

Asset Acquisitions and Disposals::ACQUISITION OF THE RAIL MALL

Issuer & Securities

Issuer/ Manager	SPH REIT MANAGEMENT PTE. LTD.
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Announcement Details

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Announcement Sub Title	ACQUISITION OF THE RAIL MALL
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Submitted By (Co./ Ind. Name)	Lim Wai Pun
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	The Announcement and Press Release are attached.

Attachments	SPH REIT - SGX Announcement on Acquisition Of The Rail Mall.pdf SPH REIT - Acquisition Of The Rail Mall - Press Release.pdf Total size =287K
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SPH REIT MANAGEMENT PTE. LTD.
(Registration No: 201305497E)
(Incorporated in the Republic of Singapore)

ACQUISITION OF THE RAIL MALL

1. INTRODUCTION

1.1 Acquisition of The Rail Mall

SPH REIT Management Pte. Ltd. (the "**Manager**"), the manager of SPH REIT, is pleased to announce that DBS Trustee Limited, in its capacity as Trustee of SPH REIT ("**Trustee**"), has today entered into a Sale and Purchase Agreement (the "**Agreement**") with Pulau Properties (Pte) Ltd (the "**Vendor**") to purchase the properties situated at 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482 and 484 Upper Bukit Timah Road, Singapore, also known as The Rail Mall (the "**Acquisition**").

1.2 Information on The Rail Mall

The Rail Mall (the "**Property**") is a retail strip, with about 360 metres of main road frontage along Upper Bukit Timah Road, comprising 43 single-storey shop units and 95 private carpark lots. One of the key access points to the Rail Corridor is located within a short walking distance from The Rail Mall.

The Property has a total net lettable area of approximately 50,000 square feet. It is a 99-year leasehold property commencing 18 March 1947.

It is well served by the Hillview MRT station, which is about 250 metres away, and a network of public bus services. Accessibility is further enhanced by its proximity to the Bukit Timah Expressway (BKE) and Pan Island Expressway (PIE).

The Acquisition is in line with SPH REIT's strategy of acquiring retail properties that complement SPH REIT's existing portfolio of quality assets comprising Paragon and The Clementi Mall.

2. DETAILS OF ACQUISITION

2.1 Valuation and Purchase consideration

The independent valuation as at 7 March 2018 of the Property by Edmund Tie & Company (SEA) Pte Ltd, which was appointed by the Trustee is S\$62.9 million and is derived using the discounted cash flow approach and capitalisation approach.

The purchase consideration of S\$63.238 million (the "**Purchase Consideration**") was arrived at on a willing-buyer willing-seller basis and will be paid in tranches as follows:

- 5% of the Purchase Consideration will be paid to the Vendor's solicitors on the execution of the Sale and Purchase Agreement, to be held as stakeholders pending completion of the Acquisition;
- the balance 95% of the Purchase Consideration will be paid to the Vendor on completion of the Acquisition, which is expected to take place on 28 June 2018.

The total cost of the acquisition is estimated to be approximately S\$65.9 million, comprising the Purchase Consideration, buyer's stamp duty, acquisition fee payable to the Manager and professional and other fees and expenses in connection with the acquisition.

3. METHOD OF FINANCING AND FINANCIAL EFFECTS

The acquisition is to be financed through a combination of debt and internal sources.

The Acquisition is not expected to have a material effect on the net asset value per unit and distribution per unit of SPH REIT for the current financial year.

4. NON-DISCLOSEABLE SITUATION

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, the Acquisition is a "Non-Discloseable Transaction" within the meaning of Rule 1008 of the Listing Manual.

5. INTEREST OF DIRECTORS AND CONTROLLING UNITHOLDERS

None of the Directors or the substantial unitholders¹ has any interest, direct or indirect, in the Acquisition (otherwise than through their unitholdings, if any, in SPH REIT).

¹A "substantial unitholder" refers to a person with an interest in SPH REIT Units constituting not less than 5.0% of all Units in issue.

6. OTHER INFORMATION

6.1 Document for inspection

A copy of the valuation report issued by Edmund Tie & Company (SEA) Pte Ltd will be made available for inspection at the registered office of the Manager at 1000 Toa Payoh North, News Centre, Singapore 318994 during normal business hours for a period of three months from the date of this announcement.

Issued by SPH REIT Management Pte. Ltd.
As manager of SPH REIT
30 April 2018

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for 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 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.



PRESS RELEASE

SPH REIT'S ACQUISITION – THE RAIL MALL

Highlights:

- Yield-accretive acquisition
- Cluster of shop units with established F&B offerings

Singapore, 30 April 2018 – SPH REIT Management Pte. Ltd., the Manager of SPH REIT (“the REIT Manager”), is pleased to announce that DBS Trustee Limited, in its capacity as Trustee of SPH REIT, has today entered into a sale and purchase agreement with Pulau Properties (Pte) Ltd., to acquire a 99-year leasehold estate commencing from 18 March 1947 in The Rail Mall, for S\$63.238 million (the “Purchase Consideration”, “Proposed Acquisition”).

The Purchase Consideration was negotiated on a willing-buyer, willing-seller basis. The independent valuer Edmund Tie & Company (SEA) Pte Ltd, appointed by the Trustee, “as-is” valuation is S\$62.9million.

The Proposed Acquisition will be funded by a combination of debt and internal resources. It is expected to be Distribution Per Unit (“DPU”) accretive to the unitholders of SPH REIT.

ABOUT THE PROPERTY

The Rail Mall is a retail strip, with a 360-metre prominent road frontage to Upper Bukit Timah Road, comprising 43 single-storey shop units and 95 private carpark lots. One of the key access points to the Rail Corridor is located within a short walking distance from The Rail Mall.

The Rail Mall has a total net lettable area of approximately 50,000 square feet. It is a 99-year leasehold property commencing 18 March 1947.

It is well served by the Hillview MRT station about 250 metres away and a network of public bus services. Accessibility is further enhanced by its proximity to the Bukit Timah Expressway (BKE) and Pan Island Expressway (PIE).

Ms Susan Leng, Chief Executive Officer of the REIT Manager said: “The Rail Mall is a unique cluster of shop units, with opportunity for SPH REIT to further strengthen its current F&B offerings.

We believe a well-curated mix of F&B concepts complemented with services will serve the immediate established Hillview and Upper Bukit Timah community well.

In addition, SPH REIT, will intensify community programs leveraging on the Rail Corridor to attract a wider catchment, as it is well served by the public transport network and accessibility to expressways.

The acquisition is in-line with SPH REIT’s mission to provide unitholders with regular and stable distributions. The potential to create a differentiated positioning at The Rail Mall would complement our existing portfolio of quality income-producing retail properties, comprising Paragon and The Clementi Mall.”

For further information and enquiries, please contact:

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ABOUT SPH REIT

SPH REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets.

Its portfolio of properties comprises a 99-year leasehold interest in Paragon commencing on 24 July 2013 and a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010. Valued at S\$3.278 billion with an aggregate net lettable area of approximately 910,000 sq ft, the properties have a committed occupancy of 100% and have a diverse and high quality tenant base of about 460 local and international retailers and medical specialists.

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

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

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

ABOUT THE SPONSOR: SINGAPORE PRESS HOLDINGS

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

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

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road and The Clementi Mall, a mid-market suburban mall. SPH also owns and operates The Seletar Mall. It built an upmarket residential condominium, Sky@eleven, at Thomson Road, and is developing a new commercial cum residential site at Woodleigh Road. It also has a stake in Chinatown Point.

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

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

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

IMPORTANT NOTICE

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of SPH REIT Management Pte. Ltd. (as the manager of SPH REIT) on future events.