



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.