



SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *
FOR THE PERIOD ENDED 31 MAY 2014

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* ***Please refer to the attached auditors' review report.***

Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013.

Credit Suisse (Singapore) Limited was the sole global coordinator and issue manager for the initial public offering of SPH REIT (the "Offering"). Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters of the Offering (collectively, the "Joint Bookrunners").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Introduction

SPH REIT is a real estate investment trust constituted by the Trust Deed entered into on 9 July 2013 between SPH REIT Management Pte. Ltd. as the Manager of SPH REIT, and DBS Trustee Limited as the Trustee of SPH REIT. SPH REIT was listed on SGX-ST on 24 July 2013.

The investment strategy of SPH REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia Pacific, as well as real estate-related assets.

The initial portfolio of SPH REIT comprises the following two high quality and well located commercial properties in Singapore:

- Paragon, a premier upscale retail mall and medical suite/office property, well known for its upscale mall housing many luxury brands, located in the heart of Orchard Road; and
- The Clementi Mall, a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore.

As disclosed in the Prospectus, SGX-ST has granted SPH REIT a waiver from compliance with Listing Rule 705 (1) which requires the announcement of the financial statements for the full year (for the period ended 31 August 2013) and to incorporate the period from the listing date to 31 August 2013 in its FY2014 result announcements. Hence, SPH REIT presented its results from listing date to 31 May 2014 in this announcement. The financial information for the period 24 July 2013 to 31 May 2014 as set out in this announcement has been extracted from the interim financial information for the period 24 July 2013 to 31 May 2014, which has been reviewed by our auditors, KPMG LLP*, in accordance with the Singapore Standard on Review Engagement 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The notes as follows shall be applicable to the relevant sections thereafter:

- “Actual” - Although SPH REIT was constituted on 9 July 2013, the acquisition of the properties was completed on 24 July 2013 and listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 24 July 2013. Consequently, the actual income derived from the properties for the current period was from 24 July 2013 (listing date) to 31 May 2014. The results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 were insignificant.
- “Pro forma” - The comparative figures were derived from the Prospectus for the financial year ended 31 August 2012 and six-month period ended 28 February 2013 (for the period 24 July 2012 to 28 February 2013). For the period 1 March 2013 to 31 May 2013, the figures were based on unaudited management accounts of Orchard 290 Ltd and CM Domain Pte Ltd after relevant adjustments to ensure consistency with the basis of preparation adopted in the Prospectus’ Pro forma statements.
- “Forecast” - The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 31 May 2014) as disclosed in the Prospectus.
- “3Q” - Refers to the third quarter from 1 March 2014 to 31 May 2014 for the current year or the corresponding third quarter of the preceding year.
- “YTD” - Refers to the period from 24 July 2013 to 31 May 2014 for the current year or the corresponding period of the preceding year.

* ***Please refer to the attached auditors’ review report.***

For The Period Ended 31 May 2014

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Statement of Total Return

	Actual 3Q 2014	Pro forma 3Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	50,406	49,596	1.6	171,847	167,053	2.9
Property operating expenses	(12,691)	(12,775)	(0.7)	(43,940)	(44,027)	(0.2)
Net property income	37,715	36,821	2.4	127,907	123,026	4.0
Income support ¹	1,077	1,224	(12.0)	3,780	4,290	(11.9)
Amortisation of intangible asset	(1,077)	(1,224)	(12.0)	(3,780)	(4,290)	(11.9)
Manager's management fees	(3,879)	(3,825)	1.4	(13,164)	(12,863)	2.3
Trust expenses ²	(545)	(567)	(3.9)	(1,665)	(1,940)	(14.2)
Finance income	69	35	97.1	141	78	80.8
Finance costs	(5,011)	(4,993)	0.4	(16,892)	(17,111)	(1.3)
Total return for the period before taxes and distribution	28,349	27,471	3.2	96,327	91,190	5.6
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	28,349	27,471	3.2	96,327	91,190	5.6

Notes:

- Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support.
- Includes recurring trust expenses such as trustee's fees, listing fees, valuation fees, audit and tax adviser's fees, cost associated with the preparation of annual reports, and investor communication costs.

NM Not Meaningful

For The Period Ended 31 May 2014

1(a)(ii) Distribution Statement

	Actual 3Q 2014	Pro forma 3Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxes and before distribution	28,349	27,471	3.2	96,327	91,190	5.6
Add: Non-tax deductible items ¹	5,591	5,675	(1.5)	19,077	18,965	0.6
Total amount distributable to Unitholders for the period	33,940	33,146	2.4	115,404	110,155	4.8

Notes:

1. Non-tax deductible items refer to the Manager's management fees paid in units, trustee's fees, amortisation of income support and amortisation of debt issuance costs.

For The Period Ended 31 May 2014

1(b)(i) A balance sheet together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheet	Actual As at 31 May 14 S\$'000	Pro forma As at 28 Feb 13 ¹ S\$'000
Non-current assets		
Plant and equipment	1,083	765
Investment properties ²	3,055,128	3,053,000
Intangible asset ³	13,720	17,500
	3,069,931	3,071,265
Current assets		
Trade and other receivables	6,191	1,343
Cash and cash equivalents	87,702	43,569
	93,893	44,912
Total assets	3,163,824	3,116,177
Non-current liabilities		
Borrowing	842,641	840,892
Derivative financial instruments ⁴	8,999	-
Trade and other payables	31,282	32,754
	882,922	873,646
Current liabilities		
Trade and other payables	29,781	10,815
	29,781	10,815
Total liabilities	912,703	884,461
Net assets attributable to Unitholders	2,251,121	2,231,716

Notes:

- SPH REIT completed the acquisition of Paragon and The Clementi Mall on listing date, the financial statements incorporate the two properties in its portfolio accordingly. SPH REIT balance sheet is compared against the Pro forma Balance Sheet as at 28 February 2013 in the Prospectus, prepared based on the assumptions, inter alia, that the listing exercise, changes in debt capital structure and the acquisition of the two properties had occurred on or were effective on 28 February 2013.
- The annual valuation of the investment properties will be carried out at financial year-end.
- Intangible asset relates to income support provided by the vendors of The Clementi Mall.
- Derivative financial instruments represent the fair value as at 31 May 2014 of the interest rate swap contracts to swap floating rates for fixed interest rates.

1(b)(ii) **Borrowing**

Secured borrowing

	Actual As at 31 May 14 S\$'000	Pro forma As at 28 Feb 13 S\$'000
Amount repayable within one year	-	-
Amount repayable after one year	842,641	840,892

Details of collateral

On 24 July 2013, SPH REIT established a term loan facility available for drawdown up to the amount of S\$975 million. As at the balance sheet date, the amount drawn down was S\$850 million. The amount of S\$842.6 million represented the loan stated at amortised cost. The loan has repayment terms ranging from three to seven years, of which S\$250 million is repayable on 23 July 2016, S\$300 million on 23 July 2018 and S\$300 million on 22 July 2020.

The term loan is secured by way of a first legal mortgage on Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of insurance taken in relation to Paragon.

For The Period Ended 31 May 2014

1(c) A cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Cash Flows^{1,2}

	Actual 3Q 2014 S\$'000	Actual YTD 2014 S\$'000
Cash flows from operating activities		
Total return for the period	28,349	96,327
Adjustments for:		
Manager's fee paid/payable in units	3,879	13,164
Depreciation of plant and equipment	34	93
Interest income	(69)	(141)
Finance costs	5,011	16,892
Amortisation of intangible asset	1,077	3,780
Operating cash flow before working capital changes	38,281	130,115
Changes in operating assets and liabilities		
Trade and other receivables	(870)	(6,180)
Trade and other payables	2,034	58,976
Net cash from operating activities	39,445	182,911
Cash flows from investing activities		
Acquisition of investment properties	-	(1,306,000)
Capital expenditure on investment properties	(764)	(1,907)
Acquisition of intangible asset	-	(17,500)
Purchase of plant and equipment	(17)	(1,176)
Interest received	76	133
Net cash used in investing activities	(705)	(1,326,450)
Cash flows from financing activities		
Proceeds from issue of units	-	503,896
Issue expenses paid	-	(18,908)
Proceeds from bank loan (net of transaction costs)	-	840,983
Distribution to unitholders	(34,840)	(81,359)
Interest paid	(4,428)	(13,371)
Net cash (used in)/from financing activities	(39,268)	1,231,241
Net (decrease)/increase in cash and cash equivalents	(528)	87,702
Cash and cash equivalents at beginning of the period	88,230	-
Cash and cash equivalents at end of the period	87,702	87,702

Notes:

- There was no comparative Statement of Cash Flows for the period ended 28 February 2013 as SPH REIT was only constituted on 9 July 2013.
- Significant non-cash transactions: SPH REIT has acquired Paragon and The Clementi Mall from Orchard 290 Ltd and CM Domain Pte Ltd respectively on 24 July 2013 (listing date). The acquisition was partially settled by way of issuance of units in the Trust amounting to S\$1,747,000,000.

For The Period Ended 31 May 2014

1(d)(i) Statement of Changes in Unitholders' Funds¹

	Actual 3Q 2014	Actual YTD 2014
	S\$'000	S\$'000
Balance as at beginning of period	2,255,647	-
<u>Operations</u>		
Total return for the period / net increase in assets resulting from operations	28,349	96,327
<u>Hedging reserve</u>		
Movement in hedging reserve ²	(1,914)	(8,999)
<u>Unitholders' transactions</u>		
Issue of new units on listing	-	2,250,896
Issue expenses ³	-	(18,908)
Distribution to unitholders	(34,840)	(81,359)
Manager's fee paid/payable in units	3,879	13,164
Balance as at end of period	2,251,121	2,251,121

Notes:

1. There was no comparative Statement of Changes in Unitholders' Funds for the period ended 28 February 2013 as SPH REIT was only constituted on 9 July 2013.
2. This relates to the hedging reserve arising from interest rate swap arrangements.
3. This relates to Initial Public Offering ("IPO") expenses capitalised under capital reserves. The IPO expenses relates to underwriting fees, professional fees and other miscellaneous expenses.

For The Period Ended 31 May 2014

1(d)(ii) Details of Changes in Issued and Issuable Units

	Actual 3Q 2014	Actual YTD 2014
	No. of units	No. of units
Issued units as at beginning of period	2,506,494,120	1
Issue of new units:		
Placement at listing	-	2,500,994,999
Manager's fee paid in units ¹	3,980,929	9,480,049
Issuable units:		
Manager's fee payable in units ²	3,801,439	3,801,439
Total issued and issuable units as at end of period	2,514,276,488	2,514,276,488

Notes:

1. There were 5,499,120 units and 3,980,929 units issued to the REIT Manager as satisfaction of management fee for the period from 24 July 2013 (listing date) to 30 November 2013, and for the second quarter ended 28 February 2014.
2. There are 3,801,439 units to be issued to the REIT Manager as satisfaction of management fee incurred for the current quarter. This is calculated based on volume weighted average traded price for the last 10 business days for the respective periods, as provided in the Trust Deed.

1(d)(iii) To show the total number of issued units excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 May 2014, SPH REIT had 2,510,475,049 units (31 August 2013: 2,500,995,000 units).

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 financial information for the period 24 July 2013 to 31 May 2014 as set out in this announcement has been extracted from the interim financial information for the period 24 July 2013 to 31 May 2014, which has been reviewed by our auditors, KPMG LLP, in accordance with the Singapore Standard on Review Engagement 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

For The Period Ended 31 May 2014

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

Please refer to the attached auditor's review report.

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

The accounting policies and methods of computation have been consistently applied during the current reporting period.

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")**

	Actual 3Q 2014	Pro forma 3Q 2013	Actual YTD 2014	Pro forma YTD 2013
<u>Earnings per unit</u>				
Weighted average number of units ¹	2,510,515,925	2,500,995,000	2,505,910,467	2,500,995,000
Total return for the period after tax (S\$'000)	28,349	27,471	96,327	91,190
EPU (basic and diluted) (cents)	1.13	1.10	3.84	3.65
<u>Distribution per unit</u>				
Total number of units in issue at end of period	2,510,475,049	2,500,995,000	2,510,475,049	2,500,995,000
Income available for distribution to Unitholders (S\$'000)	33,940	33,146	115,404	110,155
DPU ² (cents)	1.35	1.33	4.60	4.40

Notes:

1. The actual weighted average number of units was based on the number of units in issue and issuable units to the Manager during the period. The number of units in issue at listing date was used for comparative Pro forma figure.
2. The DPU was computed based on the number of units entitled to distribution at the end of the period. The number of units in issue at listing date was used for comparative Pro forma figure.

For The Period Ended 31 May 2014

7. Net Asset Value (“NAV”) per unit

	Actual As at 31 May 14	Pro forma As at 28 Feb 13
NAV per unit ¹ (S\$)	0.90	0.89

Notes:

1. The NAV per unit was computed based on the number of units in issue and issuable units to the Manager at the end of the period.

8. Review of Performance

a. Actual 3Q 2014 vs Pro forma 3Q 2013

Gross revenue for the quarter from 1 March 2014 to 31 May 2014 (“3Q 2014”) improved by S\$0.8 million (1.6%) to S\$50.4 million, on the back of higher rental income achieved by both Paragon and The Clementi Mall.

Property operating expenses of S\$12.7 million were S\$0.1 million (0.7%) below Pro forma 3Q 2013. Savings in utilities and lower marketing cost were partially offset by higher maintenance and property tax.

Consequently, net property income of S\$37.7 million for 3Q 2014, was S\$0.9 million (2.4%) higher than the Pro forma 3Q 2013 figure. Total return increased by S\$0.9 million (3.2%) to S\$28.3 million for 3Q 2014 against the same quarter last year. The positive result was attributable to the higher net property income.

Total amount distributable to unitholders of S\$33.9 million for 3Q 2014 was S\$0.8 million (2.4%) above the corresponding quarter last year.

b. Actual YTD 2014 vs Pro forma YTD 2013

Gross revenue for the period from 24 July 2013 (listing date) to 31 May 2014 (“YTD 2014”) of S\$171.8 million was S\$4.8 million (2.9%) higher against Pro forma YTD 2013. The healthy results was driven by good progress in leasing activities. Both Paragon and The Clementi Mall were fully leased with rental reversion of 11.5% and 5.0% respectively for the new or renewed leases in YTD 2014.

Property operating expenses were marginally lower by S\$0.1 million (0.2%) against the Pro forma expenses incurred in the corresponding period last year. This was largely due to higher maintenance and property tax offset by reduced utilities cost.

Consequently, net property income of S\$127.9 million for YTD 2014, was S\$4.9 million (4.0%) higher than the same period last year. Total return increased by S\$5.1 million (5.6 %) to S\$96.3 million for YTD 2014 against the corresponding period last year. This was mainly attributable to the higher net property income.

Total amount distributable to unitholders of S\$115.4 million was S\$5.3 million (4.8%) above the Pro forma YTD 2013.

For The Period Ended 31 May 2014

9. Variance from Prospect Statement

9(a) Statement of Total Return

	Actual 3Q 2014	Forecast 3Q 2014	Change	Actual YTD 2014	Forecast YTD 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	50,406	50,360	0.1	171,847	171,617	0.1
Property operating expenses	(12,691)	(13,629)	(6.9)	(43,940)	(46,676)	(5.9)
Net property income	37,715	36,731	2.7	127,907	124,941	2.4
Income support ¹	1,077	1,107	(2.7)	3,780	4,079	(7.3)
Amortisation of intangible asset	(1,077)	(1,107)	(2.7)	(3,780)	(4,079)	(7.3)
Manager's management fees	(3,879)	(3,797)	2.2	(13,164)	(12,972)	1.5
Trust expenses ²	(545)	(566)	(3.7)	(1,665)	(1,939)	(14.1)
Finance income	69	-	NM	141	-	NM
Finance costs	(5,011)	(4,992)	0.4	(16,892)	(17,092)	(1.2)
Total return for the period before taxes and distribution	28,349	27,376	3.6	96,327	92,938	3.6
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	28,349	27,376	3.6	96,327	92,938	3.6

For The Period Ended 31 May 2014

9(b) Distribution Statement

	Actual 3Q 2014 S\$'000	Forecast 3Q 2014 S\$'000	Change %	Actual YTD 2014 S\$'000	Forecast YTD 2014 S\$'000	Change %
Total return for the period after taxes and before distribution	28,349	27,376	3.6	96,327	92,938	3.6
Add: Non-tax deductible items	5,591	5,393	3.7	19,077	18,722	1.9
Total amount distributable to Unitholders for the period	33,940	32,769	3.6	115,404	111,660	3.4

9(c) Variance between the Forecast and Actual Results

i. Actual 3Q 2014 vs Forecast 3Q 2014

Gross revenue for the quarter from 1 March 2014 to 31 May 2014 ("3Q 2014") was S\$50.4 million, in line with forecast.

Property operating expenses were S\$0.9 million (6.9%) lower than forecast at S\$12.7 million for the quarter. This was mainly due to continued savings in utilities attributed to higher efficiency in usage and more competitive utility rates.

Consequently, net property income of S\$37.7 million for 3Q 2014 was S\$1.0 million (2.7%) above forecast. Total return for 3Q 2014 was S\$28.3 million, an increase of S\$1.0 million (3.6%) compared to forecast, mainly due to higher net property income.

Total amount distributable to unitholders of S\$33.9 million for 3Q 2014 was S\$1.2 million (3.6%) above forecast.

ii. Actual YTD 2014 vs Forecast YTD 2014

Gross revenue for the period from 24 July 2013 (listing date) to 31 May 2014 ("YTD 2014") was S\$171.8 million, in line with forecast.

Property operating expenses were S\$2.7 million (5.9%) lower than forecast at S\$43.9 million for the period. This was largely due to lower utilities, property taxes and other expenses partially offset by higher marketing and maintenance costs.

Consequently, net property income of S\$127.9 million was S\$3.0 million (2.4%) higher than forecast. Both Paragon and The Clementi Mall exceeded forecast by S\$2.7 million (2.6%) and S\$0.3 million (1.3%) respectively.

Total return for YTD 2014 was S\$96.3 million, an increase of S\$3.4 million (3.6%) compared to forecast, mainly due to higher net property income and lower trust expenses. Finance cost was marginally lower as average cost of debt as at 31 May 2014 was 2.33%, within the forecast all-in-rate of 2.35%.

Total amount distributable to unitholders of S\$115.4 million was S\$3.7 million (3.4%) above forecast.

10. A commentary at the date of announcement of 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

The Singapore economy is expected to grow at a modest pace in 2014, supported by gradual improvement in the global economic outlook. Domestic-oriented sectors are expected to remain stable. However, continuing manpower crunch is expected to weigh on growth in some labour-intensive sectors and take a toll on expansion plans of retailers. The Ministry of Trade and Industry (MTI) has maintained the 2014 growth forecast for Singapore economy at 2% to 4%.

Based on figures released by the Singapore Department of Statistics (DOS), the retail sales index (excluding motor vehicle sales) declined year-on-year by 1.3% in April 2014 and 0.4% in March 2014. Compared to April 2013, retailers of watches and jewellery registered a 16.3% decline in sales while other segments such as department stores, food and beverage outlets, supermarkets and medical goods and toiletries reported sales increase ranging from 1.1% to 4.1%.

Recent events in the region appeared to have impacted visitor arrivals. According to Singapore Tourism Board (STB) statistics, visitor arrivals fell year-on-year by 2.3% in April 2014 and 5.2% in March 2014. For the period from January to April 2014, visitor arrivals declined 0.6% as compared to the same period last year.

Barring any unforeseen circumstances, SPH REIT's portfolio of two high quality and resilient retail properties, is expected to turn in a steady performance. The Manager remains focused on proactively managing the properties to deliver sustainable returns while seeking new opportunities to create value for unitholders.

11. **Distribution**

(a) **Current Financial Period**

Any distribution recommended for the current financial period reported on? Yes.

Name of distribution:	3 rd Distribution for the period from 1 March 2014 to 31 May 2014
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.35 cents per unit
Par value of units:	Not applicable.
Tax rate:	Taxable Income Distribution: Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 March 2015. All other investors will receive their distributions after deduction of tax at the rate of 17%.

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any distribution declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) **Date payable**

The date the distribution is payable: Thursday, 14 August 2014.

(d) **Books closure date**

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 21 July 2014 for purposes of determining each Unitholder's entitlement to SPH REIT distribution.

For The Period Ended 31 May 2014

12. **If no distribution has been declared (recommended), a statement to that effect**

Not applicable.

13. **Segment Results**

	Actual 3Q 2014 S\$'000	Pro forma 3Q 2013 S\$'000	Change %	Actual YTD 2014 S\$'000	Pro forma YTD 2013 S\$'000	Change %
<u>Gross Revenue</u>						
Paragon	40,925	40,087	2.1	139,347	134,911	3.3
The Clementi Mall	9,481	9,509	(0.3)	32,500	32,142	1.1
Total	50,406	49,596	1.6	171,847	167,053	2.9
<u>Net Property Income</u>						
Paragon	31,042	30,295	2.5	105,152	100,755	4.4
The Clementi Mall	6,673	6,526	2.3	22,755	22,271	2.2
Total	37,715	36,821	2.4	127,907	123,026	4.0

14. **If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

SPH REIT has not obtained a general mandate from unitholders for Interested Person Transactions.

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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of SPH REIT Management Pte. Ltd. (as the manager of SPH REIT) on future events.

BY ORDER OF THE BOARD

Lim Wai Pun
Khor Siew Kim

Company Secretaries

Singapore,
11 July 2014



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Co. Regn No. 201305497E

CONFIRMATION BY THE BOARD Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Trust (comprising the balance sheet, statement of total return and distribution statement, statement of changes in Unitholders' funds and cashflow statement, together with their accompanying notes) as at 31 May 2014, to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Leong'.

LEONG HORN KEE
Chairman

A handwritten signature in blue ink, appearing to read 'Anthony Mallek'.

ANTHONY MALLEK
Director

Singapore,
11 July 2014



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**The Board of Directors
SPH REIT Management Pte Ltd
(in its capacity as Manager of SPH REIT)**

**Review of the Interim Financial Information
For the period from 9 July 2013 (date of constitution) to 31 May 2014**

We have reviewed the accompanying Balance Sheet and Portfolio Statement of SPH REIT (the "Trust") as at 31 May 2014, the Statement of Total Return, Distribution Statement, Statement of Changes in Unitholders' Funds and Statement of Cash Flows of the Trust for the period from 9 July 2013 (date of constitution) to 31 May 2014 ("Interim Financial Information"), as set out on pages FS1 to FS13.

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 Reporting Framework for Unit Trusts relevant to interim financial information. 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 Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 Reporting Framework for Unit Trusts relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants.

Restriction on 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 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.

A handwritten signature in black ink, appearing to read 'Kuei W'. The signature is written in a cursive, flowing style.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
11 July 2014