

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

SPH REIT MANAGEMENT PTE. LTD.

Securities

SPH REIT - SG2G02994595 - SK6U

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

05-Apr-2019 19:09:27

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG190405OTHR4NZU

Submitted By (Co./ Ind. Name)

Lim Wai Pun

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

The Announcement, Press Release and Results Presentation are attached.

Additional Details

For Financial Period Ended

28/02/2019

Attachments

[SPH%20REIT%20-%20SGX%20Announcement%20Q2FY19.pdf](#)[SPH%20REIT%20-%20Press%20Release%20Q2FY19.pdf](#)

[SPH%20REIT%20-%20Results%20Presentation%20Slides%20Q2FY19.pdf](#)

Total size =3641K MB



SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *

FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

Introduction

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 portfolio of SPH REIT comprises the following four quality and well located commercial properties in Singapore and Australia:

- * 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.
- * The Rail Mall, a unique cluster of shop units with established F&B offerings along Upper Bukit Timah Road, nestled in an affluent residential catchment.
- * SPH REIT also holds a 85.0% stake in Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales, Australia.

Review by auditors

The financial information as set out in this announcement for the second quarter and half year ended 28 February 2019 has been extracted from the interim financial information for the second quarter and half year ended 28 February 2019, 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.

* *Please refer to the attached review report.*

TABLE OF CONTENTS

Item No.	Description	Page No.
1	Statement of Total Return and Distribution Statement	3 - 4
	Statement of Financial Position	5
	Borrowing	6
	Statement of Cash Flows	7 - 8
	Statement of Changes in Unitholders' Funds	8 - 9
	Details of Changes in Issued and Issuable Units	9 - 10
2 & 3	Audit Statement	10
4 & 5	Changes in Accounting Policies	10 - 11
6	Earnings per unit ("EPU") and Distribution per unit ("DPU")	11 - 12
7	Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit	12
8	Review of Performance	12 - 13
9	Variance from Prospect Statement	13
10	Outlook and Prospects	13 - 14
11 - 12	Distribution	15 - 16
13	Segment Results	17
14	General mandate relating to Interested Person Transactions	17
15	Confirmation By the Manager Pursuant to Rule 720(1) of the SGX Listing Manual	17
16	Confirmation Pursuant to Rule 705(5) of the Listing Manual	19

For The Period Ended 28 February 2019

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

	<u>Group</u>					
	2Q 2019 S\$'000	2Q 2018 S\$'000	Change %	1H 2019 S\$'000	1H 2018 S\$'000	Change %
Gross revenue	58,123	53,592	8.5	111,928	107,071	4.5
Property operating expenses	(12,268)	(11,324)	8.3	(24,287)	(22,613)	7.4
Net property income	45,855	42,268	8.5	87,641	84,458	3.8
Income support ¹	-	(17)	NM	-	-	NM
Amortisation of intangible asset	-	17	NM	-	-	NM
Manager's management fees	(4,471)	(4,149)	7.8	(8,694)	(8,342)	4.2
Investment management fees ²	(148)	-	NM	(148)	-	NM
Trust expenses ³	(464)	(404)	14.9	(894)	(807)	10.8
Finance income	206	198	4.0	376	390	(3.6)
Finance costs	(7,684)	(5,973)	28.6	(13,946)	(11,989)	16.3
Net income	33,294	31,940	4.2	64,335	63,710	1.0
Fair value change on investment properties ⁴	(14,857)	-	NM	(14,857)	-	NM
Total return before taxes and distribution	18,437	31,940	(42.3)	49,478	63,710	(22.3)
Less: income tax ⁵	(166)	-	NM	(166)	-	NM
Total return after taxes and before distribution	18,271	31,940	(42.8)	49,312	63,710	(22.6)
Attributable to:						
Unitholders	19,950	31,940	(37.5)	50,991	63,710	(20.0)
Non-controlling interests	(1,679)	-	NM	(1,679)	-	NM
Total return for the period	18,271	31,940	(42.8)	49,312	63,710	(22.6)

NM Not Meaningful

For The Period Ended 28 February 2019

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

1(a)(i) Statement of Total Return (Cont'd)

Notes:

1. Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support. The income support has ended on 23 July 2018, five years from listing date on 24 July 2013.
2. This relates to investment management fee paid to the investment manager of SPH REIT Moelis Australia Trust.
3. Includes recurring trust expenses such as trustee's fees, valuation fees, audit and tax adviser's fees, legal & others professional fees, cost associated with the preparation of annual reports, and investor communication costs.
4. This relates to the acquisition costs incurred from the acquisition of Figtree Grove Shopping Centre.
5. This relates to withholding tax payable.

1(a)(ii) Distribution Statement

	2Q		<u>Group</u>		1H	
	2019	2018	Change	2019	2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders	19,950	31,940	(37.5)	50,991	63,710	(20.0)
Add: Non-tax deductible ¹	17,068	4,159	NM	21,883	8,929	NM
Income available for distribution	37,018	36,099	2.5	72,874	72,639	0.3
Distribution to Unitholders²	36,440	35,947	1.4	71,042	70,327	1.0

NM Not Meaningful

Notes:

1. Non-tax deductible items refer to the Manager's management fees paid/payable in units, trustee's fees, straight-line rental adjustments, amortisation of income support, amortisation of debt issuance costs, fair value change on investment properties and net income from subsidiary.
2. 1H 2019, the distribution to unitholders was 97.5% of income available for distribution.

For The Period Ended 28 February 2019

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

Statements of Financial Position

	<u>Group</u>		<u>Trust</u>	
	<u>As at 28 Feb 19 S\$'000</u>	<u>As at 31 Aug 18 S\$'000</u>	<u>As at 28 Feb 19 S\$'000</u>	<u>As at 31 Aug 18 S\$'000</u>
Non-current assets				
Plant and equipment	609	682	609	682
Investment properties	3,566,490	3,368,300	3,369,570	3,368,300
Investment in subsidiary	-	-	981	-
Trade and other receivables	-	-	97,156	-
Derivative financial instruments ¹	1,063	-	1,063	-
	<u>3,568,162</u>	<u>3,368,982</u>	<u>3,469,379</u>	<u>3,368,982</u>
Current assets				
Trade and other receivables ²	6,508	3,087	4,046	3,087
Cash and cash equivalents	44,993	35,965	38,951	35,965
	<u>51,501</u>	<u>39,052</u>	<u>42,997</u>	<u>39,052</u>
Total assets	<u>3,619,663</u>	<u>3,408,034</u>	<u>3,512,376</u>	<u>3,408,034</u>
Non-current liabilities				
Borrowings	883,756	683,261	783,447	683,261
Derivative financial instruments ¹	1,894	2,814	1,894	2,814
Trade and other payables ³	28,157	32,622	28,157	32,622
	<u>913,807</u>	<u>718,697</u>	<u>813,498</u>	<u>718,697</u>
Current liabilities				
Borrowings	209,917	209,813	209,917	209,813
Trade and other payables ³	54,354	40,577	49,971	40,577
	<u>264,271</u>	<u>250,390</u>	<u>259,888</u>	<u>250,390</u>
Total liabilities	<u>1,178,078</u>	<u>969,087</u>	<u>1,073,386</u>	<u>969,087</u>
Net assets	<u>2,441,585</u>	<u>2,438,947</u>	<u>2,438,990</u>	<u>2,438,947</u>
Represented by:				
Unitholders' fund	2,426,611	2,438,947	2,438,990	2,438,947
Non-controlling interests	14,974	-	-	-
Total Equity	<u>2,441,585</u>	<u>2,438,947</u>	<u>2,438,990</u>	<u>2,438,947</u>

Notes:

- Derivative financial instruments represent the fair value of the interest rate swap and cross currency interest rate swap contracts.
- Trade and other receivables comprised mainly rental receivable and trade amount due from related parties.
- Trade and other payables comprised mainly rental deposit, accrued interest and other payables.

For The Period Ended 28 February 2019

(b)(ii) Borrowing

Secured borrowing

	<u>Group</u>		<u>Trust</u>	
	As at 28 Feb 19 S\$'000	As at 31 Aug 18 S\$'000	As at 28 Feb 19 S\$'000	As at 31 Aug 18 S\$'000
Amount repayable within one year	209,917	209,813	209,917	209,813
Amount repayable after one year	883,756	683,261	783,447	683,261
Total	1,093,673	893,074	993,364	893,074

Details of collateral

The Group's secured term loan amounted to S\$1.1 billion. This consist of a term loan of S\$995 million secured by way of a first legal mortgage on Paragon and a term loan of A\$105 million secured by way of mortgage on Figtree Grove Shopping Centre.

For The Period Ended 28 February 2019

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

	<u>Group</u>			
	2Q	2Q	1H	1H
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net income	18,271	31,940	49,312	63,710
Adjustments for:				
Fair value change on investment properties	14,857	-	14,857	-
Manager's fee paid/payable in units	4,471	4,149	8,694	8,342
Depreciation of plant and equipment	45	56	95	111
Finance income	(206)	(198)	(376)	(390)
Finance costs	7,684	5,973	13,946	11,989
Amortisation of intangible asset	-	(17)	-	-
Straight-line rental adjustments	(242)	(529)	(51)	(529)
Operating cash flow before working capital changes	44,880	41,374	86,477	83,233
Changes in operating assets and liabilities				
Trade and other receivables	(3,505)	(73)	(3,363)	(372)
Trade and other payables	1,191	773	1,908	(3,641)
Net cash from operating activities	42,566	42,074	85,022	79,220
Cash flows from investing activities				
Acquisition of investment properties	(207,670)	-	(207,670)	-
Additions to investment properties	(436)	(1,503)	(966)	(1,741)
Purchase of plant and equipment	(21)	(11)	(22)	(11)
Interest received	176	192	359	393
Net cash used in investing activities	(207,951)	(1,322)	(208,299)	(1,359)
Cash flows from financing activities				
Proceeds from issue of units to non-controlling interest	16,834	-	16,834	-
Proceeds from bank loan (net of transaction costs) ¹	200,115	-	200,115	-
Distribution to unitholders	(34,602)	(34,380)	(71,380)	(70,677)
Interest paid	(7,203)	(5,714)	(13,264)	(11,389)
Net cash from/(used in) financing activities	175,144	(40,094)	132,305	(82,066)

For The Period Ended 28 February 2019

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

Statement of Cash Flows (Cont'd)

	<u>Group</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Net increase/(decrease) in cash and cash equivalents	9,759	658	9,028	(4,205)
Cash and cash equivalents at beginning of the period	35,234	58,142	35,965	63,005
Cash and cash equivalents at end of the period	44,993	58,800	44,993	58,800

Notes:

- The net proceeds from bank loan had been used to acquire Figtree Grove Shopping Centre and the acquisition was completed on 21 December 2018.

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

	<u>Group</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at beginning of period	2,438,158	2,422,571	2,438,947	2,421,060
<u>Operations</u>				
Total return for the period / net increase in assets resulting from operations	19,950	31,940	50,991	63,710
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	(973)	2,661	(248)	4,506
Translation differences from financial statements of foreign entities	(393)	-	(393)	-
<u>Unitholders' transactions</u>				
Distribution to unitholders	(34,602)	(34,380)	(71,380)	(70,677)
Manager's fee paid/payable in units	4,471	4,149	8,694	8,342
	(30,131)	(30,231)	(62,686)	(62,335)
Unitholders' funds as at end of period	2,426,611	2,426,941	2,426,611	2,426,941

Note:

- This relates to interest rate swap and cross currency interest rate swap arrangements.

For The Period Ended 28 February 2019

1(d)(i) Statement of Changes in Unitholders' Funds (Cont'd)

	<u>Trust</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at beginning of period	2,438,158	2,422,571	2,438,947	2,421,060
<u>Operations</u>				
Total return for the period / net increase in assets resulting from operations	31,936	31,940	62,977	63,710
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	(973)	2,661	(248)	4,506
<u>Unitholders' transactions</u>				
Distribution to unitholders	(34,602)	(34,380)	(71,380)	(70,677)
Manager's fee paid/payable in units	4,471	4,149	8,694	8,342
	(30,131)	(30,231)	(62,686)	(62,335)
Unitholders' funds as at end of period	2,438,990	2,426,941	2,438,990	2,426,941

Note:

- This relates to interest rate swap and cross currency interest rate swap arrangements.

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

	<u>Group and Trust</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
	No. of units '000	No. of units '000	No. of units '000	No. of units '000
Issued units as at beginning of period	2,582,226	2,565,653	2,571,845	2,556,106
Manager's fee paid in units ^{1,3}	2,138	2,007	12,519	11,554
	2,584,364	2,567,660	2,584,364	2,567,660
Issuable units:				
Manager's fee payable in units ^{2,3}	6,494	6,204	6,494	6,204
Total issued and issuable units as at end of period	2,590,858	2,573,864	2,590,858	2,573,864

For The Period Ended 28 February 2019

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

Notes:

In accordance with the amendments to the Trust Deed and new requirement by the Monetary Authority of Singapore, the performance fee for FY2017 and thereafter will be paid on an annual basis, after Board's approval of the audited annual accounts.

1. For 2Q 2019 and 2Q 2018, the issued units relate to base management fee for Q1 2019 and Q1 2018 respectively.

For 1H 2019, the issued units relate to performance management fees for FY2018 and base management fee for Q4 2018 and Q1 2019. For 1H 2018, the issued units relate to performance management fees for FY2017, partial satisfaction of base management fee for Q4 2017 and base management fee for Q1 2018.

2. The units issuable to the REIT Manager were in full satisfaction of management fee for respective quarters.
3. The number of units is calculated based on volume weighted average traded price for the last 10 business days for the respective quarters, 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 28 February 2019, SPH REIT had 2,584,364,566 units (31 August 2018: 2,571,845,315 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 second quarter and half year ended 28 February 2019 as set out in this announcement has been extracted from the interim financial information for the second quarter and half year ended 28 February 2019, 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.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 August 2018.

For The Period Ended 28 February 2019

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.**

The Group has adopted new Financial Reporting Standards in Singapore (“FRSs”) and interpretations effective for the financial period beginning 1 September 2018 as follows:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There is no significant impact to the financial statements of the Group for the current and comparative financial period arising from the adoption of FRS 115.

(ii) FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting.

There is no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach by applying lifetime expected credit losses on its loans and receivables (if applicable). There is no significant impact to the financial statements of the Trust for the current and comparative financial period arising from the adoption of FRS 109.

The Group’s existing hedges that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

6. **Earnings per unit (“EPU”) and Distribution per unit (“DPU”)**

	<u>Group</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
<u>Earnings per unit</u>				
Weighted average number of units ¹ ('000)	2,586,526	2,569,739	2,584,376	2,567,695
Total return for the period after tax attributable to unitholders (S\$'000)	32,900	31,940	63,941	63,710
EPU (basic and diluted) (cents), excluding fair value change	1.27	1.24	2.47	2.48

For The Period Ended 28 February 2019

6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) (Cont’d)

	<u>Group</u>			
	2Q 2019	2Q 2018	1H 2019	1H 2018
<u>Distribution per unit</u>				
Total number of units in issue at end of period ('000)	2,584,364	2,567,660	2,584,364	2,567,660
Distribution to Unitholders ² (S\$'000)	36,440	35,947	71,042	70,327
DPU ³ (cents)	1.41	1.40	2.75	2.74

Notes:

1. The weighted average number of units was based on the number of units in issue and issuable units to the Manager.
2. As shown in 1(a)(ii) Distribution Statement.
3. The DPU was computed based on the number of units entitled to distribution.

7. Net Asset Value (“NAV”) per unit and Net Tangible Asset (“NTA”) per unit

	<u>Group</u>		<u>Trust</u>	
	As at 28 Feb 19	As at 31 Aug 18	As at 28 Feb 19	As at 31 Aug 18
NAV / NTA per unit ¹ (S\$)	0.94	0.95	0.94	0.95

Note:

1. The NAV per unit and NTA per unit were computed based on the number of units in issue as at balance sheet date.

8. Review of Performance

Review of Results for the Second Quarter ended 28 February 2019 (“2Q 2019”) compared with the Second Quarter ended 28 February 2018 (“2Q 2018”)

Gross revenue for 2Q 2019 grew by S\$4.5 million (8.5%) to S\$58.1 million. The increase was mainly due to contributions from The Rail Mail and Figtree Grove Shopping Centre which was acquired on 28 June 2018 and 21 December 2018 respectively.

Property operating expenses increased S\$0.9 million (8.3%) to S\$12.3 million for 2Q 2019 largely contributed by both acquisitions.

For The Period Ended 28 February 2019

8. Review of Performance (Cont'd)

Review of Results for the Second Quarter ended 28 February 2019 ("2Q 2019") compared with the Second Quarter ended 28 February 2018 ("2Q 2018") (Cont'd)

Net property income ("NPI") of S\$45.8 million for 2Q 2019 was S\$3.6 million (8.5%) higher than 2Q 2018.

Income available for distribution for the quarter was S\$37.0 million, which was S\$0.9 million (2.5%) higher as compared to 2Q 2018.

Review of Results for Half Year ended 28 February 2019 ("1H 2019") compared with the Half Year ended 28 February 2018 ("1H 2018")

Gross revenue for 1H 2019 was S\$111.9 million, an increase of S\$4.9 million (4.5%) from 1H 2018. The increase was mainly due to contributions from acquisitions of The Rail Mail and Figtree Grove Shopping Centre which was completed on 28 June 2018 and 21 December 2018 respectively. The increase was partially offset by lower rental income from Paragon.

Property operating expenses were S\$24.3 million, an increase of S\$1.7 million (7.4%) from 1H 2018 mainly due to property operating expenses from the acquisitions.

NPI of S\$87.6 million for 1H 2019, was higher by S\$3.2 million (3.8%) against the corresponding period last year.

Finance cost increased by S\$2.0 million (16.3%) to S\$13.9 million for 1H 2019. This was mainly due to additional interest expense from the new loans to finance the acquisition of Figtree Grove Shopping Centre. The average cost of debt was 2.88% p.a. for 1H 2019.

Fair value loss of S\$14.9 million relates to the acquisition costs from Figtree Grove Shopping Centre and has no impact on the income available for distribution. The total return for 1H 2019 was S\$49.5 million.

Income available for distribution for 1H 2019 was S\$72.9 million, an increase of S\$0.2 million (0.3%) compared to 1H 2018.

9. Variance from Prospect Statement

No forecast was made previously.

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

According to the Ministry of Trade and Industry (MTI), the Singapore economy grew by 3.2% on a year-on-year basis ("y-o-y") in 2018. Uncertainties and downside risks in the global economy have increased since three months ago. Against this backdrop, MTI expects the economic growth forecast in 2019 to come in slightly below the mid-point of the forecast range of "1.5% to 3.5%".

For The Period Ended 28 February 2019

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 (Cont'd)

Based on figures released by the Singapore Department of Statistics (DOS), the retail sales index (excluding motor vehicles) declined by 0.4% year-on-year in Q4 2018, a turnaround from the increase of 0.7% in Q3 2018 and 0.5% in Q2 2018.

Singapore Tourism Board (STB) reported a 6.2% y-o-y increase in international visitor arrivals in 2018. Tourism receipts grew by 1.1% to S\$20.6 billion in the first three quarters of 2018.

SPH REIT has a portfolio of four quality and well-positioned retail properties in Singapore and Australia. In Singapore, supported by the increase in international visitor arrivals and improvement in consumer sentiments, tenant sales from Paragon and The Clementi Mall continued to register growth. The Rail Mall is a unique cluster of shop units, with opportunity for SPH REIT to further strengthen its current F&B mix and create a differentiated positioning for the asset.

According to the Reserve Bank of Australia (RBA), the Australian economy grew by 2.75% in 2018. On the back of uncertainties and downside risks in the global economy, the RBA expects GDP growth to be around 3% in 2019 and 2.75% in 2020.

Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted retail turnover rose by 0.1% in Jan 2019 following a fall of 0.4% in Dec 2018 and a rise of 0.5% in Nov 2018.

SPH REIT acquired 85% stake in Figtree Grove Shopping Centre on 21 December 2018. In line with the Manager's strategy of acquiring yield-accretive retail properties, the acquisition is a strategic fit with SPH REIT's portfolio of quality assets and provides SPH REIT with the opportunity to further create value for unitholders.

The Manager will continue to proactively manage the properties so as to deliver long term returns for unitholders.

For The Period Ended 28 February 2019

11. Distribution

(a) Current Financial Period

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

Name of distribution:	Distribution for the period from 1 December 2018 to 28 February 2019
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.41 cents per unit
Par value of units:	Not applicable.
Tax rate:	<p>Taxable Income Distribution:</p> <p>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.</p> <p>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 December 2025.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p>

For The Period Ended 28 February 2019

11. Distribution (cont'd)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of distribution:	Distribution for the period from 1 December 2017 to 28 February 2018
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.40 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 2020. All other investors will receive their distributions after deduction of tax at the rate of 17%.

(c) Date payable

The date the distribution is payable: 17 May 2019.

(d) Record date

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 15 April 2019 for purposes of determining each Unitholder's entitlement to SPH REIT distribution.

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

Not applicable.

For The Period Ended 28 February 2019

13. Segment Results

	<u>Group</u>					
	2Q	2Q	Change	1H	1H	Change
	2019	2018		2019	2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Gross Revenue</u>						
<u>Singapore</u>						
Paragon	43,262	43,254	-	85,414	86,397	(1.1)
The Clementi Mall	10,458	10,338	1.2	20,882	20,674	1.0
The Rail Mall	1,253	-	NM	2,482	-	NM
	54,973	53,592	2.6	108,778	107,071	1.6
<u>Australia</u>						
Figtree Grove Shopping Centre	3,150	-	NM	3,150	-	NM
Total	58,123	53,592	8.5	111,928	107,071	4.5
<u>Net Property Income</u>						
<u>Singapore</u>						
Paragon	34,563	34,461	0.3	67,644	68,918	(1.8)
The Clementi Mall	7,881	7,807	0.9	15,621	15,540	0.5
The Rail Mall	1,002	-	NM	1,967	-	NM
	43,446	42,268	2.8	85,232	84,458	0.9
<u>Australia</u>						
Figtree Grove Shopping Centre	2,409	-	NM	2,409	-	NM
Total	45,855	42,268	8.5	87,641	84,458	3.8

NM Not Meaningful

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.

15. **Confirmation By the Manager Pursuant to Rule 720(1) of the SGX Listing Manual.**

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

For The Period Ended 28 February 2019

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,
5 April 2019



SPH REIT Management Pte. Ltd.

1000 Toa Payoh North

News Centre

Singapore 318994

Tel: +65 6319 3380

Fax: +65 6319 8149

www.sphreit.com.sg

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 financial results of the Group and the Trust (comprising the statement of financial position, statement of total return and distribution statement, statement of changes in Unitholders' funds and cashflow statement, together with their accompanying notes) as at 28 February 2019, 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 'Ginney'.

GINNEY LIM MAY LING
Director

Singapore,
5 April 2019



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

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

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 Second Quarter and Half Year Ended 28 February 2019

We have reviewed the accompanying Interim Financial Information of SPH REIT (the "Trust") and its subsidiaries (collectively the "Group") for the second quarter and half year ended 28 February 2019. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 28 February 2019;
- Portfolio statements of the Group and Trust as at 28 February 2019;
- Statement of total return of the Group for the second quarter and half year ended 28 February 2019;
- Distribution statement of the Group for the second quarter and half year ended 28 February 2019;
- Statement of movements in unitholders' funds of the Group and the Trust for the second quarter and half year ended 28 February 2019;
- Statement of cash flows of the Group for the second quarter and half year ended 28 February 2019; and
- Certain explanatory notes to the above financial information.

The Manager of the Trust is responsible for the preparation and fair 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* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on these Interim Financial Statements 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 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 'KPMG LLP', with a stylized flourish at the end.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 April 2019



SPH REIT 2Q 2019 Distribution Income 2.5% Higher Year-on-Year

- 2Q 2019 DPU was 1.41, an increase of 0.7% year-on-year
- Maintained high occupancy of 99.2%
- Acquired fourth asset – Figtree Grove Shopping Centre

SINGAPORE, April 5, 2019 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that net property income (“NPI”) for the second quarter ended 28 February 2019 (“2Q 2019”) was S\$45.8 million, an increase of S\$3.6 million (8.5%) compared to the same quarter last year, mainly due to contributions from acquisitions of The Rail Mall and Figtree Grove Shopping Centre.

Income available for distribution to unitholders of S\$37.0 million for 2Q 2019 was higher by S\$0.9 million (2.5%) compared to 2Q 2018. Distribution per unit (“DPU”) for 2Q 2019 was 1.41 cents, an increase of 0.7% against 2Q 2018. The 2Q 2019 distribution will be paid to unitholders on 17 May 2019.

Operational performance

SPH REIT’s properties maintained high occupancy at 99.2% as at 2Q 2019.

Paragon continue to record positive rental reversion of 8.6% for new and renewed leases for 1H 2019. This represented 15.2% of Paragon’s net lettable area.

The Clementi Mall and The Rail Mall recorded positive rental reversion of 5.0% and 6.2% respectively for 1H 2019. The overall portfolio registered a positive rental reversion of 8.4%.

Capital Management

SPH REIT proactively manages its financing risk by staggering the debt maturity profile to avoid major concentration of debts maturing in any single year. New loans were established in December 2018 to finance the acquisition of Figtree Grove Shopping Centre with total borrowings of S\$1.1 billion as at 28 February 2019. Including our proportionate share of borrowings, the gearing was 30.1% and weighted average term to maturity of 2.1 years as at 28 February 2019. The annualized average cost of debt was 2.88% p.a. for 1H 2019.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “SPH REIT continues to maintain high occupancy and delivers stable distribution. The overall portfolio registered a positive rental reversion of 8.4% for 1H 2019 supported by growth in overall tenant sales.

On 21 December 2018, SPH REIT completed the acquisition of 85% stake in Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales, Australia. Tenant sales at Figtree Grove Shopping Centre was 47.7% above benchmark for malls in the same category as reported by the independent national valuer, m3 Property Pty Ltd. The acquisition of this quality asset is in-line with our strategy to acquire yield-accretive retail properties. We continue to seek opportunities to enhance our properties and create long-term sustainable value for our unitholders.”

Summary Results of SPH REIT

	2Q 2019 S\$'000	2Q 2018 S\$'000	Change %
Gross revenue	58,123	53,592	8.5
Net property income	45,855	42,268	8.5
Income available for distribution	37,018	36,099	2.5
Distribution to Unitholders	36,440	35,947	1.4
Distribution per unit (cents)	1.41	1.40	0.7

	1H 2019 S\$'000	1H 2018 S\$'000	Change %
Gross revenue	111,928	107,071	4.5
Net property income	87,641	84,458	3.8
Income available for distribution	72,874	72,639	0.3
Distribution to Unitholders ¹	71,042	70,327	1.0
Distribution per unit (cents)	2.75	2.74	0.4
Annualised distribution yield (%)	5.38 ²	5.53 ³	(2.7)

Notes:

1. For 1H 2019, the distribution to unitholders was 97.5% of income available for distribution.
2. Based on S\$1.030 per unit closing price on 28 February 2019.
3. Based on S\$1.000 per unit closing price on 28 February 2018.

For further information and enquiries, please contact:

Benjamin Kuah Hsien Yiao
Chief Financial Officer &
Head of Investor Relations
SPH REIT Management Pte. Ltd.
Tel: +65 6319 3391
Email: benkuah@sphreit.com.sg

Chin Soo Fang
Head
Corporate Communications & CSR
Singapore Press Holdings
Tel: +65 6319 1216
Email: soofang@sph.com.sg

ABOUT SPH REIT

SPH REIT is a Singapore-based real estate investment trust established principally 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.

SPH REIT has a portfolio of four assets in Singapore and Australia.

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon commencing on 24 July 2013, a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010 and a 99-year leasehold interest in The Rail Mall commencing on 18 March 1947. Valued at S\$3.368 billion as at August 2018 with an aggregate net lettable area of approximately 960,000 sq. ft.

In Australia, SPH REIT owns a 85% stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. Valued at A\$206.0 million as at October 2018 with an aggregate gross lettable area of approximately 236,000 sq. ft.

Visit SPH REIT's website at www.sphreit.com.sg for more details.

ABOUT THE REIT MANAGER: SPH REIT MANAGEMENT PTE. LTD.

SPH REIT is managed by SPH REIT Management Pte. Ltd., a wholly-owned subsidiary of Singapore Press Holdings Limited. The Manager's key objective for SPH REIT is to provide Unitholders with regular and stable distributions, and sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

ABOUT THE SPONSOR: SINGAPORE PRESS HOLDINGS

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point and acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

For more information, please visit www.sph.com.sg.

Important Notice

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.



2Q FY19 Financial Results

5 April 2019

Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in SPH REIT (“Units”). The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of SPH REIT is not necessarily indicative of its future performance. This presentation may also 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.

This presentation shall be read in conjunction with SPH REIT’s financial results for the second quarter and year-to-date ended 28 February 2019 in the SGXNET announcement.

Contents

Results highlight	Slide 3
Balance sheet	Slide 8
Operational performance	Slide 11
Growth strategy and market outlook	Slide 17
Distribution details and timetable	Slide 22

Key Highlights

2Q FY19 Financial performance:

- Net property income increased **8.5%** y-o-y
- **5.38%** Distribution Yield, based on closing price of \$1.030 on 28 February 19
- Q2 FY19 DPU was **1.41 cents**, an increase of 0.7% year-on-year
- **30.1%** Low Gearing
- Figtree Grove Shopping Centre – expected to be yield accretive acquisition

Operational performance:

- **99.2%** Committed Occupancy
- **8.4%** Rental reversion

2Q FY19 financial performance

	2Q FY19 ^(a) S\$'000	2Q FY18 S\$'000	Change %
Gross revenue	58,123	53,592	8.5
Property expenses	(12,268)	(11,324)	8.3
Net property income (NPI)	45,855	42,268	8.5
Income available for distribution	37,018	36,099	2.5
Distribution to Unitholders ^(b)	36,440	35,947	1.4
Distribution per unit (DPU) (cents)	1.41	1.40	0.7

Note:

(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

1H FY19 financial performance

	1H FY19 ^(a) S\$'000	1H FY18 S\$'000	Change %
Gross revenue	111,928	107,071	4.5
Property expenses	(24,287)	(22,613)	7.4
Net property income (NPI)	87,641	84,458	3.8
Income available for distribution	72,874	72,639	0.3
Distribution to Unitholders ^(b)	71,042	70,327	1.0
Distribution per unit (DPU) (cents)	2.75	2.74	0.4

Note:

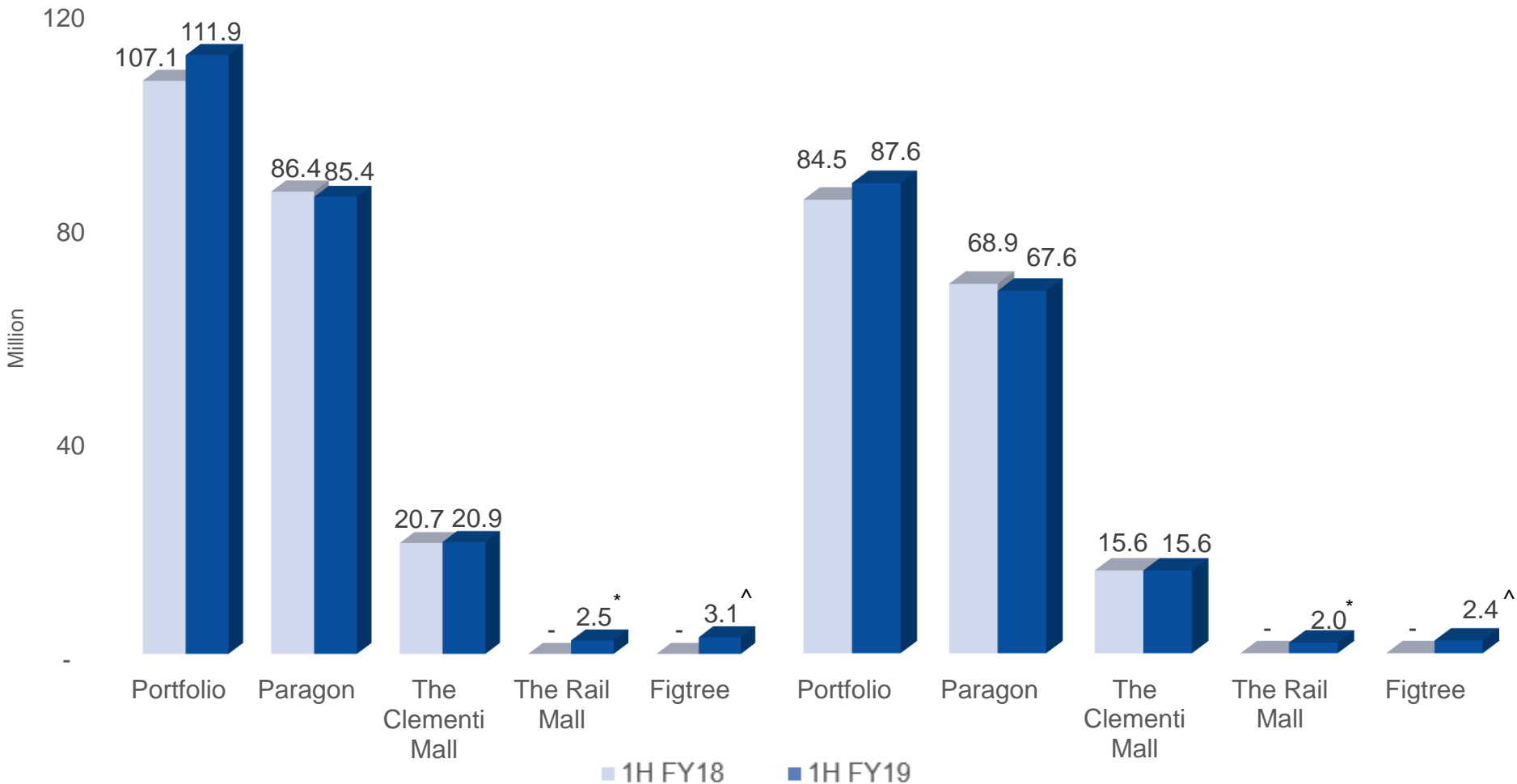
(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

(b) For 1HFY19, the distribution to unitholders was 97.5% of income available for distribution.

Property performance

Gross Revenue

Net Property Income

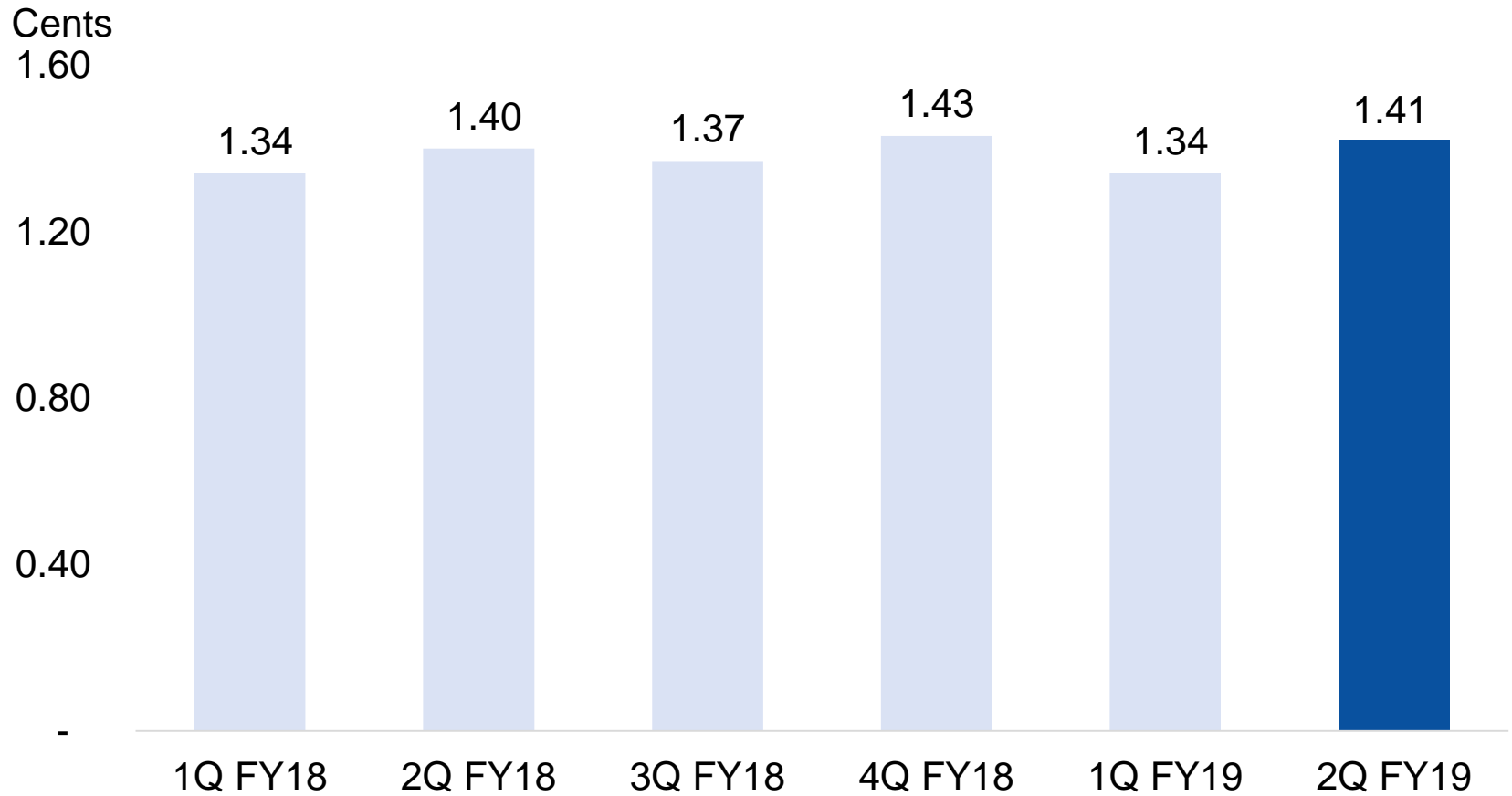


Note:

* Included the contribution from The Rail Mall (acquired on 28 June 2018)

^ Included the contribution from Figtree Grove Shopping Centre (acquired on 21 December 2018)

Steady distribution





Balance sheet



Financial position

	As at 28 February 2019 ^(a) S\$'000	As at 31 August 2018 S\$'000
Total assets	3,619,663	3,408,034
Total liabilities	1,178,078	969,087
Net assets attributable to unitholders	2,426,611	2,438,947
Net asset value per unit	S\$0.94	S\$0.95
Gearing ^(b)	30.1%	26.3%

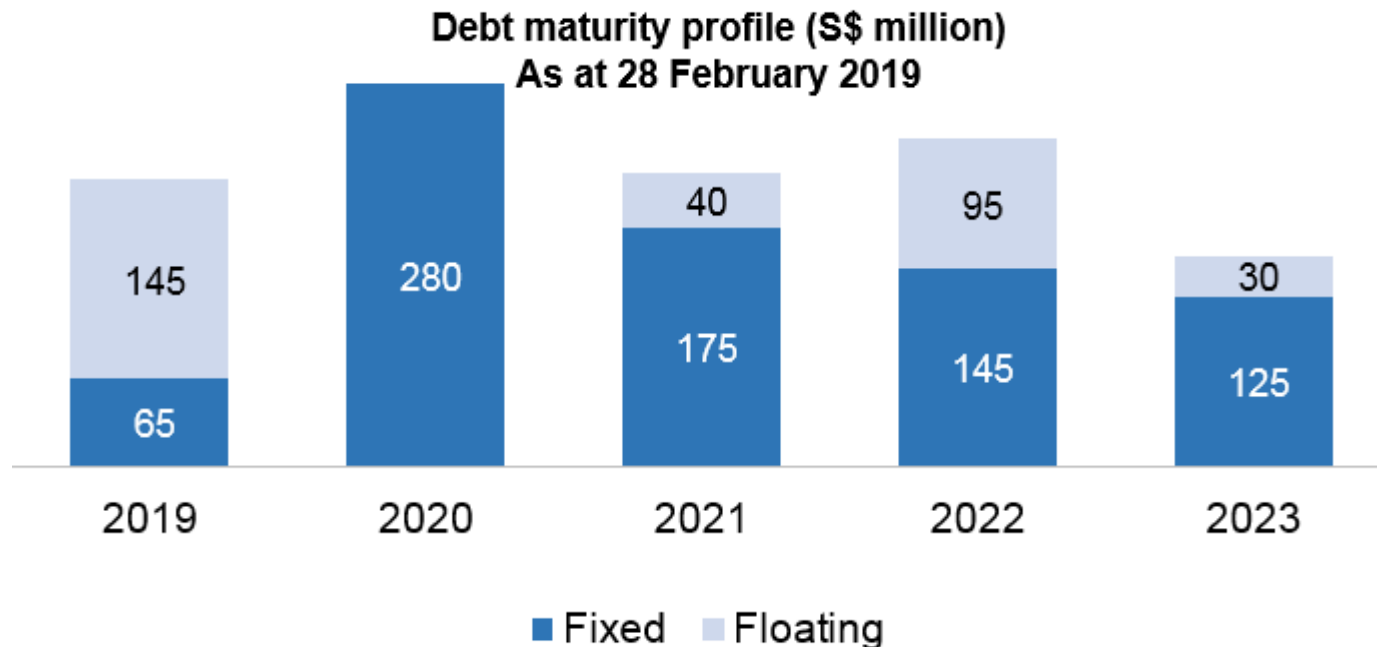
Note:

(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

(b) Gearing is computed based on total debt/ total assets (Includes SPH REIT's proportionate share of borrowings in accordance to the Property Funds Appendix).

Low gearing

- SPH REIT maintained a well staggered debt maturity profile without major concentration of debts maturing in any single year.
- Gearing was low at 30.1% and average cost of debt of 2.88% p.a. as at 28 February 2019.
- Weighted average term to maturity: 2.1 years
- New loans were taken up in December 2018 to finance the acquisition of Figtree Grove Shopping Centre.





Operational performance



Operational performance

- SPH REIT maintained high occupancy of 99.2%.
- Paragon recorded positive rental reversion of 8.6% for new and renewed leases cumulatively for 1H FY19. This represented 15.2% of Paragon's net lettable area.
- The Clementi Mall and The Rail Mall recorded positive rental reversion of 5.0% and 6.2% respectively for 1H FY19.
- The overall portfolio registered a positive rental reversion of 8.4%.
- Tenant sales have continued to register growth.
- 1H FY19 visitor traffic was higher by 3.4% compared to 1H FY18.

Rental reversion

	Number of renewals / new leases ^(a)	NLA renewed / new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ^(c)
Paragon	61	109,336	15.2%	8.6%
The Clementi Mall	4	2,029	1.0%	5.0%
The Rail Mall	6	6,950	14.0%	6.2%
SPH REIT Portfolio	71	118,315	12.3% ^(b)	8.4% ^(d)

Notes:

(a) For expiries in 2Q FY19, excluding newly created and reconfigured units

(b) As a % of SPH REIT portfolio's (excluding Figtree Grove Shopping Centre) total Net Lettable Area ("NLA") of 961,993 sqft as at 28 February 2019.

(c) The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. Preceding leases were typically committed three years ago.

(d) Reversion rate is computed based on weighted average of all expiring leases.

13 (e) No new leases or leases due for renewals for Figtree Grove Shopping Centre in 2Q FY19.

Staggered portfolio lease renewal

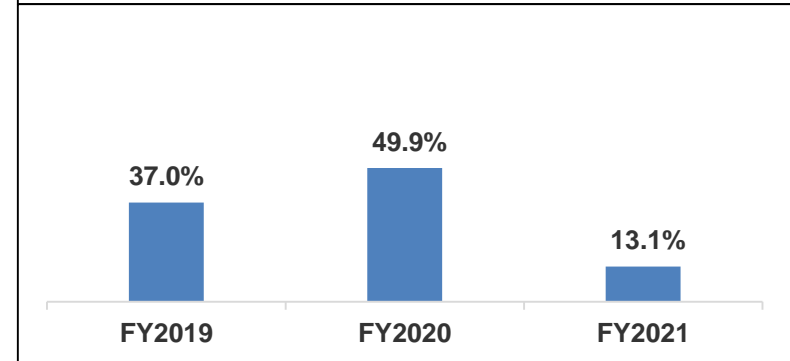
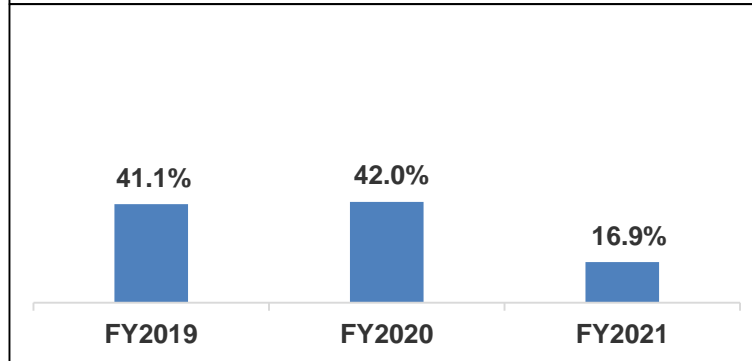
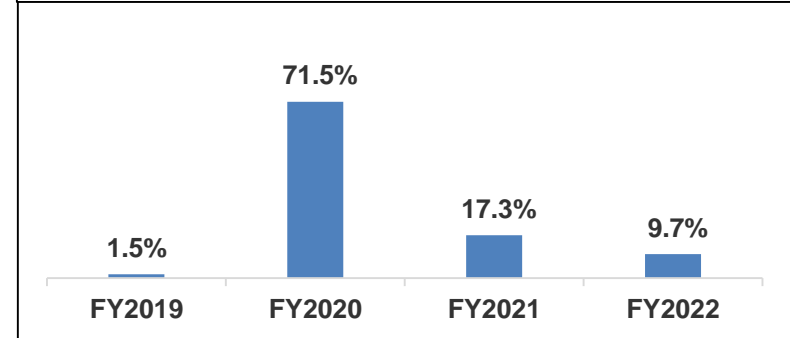
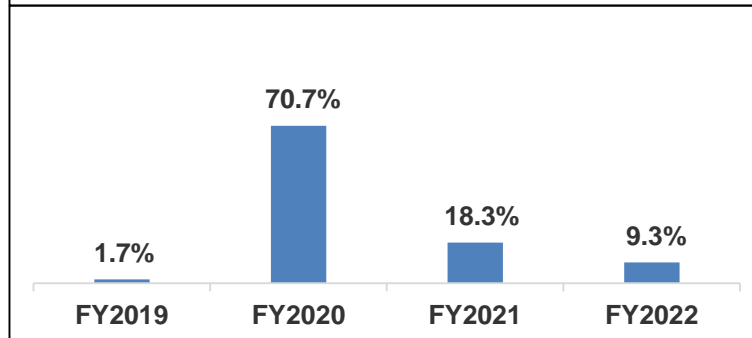
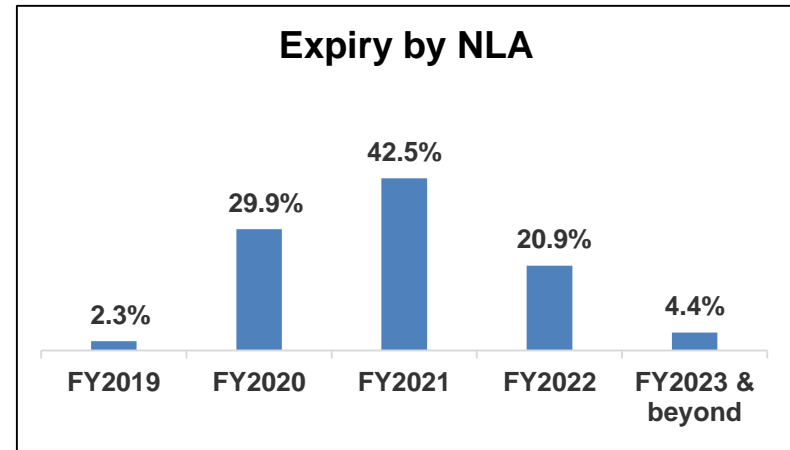
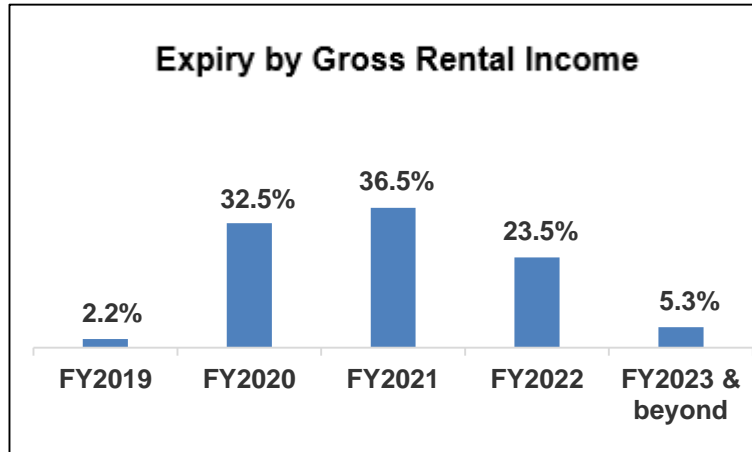
Weighted Average Lease Expiry (WALE) as at 28 February 2019

	Singapore Portfolio	Australia Portfolio
By NLA	1.8 years	7.7 years
By Gross Rental Income	1.9 years	5.4 years

Lease expiry as at 28 February 2019

	FY2019	FY2020	FY2021	FY2022	FY2023 and beyond
Expiries as a % of total NLA	5.6%	32.2%	29.8%	17.3%	15.1%
Expiries as a % of Gross rental income	10.2%	23.6%	20.1%	18.6%	27.4%

Lease expiries by Singapore property



PARAGON

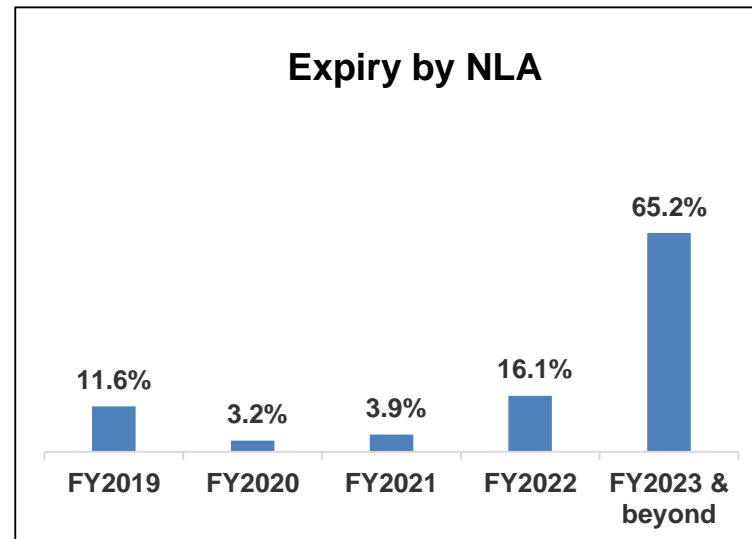
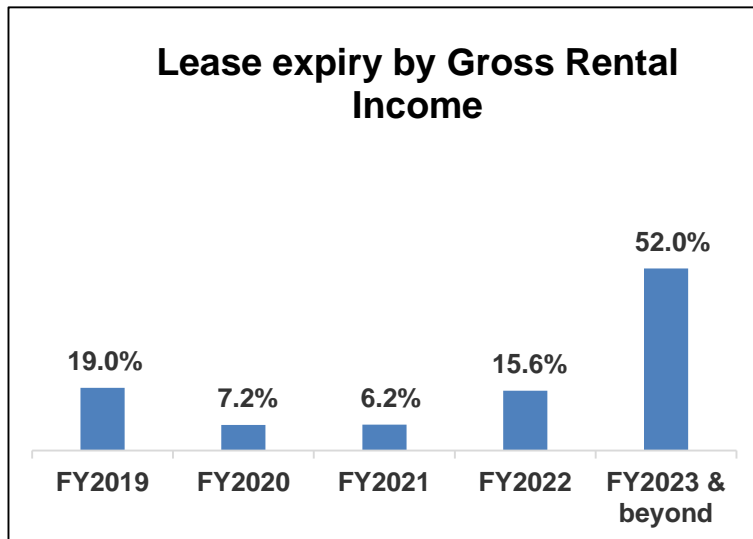
THE CLEMENTI mall

The Rail Mall

Figtree Grove Shopping Centre

Figtree Grove Shopping Centre - Completed Acquisition of 85% stake on 21 December 2018

- Established sub-regional mall located in Wollongong, New South Wales, Australia.
- Purchase consideration at A\$206.0 million (for 100% stake).
- Freehold tenure with approximately 236k sq ft gross lettable area.
- Major anchor tenants include a 24-hour Kmart, Coles and Woolworths supermarkets.
- 99.3% Committed occupancy.





Growth strategy and market outlook



Multi-pronged strategy to ensure growth

Proactive asset management and asset enhancement strategy

- Ensure that interests of all stakeholders, including tenants, shoppers and Unitholders are protected while keeping its properties at the forefront of evolving retail mall trends and relevant to changing demands of consumers
- Continually optimise tenant mix of its properties
- Deliver high quality service to tenants and become the landlord of choice in the Singapore retail real estate space
- Implement asset enhancement initiatives and implement proactive marketing plans

Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily⁽¹⁾ for retail purposes in Asia Pacific
 - One applicable ROFR property, The Seletar Mall, which has opened on 28 November 2014, and maintained high occupancy rate since its opening.
- Explore acquisition opportunities that will add value to SPH REIT's portfolio and improve returns to Unitholders

Note:

- (1) 'primarily' means more than 50.0% of net lettable area or (in the case of a property where the concept of net lettable area is not applicable) gross floor area.

Refresh tenancies

Refresh F&B tenancies at Paragon Basement 1



Michelin – Starred Ramen : Hototogisu Ramen



Colonial club - Singapore's rich culinary heritage



First outlet in Orchard which serve new Brown Sugar pudding milk



Honey Mills – World's first honey store to offer honey drinks perfected by a robot



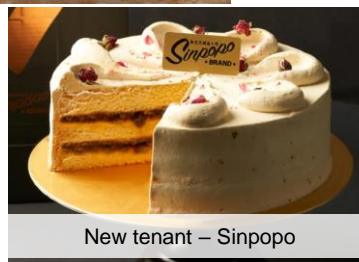
New tenant – Toss & Turn



New tenant – Tokyo Milk Cheese Factory



New Concept – MALA MALA



New tenant – Sinpopo

Enhance lifestyle cluster at Paragon



Bose Flagship store with ultimate audio experience



New tenant – XZQT portfolio, a Premiere furniture retailer



Singapore market outlook

- **Outlook for Singapore economic growth is expected to moderate**
 - According to the Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 3.2% year-on-year basis in 2018.
 - Uncertainties and downside risks in the global economy have increased since three months ago. Against the backdrop of slightly weaker external economic outlook, MTI expects the economic growth forecast in 2019 to come in slightly below the mid-point of the forecast range of “1.5% to 3.5%”.
- **Growth in international visitor arrivals and tourism receipts**
 - In 2018, international visitor arrivals grew by 6.2% y-o-y.
 - Tourism receipts for the first three quarters of 2018 grew 1.1% to S\$20.6billion.
- **Decline in retail sales**
 - The retail sales index (excluding motor vehicles) declined by 0.4% y-o-y in Q4 2018, a turnaround from the increase of 0.7% y-o-y in Q3 2018 and 0.5% in Q2 2018.

Australia Market outlook

- **Outlook for Australia economic growth is expected to moderate**
 - According to the Reserve Bank of Australia (RBA), the Australian economy grew by 2.75% in 2018.
 - On the back of uncertainties and downside risks in the global economy, the RBA expects GDP growth to be around 3.0% in 2019 and 2.75% in 2020.
- **Growth in international visitor arrivals and tourism receipts**
 - Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted retail turnover rose by 0.1% in Jan 2019 following a fall of 0.4% in Dec 2018 and a rise of 0.5% in Nov 2018.

Distribution details and timetable

Distribution period	2Q FY19 (1 December 2018 – 28 February 2019)
Distribution per unit	1.41 cents per unit
Ex-date	12 April 2019
Record date	15 April 2019
Payment date	17 May 2019



Thank You

Please visit www.sphreit.com.sg for more information.