For Immediate Release **PRESS RELEASE**
October 6, 2020

Riding through COVID-19 with our tenants

- FY2020 results impacted by rental relief, 2H in particular
- Q4 FY2020 DPU at 0.54 cents
- FY2020 DPU deferred 0.52 cents to FY2021
- Strong portfolio occupancy of 97.7%

SINGAPORE, October 6, 2020 – SPH REIT Management Pte. Ltd. ("SPH RM" or the "Manager"), the Manager of SPH REIT, reported that net property income ("NPI") for FY2020 was S$181.9 million, an increase of S$2.1 million (1.2%) compared to S$179.8 million last year. The increase was the result of added contribution from newly acquired assets in Australia which more than offset the declined contribution from Singapore assets brought about by COVID-19.

SPH REIT performed credibly for the first half ended 29 February 2020 ("1H FY2020"), but the advent of COVID-19 had impacted performance in the second half of FY2020.

Performance of the Singapore assets was significantly impacted by COVID-19. SPH REIT rendered rent relief amounting to S$31.8 million to eligible tenants in Singapore to assist them in riding through this pandemic. This resulted in a decline in NPI of 16.4% to S$143.2 million in FY2020 for the Singapore assets.

In Australia, the new Australian asset SPH REIT acquired on 6 December 2019, namely Westfield Marion Shopping Centre ("Westfield Marion") in Adelaide, South Australia, contributed S$26.3 million to NPI for FY2020.

Figtree Grove Shopping Centre ("Figtree Grove") located in Wollongong, New South Wales, which was acquired in December 2018, had its first full year contribution of S$12.5 million to NPI in FY2020.

SPH REIT's Australia assets, though not spared the effects of COVID-19, were relatively less impacted for the relevant period, and an allowance for rent relief of S$8.1 million was provided for FY2020 to support eligible tenants affected by COVID-19.

Operations performance

Various restrictions imposed to combat the spread of COVID-19 (including global travel bans) have impacted international tourism and lifestyles, causing footfall to decline by an average of 27.7% at SPH REIT's Singapore assets and 8.3% at its Australia assets year-on-year.

Paragon which is located at the Orchard Road shopping precinct, was impacted by border restrictions. It registered a year-on-year decline in footfall of 27.4% to 13.8 million and a decline in tenant sales of 28.3% to S$508 million. The Clementi Mall, which is located in a residential suburb, was impacted by work from home arrangements and saw a drop in visitor traffic of 27.8% to 22.8 million. Tenant sales, however, registered a lower decline of 12.7% to S$207 million.

In Australia, Westfield Marion and Figtree Grove recorded tenant sales of A$691 million and A$185 million, representing a decline of 9.1% and 1.1% respectively. Westfield Marion, the largest shopping centre in South Australia with a higher discretionary offering, registered a drop in footfall of 11.2% to 11.9 million. Figtree Grove was well-supported by the residential catchment in the suburbs of Wollongong and footfall was maintained at 4.6 million.

As at 31 August 2020, despite the challenging operating environment, SPH REIT's portfolio occupancy remained high at 97.7%. Further, SPH REIT's strategy has always been to renew and/or sign new leases in advance to mitigate against vacancies. As a result, a positive portfolio committed rental reversion of 5.9% was achieved in FY2020, mainly from renewed or new leases committed before the onset of COVID-19 for the Singapore assets.

Valuation

Amidst the uncertainty surrounding COVID-19, the Singapore assets were valued at S$3,286.2 million in total as at 31 August 2020, representing a decline of 3.5% year-on-year.

The Australian assets declined in valuation by 5.5% to A$836.5 million. For Westfield Marion, the comparison was against the valuation at acquisition.

Net asset per unit as at 31 August 2020 was S$0.91, a decline of 4.2%.

Capital Management

As at 31 August 2020, SPH REIT's gearing was stable at 30.5% while its debt maturities were well-staggered with no refinancing due till June 2021. In addition, SPH REIT has put in place new unsecured credit facilities of S$225 million that can be drawn when required.

Distribution per Unit ("DPU")

As the COVID-19 situation is continually evolving and there is no certainty as to when normalcy will return, the Board has decided, for prudence in financial management, to defer the distribution of S$14.5 million, DPU 0.52 cents, a part of the FY2020 income, to FY2021, which is allowed under COVID-19 measures announced by IRAS. In addition, for financial flexibility, an amount of S$15.0 million of capital allowance was utilised to provide for capital expenditure and other working capital requirements.

Distribution per unit ("DPU") for Q4 FY2020 is 0.54 cents, representing an increase of 8.0% over that of the last quarter. Q4 FY2020 distribution will be paid to unitholders on 20 November 2020. Full Year DPU is at 2.72 cents.

Outlook

During these unprecedented times, SPH REIT stands resolute to face and manage the challenges brought about by COVID-19. Across all SPH REIT's assets, various proactive measures have been adopted to assist affected tenants, taking into consideration each tenant’s trade and sustainability. SPH REIT aims to lighten the burden of tenants in need by supporting them through this difficult time, while balancing the sustainability of the REIT’s businesses and maintaining its assets in readiness for recovery.

With the gradual reopening of businesses, SPH REIT will continue to ensure a safe environment for all stakeholders, taking guidance from advisories issued by the authorities. Added measures include intensifying the cleaning and disinfecting of its assets, especially at common areas.

Despite ongoing headwinds posed by COVID-19, SPH REIT’s assets are expected to remain resilient because of their strategic location, diverse tenant mix, dominant catchments and strong occupancies.

Dr Leong Horn Kee, Chairman of SPH REIT, said: “As the COVID-19 pandemic continues to evolve, we have announced a DPU of 0.54 cents to unitholders for Q4 FY2020 with some degree of prudence built in, which will provide us with greater financial flexibility for the long-term sustainability of our businesses. We will continue to engage with our stakeholders to ride through the challenges ahead and position us stronger for the future.”

Ms Susan Leng, CEO of SPH REIT, said: “COVID-19 has different impact on different tenants. It is important for SPH REIT to continue to tailor our approach to help our tenants in a more targeted manner to overcome this unprecedented situation. Other than complying with the Government’s various support measures relating to COVID-19, we have proactively engaged with and where necessary, extended our assistance to tenants whose businesses were more impacted by the crisis. SPH REIT remains committed to stand in solidarity with our tenants to overcome this difficult and uncertain time.”

Summary Results of SPH REIT

	2H FY2020 S$'000	2H FY2019 S$'000	Change %
Gross revenue	108,058	116,707	(7.4)
Net property income	78,447	92,137	(14.9)
Income available for distribution	14,878 [1,2]	72,162	(79.4)
Distribution per unit (cents)	1.04	2.85	(63.5)

	FY2020 S$'000	FY2019 S$'000	Change %
Gross revenue	241,463	228,635	5.6
Net property income	181,943	179,779	1.2
Income available for distribution	92,226 [1,2]	145,034	(36.4)
Distribution per unit (cents)	2.72	5.60	(51.4)
Annual distribution yield (%)	3.13[3]	5.14[4]	(39.1)

Notes:

1. S$14.5 million of income available for distribution will be deferred as allowed under COVID-19 relief measures announced by IRAS.

2. Net of approximately S$15.0 million of capital allowance claim for FY2020 and 2H FY2020.

3. Based on S$0.87 per unit closing price on 31 August 2020.

4. Based on S$1.09 per unit closing price on 31 August 2019.

For further information and enquiries, please contact:

Benjamin Kuah Hsien Yiao
Chief Financial Officer &
Head of Investor Relations
SPH REIT Management Pte. Ltd.
Tel: +65 6319 3391
Email: benkuah@sphreit.com.sg

Chin Soo Fang
Head
Corporate Communications & CSR
Singapore Press Holdings
Tel: +65 6319 1216
Email: soofang@sph.com.sg

Sherleen Ng
Assistant Manager
Corporate Communications & CSR
Singapore Press Holdings
Tel: +65 6319 1579
Email: ngwts@sph.com.sg

Rebecca Chee
Senior Executive
Corporate Communications & CSR
Singapore Press Holdings
Tel: +65 6319 1124
Email: rchee@sph.com.sg

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 a 50% freehold interest in Westfield Marion Shopping Centre, the largest regional shopping centre in Adelaide, South Australia. SPH REIT also owns an 85% interest in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, 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 is also an owner, manager and developer of a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom and Germany. It currently operates two distinctive brands, Student Castle and Capitol Students.

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. It also invested in the education business.

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