6
Amortisation of transaction costs ^(g)	800	568	40.8	687	568	21.0
Trustee's fees	114	113	0.9	114	113	0.9
Donation of non-Shari'ah compliant income	33	39	(15.4)	33	39	(15.4)
Net change in fair value of financial derivatives	4,057	493	NM	160	493	(67.5)
Effects of recognising rental income on a straight line basis over the lease term	(242)	(148)	(63.5)	(242)	(148)	(63.5)
Other items	100	78	28.2	100	78	28.2
Net effect of non-tax deductible items	6,339	2,532	150.4	2,329	2,532	(8.0)
Income available for distribution to Unitholders for the period	15,486	14,453	7.1	15,486	14,453	7.1

NM denotes "not meaningful"

* Less than S\$1,000

Notes:

- (a) Gross revenue comprises rental income from the Properties.
- (b) Property expenses comprise of:
- (i) Service, repairs and maintenance;
 - (ii) Property and lease management fees;
 - (iii) Property tax, land rent and utilities related to the multi-tenanted property at 9 Tai Seng Drive;
 - (iv) Property tax and land rent related to single-tenanted properties at 6 Woodlands Loop and 1 Tuas Avenue 4;
 - (v) Marketing and lease administrative expenses; and
 - (vi) Other reimbursable expenses payable to the Property Manager.

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

	Group			Trust		
	1Q 2013	1Q 2012	Fav / (Unfav)	1Q 2013	1Q 2012	Fav / (Unfav)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance Income :						
- Finance income from Shari'ah compliant deposits	21	47	(55.3)	21	47	(55.3)
- Ta'widh (compensation on late payment of rent)	4	8	(50.0)	4	8	(50.0)
	25	55	(54.5)	25	55	(54.5)
Finance Costs:						
- Commodity Murabaha Facilities	(2,434)	(2,599)	6.3	(2,434)	(2,599)	6.3
- Profit rate swaps	(680)	(795)	14.5	(680)	(795)	14.5
- Convertible Sukuk	(888)	-	NM	-	-	NM
- Loan from a subsidiary	-	-	NM	(888)	-	NM
- Amortisation of transaction costs ⁽⁹⁾	(800)	(568)	(40.8)	(687)	(568)	(21.0)
- Brokerage and agent fees	(59)	(59)	-	(58)	(59)	1.7
	(4,861)	(4,021)	(20.9)	(4,747)	(4,021)	(18.1)
Net finance costs	(4,836)	(3,966)	(21.9)	(4,722)	(3,966)	(19.1)

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:

1Q 2013

- Mendaki Social Enterprise Network Services Pte Ltd; and
- Singapore Red Cross Society for the Philippines Relief Fund.

1Q 2012

- City College Holdings Ltd.

(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 recognised between the last quarter and at the reporting date.

(f) This comprises of income tax expense in relation to a subsidiary.

(g) This represents the amortisation of upfront fees and legal fees pertaining to the Commodity Murabaha Facilities ("**CMF**") and the Convertible Sukuk. These items are non-tax deductible and have no impact on income available for distribution.

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

Statements of Financial Position	Group			Trust		
	31/03/13	31/12/12	Change	31/03/13	31/12/12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets						
Investment properties	1,130,943	1,130,943	-	1,130,943	1,130,943	-
Intangible assets ^(a)	2,917	3,257	(10.4)	2,917	3,257	(10.4)
Subsidiaries ^(b)	-	-	NM	*	*	NM
Total non-current assets	1,133,860	1,134,200	-	1,133,860	1,134,200	-
Current assets						
Trade and other receivables ^(c)	3,709	3,373	10.0	3,708	3,369	10.1
Cash and cash equivalents ^(d)	15,640	18,965	(17.5)	15,627	18,962	(17.6)
Total current assets	19,349	22,338	(13.4)	19,335	22,331	(13.4)
Total assets	1,153,209	1,156,538	(0.3)	1,153,195	1,156,531	(0.3)
Current liabilities						
Trade and other payables ^(e)	13,809	16,420	(15.9)	13,797	16,415	(15.9)
Derivative liabilities ^(f)	5,363	1,466	265.8	-	-	NM
Total current liabilities	19,172	17,886	7.2	13,797	16,415	(15.9)
Non-current liabilities						
Trade and other payables ^(e)	7,308	7,706	(5.2)	7,308	7,706	(5.2)
Borrowings ^(g)	421,600	420,800	0.2	423,975	423,288	0.2
Derivative liabilities ^(h)	7,449	7,289	2.2	7,449	7,289	2.2
Total non-current liabilities	436,357	435,795	0.1	438,732	438,283	0.1
Total liabilities	455,529	453,681	0.4	452,529	454,698	(0.5)
Net assets	697,680	702,857	(0.7)	700,666	701,833	(0.2)
Represented by:						
Unitholders' funds⁽ⁱ⁾	697,680	702,857	(0.7)	700,666	701,833	(0.2)

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 in 1Q 2013.
- (b) This relates to Sabana Treasury Pte. Ltd. and Sabana Sukuk Pte. Ltd., wholly-owned subsidiaries of the Trust.
- (c) This relates to prepayments, deposits, trade receivables and other receivables. The increase is mainly due to the effects of the accounting adjustment to recognize rental revenue on a straight-line basis over the term of the leases which have step-up rental escalation clauses.
- (d) This relates to bank balances and Shari'ah compliant deposits held with Islamic financial institutions. The decrease is due to and in line with the reduction in trade and other payables.
- (e) This relates to trade payables, security deposits, rental received in advance, retention sums and accruals and provisions.
- The decrease in total trade and other payables is mainly due to the recognition of rental revenue received in advance as income earned, release of retention sums withheld on property acquisitions, utilisation of income support and payment of accrued profit expense of the Convertible Sukuk in 1Q 2013.
- (f) The higher current derivative liabilities at Sabana Group relates to the change in the fair value of the embedded derivatives component of the Convertible Sukuk in 1Q 2013.

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- (g) The higher non-current borrowings represent the following at Sabana Group and the Trust:
- (i) Amortised cost of the principal amount of S\$352.8 million drawn from the Term CMF C, E and F;
 - (ii) Amortised cost of the liability component of the principal amount of S\$80.0 million of Convertible Sukuk issued by STPL; and
 - (iii) Amortised cost of the principal amount of S\$80.0 million of STPL's profit bearing loan to the Trust, which was raised from the issuance of the Convertible Sukuk by STPL.
- (h) Non-current derivative liabilities relate to the fair value of the 3-year and 5-year profit rate swaps to hedge the profit rate risks on S\$352.8 million of the Term CMF. The increase is mainly due to the change in the fair value of the profit rate swaps in 1Q 2013.
- (i) Please refer to the Statements of Movements in Unitholders' Funds under Item (1)(d)(i) on Page 9 for details.

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

	Group		Trust	
	31/03/13 S\$'000	31/12/12 S\$'000	31/03/13 S\$'000	31/12/12 S\$'000
Secured borrowings				
Amount repayable after one year:				
Commodity Murabaha Facilities ^(a)				
- Term (C, E & F)	352,837	352,837	352,837	352,837
Less: Unamortised capitalised transaction costs	(7,575)	(8,200)	(7,575)	(8,200)
	345,262	344,637	345,262	344,637
Unsecured borrowings				
Amount repayable after one year:				
Convertible Sukuk - debt component ^(b)	76,338	76,163	-	-
Loan from a subsidiary ^(c)	-	-	80,000	80,000
Less: Unamortised capitalised transaction costs	-	-	(1,287)	(1,349)
	76,338	76,163	78,713	78,651
Total borrowings	421,600	420,800	423,975	423,288

Details of borrowings, debt securities and collaterals

Secured borrowings

- (a) As at the reporting date, the following Term CMF were outstanding:
- (i) 3-year Term CMF C of S\$100.2 million maturing in November 2014;
 - (ii) 3-year Term CMF E of S\$177.6 million maturing in August 2015; and
 - (iii) 5-year Term CMF F of S\$75.0 million maturing in August 2017

Revolving CMF D of S\$18.0 million was undrawn as at the reporting date.

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

- (1) A first ranking legal mortgage over all the properties except for 39 Ubi Road 1, 6 Woodlands Loop and 23 Serangoon North Avenue 5 (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);
- (2) Assignment of insurances, assignment of proceeds and assignment of Property Management Agreements relating to the Securitized Properties; and
- (3) A fixed and floating charge over the other assets of Sabana Shari'ah Compliant REIT relating to the Securitized Properties.

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Unsecured borrowings

(b) Convertible Sukuk

	Group	
	31/03/13	31/12/12
	S\$'000	S\$'000
Convertible Sukuk - debt component		
Carrying amount of debt component at beginning of the period/at inception	76,163	75,975
Profit accretion, including amortisation of transaction costs	175	188
Carrying amount of debt component at end of the period	76,338	76,163

The S\$80.0 million 4.5 per cent. per annum 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 an initial conversion price of S\$1.1933 per unit.

(c) Loan from a subsidiary

The S\$80.0 million loan, which is equivalent to the principal amount of the Convertible Sukuk outstanding, granted by STPL to the Trust, is unsecured and profit bearing.

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1 (c) Statement of Cash Flows

Statement of Cash Flows	Group	
	1Q 2013	1Q 2012
	S\$'000	S\$'000
Cash flows from operating activities		
Total return for the period after taxation and before distribution	9,147	11,921
Adjustments for:		
Amortisation of intangible assets	340	316
Manager's fees paid/payable in units	1,137	1,073
Net change in fair value of financial derivatives	4,057	493
Net finance costs	4,836	3,966
	19,517	17,769
Change in trade and other receivables	(336)	(74)
Change in trade and other payables	(2,086)	(3,604)
Cash generated from operating activities	17,095	14,091
Ta'widh (Compensation on late payment of rent) received	4	8
Net cash from operating activities	17,099	14,099
Cash flows from investing activities		
Finance income received from Shari'ah compliant deposits	21	47
Net cash from investing activities	21	47
Cash flows from financing activities		
Finance costs paid	(4,984)	(3,422)
Distributions paid	(15,461)	(13,829)
Net cash used in financing activities	(20,445)	(17,251)
Net decrease in cash and cash equivalents	(3,325)	(3,105)
Cash and cash equivalents at beginning of the period	18,965	31,822
Cash and cash equivalents at end of the period	15,640	28,717

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1 (d)(i) Statements of Movements in Unitholders' Funds (1Q 2013 vs 1Q 2012)

<u>Statements of Movements in Unitholders' Funds</u>	Group		Trust	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the period	702,857	681,782	701,833	681,782
Operations				
Total return for the period after taxation and before distribution	9,147	11,921	13,157	11,921
Net increase in net assets resulting from operations	712,004	693,703	714,990	693,703
Unitholders' transactions				
Issue of units as Manager's fees payable in units ^(a)	1,137	1,073	1,137	1,073
Distributions to Unitholders	(15,461)	(13,829)	(15,461)	(13,829)
Net decrease in net assets resulting from Unitholders' transactions	(14,324)	(12,756)	(14,324)	(12,756)
Unitholders' funds at end of the period	697,680	680,947	700,666	680,947

Note:

- (a) This represents the value of 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 quarter end.

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

	Group and Trust	
	1Q 2013	1Q 2012
Units in issue:		
Units in issue at beginning of the period	640,490,459	636,145,601
Manager's fees paid in units	1,032,458	1,149,852
	641,522,917	637,295,453
Units to be issued:		
Manager's fees payable in units ^(a)	902,993	1,125,640
Total issued and to be issued units at end of period	642,425,910	638,421,093

Note:

- (a) These are additional units to be issued to the Manager as partial consideration of 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 31 March 2013:

Principal Amount Outstanding	Maturity Date	Conversion Price per unit as at 31 March 2013
Convertible Sukuk due 2017 S\$80.0 million 4.5% per cent per annum.	24 September 2017	S\$1.1933

Assuming all the Convertible Sukuk are fully converted based on the initial conversion price of S\$1.1933, the number of new units to be issued would be 67,040,979, representing 10.4% of the total number of the Trust's units in issue and to be issued of 642,425,910 units as at 31 March 2013.

There has been no conversion of any of the above Convertible Sukuk into units of the Trust since the date of their issue.

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

Not applicable.

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

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

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

Please see attached review report.

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

On 1 January 2013, the Group adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Certified Public Accountants of Singapore which has no significant impact to the financial statements of the Group.

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 2012.

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

Not applicable.

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

Earnings per unit (1Q 2013 vs 1Q 2012)

	Group		Trust	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Basic EPU				
Weighted average number of units in issue	641,257,628	636,979,293	641,257,628	636,979,293
Earnings per unit for the period based on the weighted average number of units in issue (cents) ^(a)	1.43	1.87	2.05	1.87
Diluted EPU				
Weighted average number of units in issue (diluted)	708,298,607	636,979,293	708,298,607	636,979,293
Earnings per unit for the period based on the weighted average number of units in issue (diluted) (cents) ^(b)	1.43 ^(c)	1.87	1.99	1.87

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 is the same as the basic EPU for the Group as the Convertible Sukuk were anti-dilutive.

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Distribution per unit

In computing the DPU, the number of units as at the end of each period is used for the computation.

	Group and Trust	
	1Q 2013	1Q 2012
Number of units issued and to be issued at end of period entitled to distribution ^(a)	642,425,910	638,421,093
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.41	2.26

Note:

- (a) The computation of DPU is based on the number of units entitled to distribution, comprising:
- (i) The number of units in issue as at 31 March 2013 of 641,522,917 (31 March 2012: 637,295,453); and
 - (ii) The units to be issued to the Manager by 30 April 2013 as partial consideration of Manager's fees incurred for 1Q 2013 of 902,993 (by 30 April 2012 as partial consideration of Manager's fees incurred for 1Q 2012 of 1,125,640).

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

	Group		Trust	
	As at 31/03/13	As at 31/12/12	As at 31/03/13	As at 31/12/12
NAV per unit (S\$) ^(a)	1.09	1.10	1.09	1.09

Note:

- (a) The number of units used to compute NAV per unit is 642,425,910 (31 December 2012: 641,522,917), comprising:
- (i) The number of units in issue as at 31 March 2013 of 641,522,917 (31 December 2012: 640,490,459); and
 - (ii) The units to be issued to the Manager by 30 April 2013 as partial consideration of Manager's fees incurred for 1Q 2013 of 902,993 (by 31 January 2013 as partial consideration of Manager's fees incurred for 4Q 2012 of 1,032,458).

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

1Q 2013 vs 1Q 2012

Statements of Total Return	Group		
	1Q 2013	1Q 2012	Fav / (Unfav)
	S\$'000	S\$'000	%
Gross revenue ^(a)	21,509	19,651	9.5
Property expenses ^(b)	(1,251)	(1,155)	(8.3)
Net property income	20,258	18,496	9.5
Finance income	25	55	(54.5)
Finance costs	(4,861)	(4,021)	(20.9)
Net finance costs ^(c)	(4,836)	(3,966)	(21.9)
Amortisation of intangible assets ^(d)	(340)	(316)	(7.6)
Manager's fees ^(e)	(1,422)	(1,341)	(6.0)
Trustee's fees ^(e)	(114)	(113)	(0.9)
Donation of non-Shari'ah compliant income ^(f)	(33)	(39)	15.4
Other trust expenses	(309)	(307)	(0.7)
Net income	13,204	12,414	6.4
Net change in fair value of financial derivatives ^(g)	(4,057)	(493)	NM
Total return for the period before taxation and distribution	9,147	11,921	(23.3)
Income tax expense	*	-	NM
Total return for the period before distribution	9,147	11,921	(23.3)
Distribution adjustments ^(h)	6,339	2,532	150.4
Income available for distribution	15,486	14,453	7.1

NM denotes "not meaningful"

*Less than S\$1,000

Notes:

- (a) Gross revenue increased by 9.5% mainly due to contribution from the property located at 23 Serangoon North Avenue 5 which was acquired on 1 October 2012 ("**2012 Acquisition Property**"). Net property income grew by 9.5% due to the same reason.
- (b) Property expenses increased by 8.3% mainly due to:
- Property and lease management fees incurred for the 2012 Acquisition Property; and
 - Higher land rent and property tax incurred for 9 Tai Seng Drive.
- (c) Net finance costs increased by 21.9% mainly due to:
- The amortisation of upfront fees and profit expense relating to the Convertible Sukuk issued in 3Q 2012;
 - The fall in finance income arising from lower profit rates offered by financial institutions on smaller fixed deposit placements compared to 1Q 2013; and partially offset by
 - The lower profit rates relating to the refinanced S\$252.6 million CMF in 3Q 2012.
- (d) Amortisation of intangible assets increased by 7.6% mainly due to a faster drawdown of rental support pertaining to the property located at 9 Tai Seng Drive .
- (e) Manager's and Trustee's fees increased by 6.0% and 0.9% respectively mainly due to the higher total assets in 1Q 2013, arising from the 2012 Acquisition and the revaluation surplus on the Properties at 31 December 2012, upon which these fees are based on.
- (f) Donation of non-Shari'ah income was 15.4% lower mainly due to lower penalty charged for late payment of rental by lessees.
- (g) The decrease in the net change in fair value of financial derivatives is mainly due to the fair value change of the embedded derivatives component of the Convertible Sukuk.
- (h) Distribution adjustments were higher mainly due to the reasons stated in (g) above as these items were adjusted back to derive the income available for distribution.

9. Variance between forecast and the actual results

Sabana Group has not made any forecast.

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 advance estimates released by the Ministry of Trade & Industry ("MTI"), the Singapore economy contracted by 0.6% on a year-on-year basis in 1Q 2013, compared to the 1.5% growth in the preceding quarter.¹ MTI is maintaining its 2013 economic growth forecast at 1.0 to 3.0%.²

On the industrial property sector in particular, Knight Frank is forecasting price appreciation at 5% to 10% increase for the whole of 2013 for properties of better tenures, good locations and superior specifications in view of the Seller's Stamp Duty ("SSD") recently introduced by the government.³ Meanwhile, DTZ expects yields to compress further as prices hold up while sluggish manufacturing sector and pipeline supply exert pressure on industrial rents.⁴ In addition, Colliers expects industrial capital values to remain relatively stable with minimal fluctuations in 2013 and industrial rents are to rise at a slower pace, taking into consideration of the SSD, the persistent global economic headwinds and higher competition for tenants.⁵

Despite the subdued outlook for the global economy and the Singapore industrial property market, the Manager is positive about the Trust's performance for 2013.

Sources:

- (1) "Singapore's Economy Contracted in the First Quarter of 2013". www.mti.com.sg. Ministry of Trade and Industry. 12 April 2013. Web. 12 April 2013.
- (2) "MTI Maintains its 2013 GDP Growth Forecast at 1.0 to 3.0 Per Cent". www.mti.com.sg. Ministry of Trade and Industry. 22 Feb 2013. Web. 12 April 2013.
- (3) "Real Estate Highlights". www.knightfrank.com. Knight Frank. March 2013. Web. 12 April 2013.
- (4) "Industrial rents hold firm as price growth declines". www.dtz.com/Singapore. DTZ. 4 April 2013. Web. 9 April 2013.
- (5) "Asia Real Estate 2013 Forecast". www.colliers.com/country/singapore. Colliers International. Web. 12 April 2013.

11. Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the first quarter ended 31 March 2013

Distribution Type Taxable income distribution – 2.41 cents per unit

Par value of units: Not meaningful

Tax rate: **Taxable Income**

These distributions are made out of Sabana Shari'ah Compliant REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

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

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

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2013 TO 31 MARCH 2013**

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the first quarter ended 31 March 2012

Distribution Type Taxable income distribution – 2.26 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: 30 May 2013

(d) Books Closure Date: 26 April 2013

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 Complaint REIT which may render these unaudited interim financial results to be false or misleading, in any material aspect.

**SABANA SHARI'AH COMPLIANT REIT FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR FIRST QUARTER FROM 1 JANUARY 2013 TO 31 MARCH 2013**

**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

18 April 2013

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

18 April 2013

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 period ended 31 March 2013. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 31 March 2013;
- Portfolio statement of the Group as at 31 March 2013;
- Statements of total return of the Group and the Trust for the period from 1 January 2013 to 31 March 2013;
- Distribution statements of the Group and the Trust for the period from 1 January 2013 to 31 March 2013;
- Statements of movements in unitholders' funds of the Group and the Trust for the period from 1 January 2013 to 31 March 2013;
- Statement of cash flows of the Group for the period from 1 January 2013 to 31 March 2013; 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 Certified Public Accountants of Singapore. 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 Certified Public Accountants of Singapore.

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
Certified Public Accountants*

Singapore
18 April 2013