



15 September 2017

To: All Depository Agents
and Foreign Non-Individual Unitholders

Dear Sir/Madam,

SPH REIT BACK-END REFUND FOR INCOME DISTRIBUTION

1. The purpose of this Circular is to explain the mechanism for the back-end refund with respect to income distributions from SPH REIT.

Background

2. The changes in the applicable tax rate on distributions made by Real Estate Investment Trusts ("REITs") listed on the Singapore Exchange to individuals (include both local and foreign individuals) and foreign non-individual investors that were announced in the 2004, 2005, 2010 and 2015 Budget Statements have been legislated in the Singapore Income Tax Act.

In this regard, we set out the tax rate changes and the implications on the unitholders of SPH REIT as follows:

- (a) The Budget Statement 2004 announced that specified Singapore-sourced investment income derived directly by individuals from financial instruments will be exempted from tax with effect from the Year of Assessment 2005. In this respect, all individuals (excluding partnerships) will receive their gross distributions from SPH REIT without tax being deducted at source. The tax exemption will apply to distributions made out of taxable income that was earned by SPH REIT from and including 24 July 2013 and is applicable to individuals who receive such distribution as investment income. Individuals who receive such distributions as gains or profits from any trade, business or profession will continue to be taxable and are required to declare such distribution as income in their tax returns.

- (b) The Budget Statement 2005 announced that the tax rate applicable to distributions made to foreign non-individual investors during the period from 18 February 2005 to 17 February 2010 will be reduced from 20% to 10%. The deadline of 17 February 2010 was extended to 31 March 2015 and 31 March 2020 as announced in the Budget Statement 2010 and 2015 respectively. In this respect, foreign non-individual investors will receive their taxable transparent income distributions from SPH REIT after tax deduction at source at the reduced rate of 10% from 24 July 2013 to 31 March 2020.

- 3. The changes in the applicable tax rate on distributions made by REITs listed on the Singapore Exchange to exempt non-corporate investors have been legislated in the Singapore Income Tax Act. In this respect, all exempt non-corporate investors will receive their gross distributions from SPH REIT without tax being deducted at source. The tax exemption will apply to distributions made out of taxable income that was earned by SPH REIT from and including 24 July 2013.

- 4. A foreign non-individual investor refers to a person (other than an individual) who is not a resident of Singapore for income tax purposes and:
 - (a) who does not have a permanent establishment in Singapore; or
 - (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that investor to acquire the units in SPH REIT are not obtained from that operation.

- 5. An exempt non-corporate investor is one who is:
 - (a) a charity registered under the Charities Act (Cap. 37) or established by any written law; or
 - (b) a town council; or
 - (c) a statutory board; or
 - (d) a co-operative society registered under the Co-operative Societies Act (Cap. 62); or
 - (e) a trade union registered under the Trade Unions Act (Cap. 333).

6. We are pleased to inform you that the abovementioned tax exemption and reduced rate of tax applies to future income distributions as well as the taxable transparent income distribution made to-date by SPH REIT in the following periods:

Period	Distribution per unit (cents)	Payment Date	Group Affected
24 July to 31 August 2013	0.56	14 February 2014	Individuals, foreign non-individuals and exempt non-corporates
1 September to 30 November 2013	1.30	14 February 2014	Individuals, foreign non-individuals and exempt non-corporates
1 December 2013 to 28 February 2014	1.39	14 May 2014	Individuals, foreign non-individuals and exempt non-corporates
1 March 2014 to 31 May 2014	1.35	14 August 2014	Individuals, foreign non-individuals and exempt non-corporates
1 June 2014 to 31 August 2014	1.39	14 November 2014	Individuals, foreign non-individuals and exempt non-corporates
1 September 2014 to 30 November 2014	1.33	13 February 2015	Individuals, foreign non-individuals and exempt non-corporates
1 December 2014 to 28 February 2015	1.40	15 May 2015	Individuals, foreign non-individuals and exempt non-corporates
1 March 2015 to 31 May 2015	1.35	14 August 2015	Individuals, foreign non-individuals and exempt non-corporates
1 June 2015 to 31 August 2015	1.39	16 November 2015	Individuals, foreign non-individuals and exempt non-corporates
1 September 2015 to 30 November 2015	1.33	15 February 2016	Individuals, foreign non-individuals and exempt non-corporates
1 December 2015 to 29 February 2016	1.40	13 May 2016	Individuals, foreign non-individuals and exempt non-corporates
1 March 2016 to 31 May 2016	1.36	16 August 2016	Individuals, foreign non-individuals and exempt non-corporates
1 June 2016 to 31 August 2016	1.41	16 November 2016	Individuals, foreign non-individuals and exempt non-corporates
1 September 2016 to 30 November 2016	1.34	16 February 2017	Individuals, foreign non-individuals and exempt non-corporates
1 December 2016 to 28 February 2017	1.40	22 May 2017	Individuals, foreign non-individuals and exempt non-corporates

Application of this Circular

7. If tax at the prevailing corporate tax rate has been deducted from the abovementioned past income distributions in respect of the units held by you in your capacity as a Depository Agent for the benefit of non-individual investor, the Trustee and the Manager of SPH REIT have now worked out an arrangement with the Inland Revenue Authority of Singapore (IRAS) to facilitate the back-end refund of the tax over-deducted from these income distributions made to you in respect of units that were held by you. The back-end refund will facilitate the return of excess tax withheld from the above-mentioned distributions.
8. If individuals and exempt non-corporate investors who hold their units through you as a Depository Agent had also received the abovementioned income distribution after tax deduction at the prevailing corporate tax rate, instead of gross distributions, this back-end refund arrangement will also be extended to process refund of the tax over-deducted to these individuals and exempt non-corporate investors.
9. Foreign non-individual investors who hold SPH REIT units directly and had received the abovementioned income distribution after tax deduction at the prevailing corporate tax rate instead of 10% can use this back-end refund arrangement to claim the refund of the tax over-deducted.
10. To enable the Trustee of SPH REIT to ascertain the tax status of the beneficiaries to the units held by you (i.e. individuals / foreign non-individual investors / exempt non-corporate investors) before the request for refund can be submitted to the IRAS, you will need to make a declaration in a prescribed form. A sample of the forms is attached. Form R1 is for foreign non-individual investors and exempt non-corporate investors who hold SPH REIT units directly and Form R2 and Annexes is for Depository Agents.
11. We would like to draw your attention to the notes set out in the declaration form. Please read the notes carefully before you complete the form.
12. Your declaration of the status of the beneficial owner or beneficial owners of the units deposited in a particular sub-account (i.e. individuals / foreign non-individual investors / exempt non-corporate investors) must be properly substantiated. You must ensure that you have appropriate documents to support your declaration. Where the units are held through more than one-tier of nominees, please note that the confirmation must be from the ultimate beneficial owners. You do not need to submit these substantiating documents with the declaration forms. Please also ensure that you keep records of the amount of distributions made to each beneficial owner as the IRAS may require such information.

13. It should be noted that the IRAS may audit the declaration form(s) made by you and may require you to provide evidence to substantiate your declaration. If it is found by the IRAS that you have not exercised due care and diligence in your declaration or have provided incorrect information, the IRAS may impose penalties as provided under sections 95 and 96 of the Singapore Income Tax Act. You may also be excluded from this arrangement thereafter and all future distributions made to you in respect of units held by you in your capacity as a foreign non-individual, exempt non-corporate investor or Depository Agent will be net of tax deducted at the prevailing corporate tax rate.
14. Please enclose all original Singapore Income Tax Certificates or Annual Distribution Statements issued by The Central Depository (Pte) Ltd in respect of the requests for the refund of tax previously paid at the prevailing corporate tax rate in respect of units held by foreign non-individuals and exempt non-corporate investors directly, and through Depository Agent, and individuals who hold units through Depository Agent.
15. For Depository Agents, please use the soft copy of the excel spreadsheet (emailed together with this Circular) to furnish the particulars required in the Annexes to the declaration forms. Please indicate clearly and put in separate declaration for the respective income distribution periods. Please staple the original declaration form and the completed Annexes together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd. Please also email a soft copy of the completed Annexes to Boardroom Corporate & Advisory Services Pte. Ltd at srs.teamC@boardroomlimited.com.
16. Foreign non-individual investors and exempt non-corporate investors who hold SPH REIT units directly will have to indicate clearly and submit separate declaration for each income distribution period. Please staple the original declaration form and the completed Form R1 together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd.
17. The Manager of SPH REIT will be processing the back-end refund twice a year but reserves the right to end the half-yearly back-end process if it is deemed to be no longer necessary with advance notice.
18. Following from the above, you will have to return the completed declaration form to Boardroom Corporate & Advisory Services Pte. Ltd. within the time limit stipulated for each back-end refund OR within the time limit, currently envisaged to be on every 15 May and every 15 November of the year. If the stipulated dates happen to fall on a weekend or public holiday, the deadline will be the next working day.
19. Please refer to SPH REIT's website at <http://www.sphreit.com.sg/> to download the relevant forms.

20. The amount of tax over-deducted will be refunded to you only after the IRAS has refunded this amount to the Trustee of SPH REIT.

21. For more information, please refer to the list of FAQs accompanying this circular.

By Order of the Board
SPH REIT Management Pte. Ltd.
(Company Registration No: 201305497E)
As manager of SPH REIT

Lim Wai Pun
Khor Siew Kim
Company Secretaries
15 September 2017