



SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *
FOR THE PERIOD ENDED 31 AUGUST 2014

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* *Please refer to the attached auditors' audit report.*

Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013.

Credit Suisse (Singapore) Limited was the sole global coordinator and issue manager for the initial public offering of SPH REIT (the "Offering"). Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters of the Offering (collectively, the "Joint Bookrunners").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Introduction

SPH REIT is a real estate investment trust constituted by the Trust Deed entered into on 9 July 2013 between SPH REIT Management Pte. Ltd. as the Manager of SPH REIT, and DBS Trustee Limited as the Trustee of SPH REIT. SPH REIT was listed on SGX-ST on 24 July 2013.

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 initial portfolio of SPH REIT comprises the following two high quality and well located commercial properties in Singapore:

- 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.

As disclosed in the Prospectus, SGX-ST has granted SPH REIT a waiver from compliance with Listing Rule 705 (1) which requires the announcement of the financial statements for the full year (for the period ended 31 August 2013) and to incorporate the period from the listing date to 31 August 2013 in its FY2014 result announcements. Hence, SPH REIT presented its results from listing date to 31 August 2014 in this announcement. The financial information as set out in this announcement has been extracted from the audited* financial statements for the period 24 July 2013 to 31 August 2014, in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts", the Code on Collective Investment Schemes (the "CIS Code") and the provisions of the Trust Deed.

The notes as follows shall be applicable to the relevant sections thereafter:

- "Actual" - Although SPH REIT was constituted on 9 July 2013, the acquisition of the properties was completed on 24 July 2013 and listed on Singapore Exchange Securities Trading Limited (the "SGX-ST") on 24 July 2013. Consequently, the actual income derived from the properties for the current period was from 24 July 2013 (listing date) to 31 August 2014. The results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 were insignificant.
- "Pro forma" - The comparative figures were derived from the Prospectus for the financial year ended 31 August 2012 and six-month period ended 28 February 2013 (for the period 24 July 2012 to 28 February 2013). For the period 1 March 2013 to 31 August 2013, the figures were based on unaudited management accounts of Orchard 290 Ltd and CM Domain Pte Ltd after relevant adjustments to ensure consistency with the basis of preparation adopted in the Prospectus' Pro forma statements.
- "Forecast" - The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 31 August 2014) as disclosed in the Prospectus.
- "4Q" - Refers to the fourth quarter from 1 June 2014 to 31 August 2014 for the current year or the corresponding fourth quarter of the preceding year.
- "YTD" - Refers to the period from 24 July 2013 to 31 August 2014 for the current year or the corresponding period of the preceding year.

* **Please refer to the attached auditors' audit report.**

For The Period Ended 31 August 2014

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

	Actual 4Q 2014	Pro forma 4Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,074	49,797	2.6	222,921	216,850	2.8
Property operating expenses	(13,071)	(13,826)	(5.5)	(57,011)	(57,853)	(1.5)
Net property income	38,003	35,971	5.6	165,910	158,997	4.3
Income support ¹	1,312	1,483	(11.5)	5,092	5,775	(11.8)
Amortisation of intangible asset	(1,312)	(1,483)	(11.5)	(5,092)	(5,775)	(11.8)
Manager's management fees	(3,960)	(4,085)	(3.1)	(17,125)	(16,948)	1.0
Trust expenses ²	(84)	(567)	(85.2)	(1,748)	(2,507)	(30.3)
Finance income	78	61	27.9	219	139	57.6
Finance costs	(5,006)	(4,993)	0.3	(21,898)	(22,104)	(0.9)
Net income	29,031	26,387	10.0	125,358	117,577	6.6
Fair value change on investment properties ³	102,603	-	NM	102,603	-	NM
Total return for the period before taxes and distribution	131,634	26,387	NM	227,961	117,577	NM
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	131,634	26,387	NM	227,961	117,577	NM

Notes:

- Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support.
- Includes recurring trust expenses such as trustee's fees, listing fees, valuation fees, audit and tax adviser's fees, cost associated with the preparation of annual reports, and investor communication costs.
- This relates to the fair value change on Paragon and The Clementi Mall as at 31 August 2014, based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd. Pro forma figures do not include the fair value change on investment properties, as the properties were acquired at fair value.

NM Not Meaningful

For The Period Ended 31 August 2014

1(a)(ii) Distribution Statement

	Actual 4Q 2014	Pro forma 4Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net income	29,031	26,387	10.0	125,358	117,577	6.6
Add: Non-tax deductible items ¹	5,909	6,184	(4.4)	24,987	25,149	(0.6)
Total amount distributable to Unitholders for the period	34,940	32,571	7.3	150,345	142,726	5.3

Notes:

1. Non-tax deductible items refer to the Manager's management fees paid/payable in units, trustee's fees, amortisation of income support and amortisation of debt issuance costs.

For The Period Ended 31 August 2014

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

Balance Sheet	Actual As at 31 Aug 14 S\$'000	Pro forma As at 28 Feb 13¹ S\$'000
Non-current assets		
Plant and equipment	1,055	765
Investment properties ²	3,159,000	3,053,000
Intangible asset ³	12,408	17,500
	3,172,463	3,071,265
Current assets		
Trade and other receivables	5,912	1,343
Cash and cash equivalents	90,658	43,569
	96,570	44,912
Total assets	3,269,033	3,116,177
Non-current liabilities		
Borrowing	843,125	840,892
Derivative financial instruments ⁴	8,758	-
Trade and other payables	28,953	32,754
	880,836	873,646
Current liabilities		
Trade and other payables	35,131	10,815
	35,131	10,815
Total liabilities	915,967	884,461
Net assets attributable to Unitholders	2,353,066	2,231,716

Notes:

1. SPH REIT completed the acquisition of Paragon and The Clementi Mall on listing date, the financial statements incorporate the two properties in its portfolio accordingly. SPH REIT balance sheet is compared against the Pro forma Balance Sheet as at 28 February 2013 in the Prospectus, prepared based on the assumptions, inter alia, that the listing exercise, changes in debt capital structure and the acquisition of the two properties had occurred on or were effective on 28 February 2013.
2. The fair value of Paragon and The Clementi Mall as at 31 August 2014 was S\$2,588.0 million and S\$571.0 million respectively. The fair value of the investment properties were based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd ("DTZ").
3. Intangible asset relates to income support provided by the vendors of The Clementi Mall.
4. Derivative financial instruments represent the fair value as at 31 August 2014 of the interest rate swap contracts to swap floating rates for fixed interest rates.

1(b)(ii) Borrowing

Secured borrowing

	Actual As at 31 Aug 14 S\$'000	Pro forma As at 28 Feb 13 S\$'000
Amount repayable within one year	-	-
Amount repayable after one year	843,125	840,892

Details of collateral

On 24 July 2013, SPH REIT established a term loan facility available for drawdown up to the amount of S\$975 million. As at the balance sheet date, the amount drawn down was S\$850 million. The amount of S\$843.1 million represented the loan stated at amortised cost. The loan has repayment terms ranging from three to seven years, of which S\$250 million is repayable on 23 July 2016, S\$300 million on 23 July 2018 and S\$300 million on 22 July 2020.

The term loan is secured by way of a first legal mortgage on Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

For The Period Ended 31 August 2014

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^{1,2}

	Actual 4Q 2014 S\$'000	Actual YTD 2014 S\$'000
Cash flows from operating activities		
Total return for the period	131,634	227,961
Adjustments for:		
Fair value change on investment properties	(102,603)	(102,603)
Manager's fee paid/payable in units	3,960	17,125
Depreciation of plant and equipment	34	127
Finance income	(78)	(219)
Finance costs	5,006	21,898
Amortisation of intangible asset	1,312	5,092
Operating cash flow before working capital changes	39,265	169,381
Changes in operating assets and liabilities		
Trade and other receivables	289	(5,893)
Trade and other payables	2,520	61,497
Net cash from operating activities	42,074	224,985
Cash flows from investing activities		
Acquisition of investment properties	-	(1,306,000)
Capital expenditure on investment properties	(822)	(2,729)
Acquisition of intangible asset	-	(17,500)
Purchase of plant and equipment	(2)	(1,178)
Interest received	81	214
Net cash used in investing activities	(743)	(1,327,193)
Cash flows from financing activities		
Proceeds from issue of units	-	503,896
Issue expenses paid	-	(18,908)
Proceeds from bank loan (net of transaction costs)	(18)	840,965
Distribution to unitholders	(33,891)	(115,250)
Interest paid	(4,466)	(17,837)
Net cash (used in)/from financing activities	(38,375)	1,192,866
Net increase in cash and cash equivalents	2,956	90,658
Cash and cash equivalents at beginning of the period	87,702	-
Cash and cash equivalents at end of the period	90,658	90,658

Notes:

- There was no comparative Statement of Cash Flows as SPH REIT was constituted on 9 July 2013 and SGX-ST has granted SPH REIT a waiver for the announcement of the financial statement for the period ended 31 August 2013.
- Significant non-cash transactions: SPH REIT acquired Paragon and The Clementi Mall from Orchard 290 Ltd and CM Domain Pte Ltd respectively on 24 July 2013 (listing date). The acquisition was partially settled by way of issuance of units in the Trust amounting to S\$1,747,000,000.

For The Period Ended 31 August 2014

1(d)(i) Statement of Changes in Unitholders' Funds¹

	Actual 4Q 2014	Actual YTD 2014
	S\$'000	S\$'000
Balance as at beginning of period	2,251,121	-
<u>Operations</u>		
Total return for the period / net increase in assets resulting from operations	131,634	227,961
<u>Hedging reserve</u>		
Movement in hedging reserve ²	242	(8,758)
<u>Unitholders' transactions</u>		
Issue of new units on listing	-	2,250,896
Issue expenses ³	-	(18,908)
Distribution to unitholders	(33,891)	(115,250)
Manager's fee paid/payable in units	3,960	17,125
Balance as at end of period	2,353,066	2,353,066

Notes:

1. There was no comparative Statement of Cash Flows as SPH REIT was constituted on 9 July 2013 and SGX-ST has granted SPH REIT a waiver for the announcement of the financial statement for the period ended 31 August 2013.
2. This relates to the hedging reserve arising from interest rate swap arrangements.
3. This relates to Initial Public Offering ("IPO") expenses capitalised under capital reserves. The IPO expenses relates to underwriting fees, professional fees and other miscellaneous expenses.

For The Period Ended 31 August 2014

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

	Actual 4Q 2014	Actual YTD 2014
	No. of units	No. of units
Issued units as at beginning of period	2,510,475,049	1
Issue of new units:		
Placement at listing	-	2,500,994,999
Manager's fee paid in units ¹	3,801,439	13,281,488
Issuable units:		
Manager's fee payable in units ²	3,678,691	3,678,691
Total issued and issuable units as at end of period	2,517,955,179	2,517,955,179

Notes:

1. There were 5,499,120 units, 3,980,929 units, and 3,801,439 units issued to the REIT Manager as satisfaction of management fee for the period from 24 July 2013 (listing date) to 30 November 2013, for the second quarter ended 28 February 2014, and for the third quarter ended 31 May 2014, respectively.
2. There are 3,678,691 units to be issued to the REIT Manager as satisfaction of management fee incurred for the current quarter. This is calculated based on volume weighted average traded price for the last 10 business days for the respective periods, 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 31 August 2014, SPH REIT had 2,514,276,488 units (31 August 2013: 2,500,995,000 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 figures for the year have been audited. The auditors' report on the financial statements of the Group was not subject to any modification.

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 audit report.

For The Period Ended 31 August 2014

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation have been consistently applied during the current reporting period.

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.**

Not applicable.

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

	Actual 4Q 2014	Pro forma 4Q 2013	Actual YTD 2014	Pro forma YTD 2013
<u>Earnings per unit</u>				
Weighted average number of units ¹	2,514,316,044	2,500,995,000	2,507,824,706	2,500,995,000
Total return for the period after tax (S\$'000)	131,634	26,387	227,961	117,577
EPU (basic and diluted) (cents)	5.24	1.06 ³	9.09	4.70 ³
<u>Distribution per unit</u>				
Total number of units in issue at end of period	2,514,276,488	2,500,995,000	2,514,276,488	2,500,995,000
Total amount distributable to unitholders for the period (S\$'000)	34,940	32,571	150,345	142,726
DPU ² (cents)	1.39	1.30	5.99	5.71

Notes:

1. The actual weighted average number of units was based on the number of units in issue and issuable units to the Manager during the period. The number of units in issue at listing date was used for comparative Pro forma figure.
2. The DPU was computed based on the number of units entitled to distribution at the end of the period. The number of units in issue at listing date was used for comparative Pro forma figure.
3. Pro forma figures do not include the fair value change on investment properties, as the properties were acquired at fair value.

For The Period Ended 31 August 2014

7. Net Asset Value (“NAV”) per unit

	Actual As at 31 Aug 14	Pro forma As at 28 Feb 13
NAV per unit ¹ (S\$)	0.93	0.89

Notes:

1. The NAV per unit was computed based on the number of units in issue at the end of the period.

8. Review of Performance

a. Actual 4Q 2014 vs Pro forma 4Q 2013

Gross revenue for the quarter from 1 June 2014 to 31 August 2014 (“4Q 2014”) improved by S\$1.3 million (2.6%) to S\$51.1 million, on the back of higher rental income achieved by both Paragon and The Clementi Mall.

Property operating expenses of S\$13.1 million were S\$0.8 million (5.5%) below Pro forma 4Q 2013. Savings in utilities and lower marketing cost were partially offset by higher maintenance and property tax.

Consequently, net property income of S\$38.0 million for 4Q 2014, was S\$2.0 million (5.6%) higher than the Pro forma 4Q 2013.

Net Income increased by S\$2.6 million (10.0%) to S\$29.0 million for 4Q 2014 against the same quarter last year. The positive result was attributable to the higher net property income and savings in trust expenses.

Total amount distributable to unitholders of S\$34.9 million for 4Q 2014 was S\$2.4 million (7.3%) above the corresponding quarter last year.

b. Actual YTD 2014 vs Pro forma YTD 2013

Gross revenue for the period from 24 July 2013 (listing date) to 31 August 2014 (“YTD 2014”) of S\$222.9 million was S\$6.1 million (2.8%) higher against Pro forma YTD 2013. The healthy results was driven by good progress in leasing activities. Both Paragon and The Clementi Mall were fully leased with rental reversion of 10.5% and 5.5% respectively for the new or renewed leases in YTD 2014.

Property operating expenses were lower by S\$0.8 million (1.5%) against the Pro forma expenses incurred in the corresponding period last year. This was largely due to higher maintenance and property tax offset by reduced utilities cost.

Consequently, net property income (NPI) of S\$165.9 million for YTD 2014, was S\$6.9 million (4.3%) higher than the same period last year. NPI margin of 74.4% was achieved, better than Pro forma YTD 2013 of 73.3%.

Net income increased by S\$7.8 million (6.6%) to S\$125.4 million for YTD 2014 against the corresponding period last year. This was mainly attributable to the higher net property income and saving in trust expenses.

For The Period Ended 31 August 2014

After taking into account the fair value change of S\$102.6 million, total return for the YTD 2014 was S\$228.0 million. As at 31 August 2014, the portfolio was valued at S\$3.159 billion by DTZ Debenham Tie Leung (SEA) Pte Ltd. The revaluation change represented an increase of 3.4% from the IPO valuation of S\$3.053 billion as at 28 February 2013.

Total amount distributable to unitholders of S\$150.3 million was S\$7.6 million (5.3%) above the Pro forma YTD 2013.

9. Variance from Prospect Statement

9(a) Statement of Total Return

	Actual 4Q 2014	Forecast 4Q 2014	Change	Actual YTD 2014	Forecast YTD 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,074	50,360	1.4	222,921	221,977	0.4
Property operating expenses	(13,071)	(13,703)	(4.6)	(57,011)	(60,378)	(5.6)
Net property income	38,003	36,657	3.7	165,910	161,599	2.7
Income support	1,312	1,237	6.1	5,092	5,316	(4.2)
Amortisation of intangible asset	(1,312)	(1,237)	6.1	(5,092)	(5,316)	(4.2)
Manager's management fees	(3,960)	(3,795)	4.3	(17,125)	(16,767)	2.1
Trust expenses	(84)	(566)	(85.2)	(1,748)	(2,505)	(30.2)
Finance income	78	-	NM	219	-	NM
Finance costs	(5,006)	(4,995)	0.2	(21,898)	(22,087)	(0.9)
Net income	29,031	27,301	6.3	125,358	120,240	4.3
Fair value change on investment properties	102,603	-	NM	102,603	-	NM
Total return for the period before taxes and distribution	131,634	27,301	NM	227,961	120,240	NM
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	131,634	27,301	NM	227,961	120,240	NM

For The Period Ended 31 August 2014

9(b) Distribution Statement

	Actual 4Q 2014 S\$'000	Forecast 4Q 2014 S\$'000	Change %	Actual YTD 2014 S\$'000	Forecast YTD 2014 S\$'000	Change %
Net income	29,031	27,301	6.3	125,358	120,240	4.3
Add: Non-tax deductible items	5,909	5,520	7.0	24,987	24,244	3.1
Total amount distributable to Unitholders for the period	34,940	32,821	6.5	150,345	144,484	4.1

9(c) Variance between the Forecast and Actual Results

i. Actual 4Q 2014 vs Forecast 4Q 2014

Gross revenue for the quarter from 1 June 2014 to 31 August 2014 ("4Q 2014") of S\$51.1 million was S\$0.7 million (1.4%) higher than forecast.

Property operating expenses were S\$0.6 million (4.6%) lower than forecast at S\$13.1 million for the quarter. This was mainly due to lower property tax and continued savings in utilities, partially offset by higher maintenance costs.

Consequently, net property income of S\$38.0 million for 4Q 2014 was S\$1.3 million (3.7%) above forecast.

Net income 4Q 2014 was S\$29.0 million, an increase of S\$1.7 million (6.3%) compared to forecast, mainly due to higher net property income and saving in trust expenses.

Total amount distributable to unitholders of S\$34.9 million for 4Q 2014 was S\$2.1 million (6.5%) above forecast.

ii. Actual YTD 2014 vs Forecast YTD 2014

Gross revenue of S\$222.9 million for the period from 24 July 2013 (listing date) to 31 August 2014 ("YTD 2014"), was marginally higher by S\$0.9 million (0.4%) compared to forecast.

Property operating expenses were S\$3.4 million (5.6%) lower than forecast at S\$57.0 million for the period. This was largely due to lower utilities, property taxes and other expenses partially offset by higher maintenance costs.

Consequently, net property income of S\$165.9 million was S\$4.3 million (2.7%) higher than forecast. Both Paragon and The Clementi Mall exceeded forecast by S\$4.1 million (3.1%) and S\$0.2 million (0.8%) respectively. NPI margin of 74.4% was achieved, better than the forecast of 72.8%.

For The Period Ended 31 August 2014

Net income for YTD 2014 was S\$125.4 million, an increase of S\$5.1 million (4.3%) compared to forecast, mainly due to higher net property income and lower trust expenses. The savings in trust expenses was mainly due to lower professional fees, as well as from the waiver to prepare and distribute the financial statement for the period from listing date to 31 August 2013. Finance cost was marginally lower as average cost of debt as at 31 August 2014 was 2.33%, within the forecast all-in-rate of 2.35%.

Total amount distributable to unitholders for YTD 2014 of S\$150.3 million was S\$5.9 million (4.1%) above forecast.

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

The Singapore economy is expected to grow modestly, amidst uncertainties in the global environment and potential domestic headwinds to growth. Continuing manpower crunch is expected to weigh on growth in some labour-intensive segments such as retail and food services and take a toll on expansion plans of retailers. Against this backdrop, the Ministry of Trade and Industry (MTI) has narrowed the GDP growth forecast for 2014 to between 2.5% and 3.5%.

Retail sales has moderated in recent months. Based on figures released by the Singapore Department of Statistics (DOS), the year-on-year decline in monthly retail sales index (excluding motor vehicle sales) ranged from 0.3% to 2.1% from March to July 2014. The exception was a marginal increase of 0.2% in May 2014.

The Singapore Tourism Board (STB) has forecast visitor arrivals to grow to between 16.3 million and 16.8 million and tourist receipts to be in the range of S\$23.8 billion to S\$24.6 billion in 2014. For the period January to July 2014, visitor arrivals declined year-on-year by 2.5% to 8.9 million. Tourism receipts for Q1 2014 registered a 5% year-on-year increase to S\$6.0 billion. Declines in spending on shopping (6%) and food and beverage (1%) were observed for the quarter.

Barring any unforeseen circumstances, SPH REIT's portfolio of two high quality and well-positioned retail properties in prime locations, is expected to remain resilient and turn in a steady performance. The Manager remains focused on proactively managing the properties to deliver sustainable returns while seeking new opportunities to create value for unitholders.

11. **Distribution**

(a) **Current Financial Period**

Any distribution recommended for the current financial period reported on? Yes.

Name of distribution:	4 th Distribution for the period from 1 June 2014 to 31 August 2014
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.39 cents per unit
Par value of units:	Not applicable.
Tax rate:	<p>Taxable Income Distribution:</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 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 2015.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p>

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any distribution declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) **Date payable**

The date the distribution is payable: Friday, 14 November 2014.

(d) Books closure date

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 21 October 2014 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

	Actual 4Q 2014	Pro forma 4Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Gross Revenue</u>						
Paragon	41,281	40,184	2.7	180,628	175,095	3.2
The Clementi Mall	9,793	9,613	1.9	42,293	41,755	1.3
Total	51,074	49,797	2.6	222,921	216,850	2.8
<u>Net Property Income</u>						
Paragon	31,566	29,706	6.3	136,717	130,461	4.8
The Clementi Mall	6,437	6,265	2.7	29,193	28,536	2.3
Total	38,003	35,971	5.6	165,910	158,997	4.3

14. 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 8 on page 11 and 12.

For The Period Ended 31 August 2014

15. Breakdown of Gross revenue and Net Income

	Actual YTD 2014
	S\$'000
<u>24 July 2013 (listing date) to 31 August 2013</u>	
Gross revenue	20,680
Net income	11,447
<u>First half year¹</u>	
Gross revenue	100,762
Net income	56,531
<u>Second half year²</u>	
Gross revenue	101,479
Net income	57,380

Notes:

1. The results for the first half year relates to the period from 1 September 2013 to 28 February 2014.
2. The results for the second half year relates to the period from 1 March 2014 to 31 August 2014.

16. Breakdown of Total Distributions

	Actual YTD 2014
	S\$'000
24 July 2013 to 31 August 2013	14,006
1 September 2013 to 30 November 2013	32,513
1 December 2013 to 28 February 2014	34,840
1 March 2014 to 31 May 2014	33,891
1 June 2014 to 31 August 2014 ¹	34,949
	<hr/> 150,199 <hr/>

Notes:

1. Please refer to paragraph 11(a) on page 15.

17. **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.

18. **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

Lim Wai Pun
Khor Siew Kim

Company Secretaries

Singapore,
13 October 2014



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**To the Unitholders of SPH REIT
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013)**

Report on the financial statements

We have audited the accompanying financial statements of SPH REIT (the "Trust"), which comprise the Balance Sheet and Portfolio Statement of the Trust as at 31 August 2014, and the Statement of Total Return, Distribution Statement and Statement of Changes in Unitholders' Funds and the Statement of Cash Flows for the period from 9 July 2013 (date of constitution) to 31 August 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

Manager's responsibility for the financial statements

The Manager of the Trust ("the Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements of the Trust present fairly, in all material respects, the financial position of the Trust as at 31 August 2014 and the total return, distributable income, changes in unitholders' funds and cash flows of the Trust for the period then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 October 2014

The page numbers are as stated in the *Independent Auditors' Report* dated 13 October 2014 included in *SPH REIT Annual Report* for the financial period ended 31 August 2014.