



SPH REIT Q2 FY2020 Net Property Income higher but impact from Covid-19 expected

- Better performance in Q2 mainly from contribution of Westfield Marion Shopping Centre acquisition in Dec 2019
- Committed to provide tenants' assistance to tide through COVID-19
- Q2 FY2020 DPU of 0.30 cents, modest distribution in anticipation of Covid-19 challenges

SINGAPORE, April 1, 2020 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that net property income (“NPI”) for the second quarter ended 29 February 2020 (“Q2 FY2020”) was S\$56.5 million, an increase of S\$10.6 million (23.3%) compared to the same quarter last year, mainly due to contribution from the acquisition of Westfield Marion Shopping Centre (“Westfield Marion”) which was completed on 6 December 2019.

Paragon, The Clementi Mall and The Rail Mall registered positive rental reversions. Paragon and The Clementi recorded an increase of NPI of S\$1.3 million and S\$0.2 million respectively whilst The Rail Mall NPI remained flat. Figtree Grove Shopping Centre (“Figtree Grove”) recorded an increase of NPI of S\$0.7 million and the recently acquired Westfield Marion contributed S\$8.4 million to the increase in NPI.

Operational performance

As at 29 February 2020, SPH REIT’s portfolio attained an occupancy rate of 98.9%. The Singapore assets registered an occupancy rate of 99.5%. Occupancy at Figtree Grove Shopping Centre is 99.2% whilst Westfield Marion has achieved an occupancy rate of 98.4% for Q2 FY2020.

Capital Management

SPH REIT proactively manages its debt maturity profile by ensuring that it is well staggered and spread out to avoid major concentration of debts maturing in any single year. Including a new loan to finance the acquisition of Westfield Marion, total borrowings amounted to S\$1.3 billion as at 29 February 2020. Including our proportionate share of borrowings, the debt gearing ratio was 29.3%. The average debt term to maturity was 2.2 years with an annualised average cost of debt of 2.83% p.a.

Distribution per Unit (“DPU”)

Distribution per unit (“DPU”) for Q2 FY2020 was 0.30 cents, a decline of 78.7%, compared to the same quarter last year. This distribution is modest in light of the challenging circumstances arising from the Covid-19 situation in the months ahead.

Post Q2: dealing with Covid-19

With the stricter measures rolled out in the last week of March 2020 to control the spread of Covid-19, retail and F&B businesses are significantly impacted. To assist our tenants, SPH REIT will pass on fully the property tax rebates from IRAS announced by the Singapore Government on 26 March 2020, which will be disbursed in a targeted manner.. On top of the Government’s property tax rebates, SPH REIT has provided further assistance to help tenants through this difficult period. In February and March 2020, tenant rebates amounting to approximately S\$4.6 million have been granted to those affected tenants. This is part of the Tenants’ Assistance Scheme under which SPH REIT has rolled out to provide tenants with rent relief for February and March.

SPH REIT will extend Tenants’ Assistance Scheme for the months of April and May, for which the rebates will be granted according to the needs of the tenants. For the most affected tenants, they will be granted rental rebates of up to 50% of base rent. In addition, the full property tax rebates will be passed on to these tenants. Effectively, the most affected tenants will have their base rents waived for up to 2 months.

For tenants who are required by the Government to cease operations such as enrichment centres, SPH REIT will grant full waiver of rental for the period of closure.

As Covid-19 continues to spread across the globe, SPH REIT's assets in Australia are also impacted. SPH REIT will evaluate the need for a support package to help its tenants in its two Australian assets – Figtree Grove Shopping Centre and Westfield Marion Shopping Centre as the situation is evolving and the Australian government has yet to announce full details of its assistance for retail businesses and landlords.

Dr Leong Horn Kee, Chairman of SPH REIT, said: "Given the continued challenges our tenants are facing with the tightened social distancing measures and enforced closures, SPH REIT will monitor the effects of Covid-19 closely and work with the tenants to overcome this difficult period."

Ms Susan Leng, CEO of SPH REIT, said: "Covid-19 is an unprecedented crisis that has impacted all businesses across the globe. With this in mind, we have proactively employed various strategies to mitigate the impact of Covid-19 on our tenants' businesses. At SPH REIT, the health and safety of our shoppers and business partners will remain as our top priority."

Summary Results of SPH REIT

	Q2 FY2020 S\$'000	Q2 FY2019 S\$'000	Change %
Gross revenue	73,268	58,123	26.1
Net property income	56,532	45,855	23.3
Income available for distribution	41,548	37,018	12.2
Distribution to Unitholders	8,272	36,440	(77.3)
Distribution per unit (cents)	0.30	1.41	(78.7)

	1H 2020 S\$'000	1H 2019 S\$'000	Change %
Gross revenue	133,405	111,928	19.2
Net property income	103,496	87,641	18.1
Income available for distribution	77,348	72,874	6.1
Distribution to Unitholders	44,132	71,042	(37.9)
Distribution per unit (cents)	1.68	2.75	(38.9)
Annualised distribution yield (%)	3.35 ¹	5.38 ²	(37.8)

Notes:

1. Based on S\$1.01 per unit closing price on 28 February 2020.
2. Based on S\$1.03 per unit closing price on 28 February 2019.

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ABOUT SPH REIT

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

SPH REIT has a portfolio of five assets in Singapore and Australia.

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon, a 99-year leasehold interest in The Clementi Mall and a 99-year leasehold interest in The Rail Mall. These Singapore properties have an aggregate net lettable area of approximately 960,000 sq. ft.

In Australia, SPH REIT owns an 85% stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH REIT also owns a 50% stake in Westfield Marion Shopping Centre, the largest regional shopping centre in Adelaide, South Australia. Both Australian properties have an aggregate gross lettable area of approximately 1.7 million sq. ft.

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 SPONSOR: SINGAPORE PRESS HOLDINGS LTD

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 in the 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 approximately 65% in SPH REIT whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, SPH REIT holds an 85% stake in Figtree Grove Shopping Centre and a 50% stake in Westfield Marion Shopping Centre.

SPH also owns and operates The Seletar Mall and is developing an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom and Germany.

It is in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore's largest nursing homes.

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.

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