FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER 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
10-Jan-2020 17:59:30

Status
New

Announcement Sub Title
First Quarter Results

Announcement Reference
SG200110OTHRGLYO

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
30/11/2019

Attachments

SPH%20REIT%20-%20SGX%20Announcement%20Q1FY20.pdf

SPH%20REIT%20-%20Press%20Release%20Q1FY20.pdf

SPH%20REIT%20-%20Results%20Presentation%20Slides%20Q1FY20.pdf

Total size =3730K MB

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *
FOR THE PERIOD ENDED 30 NOVEMBER 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 holds a 85.0% stake in Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales, Australia.
* Post Q1 FY2020, SPH REIT completed the acquisition of a 50.0% stake in Westfield Marion Shopping Centre, the largest and the only regional shopping centre in South Australia on 6 December 2019.

Review by auditors

The financial information as set out in this announcement for the first quarter ended 30 November 2019 has been extracted from the interim financial information for the first quarter ended 30 November 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 audit report.***

TABLE OF CONTENTS

Item No.	Description	Page No.
1	Statement of Total Return and Distribution Statement	3 - 4
	Statements of Financial Position	5
	Borrowing	6
	Statement of Cash Flows	7
	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 ("EPU") and Distribution ("DPU")	11
7	Net Asset Value ("NAV") and Net Tangible Asset ("NTA")	12
8	Review of Performance	12
9	Variance from Prospect Statement	12
10	Outlook and Prospects	13
11 - 12	Distribution	14 – 15
13	Segment Results	16
14	General mandate relating to Interested Person Transactions	16
15	Confirmation By the Manager Pursuant to Rule 720(1) of the SGX Listing Manual	16
16	Confirmation Pursuant to Rule 705(5) of the Listing Manual	16

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

	Group		
	1Q 2020	1Q 2019	Change
	S$'000	S$'000	%
Gross revenue	60,137	53,805	11.8
Property operating expenses	(13,173)	(12,019)	9.6
Net property income	**46,964**	**41,786**	**12.4**
Manager's management fees	(4,554)	(4,223)	7.8
Investment management fee[1]	(187)	-	NM
Trust expenses[2]	(661)	(430)	53.7
Net foreign currency exchange differences[3]	(671)	-	NM
Finance income	1,483	170	NM
Finance costs	(7,927)	(6,262)	26.6
Total return before taxes and distribution	**34,447**	**31,041**	**11.0**
Less: income tax[4]	(210)	-	NM
Total return after taxes and before distribution	**34,237**	**31,041**	**10.3**
Attributable to:			
Unitholders	30,867	31,041	(0.6)
Perpetual securities holders[5]	3,066	-	NM
Non-controlling interests	304	-	NM
Total return for the period	**34,237**	**31,041**	**10.3**

NM Not Meaningful

Notes:

1. This relates to investment management fee paid to the investment manager of SPH REIT Moelis Australia Trust.

2. 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.

3. This relates mainly to unrealised foreign currency exchange rate movement on Australian dollar denominated cash and cash equivalents as a result of fluctuations in the AUD/SGD foreign currency exchange rates.

4. This relates to withholding tax payable for Figtree Grove Shopping Centre.

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:

5. On 30 August 2019, the Trust issued S$300.0 million of subordinated perpetual securities (the 'Perpetual Securities') at a rate of 4.10% per annum, with the first distribution rate reset falling on 30 August 2024 and subsequent resets occurring every five years thereafter. The Perpetual Securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually and is non-cumulative.

1(a)(ii) Distribution Statement

	Group		
	1Q 2020	1Q 2019	Change
	S$'000	S$'000	%
Total return for the period attributable to Unitholders and perpetual securities holders	**33,933**	**31,041**	**9.3**
Less: Amount reserved for distribution to perpetual securities holders	(3,066)	-	NM
Add: Non-tax deductible items[1]	4,933	4,815	2.5
Income available for distribution to Unitholders	**35,800**	**35,856**	**(0.2)**
Distribution to Unitholders	**35,800**	**34,602**	**3.5**

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 debt issuance costs and net income from subsidiary.

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

	Group		Trust	
	As at 30 Nov 19	As at 31 Aug 19	As at 30 Nov 19	As at 31 Aug 19
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Plant and equipment	615	630	615	630
Investment properties	3,596,484	3,597,756	3,406,157	3,405,800
Investment in subsidiary	-	-	1,138	981
Trade and other receivables	-	-	112,747	97,149
Derivative financial instruments[1]	2,714	1,865	2,714	1,865
	3,599,813	3,600,251	3,523,371	3,506,425
Current assets				
Trade and other receivables[2]	23,008	5,494	5,084	2,603
Cash and cash equivalents[3]	429,899	342,657	423,727	336,761
	452,907	348,151	428,811	339,364
Total assets	**4,052,720**	**3,948,402**	**3,952,182**	**3,845,789**
Non-current liabilities				
Borrowings	810,661	811,514	713,850	713,739
Derivative financial instruments[1]	1,436	1,243	1,436	1,243
Trade and other payables[4]	30,575	34,764	30,575	34,764
	842,672	847,521	745,861	749,746
Current liabilities				
Borrowings	279,730	279,625	279,730	279,625
Derivative financial instruments[1]	1,540	1,561	1,540	1,561
Trade and other payables[4]	156,928	48,258	154,435	45,156
	438,198	329,444	435,705	326,342
Total liabilities	**1,280,870**	**1,176,965**	**1,181,566**	**1,076,088**
Net assets	**2,771,850**	**2,771,437**	**2,770,616**	**2,769,701**
Represented by:				
Unitholders' funds	2,456,302	2,458,864	2,469,626	2,471,777
Perpetual securities holders' funds[5]	300,990	297,924	300,990	297,924
Non-controlling interests	14,558	14,649	-	-
Total Equity	**2,771,850**	**2,771,437**	**2,770,616**	**2,769,701**

Notes:

1. Derivative financial instruments represent the fair value of the interest rate swap and cross currency interest rate swap contracts.

2. Trade and other receivables comprised mainly rental receivable, trade amount due from related parties and deposit. The increase was mainly due to the deposit paid during the period for acquiring a 50.0% stake in Westfield Marion Shopping Centre.

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

Statements of Financial Position (cont'd)

Notes:

3. The cash and cash equivalents comprise mainly proceeds from issuance of Perpetual Securities and advance receipt of proceeds from the proposed issuance of new units.

4. Trade and other payables comprised mainly rental deposits, accrued interests, other payables and collection in advance. The increase was mainly due to the collection in advance from the issuance of new units on 2 December 2019.

5. On 30 August 2019, the Trust issued S$300.0 million of fixed rate Perpetual Securities. The Perpetual Securities, net of issuance costs, are classified as equity instruments and recorded as equity in the Statement of Changes in Unitholders' Funds.

(b)(ii) Borrowing

Secured borrowing

	Group		Trust	
	As at 30 Nov 19	As at 31 Aug 19	As at 30 Nov 19	As at 31 Aug 19
	S$'000	S$'000	S$'000	S$'000
Amount repayable within one year	279,730	279,625	279,730	279,625
Amount repayable after one year	810,661	811,514	713,850	713,739
Total	1,090,391	1,091,139	993,580	993,364

Details of collateral

The Group's secured term loans amounted to S$1.1 billion. These relate to term loans comprising S$995 million secured by way of a legal mortgage on Paragon and A$105 million secured by way of a legal mortgage on Figtree Grove Shopping Centre.

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

	Group	
	1Q 2020	1Q 2019
	S$'000	S$'000
Cash flows from operating activities		
Total return after taxes and before distribution	34,237	31,041
Adjustments for:		
Manager's fee paid/payable in units	4,554	4,223
Depreciation of plant and equipment	54	50
Finance income	(1,483)	(170)
Finance costs	7,927	6,262
Straight-line rental adjustments	(654)	191
Operating cash flow before working capital changes	44,635	41,597
Changes in operating assets and liabilities		
Trade and other receivables	(1,246)	143
Trade and other payables	853	716
Net cash from operating activities	**44,242**	**42,456**
Cash flows from investing activities		
Deposit paid for acquisition of investment property[1]	(15,752)	-
Additions to investment properties	(2,137)	(530)
Purchase of plant and equipment	(91)	(1)
Interest received	1,500	183
Net cash used in investing activities	**(16,480)**	**(348)**
Cash flows from financing activities		
Distribution to unitholders	(37,795)	(36,778)
Distribution to non-controlling interests of a subsidiary	(244)	-
Advance receipt of proceeds from the proposed issuance of new units	105,419	-
Interest paid	(7,819)	(6,061)
Net cash from/(used in) financing activities	**59,561**	**(42,839)**
Net increase/(decrease) in cash and cash equivalents	**87,323**	**(731)**
Effect of exchange rate fluctuations on cash and cash equivalents held	(81)	-
Cash and cash equivalents at beginning of the period	342,657	35,965
Cash and cash equivalents at end of the period	**429,899**	**35,234**

Notes:

1. This relates to deposit paid for the acquisition of a 50.0% stake in Westfield Marion Shopping Centre.

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

	Group	
	1Q 2020	1Q 2019
	S$'000	S$'000
Unitholders' Funds		
Balance as at beginning of period	**2,458,864**	**2,438,947**
Operations		
Total return for the period after tax, attributable to Unitholders and perpetual securities holders	33,933	31,041
Less: Total return for the period after tax, attributable to perpetual securities holders	(3,066)	-
Net increase in assets from operations	30,867	31,041
Hedging reserve		
Effective portion of changes in fair value of cash flow hedges[1]	(1,537)	153
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	488	572
Foreign currency translation reserve		
Translation differences from financial statements of foreign entities	861	-
Unitholders' transactions		
Distribution to unitholders	(37,795)	(36,778)
Manager's fee paid/payable in units[2]	4,554	4,223
	(33,241)	(32,555)
Unitholders' funds as at end of period	**2,456,302**	**2,438,158**
Perpetual Securities Holders' Funds		
Balance as at beginning of period	**297,924**	**-**
Total return attributable to perpetual securities holders	3,066	-
Balance as at end of period	**300,990**	**-**

Notes:

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

2. Please refer to paragraph 1(d)(ii) Details of Changes in Issued and Issuable Units.

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

	Trust	
	1Q 2020	1Q 2019
	S$'000	S$'000
Unitholders' Funds		
Balance as at beginning of period	**2,471,777**	**2,438,947**
Operations		
Total return for the period	35,205	31,041
Less: Total return for the period after tax, attributable to perpetual securities holders	(3,066)	-
Net increase in assets from operations	32,139	31,041
Hedging reserve		
Effective portion of changes in fair value of cash flow hedges[1]	(1,537)	153
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	488	572
Unitholders' transactions		
Distribution to unitholders	(37,795)	(36,778)
Manager's fee paid/payable in units[2]	4,554	4,223
	(33,241)	(32,555)
Unitholders' funds as at end of period	**2,469,626**	**2,438,158**
Perpetual Securities Holders' Funds		
Balance as at beginning of period	**297,924**	**-**
Total return attributable to perpetual securities holders	3,066	-
Balance as at end of period	**300,990**	**-**

Notes:

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

2. Please refer to paragraph 1(d)(ii) Details of Changes in Issued and Issuable Units.

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

	Group and Trust	
	1Q 2020	1Q 2019
	No. of units '000	No. of units '000
Issued units as at beginning of period	**2,588,701**	**2,571,845**
Manager's fee paid in units[1]	9,785	10,381
	2,598,486	**2,582,226**
Issuable units:		
Manager's fee payable in units[2,3]	4,209	4,252
Total issued and issuable units as at end of period	**2,602,695**	**2,586,478**

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 1Q 2020, the issued units relates to performance management fees for FY2019, partial satisfaction of base management fee for 4Q 2019.

   For 1Q 2019, the issued units relates to performance management fees for FY2018, and base management fee for 4Q 2018.

2. The units issuable to the REIT Manager were in full satisfaction of management fee for 1Q 2020 and 1Q 2019.

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 30 November 2019, SPH REIT had 2,598,486,347 units (31 August 2019: 2,588,701,358 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 first quarter ended 30 November 2019 as set out in this announcement has been extracted from the interim financial information for the first quarter ended 30 November 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 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 2019 as follows:

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

There was no significant impact to the financial statements of the Group arising from the adoption of FRS 116.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU")

	Group	
	1Q 2020	**1Q 2019**
Earnings per unit		
Weighted average number of units[1] ('000)	2,598,532	2,582,272
Total return for the period after tax attributable to unitholders (S$'000)	30,867	31,041
EPU (basic and diluted) (cents)	1.19	1.20
Distribution per unit		
Total number of units in issue at end of period	2,598,486	2,582,226
Distribution to Unitholders[2] (S$'000)	35,800	34,602
DPU[3] (cents)	1.38	1.34

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

	Group		Trust	
	As at 30 Nov 19	As at 31 Aug 19	As at 30 Nov 19	As at 31 Aug 19
NAV / NTA per unit[1] (S$)	0.95	0.95	0.95	0.95

Note:

1. The NAV per unit and NTA per unit were computed based on the net assets attributable to Unitholders. Number of units used to compute NAV and NTA was based on number of units in issue as at balance sheet date.

8. Review of Performance

Review of Results for the First Quarter ended 30 November 2019 ("1Q 2020") compared with the First Quarter ended 30 November 2018 ("1Q 2019")

Gross revenue for 1Q 2020 grew by S$6.3 million (11.8%) to S$60.1 million. The increase was mainly due to increase in rental income from Paragon and contribution from Figtree Grove Shopping Centre which was acquired on 21 December 2018.

Property operating expenses increased by S$1.2 million (9.6%) to S$13.2 million for 1Q 2020 largely contributed by the acquisition.

Net property income ("NPI") of S$47.0 million for 1Q 2020 was S$5.2 million (12.4%) higher than 1Q 2019.

Net income of S$34.4 million for 1Q 2020 was S$3.4 million (11.0%) higher than 1Q 2019.

Income available for distribution for the quarter was S$35.8 million, which was S$0.1 million (0.2%) lower as compared to 1Q 2019.

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 marginally by 0.1% on a year-on-year basis ("y-o-y") in third quarter of 2019, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter. MTI has released flash estimates on 2 January 2020 that the 2019 GDP growth grew by 0.7% in the forecasted range of 0.5% to 1.0%.

Based on figures released by the Singapore Department of Statistics (DOS), the retail sales (excluding motor vehicles) declined by 0.3% y-o-y in September 2019 as compared to September 2018.

Singapore Tourism Board (STB) reported that international visitor arrivals grew by 2.1% y-o-y during January 2019 to September 2019. Tourism receipts reached S$13.1 billion in the first half of 2019, a decline of 3.0% compared to the same period last year.

According to the Reserve Bank of Australia (RBA), the year-end GDP growth is expected to be 2.25% over 2019, 2.75% over 2020 and 3% over 2021.

Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted estimate for Australia retail turnover rose by 0.2% in September 2019. In volume terms, the trend estimate for Australia retail turnover was relatively unchanged in third quarter of 2019.

In line with the Manager's strategy of acquiring yield-accretive retail properties that provide sustainable returns to unitholders, SPH REIT completed the acquisition of a 50.0% stake in Westfield Marion Shopping Centre ("Westfield Marion"), the largest and the only regional shopping centre in South Australia, for a purchase consideration of A$670.0 million on 6 December 2019. Scentre Group Limited is the current co-owner of Westfiled Marion and is SPH REIT's joint venture partner subsequent to the acquisition.

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 September 2019 to 30 November 2019
Distribution Type:	(i) Taxable income (ii) Tax-exempt income
Distribution rate per unit (cents):	See table below
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 and foreign funds under Section 13CA, 13X or 13Y of the Singapore Income Tax Act 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 and non-resident funds during the period from 1 July 2019 to 31 December 2025. All other investors will receive their distributions after deduction of tax at the rate of 17%. Tax-exempt income distribution: Tax-exempt income distribution is exempt from tax in the hands of all unitholders.

Distribution type	Distribution rate
Taxable income	1.35 cents per unit
Tax-exempt income	0.03 cents per unit

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 September 2018 to 30 November 2018
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.34 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: Friday, 14 February 2020.

(d) Record date

The Transfer Books and Register of Unitholders of SPH REIT have been closed at 5.00pm on 29 November 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.

13. Segment Results

	Group		
	1Q 2020	1Q 2019	Change
	S$'000	S$'000	%
Gross Revenue			
Singapore			
Paragon	44,190	42,152	4.8
The Clementi Mall	10,573	10,424	1.4
The Rail Mall	1,219	1,229	(0.8)
	55,982	53,805	4.0
Australia			
Figtree Grove Shopping Centre	4,155	-	NM
Total	60,137	53,805	11.8
Net Property Income			
Singapore			
Paragon	34,917	33,081	5.6
The Clementi Mall	8,009	7,740	3.5
The Rail Mall	923	965	(4.4)
	43,849	41,786	4.9
Australia			
Figtree Grove Shopping Centre	3,115	-	NM
Total	46,964	41,786	12.4

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.

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
Sheryl Cher Ya Li

Company Secretaries

Singapore,
10 January 2020

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 30 November 2019, to be false or misleading in any material respect.

On behalf of the Directors

LEONG HORN KEE
Chairman

GINNEY LIM MAY LING
Director

Singapore,
10 January 2020

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 First Quarter Ended 30 November 2019

We have reviewed the accompanying Interim Financial Information of SPH REIT (the "Trust") and its subsidiaries (collectively the "Group") for the first quarter ended 30 November 2019. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 November 2019;
- Portfolio statements of the Group and Trust as at 30 November 2019;
- Statement of total return of the Group for the first quarter ended 30 November 2019;
- Distribution statement of the Group for the first quarter ended 30 November 2019;
- Statement of movements in unitholders' funds of the Group and the Trust for first quarter ended 30 November 2019;
- Statement of cash flows of the Group for the first quarter ended 30 November 2019; and
- Certain explanatory notes to the above financial information.

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* 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.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 January 2020

For Immediate Release **PRESS RELEASE**
January 10, 2020

SPH REIT Q1 FY2020 Net Property Income 12.4% Higher Year-on-Year

- Declares Q1 FY2020 DPU of S$1.38 cents
- Maintained high portfolio occupancy rate of 99.3%
- Completed acquisition of a 50% stake in Westfield Marion on 6 December 2019

SINGAPORE, January 10, 2020 – SPH REIT Management Pte. Ltd. ("SPH RM" or the "Manager"), the Manager of SPH REIT, reported that net property income ("NPI") for the first quarter ended 30 November 2019 ("Q1 FY2020") was S$46.9 million, an increase of S$5.2 million (12.4%) compared to the same quarter last year.

Paragon, The Clementi Mall and The Rail Mall registered positive rental reversions. Paragon and The Clementi recorded an increase of NPI of S$1.8 million and S$0.2 million, respectively whilst The Rail Mall NPI remains flat. Figtree Grove Shopping Centre, an Australian asset acquired in Q2 FY2019 contributed S$3.1 million to the increase in NPI.

Income available for distribution to unitholders for Q1 FY2020 is S$35.8 million which is 0.2% (S$56k) lower compared to Q1 FY2019. This is mainly due to the issuance of perpetual securities of S$300 million in August 2019, before payment on 6 December 2019 for the acquisition of a 50% stake in Westfield Marion Shopping Centre ("Westfield Marion"). Distribution per unit ("DPU") for Q1 FY2020 was S$1.38 cents. Q1 FY2020 distribution will be paid to unitholders on 14 February 2020.

Operational performance

SPH REIT's portfolio maintained a high occupancy rate of 99.3%. The Singapore assets registered an occupancy rate of 99.4% with a positive rental reversion of 10.9% for Q1 FY2020. Occupancy at Figtree Grove Shopping Centre remained strong at 99.2%.

Capital Management

SPH REIT proactively manages its debt maturity profile by ensuring that it is well staggered and spread out to avoid major concentration of debts maturing in any single year. As at 30 November 2019, total borrowings were approximately S$1.1 billion with a debt gearing ratio of 26.8%. The average debt term to maturity was 2.2 years with an annualized average cost of debt of 2.91% p.a.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “We are delighted that SPH REIT’s acquisition of Figtree Grove Shopping Centre in December 2018 and the continued performance of its Singapore portfolio has delivered improved DPU to our unitholders.

We have also announced SPH REIT’s second acquisition in Australia of a 50% stake in Westfield Marion which is expected to be DPU accretive. This acquisition was completed in December 2019. Westfield Marion is the dominant asset in South Australia and will further enhance SPH REIT’s portfolio of quality assets.”

Summary Results of SPH REIT

	Q1 FY2020 S$'000	Q1 FY2019 S$'000	Change %
Gross revenue	60,137	53,805	11.8
Net property income	46,964	41,786	12.4
Income available for distribution	35,800	35,856	(0.2)
Distribution to Unitholders[1]	35,800	34,602	3.5
Distribution per unit (cents)	1.38[1]	1.34	3.0
Annualised distribution yield (%)	5.21%[2]	5.37%[3]	(1.7)

Notes:

1. Includes foreign-sourced income derived from FY2019 and received in Q1 FY2020.
2. Based on S$1.06 per unit closing price on 30 November 2019.
3. Based on S$1.00 per unit closing price on 30 November 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 in a portfolio of income-producing real estate primarily for retail purposes in Asia-Pacific, as well as real estate-related assets.

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

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon, a 99-year leasehold interest in The Clementi Mall and a 99-year leasehold interest in The Rail Mall. These Singapore properties have an aggregate net lettable area of approximately 960,000 sq. ft.

In Australia, SPH REIT owns an 85% stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH REIT also owns a 50% stake in Westfield Marion Shopping Centre, the largest regional shopping centre in Adelaide, South Australia. Both Australian properties have an aggregate gross lettable area of approximately 1.7 million 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 SPONSOR: SINGAPORE PRESS HOLDINGS LTD

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 approximately 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. In Australia, SPH REIT also holds an 85% equity stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales Australia, and a 50% stake in Westfield Marion Shopping Centre, the largest and only super regional shopping centre in Adelaide, South Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, one of Singapore's largest nursing homes.

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.

Facebook: facebook.com/officialsph/

Twitter: @official_sph

LinkedIn: linkedin.com/company/singapore-press-holdings/

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.











Q1 FY2020 Financial Results

Date: 10 January 2020

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 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 first quarter of financial year ending 31 August 2020 in the SGXNET announcement.

Contents

	Slide
Overview of SPH REIT	3
Q1 FY2020 Financial results-in-review	5
Balance sheet	9
Operational performance	12
Acquisition of a 50% stake of Westfield Marion Shopping Centre	16
Growth strategy and market outlook	18
Distribution details and timeline	22

Overview of SPH REIT

- SPH REIT is a Singapore-based Real Estate Investment Trust ("REIT") established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes.
- As of 30 November 2019, SPH REIT has a portfolio of 4 assets across Singapore and Australia.
- Post Q1 FY2020, another Australia asset; Westfield Marion Shopping Centre was acquired on 6 December 2019.

99.3% Portfolio committed occupancy	**S$3.6bn(1)** Valuation of investment properties	**+10.9%(2)** Q1 FY2020 rental reversion
1.2m(1) Net Lettable Area ("NLA") (sq. ft)	**26.8%** Gearing ratio	

The above metrics exclude Westfield Marion Shopping Centre

Singapore



Australia



Note:
1. Includes 100% size and valuation of Figtree Grove Shopping Centre; SPH REIT owns 85% of Figtree Grove Shopping Centre.
2. Accounting for Singapore assets only.

A Singapore-anchored Prime Retail-dominant Portfolio with Presence in Australia

Valuation conducted as at 31 August 2019 for all assets

Singapore



Paragon

Valued at S$2,745.0 million

A premier upscale retail mall and medical suite / office property located in the heart of Orchard Road.



The Clementi Mall

Valued at S$597.0 million

A mid-market suburban mall centrally located in Clementi town, integrated with HDB residential blocks, the Clementi public library, MRT, and bus interchange.



The Rail Mall, acquired on 28 June 2018

Valued at S$63.8 million

A unique retail strip with a 360-metre prominent road frontage to Upper Bukit Timah Road, housing a diverse selection of F&B and lifestyle offerings.

Australia

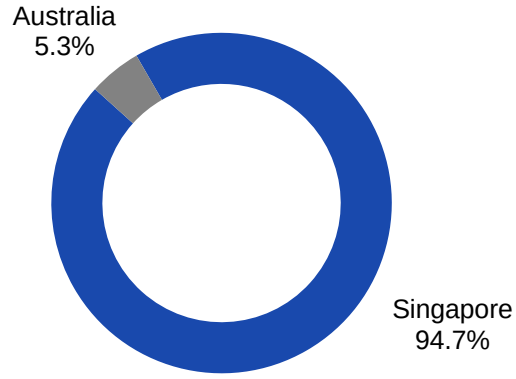


Figtree Grove Shopping Centre, acquired on 21 December 2018

Valued at A$206.0 million

An established sub-regional mall in Wollongong, a coastal city in New South Wales, Australia.

SPH REIT's portfolio by geography, by valuation as at 31 August 2019



Q1 FY2020

Financial results-in-review

Net Property Income (S$'000)

S$46,964

+12.4% vs Q1 FY2019 (S$41,786)

DPU – Q1 FY2020

S$1.38 cents

3.0% vs Q1 FY2019 (S$1.34 cents)

Annualised Distribution Yield

5.21% based on the closing unit price of S$1.06 as at 29 November 2019

Gearing

26.8%

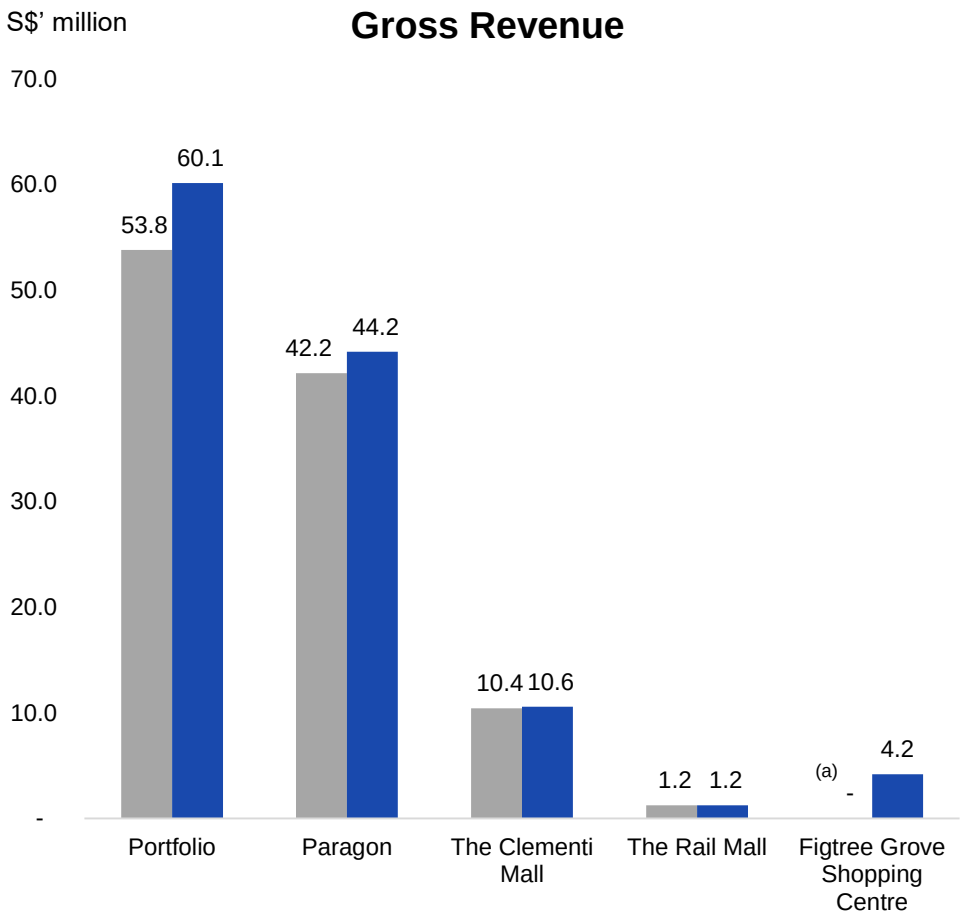
(0.7%) vs Q4 FY2019 (27.5%)

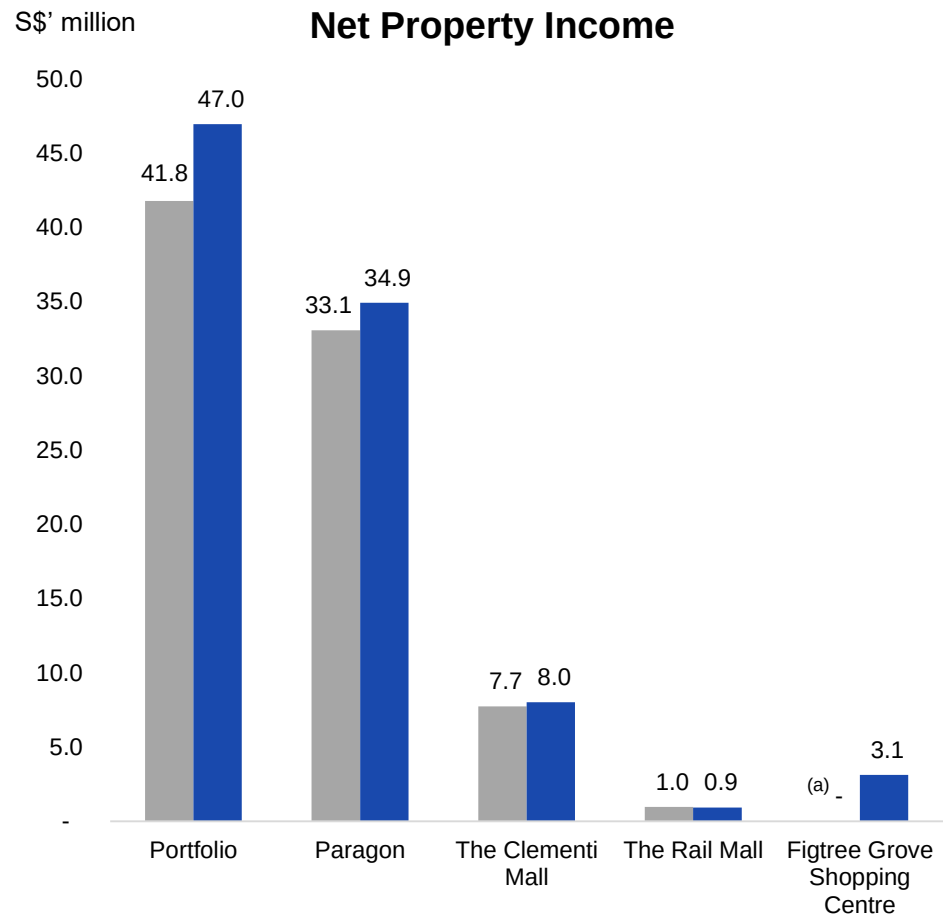
Q1 FY2020 Financial performance

	Q1 FY2020 S$'000	Q1 FY2019 S$'000	Change %
Gross revenue	60,137	53,805	11.8
Property expenses	(13,173)	(12,019)	(9.6)
Net property income (NPI)	46,964	41,786	12.4
Income available for distribution	35,800	35,856	(0.2)
Distribution to Unitholders	35,800	34,602	3.5
Distribution per unit (cents)	1.38[1]	1.34	3.0

Note:
(1) Includes foreign-sourced income derived from FY2019 and received in Q1 FY2020.

Gross revenue and NPI

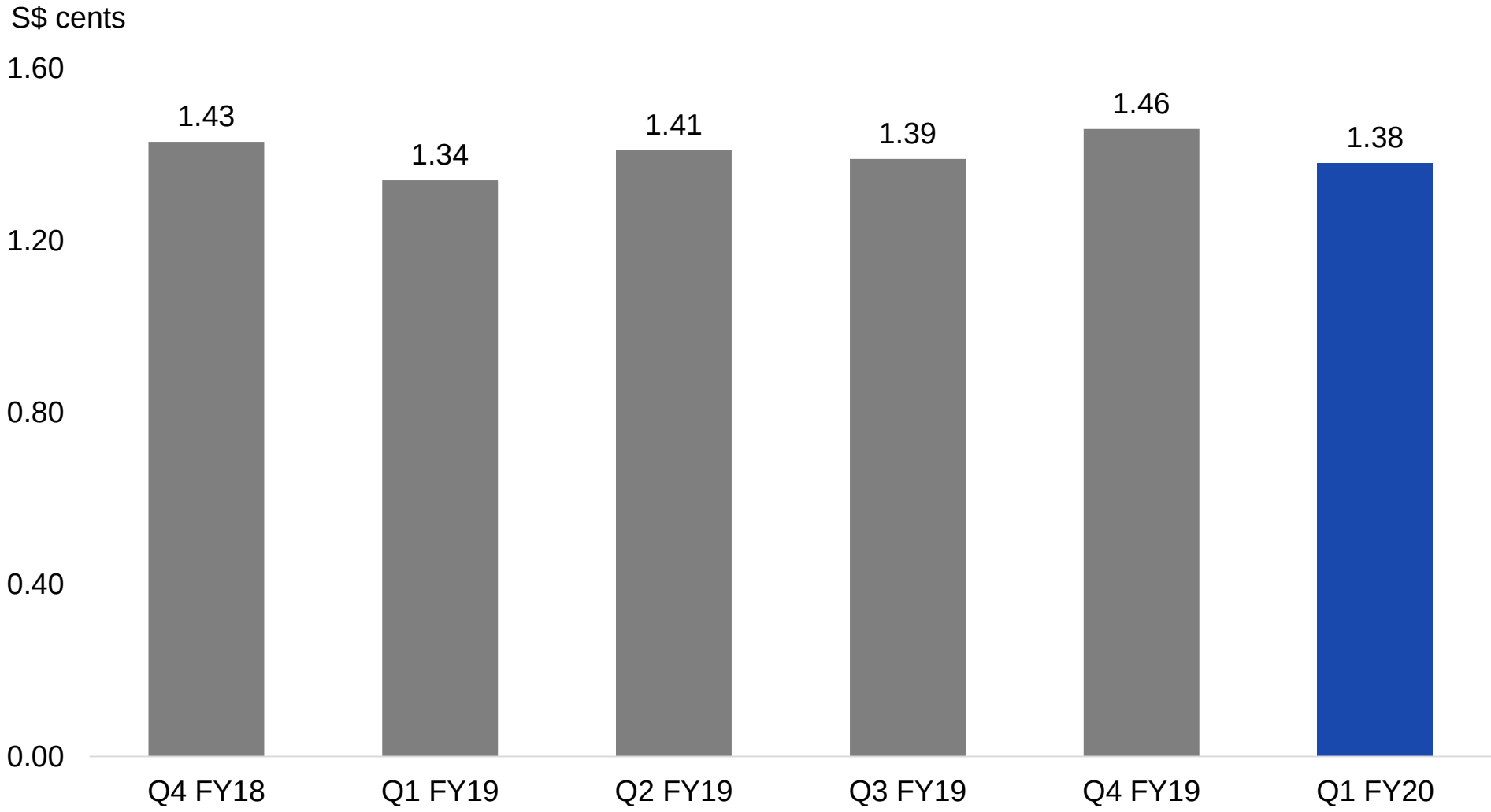




Q1 FY2019 Q1 FY2020

Note:
(a) Not available as asset was acquired on 21 December 2018

Steady distribution



Note:
1. Does not include the distribution of S$0.56 cents from 21 July 2013 (listing date) to 31 August 2013.

Balance sheet

Net assets value per unit

S$0.95

Average cost of debt

2.91% p.a

Weighted average debt term to maturity

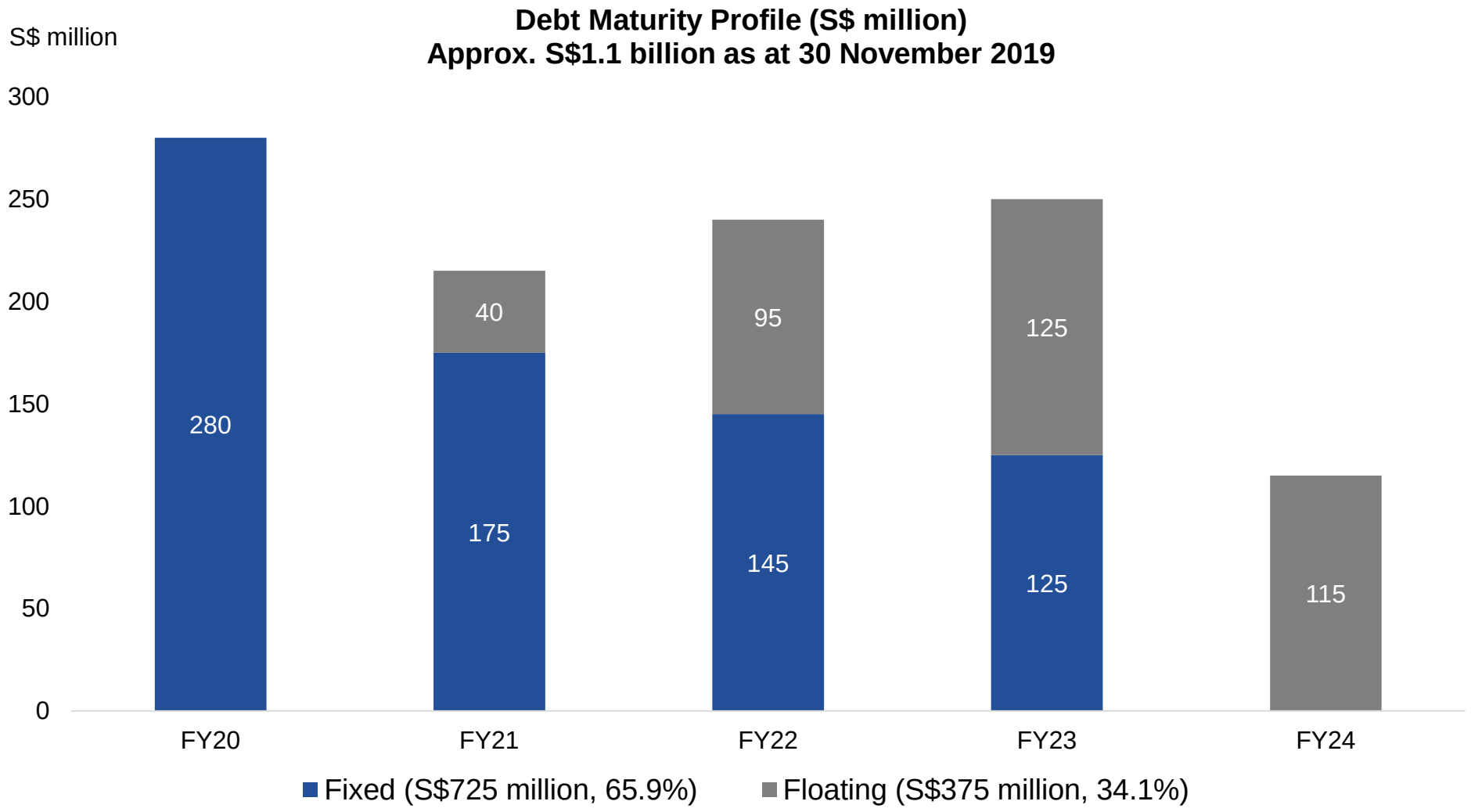
2.2 years

Financial position

S$'000	30 November 2019	30 August 2019	Change (%)
Total assets	4,052,720	3,948,402	2.6
Total liabilities	1,280,870	1,176,965	8.8
Net assets	2,771,850	2,771,437	0.01
Net asset value per unit	S$0.95	S$0.95	-
Debt gearing (1)	26.8%	27.5%	(0.7)

Note:
(1) Gearing is computed based on total debt/ total assets

Capital management



Operational performance

Portfolio occupancy rate

99.3%

Singapore portfolio rental reversion

+ 10.9%

Portfolio WALE

By NLA	**3.3 years**
By Gross Rental Income	**2.6 years**

Occupancy rate

PARAGON

99.8%

THE CLEMENTI mall

100.0%

TheRailMall

89.5%

figtree grove

99.2%

Rental reversion

Singapore assets

As at 30 November 2019	Number of renewals / new leases [1]	NLA renewed/ new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates [3]
PARAGON	20	39,598	5.5%	10.7%
THE CLEMENTI MALL	16	4,790	2.5%	10.6%
TheRailMall	8	9,770	19.6%	12.8%
Total	44	54,158	5.6% [2]	10.9% [4]

Note:

(1) For expiries in Q1 FY2020, excluding newly created and reconfigured units.

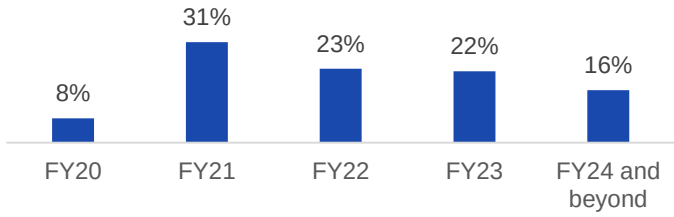
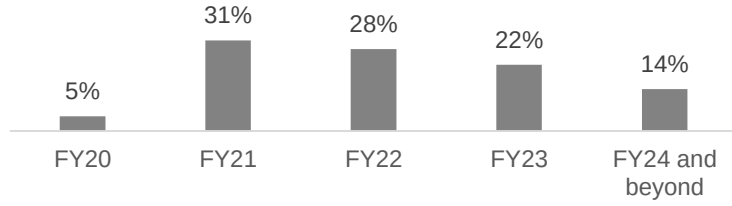
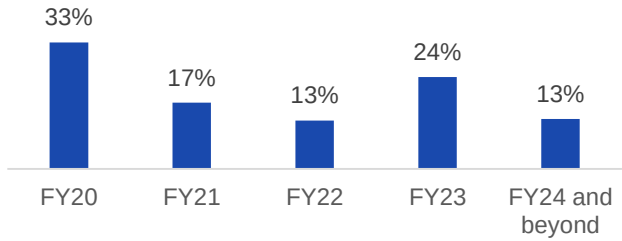
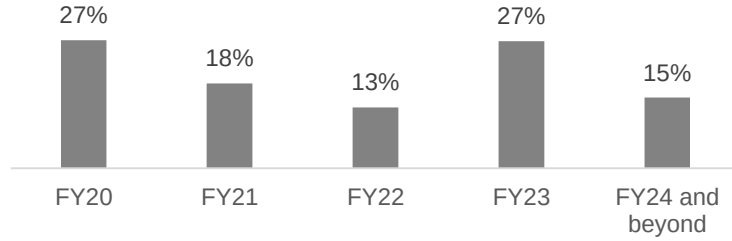
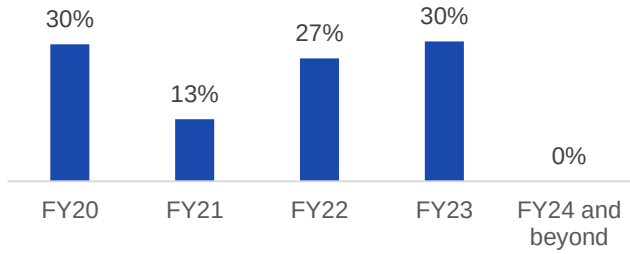
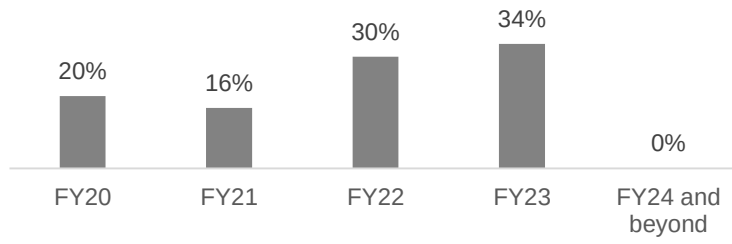
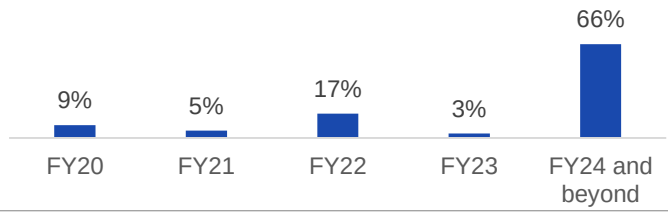
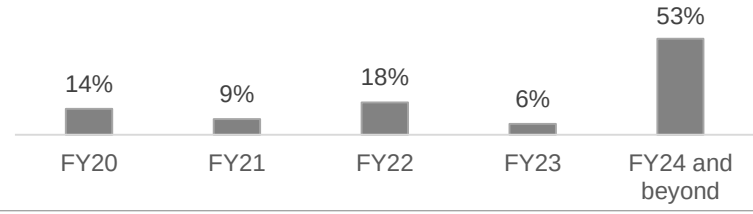
(2) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 962,424 sqft as at 30 November 2019.

(3) 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.

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

Staggered lease renewal by portfolio and assets

Portfolio lease expiry as at 30 November 2019	FY20	FY21	FY22	FY23	FY24 & beyond
Expiries as a % of total NLA	13%	23%	20%	19%	25%
Expiries as a % of Gross rental income	12%	19%	22%	15%	32%

Asset	Expiry by NLA	Expiry by Gross Rental Income
PARAGON		
THE CLEMENTI MALL		
TheRailMall		
figtree grove		

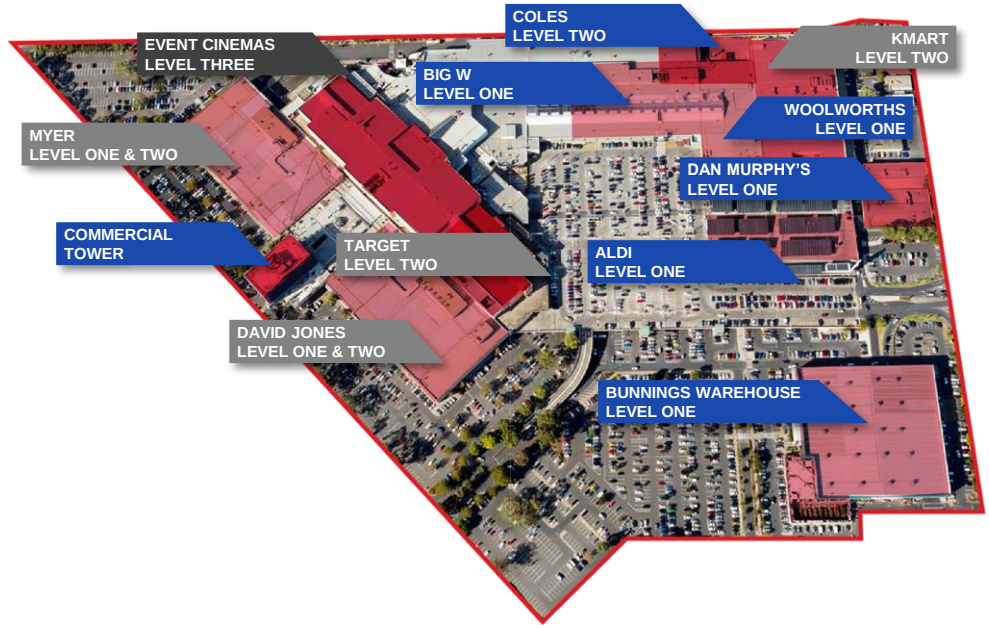
Acquisition of a 50% stake of Westfield Marion Shopping Centre

Westfield Marion Shopping Centre

Completion acquisition of 50% stake on 6 December 2019

Location	■ 293-297 Diagonal Road, Oaklands Park, Adelaide, South Australia, 5046
SPH REIT's ownership stake	■ 50.0%
Title	■ Freehold
Land area (sqm)	■ 228,782
GLA (sqm)	■ 136,629
Number of storeys	■ 3 (retail); 5 (office)
Number of car park bays	■ 5,270
Total number of tenants	■ 327
Annual foot traffic	■ 13.5 million
Sales / Moving Annual Turnover (MAT)	■ A$846m for the year ending 30 June 2019 (+2.35% YoY)(1)
Purchase Consideration (100%)	■ A$1,340m
Implied NPI yield(2)	■ 5.6%
Occupancy rate	■ 99.3% by GLA
Weighted Average Lease Expiry ("WALE")	■ 6.7 years by GLA ■ 4.2 years by income
Co-owner / property manager	■ Scentre Group

Overview of major tenants in Westfield Marion



Sources: Colliers International, Urbis.
(1) Includes all entertainment and travel categories as well as an estimate for Aldi.
(2) Defined as net property income (A$75.6m) divided by Purchase Consideration.

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 retail real estate space ■ Implement asset enhancement initiatives and implement pro-active 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; and ➢ 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.

Market outlook - Singapore

Economy's outlook	■ Ministry of Trade and Industry ("MTI") has released flash estimates on 2 January 2020 that the 2019 GDP growth grew by 0.7% in the forecasted range of 0.5% to 1.0%.
Tourism	■ Singapore Tourism Board (STB) reported that international visitor arrivals grew by 2.1% year-on-year during January 2019 to September 2019. ■ For the same period, tourism receipts recorded S$13.1 billion, a decline of 3.0% y-o-y.
Retail sales index (RSI)	■ In October 2019, RSI (excluding motor vehicles) declined by 0.6% compared to October 2018.

Source:
Ministry of Trade and Industry, 2019 and 2020
Singapore Tourism Board and Department of Statistics Singapore, 2019

Market outlook – New South Wales, Australia

Economy's outlook	■ Reserve Bank of Australia ("RBA") has forecasted in November 2019 that the year-end GDP growth is expected to be 2.25% over 2019, 2.75% over 2020 and 3.0% over 2021.
Retail trade	■ Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted retail turnover was relatively unchanged in October 2019 at approximately A$27,572 million. This follows a rise of 0.2% in September 2019, and a rise of 0.4% in August 2019.

Source: Reserve Bank of Australia and Australian Bureau of Statistics, 2019

Distribution details and timeline

Distribution details and timeline

Distribution period	Q1 FY2020 (1 September 2019 – 30 November 2019)
Distribution per unit	S$1.38 cents per unit
Ex-date	28 November 2019
Record date	29 November 2019
Payment date	14 February 2020



Thank You

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