



SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

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 five quality and well located commercial properties in Singapore and Australia:

- * Paragon, a premier upscale retail mall and medical suite/office property located in the heart of Orchard Road.
- * 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 is a retail strip, with about 360 metres of main road frontage along Upper Bukit Timah Road, comprising 43 single-storey shop units.
- * SPH REIT holds a 85.0% stake in Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales, Australia; and
- * SPH REIT holds a 50.0% stake in Westfield Marion Shopping Centre, the largest regional shopping centre in South Australia.

**SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT
FOR THE PERIOD ENDED 31 AUGUST 2022**

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SPH REIT and its Subsidiaries
(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 July 2013)

Condensed Interim Financial Statements
For the 6 months and 12 months ended 31 August 2022

Condensed Interim Statement of Financial Position
As at 31 August 2022

		<u>Group</u>		<u>Trust</u>	
	Note	As at 31 Aug 22 S\$'000	As at 31 Aug 21 S\$'000	As at 31 Aug 22 S\$'000	As at 31 Aug 21 S\$'000
Non-current assets					
Plant and equipment		335	568	335	568
Investment properties	5	4,148,517	4,123,000	3,338,700	3,296,200
Subsidiaries		-	-	175,914	180,882
Trade and other receivables		-	-	377,266	375,673
Derivative financial instruments		4,781	-	1,575	-
		<u>4,153,633</u>	<u>4,123,568</u>	<u>3,893,790</u>	<u>3,853,323</u>
Current assets					
Trade and other receivables		6,635	11,316	2,962	8,335
Cash and cash equivalents		107,143	111,681	75,152	80,379
Derivative financial instruments		7,174	-	6,989	-
		<u>120,952</u>	<u>122,997</u>	<u>85,103</u>	<u>88,714</u>
Total assets		4,274,585	4,246,565	3,978,893	3,942,037
Non-current liabilities					
Borrowings	6	963,388	1,138,111	848,847	838,751
Trade and other payables		35,701	38,135	35,701	38,135
Derivative financial instruments		-	3,292	-	1,546
Deferred tax liabilities		2,206	2,206	2,206	2,206
		<u>1,001,295</u>	<u>1,181,744</u>	<u>886,754</u>	<u>880,638</u>
Current liabilities					
Borrowings	6	321,731	154,943	144,950	154,943
Trade and other payables		58,684	60,959	45,018	46,258
Derivative financial instruments		-	1,051	-	1,051
		<u>380,415</u>	<u>216,953</u>	<u>189,968</u>	<u>202,252</u>
Total liabilities		1,381,710	1,398,697	1,076,722	1,082,890
Net assets		2,892,875	2,847,868	2,902,171	2,859,147
Represented by:					
Unitholders' funds		2,580,319	2,535,243	2,604,247	2,561,223
Perpetual securities holders' fund		297,924	297,924	297,924	297,924
Non-controlling interests		14,632	14,701	-	-
		<u>2,892,875</u>	<u>2,847,868</u>	<u>2,902,171</u>	<u>2,859,147</u>
Units in issue ('000)	7	2,808,000	2,785,164	2,808,000	2,785,164
Net asset value per unit (\$)	8	0.92	0.91	0.93	0.92

Condensed Interim Statement of Total Return
For the 6 months and 12 months ended 31 August 2022

Note	Group			
	6 months ended 31 Aug 22	6 months ended 31 Aug 21	12 months ended 31 Aug 22	12 months ended 31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	140,220	137,221	281,856	277,179
Property operating expenses	(35,792)	(39,448)	(72,155)	(74,552)
Net property income	104,428	97,773	209,701	202,627
Manager's management fees	(10,503)	(10,001)	(20,949)	(20,434)
Investment management fees	(1,475)	(1,497)	(2,891)	(2,950)
Trustee's fees	(302)	(302)	(599)	(600)
Impairment loss on trade receivables	(150)	(931)	(1,667)	(2,823)
Other trust expenses	(1,001)	(457)	(2,073)	(1,395)
Finance income	268	131	506	200
Finance costs	(12,353)	(12,138)	(23,059)	(23,994)
Grant income	-	-	-	2,903
Grant expense	-	-	-	(2,903)
Net income	78,912	72,578	158,969	150,631
Fair value change on investment properties	6,803	11,859	38,881	3,421
Net foreign currency exchange differences	346	(901)	986	(567)
Total return before taxes and distribution	86,061	83,536	198,836	153,485
Less: income tax	(1,765)	(1,176)	(2,569)	(1,397)
Total return after taxes and before distribution	84,296	82,360	196,267	152,088
Attributable to:				
Unitholders of the Trust	77,293	74,240	182,838	137,348
Perpetual securities holders	6,201	6,202	12,300	12,300
Non-controlling interests	802	1,918	1,129	2,440
	84,296	82,360	196,267	152,088
Earnings per unit (cents)				
Basic and diluted	2.74	2.66	6.51	4.93

Condensed Interim Distribution Statement
For the 6 months and 12 months ended 31 August 2022

	Group			
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000
Amount available for distribution to Unitholders at beginning of the period	70,984	58,351	67,126	36,547
Total return for the period attributable to Unitholders	77,293	74,240	182,838	137,348
Add: Non-tax deductible items (A)	764	7,382	(22,167)	14,306
Total amount distributable to Unitholders for the period	149,041	139,973	227,797	188,201
Distribution to Unitholders for the period				
- Distribution of 0.54 cents per unit for the 4Q 2020	-	-	-	(14,921)
- Distribution of 1.20 cents per unit for the 1Q 2021	-	-	-	(33,307)
- Distribution of 1.24 cents per unit for the 2Q 2021	-	(34,457)	-	(34,457)
- Distribution of 1.38 cents per unit for the 3Q 2021	-	(38,390)	-	(38,390)
- Distribution of 1.58 cents per unit for the 4Q 2021	-	-	(44,006)	-
- Distribution of 1.24 cents per unit for the 1Q 2022	-	-	(34,750)	-
- Distribution of 1.44 cents per unit for the 2Q 2022	(40,355)	-	(40,355)	-
- Distribution of 1.45 cents per unit for the 3Q 2022	(40,675)	-	(40,675)	-
	(81,030)	(72,847)	(159,786)	(121,075)
Amount available for distribution to Unitholders at end of the period	68,011	67,126	68,011	67,126

Note A – Non-tax deductible items

	Group			
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000
- Manager's management fees	10,503	10,001	20,949	20,434
- Trustee's fees	302	302	599	600
- Amortisation of upfront fee for loan facility	402	501	811	1,020
- Fair value change on investment properties	(6,803)	(11,859)	(38,881)	(3,421)
- Net income from subsidiaries	(4,886)	12,240	(7,272)	(1,245)
- Straight-line rental adjustments	(552)	(3,401)	(714)	(4,106)
- Other expenses (capital in nature)	1,798	(402)	2,341	1,024
	764	7,382	(22,167)	14,306

Condensed Interim Statement of Changes in Unitholders' Funds
For the 6 months and 12 months ended 31 August 2022

	Group			
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000
Balance as at beginning of period	2,578,970	2,540,518	2,535,243	2,503,324
<u>Operations</u>				
Total return for the period after tax, attributable to Unitholders and perpetual securities holders	83,494	80,442	195,138	149,648
Less: Total return for the period after tax, attributable to perpetual securities holders	(6,201)	(6,202)	(12,300)	(12,300)
Net increase in assets from operations	77,293	74,240	182,838	137,348
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	8,891	(1,330)	13,674	(889)
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	(1,059)	3,342	984	4,796
<u>Foreign currency translation reserve</u>				
Translation differences from financial statements of foreign entities	(8,209)	(10,905)	(8,615)	(5,167)
Exchange differences on monetary item forming part of net investments in foreign operations	(5,040)	(7,776)	(4,968)	(3,528)
<u>Unitholders' transactions</u>				
Distribution to unitholders	(81,030)	(72,847)	(159,786)	(121,075)
Manager's fee paid/payable in units	10,503	10,001	20,949	20,434
	(70,527)	(62,846)	(138,837)	(100,641)
Unitholders' funds as at end of period	2,580,319	2,535,243	2,580,319	2,535,243
<u>Perpetual Securities Holders' Funds</u>				
Balance as at beginning of period	297,890	297,890	297,924	297,924
Total return attributable to perpetual securities holders	6,201	6,202	12,300	12,300
Distribution to perpetual securities holders	(6,167)	(6,168)	(12,300)	(12,300)
Balance as at end of period	297,924	297,924	297,924	297,924

Notes:

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

Condensed Interim Statement of Changes in Unitholders' Funds
For the 6 months and 12 months ended 31 August 2022

	Trust			
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000
Balance as at beginning of period	2,601,100	2,547,958	2,561,223	2,526,457
<u>Operations</u>				
Total return for the period after tax, attributable to Unitholders and perpetual securities holders	74,823	80,354	184,706	144,838
Less: Total return for the period after tax, attributable to perpetual securities holders	(6,201)	(6,202)	(12,300)	(12,300)
Net increase in assets from operations	<u>68,622</u>	<u>74,152</u>	<u>172,406</u>	<u>132,538</u>
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	6,279	(879)	9,110	(979)
Net change in fair value of cash flow hedge reclassified to Statement of Total Return	(1,227)	2,838	345	3,848
<u>Unitholders' transactions</u>				
Distribution to unitholders	(81,030)	(72,847)	(159,786)	(121,075)
Manager's fee paid/payable in units	10,503	10,001	20,949	20,434
	<u>(70,527)</u>	<u>(62,846)</u>	<u>(138,837)</u>	<u>(100,641)</u>
Unitholders' funds as at end of period	<u>2,604,247</u>	<u>2,561,223</u>	<u>2,604,247</u>	<u>2,561,223</u>
<u>Perpetual Securities Holders' Funds</u>				
Balance as at beginning of period	297,890	297,890	297,924	297,924
Total return attributable to perpetual securities holders	6,201	6,202	12,300	12,300
Distribution to perpetual securities holders	(6,167)	(6,168)	(12,300)	(12,300)
Balance as at end of period	<u>297,924</u>	<u>297,924</u>	<u>297,924</u>	<u>297,924</u>

Notes:

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

SPH REIT and its Subsidiaries
Condensed Interim Financial Statements
For the 6 months and 12 months ended 31 August 2022

**Condensed Interim Portfolio Statement
Group**

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 31 Aug 2022	Occupancy Rate as at		At Valuation		Percentage of Unitholders' funds	
					31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021
					(%)	(%)	S\$'000	S\$'000	(%)	(%)
<u>Singapore</u>										
Paragon	290 Orchard Road, Singapore 238859	Leasehold	99 years, commencing on 24 July 2013 (Listing date)	90 years	99.3	99.1	2,679,000	2,640,000	104	104
The Clementi Mall	3155 Commonwealth Avenue West, Singapore 129588	Leasehold	99 years, commencing on 31 August 2010	87 years	100.0	99.9	597,500	594,000	23	23
The Rail Mall	380 to 400 & 422 to 484 (Even Nos) Upper Bukit Timah Road, Singapore 678040 to 678050 & 678051 to 678087	Leasehold	99 years, commencing on 18 March 1947	24 years	100.0	92.2	62,200	62,200	2	2
<u>Australia</u>										
Westfield Marion Shopping Centre	293-297 Diagonal Road, Oaklands Park, Adelaide, South Australia, 5046	Freehold	-	-	96.1	98.8	616,685	630,060	24	25
Figtree Grove Shopping Centre	19 & 23 Princes Highway, Figtree, Wollongong, NSW 2525	Freehold	-	-	98.5	99.1	193,132	196,740	7	8
Portfolio of investment properties							4,148,517	4,123,000	160	162
Other assets and liabilities (net)							(1,255,642)	(1,275,132)	(48)	(49)
Net assets of the Group							2,892,875	2,847,868	112	113
Perpetual securities holders' funds							(297,924)	(297,924)	(11)	(12)
Non-controlling interests							(14,632)	(14,701)	(1)	(1)
Unitholders' funds							2,580,319	2,535,243	100	100

Condensed Interim Portfolio Statement (Cont'd)
Group (Cont'd)

Footnotes:

- * For Singapore, Paragon was pledged as securities by way of a first legal mortgage to banks for banking facilities granted to SPH REIT. As for Australia, Figtree Grove Shopping Centre and Westfield Marion Shopping Centre were pledged as securities by way of mortgage to banks for banking facilities granted to SPH REIT Moelis Australia Trust and Marion Sub Trust respectively.

SPH REIT and its Subsidiaries
Condensed Interim Financial Statements
For the 6 months and 12 months ended 31 August 2022

Condensed Interim Portfolio Statement (Cont'd)
Trust

Description of Property	Location	Tenure of Land	Term of Lease	Remaining Term of Lease 31 Aug 2022	Occupancy Rate as at		At Valuation		Percentage of Unitholders' funds	
					31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021	31 Aug 2022	31 Aug 2021
					(%)	(%)	S\$'000	S\$'000	(%)	(%)
<u>Singapore</u>										
Paragon	290 Orchard Road, Singapore 238859	Leasehold	99 years, commencing on 24 July 2013 (Listing date)	90 years	99.3	99.1	2,679,000	2,640,000	103	103
The Clementi Mall	3155 Commonwealth Avenue West, Singapore 129588	Leasehold	99 years, commencing on 31 August 2010	87 years	100.0	99.9	597,500	594,000	23	23
The Rail Mall	380 to 400 & 422 to 484 (Even Nos) Upper Bukit Timah Road, Singapore 678040 to 678050 & 678051 to 678087	Leasehold	99 years, commencing on 18 March 1947	24 years	100.0	92.2	62,200	62,200	2	2
Portfolio of investment properties							3,338,700	3,296,200	128	128
Other assets and liabilities (net)							(436,529)	(437,053)	(17)	(16)
Net assets of the Group							2,902,171	2,859,147	111	112
Perpetual securities holders' funds							(297,924)	(297,924)	(11)	(12)
Unitholders' funds							2,604,247	2,561,223	100	100

Footnotes:

* Paragon was pledged as securities by way of a first legal mortgage to banks for banking facilities granted to SPH REIT.

Condensed Interim Statement of Cash Flows
For the 6 months and 12 months ended 31 August 2022

	Group			
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000
Cash flows from operating activities				
Net income	84,296	82,360	196,267	152,088
Adjustments for:				
Fair value change on investment properties	(6,803)	(11,859)	(38,881)	(3,421)
Manager's fee paid/payable in units	10,503	10,001	20,949	20,434
Depreciation of plant and equipment	149	138	300	255
Finance income	(268)	(131)	(506)	(200)
Finance costs	12,353	12,138	23,059	23,994
Straight-line rental adjustments	(552)	(3,401)	(714)	(4,106)
Impairment loss on trade receivables	150	931	1,667	2,823
Income tax	-	(913)	-	(913)
Operating cash flow before working capital changes	99,828	89,264	202,141	190,954
Changes in operating assets and liabilities				
Trade and other receivables	2,104	1,097	3,177	18,589
Trade and other payables	886	(1,853)	(6,766)	(6,998)
Net cash from operating activities	102,818	88,508	198,552	202,545
Cash flows from investing activities				
Additions to investment properties	(5,298)	(9,098)	(7,623)	(13,044)
Purchase of plant and equipment	(21)	(224)	(67)	(234)
Interest received	268	131	506	200
Net cash used in investing activities	(5,051)	(9,191)	(7,184)	(13,078)
Cash flows from financing activities				
Distribution to unitholders	(81,030)	(72,847)	(159,786)	(121,075)
Distribution to perpetual securities holders	(6,167)	(6,168)	(12,300)	(12,300)
Distribution to non-controlling interests of a subsidiary	(414)	(924)	(781)	(924)
Payment of transaction costs related to borrowings	(238)	(42)	(338)	(580)
Interest paid	(10,844)	(12,187)	(21,345)	(23,385)
Net cash used in financing activities	(98,693)	(92,168)	(194,550)	(158,264)
Net (decrease)/increase in cash and cash equivalents	(926)	(12,851)	(3,182)	31,203
Effect of exchange rate fluctuations on cash and cash equivalents held	(1,540)	(2,953)	(1,356)	(1,496)
Cash and cash equivalents at beginning of the period	109,609	127,485	111,681	81,974
Cash and cash equivalents at end of the period	107,143	111,681	107,143	111,681

Notes to the Condensed Interim Financial Statements

These notes form an integral part of the Condensed Interim Financial Statements.

1. General Information

SPH REIT (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 9 July 2013 supplemented by the First Supplemental Deed on 7 November 2016, Second Supplemental Deed on 6 January 2017 and Third Supplemental Deed on 29 July 2022 (the “Trust Deed”) between SPH REIT Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 24 July 2013 and was included under the Central Provident Fund (“CPF”) Investment Scheme on 17 July 2013.

The principal activity of the Trust 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 with the primary objective of providing Unitholders with regular and stable distributions and sustainable long-term growth.

The condensed interim financial information of the Trust as at and for the period ended 31 August 2022 comprise the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Trust changed its financial year end from 31 August to 31 December. Therefore, the current financial year will be a 16-month period from 1 September 2021 to 31 December 2022. Thereafter, SPH REIT’s financial year will be a 12-month period ending on 31 December each year.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee’s fees

The Trustee’s fee shall not exceed 0.1% per annum of the value of all the assets of the Trust (“Deposited Property”) (subject to a minimum of \$15,000 per month) and shall be payable out of the Deposited Property monthly in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

(b) Manager’s management fees

The Manager is entitled under the Trust Deed to the following management fees:

- (i) a base fee of 0.25% per annum of the value of Deposited Property; and
- (ii) an annual performance fee of 5% per annum of the Net Property Income (as defined in the Trust Deed).

The management fees payable to the Manager will be paid in the form of cash and/or units. The Management fees payable in units will be computed at the volume weighted average price for a unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the end date of the relevant financial quarter, to which such fees relate. The base fees are payable quarterly in arrears. The annual performance fees are payable annually in arrears.

1. General Information (Cont'd)

(c) Property Manager's management fees

(i) Property management fees

Under the Property Management Agreement, SPH Retail Property Management Services Pte. Ltd. (the "Property Manager") is entitled to receive the following fees:

- 2.0% per annum of Gross Revenue for the relevant property;
- 2.0% per annum of the Net Property Income for the relevant property (calculated before accounting for the property management fee in that financial period); and
- 0.5% per annum of the Net Property Income for the relevant property (calculated before accounting for the property management fee in that financial period) in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

(ii) Project management fees

The Property Manager is entitled to receive project management fees ranging between 1.25% and 5% of the total construction cost, for the development or redevelopment, the refurbishment, retrofitting and renovation works on or in respect of a property.

2. Basis of preparation

The Condensed Interim Financial Statements has been prepared in accordance with the Statement of Recommended Accounting Practice (RAP) 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies adopted to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

The condensed interim financial information does not contain all the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 August 2021.

The condensed interim financial information has been prepared on a historical cost basis, except for the investment properties and financial derivatives which are stated at fair value.

The condensed interim financial information is presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except for new or amended accounting policies adopted in the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds" which became effective from this financial year.

The adoption of the new/revised accounting policies has not resulted in any substantial changes to SPH REIT's accounting policies nor any significant impact on these financial statements.

4. Critical Accounting Estimates, Assumptions and Judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing the financial statements, the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements were the same as those applied in the financial statements for the year ended 31 August 2021.

5. Investment properties

	<u>Group</u>		<u>Trust</u>	
	31 Aug 22	31 Aug 21	31 Aug 22	31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial period	4,123,000	4,125,447	3,296,200	3,286,200
Additions	9,195	6,194	5,760	2,120
Fair value change	38,881	3,421	36,102	4,160
Straight-line rental adjustments	714	4,106	638	3,720
Translation differences	(23,273)	(16,168)	-	-
End of financial period/year	<u>4,148,517</u>	<u>4,123,000</u>	<u>3,338,700</u>	<u>3,296,200</u>

The carrying amount of the investment properties were based on full/desktop valuations performed by independent external valuers (31 Aug 2021: full valuations performed independent external valuers). The valuations were based on the discounted cash flow and income capitalisation methods. The fair value for investment properties is categorised as Level 3 under the fair value hierarchy, as inputs used are unobservable and significant to the valuation. The inter-relationship between inputs and fair value are described below.

Key unobservable inputs correspond to:

- Discount rate, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class;
- Terminal yield reflects the uncertainty, functional/economic obsolescence and the risk associated with the investment properties;
- Capitalisation rate correspond to a rate of return on investment properties based on the expected income that the property will generate; and
- Market rent rate reflects the expected income that the property will generate.

5. Investment properties (Cont'd)

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties	Discounted cash flow	Discount rate 6.50% to 8.00% (2021: 6.50% to 8.00%) Terminal Yield 4.00% to 6.50% (2021: 4.00% to 6.50%)	Significant reduction in the capitalisation rate, discount rate and/or terminal yield in isolation would result in a significantly higher fair value of the investment properties.
	Income capitalisation	Capitalisation rate 3.75% to 6.00% (2021: 3.75% to 6.00%) Market rent S\$61.45 psf to S\$232.30 psf (2021: S\$63.11 psf to S\$220.77 psf)	

6. Borrowings

	Group		Trust	
	31 Aug 22	31 Aug 21	31 Aug 22	31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Secured term loan	1,286,611	1,295,029	995,000	995,000
Less: Unamortised transaction costs	(1,492)	(1,975)	(1,203)	(1,306)
	<u>1,285,119</u>	<u>1,293,054</u>	<u>993,797</u>	<u>993,694</u>
Borrowing repayable:				
Within 1 year	321,731	154,943	144,950	154,943
Between 1 – 5 years	963,388	1,138,111	848,847	838,751
	<u>1,285,119</u>	<u>1,293,054</u>	<u>993,797</u>	<u>993,694</u>

The Group's secured term loan consists of a term loan of S\$995 million (31 Aug 21: S\$995 million) secured by way of a first legal mortgage on Paragon, a term loan of A\$105 million (31 Aug 21: A\$105 million) secured by way of mortgage on Figtree Grove Shopping Centre and a term loan of A\$200 million (31 Aug 21: A\$200 million) secured by way of mortgage on the Group's 50% interest in Westfield Marion Shopping Centre.

The Group's interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months interest expenses approximates 7.9 times and 5.2 times (2021: 7.3 times and 4.8 times) respectively.

7. Units in issue

	Group and Trust			
	6 months ended 31 Aug 22	6 months ended 31 Aug 21	12 months ended 31 Aug 22	12 months ended 31 Aug 21
	No. of units '000	No. of units '000	No. of units '000	No. of units '000
Issued units as at beginning of period	2,802,406	2,778,797	2,785,164	2,763,122
Manager's fee paid in units	5,594	6,367	22,836	22,042
Issued units at the end of the period	2,808,000	2,785,164	2,808,000	2,785,164
Issuable units:				
Manager's fee payable in units	13,636	14,681	13,636	14,681
Total issued and issuable units as at end of period	2,821,636	2,799,845	2,821,636	2,799,845

During the financial period, the Trust issued 22,836,170 (2021: 22,042,037) new units at the issue price of S\$0.8515 to S\$1.0136 per unit (2021: S\$0.8178 to S\$0.9314 to per unit), in respect of the payment of management fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant quarter on which the fees accrued.

8. Net Asset Value ("NAV") per unit

	Group		Trust	
	As at 31 Aug 22	As at 31 Aug 21	As at 31 Aug 22	As at 31 Aug 21
NAV per unit ¹ (S\$)	0.92	0.91	0.93	0.92

Note:

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

9. Other Trust Expenses

	Group			
	6 months ended 31 Aug 22	6 months ended 31 Aug 21	12 months ended 31 Aug 22	12 months ended 31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Audit fees	203	206	402	388
Professional fees	798	251	1,671	1,007
	1,001	457	2,073	1,395

10. Earnings per unit ("EPU")

	Group			
	6 months ended 31 Aug 22	6 months ended 31 Aug 21	12 months ended 31 Aug 22	12 months ended 31 Aug 21
<u>Earnings per unit</u>				
Weighted average number of units ¹ ('000)	2,813,295	2,791,460	2,807,914	2,785,101
Total return for the period after tax attributable to unitholders (S\$'000)	77,293	74,240	182,838	137,348
EPU ² (basic and diluted) (cents)	2.74	2.66	6.51	4.93

Notes:

1. The weighted average number of units was based on the number of units in issue and issuable units to the Manager.
2. Includes the effects of fair value change on investment properties for the respective periods.

11. Related parties transactions

For the purposes of this condensed interim financial information, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group is subject to common significant influence. Related parties may be individuals or other entities. The Manager (SPH REIT Management Pte. Ltd.) and the Property Manager (Straits Retail Property Management Services Pte. Ltd., formerly known as SPH Retail Property Management Services Pte. Ltd.) are subsidiaries of a substantial Unitholder of the Group.

During the financial period, other than those disclosed elsewhere in the condensed interim financial information, the following significant related party transactions were carried out in the normal course of business:

	Group			
	6 months ended 31 Aug 22	6 months ended 31 Aug 21	12 months ended 31 Aug 22	12 months ended 31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Manager's management fees paid to a related company	10,503	10,001	20,949	20,434
Property management fees paid/payable to a related company	4,215	3,705	8,480	7,956
Investment management fees paid/payable to non-controlling interests	1,475	1,497	2,891	2,950
Trustee's fees paid/payable to the Trustee	290	289	575	574
Staff reimbursements paid/payable to a related company	2,320	2,385	4,633	4,575
Rental and other income received/receivable from related companies	1,848	150	1,980	287
Other expenses paid/payable to related companies	691	346	1,127	649

12. Financial ratios

	Group			
	6 months ended 31 Aug 22 %	6 months ended 31 Aug 21 %	12 months ended 31 Aug 22 %	12 months ended 31 Aug 21 %
Ratio of expenses to weighted average net assets value ¹				
- including performance component of Manager's management fees	0.92	0.86	0.92	0.92
- excluding performance component of Manager's management fees	0.56	0.53	0.56	0.56
Total operating expenses to net asset value ²	1.66	1.80	3.24	3.34
Portfolio turnover rate ³	-		-	-

Notes:

- ¹ The annualised ratio is computed in accordance with guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance expense.
- ² The ratio is computed based on the total property expenses, including all fees and charges paid to the Trustee, the Manager and related parties for 6 months and 12 months ended 31 August 2022 and 31 Aug 2022 and as a percentage of net asset value as at 31 August 2022 and 31 August 2021.
- ³ The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value. The portfolio turnover rate was nil for 6 months and 12 months ended 31 August 2022 and 31 Aug 2022, as there were no sales of investment properties.

13. Subsequent Event

Subsequent to the reporting date, the Manager announced a distribution of 1.39 cents per unit, for the quarter from 1 June 2022 to 31 August 2022.

Other Information Required by Listing Rule Appendix 7.2

**SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT
FOR PERIOD ENDED 31 AUGUST 2022**

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					
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	Change %	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000	Change %
Gross revenue ¹	140,220	137,221	2.2	281,856	277,179	1.7
Property operating expenses	(35,792)	(39,448)	(9.3)	(72,155)	(74,552)	(3.2)
Net property income	104,428	97,773	6.8	209,701	202,627	3.5
Manager's management fees	(10,503)	(10,001)	5.0	(20,949)	(20,434)	2.5
Investment management fee	(1,475)	(1,497)	(1.5)	(2,891)	(2,950)	(2.0)
Trust expenses ²	(1,303)	(759)	71.7	(2,672)	(1,995)	33.9
Impairment loss on trade receivables ³	(150)	(931)	(83.9)	(1,667)	(2,823)	(40.9)
Finance income	268	131	NM	506	200	NM
Finance costs	(12,353)	(12,138)	1.8	(23,059)	(23,994)	(3.9)
Grant income ⁴	-	-	NM	-	2,903	NM
Grant expense ⁴	-	-	NM	-	(2,903)	NM
Net income	78,912	72,578	8.7	158,969	150,631	5.5
Fair value change on investment properties ⁵	6,803	11,859	(42.6)	38,881	3,421	NM
Net foreign currency exchange differences ⁶	346	(901)	NM	986	(567)	NM
Total return before taxes and distribution	86,061	83,536	3.0	198,836	153,485	29.5
Less: income tax ⁷	(1,765)	(1,176)	50.1	(2,569)	(1,397)	83.9
Total return after taxes and before distribution	84,296	82,360	2.4	196,267	152,088	29.0
Attributable to:						
Unitholders	77,293	74,240	4.1	182,838	137,348	33.1
Perpetual securities holders ⁸	6,201	6,202	-	12,300	12,300	-
Non-controlling interests	802	1,918	(58.2)	1,129	2,440	(53.7)
Total return for the period	84,296	82,360	2.4	196,267	152,088	29.0

NM Not Meaningful

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

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. The gross revenue includes rental waivers and reliefs granted by landlord to eligible tenants in Singapore affected by COVID-19.
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.
3. The impairment loss on trade receivables comprises of the allowance for rental arrears and reliefs for Singapore and Australia properties.
4. Grant income relates to property tax rebates and cash grants from Singapore government as part of the COVID-19 relief measures. Grant expense relates to the property tax rebates and cash grants being passed on to eligible tenants in the form of rental reliefs in FY2021.
5. This relates to the fair value change on the investment properties as at 31 August 2022, based on independent valuations conducted by Savills Valuation & Professional Services (S) Pte Ltd (2021: Savills Valuation & Professional Services (S) Pte Ltd) for investment properties in Singapore and, CBRE Valuation Pty Ltd (2021: CBRE Valuation Pty Ltd and Jones Lang LaSalle Advisory Services Pty Ltd) for investment properties in Australia.

In 12M FY2022, the Group recognised a fair value gain of S\$38.9 million. This comprises a fair value gain of S\$36.1 million and S\$2.8 million contributed by the investment properties in Singapore and Australia respectively.
6. The net foreign currency exchange differences relate mainly to unrealised foreign exchange gain from revaluing of the monetary assets and liabilities that were denominated in Australian dollars.
7. This relates mainly to withholding tax payable for Australia income.
8. 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 at the discretion of the Trust and is non-cumulative.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

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

1(a)(ii) Distribution Statement

	<u>Group</u>					
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	Change %	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000	Change %
Total return for the period attributable to Unitholders and perpetual securities holders	83,494	80,442	3.8	195,138	149,648	30.4
Less: Amount reserved for distribution to perpetual securities holders	(6,201)	(6,202)	-	(12,300)	(12,300)	-
Add: Non-tax deductible items ¹	764	7,382	(89.7)	(22,167)	14,306	NM
Income available for distribution	78,057	81,622	(4.4)	160,671	151,654	5.9
Add: Tax-exempt income ²	-	-	-	-	6,149	NM
Distributable income to unitholders	78,057	81,622	(4.4)	160,671	157,803	1.8
Distribution to Unitholders³	79,706	82,396	(3.3)	154,811	150,160	3.1

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, fair value change on investment properties and net income from subsidiaries.
2. This relates to the distribution of tax-exempt income from Australia subsidiaries.
3. The distribution to unitholders for 12M 2021 includes the release of approximately S\$7.3 million of FY20 distributable income deferred as allowed under COVID-19 relief measures.

**SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT
FOR PERIOD ENDED 31 AUGUST 2022**

1(b) 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>	
	As at 31 Aug 22	As at 31 Aug 21	As at 31 Aug 22	As at 31 Aug 21
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	335	568	335	568
Investment properties ¹	4,148,517	4,123,000	3,338,700	3,296,200
Subsidiaries	-	-	175,914	180,882
Trade and other receivables	-	-	377,266	375,673
Derivative financial instruments ²	4,781	-	1,575	-
	4,153,633	4,123,568	3,893,790	3,853,323
Current assets				
Trade and other receivables ³	6,635	11,316	2,962	8,335
Cash and cash equivalents	107,143	111,681	75,152	80,379
Derivative financial instruments ²	7,174	-	6,989	-
	120,952	122,997	85,103	88,714
Total assets	4,274,585	4,246,565	3,978,893	3,942,037
Non-current liabilities				
Borrowings	963,388	1,138,111	848,847	838,751
Trade and other payables ⁴	35,701	38,135	35,701	38,135
Derivative financial instruments ²	-	3,292	-	1,546
Deferred tax liabilities ⁵	2,206	2,206	2,206	2,206
	1,001,295	1,181,744	886,754	880,638
Current liabilities				
Borrowings	321,731	154,943	144,950	154,943
Trade and other payables ⁴	58,684	60,959	45,018	46,258
Derivative financial instruments ²	-	1,051	-	1,051
	380,415	216,953	189,968	202,252
Total liabilities	1,381,710	1,398,697	1,076,722	1,082,890
Net assets	2,892,875	2,847,868	2,902,171	2,859,147
Represented by:				
Unitholders' funds	2,580,319	2,535,243	2,604,247	2,561,223
Perpetual securities holders' funds ⁶	297,924	297,924	297,924	297,924
Non-controlling interests	14,632	14,701	-	-
Total Equity	2,892,875	2,847,868	2,902,171	2,859,147

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT

FOR PERIOD ENDED 31 AUGUST 2022

1(b) 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:

1. The fair values of Paragon, The Clementi Mall, The Rail Mall, Westfield Marion and Figtree Grove as at 31 August 2022 were S\$2,679.0 million, S\$597.5 million, S\$62.2 million, S\$616.7 million and S\$193.1 million respectively. The fair values of the investment properties were based on independent valuations conducted by Savills Valuation & Professional Services (S) Pte Ltd for Paragon, The Clementi Mall and The Rail Mall, CBRE Valuation Pty Ltd for Westfield Marion and Figtree Grove.
2. Derivative financial instruments represent the fair value of the interest rate swap, cross currency swap and cross currency interest rate swap contracts. The increase in derivative values was mainly due to the change in fair value of the interest rate swaps during the current period.
3. Trade and other receivables comprised mainly rental receivable and deposits. The decrease was mainly due to lower receivables from tenants.
4. Trade and other payables comprised mainly rental deposits, accrued interests and other expenses, and collection in advance. The decrease was largely attributed to the lower rent collection in advance.
5. Deferred tax liabilities are mainly in respect of the capital expenditures incurred for Singapore investment properties, and have been estimated based on the differences between the carrying amount and tax carrying value of these capital expenditures.
6. 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.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

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

As at 31 August 2022, SPH REIT had 2,808,000,242 units (31 August 2021: 2,785,164,072 units).

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

Not applicable.

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

The financial information for the period from 1 September 2021 to 31 August 2022 as set out in this announcement has been extracted from the interim financial information for the period from 1 September 2021 to 31 August 2022, 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 review report.

4. **Net Asset Value ("NAV") per unit and Net Tangible Asset ("NTA") per unit**

	<u>Group</u>		<u>Trust</u>	
	As at 31 Aug 22	As at 31 Aug 21	As at 31 Aug 22	As at 31 Aug 21
NAV / NTA per unit ¹ (S\$)	0.92	0.91	0.93	0.92

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 were based on number of units in issue as at balance sheet date.

5. **Review of Performance**

Review of Results for the 6 months ended 31 August 2022 ("6M AUG22") compared with the 6 months ended 31 August 2021 ("6M AUG21")

In 6M AUG22, gross revenue increased by S\$3.0 million (2.2%) to S\$140.2 million and net property income ("NPI") increased by S\$6.7 million (6.8%) to S\$104.4 million. Comparing 6M AUG22 vs 6M AUG21, rental assistance granted to eligible tenants in 6M AUG22 was lower as tenant sales continued to recover boosted by COVID-19 safety measures relaxation.

Net income of S\$78.9 million for 6M AUG22 was S\$6.3 million (8.7%) higher than 6M AUG21.

Total return of S\$84.3 million for 6M AUG22 was mainly due to the fair value gain on investment properties of S\$6.8 million. Investment properties recorded a fair value gain of S\$3.8 million and \$3.0 million for Singapore and the Australia respectively. The fair value loss has no impact on the income available for distribution.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

5. Review of Performance (Cont'd)

Review of Results for the 12 months ended 31 August 2022 ("12M AUG22") compared with the 12 months ended 31 August 2021 ("12M AUG21")

12M AUG22 gross revenue increased by S\$4.7 million (1.7%) to S\$281.9 million and NPI increased by S\$7.1 million (3.5%) to S\$209.7 million.

Trust expenses increased by S\$0.7 million (33.9%) and impairment loss on trade receivables reduced by S\$1.2 million (40.9%).

Net income of S\$159.0 million for 12M AUG22 was S\$8.3 million (5.5%) higher than 12M AUG21.

6. Variance from Prospect Statement

No forecast was made previously.

7. 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

Singapore's real GDP grew by 4.4% yoy in 2Q 2022 (April to June). In August 2022, Ministry of Trade and Industry ("MTI") narrowed GDP forecast for 2022 from 3 – 5% to 3 – 4%, taking into account the performance of the Singapore economy in the first half of 2022 as well as the deteriorating global economic developments since May 2022. Retail sales volume (excluding motor vehicles) increased by 18.1% yoy for July 2022. This was supported by larger growths in industries such as Wearing Apparel & Footwear (68.3%), Food & Alcohol (+53.1%), Department Stores (+42.9%) and Watches & Jewellery (+41.7%), according to the Department of Statistics Singapore ("SingStat").

Travel restrictions in Singapore eased further as the Ministry of Health announced that non-fully vaccinated long-term pass holders and short-term visitors aged 13 and above travelling to Singapore from 29 August 2022 will no longer need entry approval nor undergo a seven-day stay-home notice. The return of large-scale events is likely to further spur inbound travel.

For Australia, Reserve Bank of Australia has forecast GDP to grow by 3.25% in 2022, narrowing from the previous forecast due to higher consumer prices, rising interest rates and declining housing prices. According to the latest Australian Bureau of Statistics, retail turnover including store and online sales rose 16.5% yoy in July 2022; nationwide retail sales growth (month-on-month) was led by department stores (+3.8%), clothing, footwear and personal accessory retailing (+3.3%) and cafes, restaurants and takeaway food services (+1.8%), while household good retailing (-1.1%) sales contracted. COVID-19 restrictions ease further with mandatory COVID-19 isolation cut to five days and mask requirements lifted on domestic flights.

Global geopolitical tensions and inflation are impacting financing costs and operational costs such as energy. Central banks including the Federal Reserve, MAS and RBA have adopted tighter monetary policies in view of rising inflation which have led to higher interest rates. Federal Reserve raised interest rates by 0.75% in September 2022 to a range between 3% to 3.25% and Fed officials expect to further raise rates to between 4% to 4.5% by end of 2022.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

8. 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 June 2022 to 31 August 2022							
Distribution Type:	(i) Taxable income (ii) Tax-exempt income							
Distribution rate per unit (cents):	<table><tr><th>Distribution type</th><th>Distribution rate</th></tr><tr><td>Taxable income</td><td>1.17 cents per unit</td></tr><tr><td>Tax –exempt income</td><td>0.22 cents per unit</td></tr></table>		Distribution type	Distribution rate	Taxable income	1.17 cents per unit	Tax –exempt income	0.22 cents per unit
Distribution type	Distribution rate							
Taxable income	1.17 cents per unit							
Tax –exempt income	0.22 cents per unit							
Par value of units:	Not applicable.							
Tax rate:	<p><u>Taxable income distribution:</u></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 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.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution:</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all unitholders</p>							

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

8. 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 June 2021 to 31 August 2021							
Distribution Type:	Taxable Income							
Distribution rate per unit (cents):	<table><tr><th>Distribution type</th><th>Distribution rate</th></tr><tr><td>Taxable income</td><td>1.40 cents per unit</td></tr><tr><td>Tax-exempt income</td><td>0.18 cents per unit</td></tr></table>		Distribution type	Distribution rate	Taxable income	1.40 cents per unit	Tax-exempt income	0.18 cents per unit
Distribution type	Distribution rate							
Taxable income	1.40 cents per unit							
Tax-exempt income	0.18 cents per unit							
Par value of units:	Not applicable.							
Tax rate:	<p><u>Taxable income distribution:</u></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 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.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution:</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all unitholders</p>							

(c) Date payable

The date the distribution is payable: Friday, 25 November 2022.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

8. Distribution (Cont'd)

(d) Record date

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 17 October 2022 for purposes of determining each Unitholder's entitlement to SPH REIT distribution.

9. Segment Results

	<u>Group</u>					
	6 months ended 31 Aug 22 S\$'000	6 months ended 31 Aug 21 S\$'000	Change %	12 months ended 31 Aug 22 S\$'000	12 months ended 31 Aug 21 S\$'000	Change %
<u>Gross Revenue</u>						
<u>Singapore</u>						
Paragon	82,023	78,101	5.0	165,123	159,865	3.3
The Clementi Mall	21,217	20,845	1.8	42,617	41,372	3.0
The Rail Mall	3,009	2,871	4.8	5,945	5,657	5.1
	106,249	101,817	4.4	213,685	206,894	3.3
<u>Australia¹</u>						
Figtree Grove Shopping Centre	8,115	8,779	(7.6)	16,232	17,250	(5.9)
Westfield Marion Shopping Centre	25,856	26,625	(2.9)	51,939	53,035	(2.1)
	33,971	35,404	(4.0)	68,171	70,285	(3.0)
Total	140,220	137,221	2.2	281,856	277,179	1.7
<u>Net Property Income</u>						
<u>Singapore</u>						
Paragon	62,776	56,226	11.6	126,302	119,393	5.8
The Clementi Mall	15,157	14,266	6.2	30,560	29,885	2.3
The Rail Mall	2,399	2,174	10.3	4,738	4,435	6.8
	80,332	72,666	10.5	161,600	153,713	5.1
<u>Australia¹</u>						
Figtree Grove Shopping Centre	6,064	6,723	(9.8)	12,341	13,282	(7.1)
Westfield Marion Shopping Centre	18,032	18,384	(1.9)	35,760	35,632	0.4
	24,096	25,107	(4.0)	48,101	48,914	(1.7)
Total	104,428	97,773	6.8	209,701	202,627	3.5

1. An impairment loss on trade receivables of S\$1.8 million (2021: S\$0.9 million) relate to rental arrears that may be waived for tenants in Australia affected by COVID-19 has been recognised in the financial statements. This impairment loss is not included in the above Australia's revenue and net property income.

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

Not applicable.

SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR PERIOD ENDED 31 AUGUST 2022

11. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 5 on page 26 to 27.

12. **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.

13. **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.

14. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, SPH REIT Management Pte. Ltd. (the "Company"), as manager of SPH REIT, confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of SPH REIT.

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

Tay Zheng Yu

Company Secretary
Singapore,
7 October 2022



SPH REIT MANAGEMENT PTE. LTD.
79 Robinson Road #07-01,
Singapore 068897
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 31 August 2022, to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Leong', with a long horizontal flourish extending to the right.

LEONG HORN KEE
Chairman

A handwritten signature in black ink, appearing to read 'Eugene', with a small horizontal flourish below it.

EUGENE PAUL LAI CHIN LOOK
Director

Singapore,
7 October 2022



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

**Review of the Interim Financial Information
For the six-month period and twelve-month period ended 31 August 2022**

We have reviewed the accompanying Interim Financial Information of SPH REIT (the “Trust”) and its subsidiaries (collectively the “Group”) for the six-month period and twelve-month period ended 31 August 2022. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 31 August 2022;
- Portfolio statements of the Group and Trust as at 31 August 2022;
- Statement of total return of the Group for the six-month period and twelve-month period ended 31 August 2022;
- Distribution statement of the Group for the six-month period and twelve-month period ended 31 August 2022;
- Statement of changes in unitholders’ funds of the Group and the Trust for six-month period and twelve-month period ended 31 August 2022;
- Statement of cash flows of the Group for the six-month period and twelve-month period ended 31 August 2022; 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 Investment Funds* 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.

Other matter

The Interim Financial Information for the comparative six-month period ended 31 August 2021 has not been reviewed.

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 requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
7 October 2022