



SPH REIT MANAGEMENT PTE. LTD.
(Registration No: 201305497E)
(Incorporated in the Republic of Singapore)

NOTICE OF VALUATION

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of SPH REIT Management Pte. Ltd., as manager of SPH REIT (the “**Manager**”), refers to the announcement in respect of the notice of books closure and distribution payment date on SPH REIT’s distribution payment for the first quarter financial period (“**1Q FY2022**”) from 1 September 2021 to 30 November 2021 (the “**1Q FY2022 Distribution**”, and the announcement, the “**Books Closure Date Announcement**”).
- 1.2. As set out in the Books Closure Date Announcement, SPH REIT’s auditor has issued its report on SPH REIT’s 1Q FY2022 Distribution for the purposes of complying with Rule 25 of the Singapore Code on Take-overs and Mergers (the “**Take-Over Code**”), which report is based on a review of the interim financial information of SPH REIT for 1Q FY2022 (the “**1Q FY2022 Interim Financial Information**”).
- 1.3. In connection with the auditor’s review of the 1Q FY2022 Interim Financial Information, the Manager undertook an assessment of the carrying amount of SPH REIT’s investment properties, and assessed that there was no change to the carrying amount of such investment properties as at 30 November 2021 as compared to the carrying amount of such investment properties as stated in the financial statements for the financial year ended 31 August 2021, except for the properties as set out in paragraph 2.1 below (the “**Relevant Properties**”).

2. VALUATION DETAILS

- 2.1. Based on an independent valuation of the Relevant Properties:

Date of Valuation	Name of the Valuer	Description of Property	Valuation Currency	Valuation Amount
30 November 2021	Savills Valuation And Professional Services (S) Pte Ltd	290 Orchard Road, Paragon, Singapore 238859 (Tenure: 99 years leasehold interest commencing from 24 July 2013)	Singapore Dollar	2,670,000,000 (31 August 2021: 2,640,000,000)
30 November 2021	Savills Valuation And Professional Services (S) Pte Ltd	3155 Commonwealth Avenue West, The Clementi Mall, Singapore 129588 (Tenure: 99 years leasehold interest commencing from 31 Aug 2010)	Singapore Dollar	597,500,000 (31 August 2021: 594,000,000)

- 2.2. The carrying amount of the Relevant Properties was based on an independent desktop valuation¹ as at 30 November 2021 conducted by Savills Valuation and Professional Services (S) Pte Ltd ² (the “**Independent Valuer**”). The Independent Valuer has the appropriate professional qualifications and experience in the locations and category of the properties being valued. The valuation of the Relevant Properties was based on the discounted cash flow and capitalisation methods.
- 2.3. Under Rule 26.3 of the Take-Over Code, the Manager is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Relevant Properties were to be sold at the amount of the valuation. SPH REIT holds its properties for long-term investment purposes. Accordingly, the Manager is of the view that the Relevant Properties have been acquired on capital account and any gain on any hypothetical disposal of the Relevant Properties will not be subject to tax. The potential tax liabilities that may be incurred by SPH REIT on the hypothetical sale of the Relevant Properties on an “as is” basis is therefore zero.
- 2.4. Copies of the valuation reports in respect of the Relevant Properties are available for inspection at the office of the Manager at 1 Harbourfront Avenue, #13-03 Keppel Bay Tower, Singapore 098632 during normal business hours.
- 2.5. The Independent Valuer has given and has not withdrawn its written consent to the issue of this Announcement with the inclusion herein of its name and the valuation undertaken by the Independent Valuer as set out in this Announcement and all references to its name in the form and context in which it appears in this Announcement.

3. RESPONSIBILITY STATEMENT

The directors of the Manager (including those who have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement (the omission of which would render any statement in this Announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by SPH REIT Management Pte. Ltd.
As manager of SPH REIT
9 February 2022

1 The valuation of the Relevant Properties was carried out without site inspection and assumed that there was no material change in each of the Relevant Properties and the surroundings. No recent title search, legal requisitions nor structural survey was carried out.

2 The address of the Independent Valuer is 30 Cecil Street, #20-03 Prudential Tower, Singapore 049712.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units of SPH REIT (“**Units**”).

The value of Units and the income derived from them, if any, may fall or 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.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.