

**REPL::ANNUAL GENERAL MEETING::VOLUNTARY**

## Issuer &amp; Securities

## Issuer/ Manager

SPH REIT MANAGEMENT PTE. LTD.

## Security

SPH REIT - SG2G02994595 - SK6U

## Announcement Details

## Announcement Title

Annual General Meeting

## Date &amp; Time of Broadcast

27-Nov-2019 17:30:05

## Status

Replacement

## Announcement Reference

SG191105MEETAYRB

## Submitted By (Co./ Ind. Name)

Lim Wai Pun

## Designation

Company Secretary

## Financial Year End

31/08/2019

## Event Narrative

| Narrative Type  | Narrative Text   |
|-----------------|--|
| Additional Text | All resolutions relating to the matters set out in the Notice of AGM dated 5 November 2019 were duly passed. The AGM Results and AGM Presentation slides are attached. |

## Event Dates

## Meeting Date and Time

27/11/2019 14:30:00

## Response Deadline Date

24/11/2019 14:30:00

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## Event Venue(s)

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### Place

| Venue(s)      | Venue details   |
|---------------|---|
| Meeting Venue | The Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 |

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## Attachments

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[SPH%20REIT%20-%202019%20AGM%20Results.pdf](#)

[SPH%20REIT%20-%202019%20AGM%20Slides.pdf](#)

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Total size =1694K MB

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## Related Announcements

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### Related Announcements

[05/11/2019 08:08:49](#)

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# SPH REIT

Incorporated in the Republic of Singapore

(A Real Estate Investment Trust Constituted Under The Laws Of The Republic Of Singapore Pursuant To A Trust Deed  
Dated 9 July 2013 (As Amended))

## ANNOUNCEMENT PURSUANT TO CLAUSE 704(16) OF THE SGX LISTING MANUAL

### ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE 6TH ANNUAL GENERAL MEETING ("AGM")

SPH REIT (the "Company") is pleased to announce, in accordance with Clause 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited, that:-

- A. At the 6th AGM of the Company held today, the Resolutions relating to the following matters as set out in the Notice of the AGM dated 5 November 2019 were put to the Meeting and duly passed on poll vote :-

| Resolution Number and Details  | Total Number of Units Represented by Votes For and Against the Relevant Resolution | For             |              | Against         |              |
|--|--|-----------------|--------------|-----------------|--------------|
|  |  | Number of Units | Percentage % | Number of Units | Percentage % |
| <b>AGM</b>   |  |                 |              |                 |              |
| Ordinary Resolution 1<br>To receive and adopt the Report of DBS Trustee Limited, as trustee of SPH REIT (the "Trustee"), the statement by SPH REIT Management Pte. Ltd., as manager of SPH REIT (the "Manager"), and the Audited Financial Statements of SPH REIT for the financial year ended 31 August 2019 together with the Auditors' Report thereon | 1,904,050,825  | 1,903,277,969   | 99.96        | 772,856         | 0.04         |
| Ordinary Resolution 2<br>To re-appoint KPMG LLP as the Auditors of SPH REIT to hold office until the conclusion of the next Annual General Meeting of SPH REIT, and to authorise the Manager to fix their remuneration   | 1,904,045,825  | 1,903,710,025   | 99.98        | 335,800         | 0.02         |
| Ordinary Resolution 3<br>To authorise the Manager to issue Units and to make or grant convertible instruments  | 1,903,926,225  | 1,896,376,066   | 99.60        | 7,550,159       | 0.40         |

RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. was appointed as the Company's scrutineer.

By Order of the Board

MR LIM WAI PUN

Company Secretary

Singapore

27 Nov 2019



# ANNUAL GENERAL MEETING

Date: 27 November 2019



# **NOTICE**

**SPH REIT Management may take photographs and videos during this event for use in event publicity, promotional material and related purposes. No other photography and video recording is allowed throughout the AGM proceedings.**

# Disclaimer

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This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in SPH REIT (“Units”). The value Units and the income derived from them may fall as well as 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. The past performance of SPH REIT is not necessarily indicative of its future performance. This presentation may also 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

This presentation shall be read in conjunction with SPH REIT’s financial results for the fourth quarter and financial year ended 31 August 2019 in the SGXNET announcement.

# Contents

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# Overview of SPH REIT

- SPH REIT is a Singapore-based Real Estate Investment Trust (“REIT”) established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes.
- As of 31 August 2019, SPH REIT has a portfolio of 4 assets across Singapore and Australia.

|   |   |                                       |
|---|---|---------------------------------------|
| <b>99.1%</b><br>Portfolio committed occupancy                   | <b>S\$3.6bn<sup>(1)</sup></b><br>Valuation of investment properties | <b>+8.4%</b><br>FY19 rental reversion |
| <b>1.2m<sup>(1)</sup></b><br>Net Lettable Area (“NLA”) (sq. ft) | <b>27.5%</b><br>Gearing ratio                                       |                                       |

## Singapore



## Australia



Note:

1. Includes 100% size and valuation of Figtree Grove Shopping Centre; SPH REIT owns 85% of Figtree Grove Shopping Centre.



# A Singapore-anchored Prime Retail-dominant Portfolio with Presence in Australia

Valuation conducted as at 31 August 2019 for all assets

## Singapore



### Paragon

Valued at S\$2,745.0 million

A premier upscale retail mall and medical suite / office property located in the heart of Orchard Road.



### The Clementi Mall

Valued at S\$597.0 million

A mid-market suburban mall centrally located in Clementi town, integrated with HDB residential blocks, the Clementi public library, MRT, and bus interchange.



### The Rail Mall, acquired on 28 June 2018

Valued at S\$63.8 million

A unique retail strip with a 360-metre prominent road frontage to Upper Bukit Timah Road, housing a diverse selection of F&B and lifestyle offerings.

## Australia

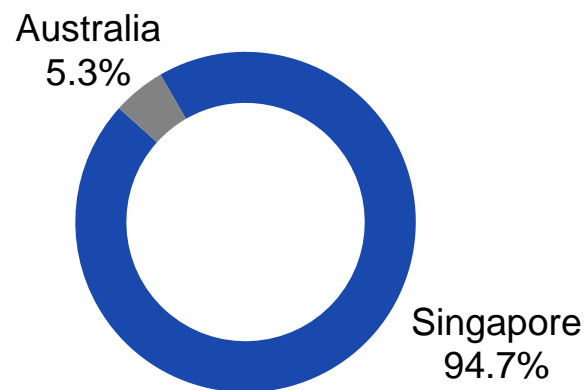


### Figtree Grove Shopping Centre, acquired on 21 December 2018

Valued at A\$206.0 million

An established sub-regional mall serving the Wollongong area in New South Wales, Australia over the past 54 years. Home to some of Australia's leading retailers; caters to c.4.6 million shoppers a year.

### SPH REIT's portfolio by geography, by valuation



**FY2019**

## **Financial results-in-review**

### **Net Property Income (S\$'000)**

**S\$179,779**

**+8.3%** vs FY2018 (S\$165,996)

### **DPU – FY2019**

**5.60 cents**

**+1.1%** vs FY2018 (5.54 cents)

### **Distribution Yield**

**5.14%** based on share price of S\$1.09

**(0.4%)** vs FY2018 (5.54% based on share price of S\$1.00)

### **Gearing**

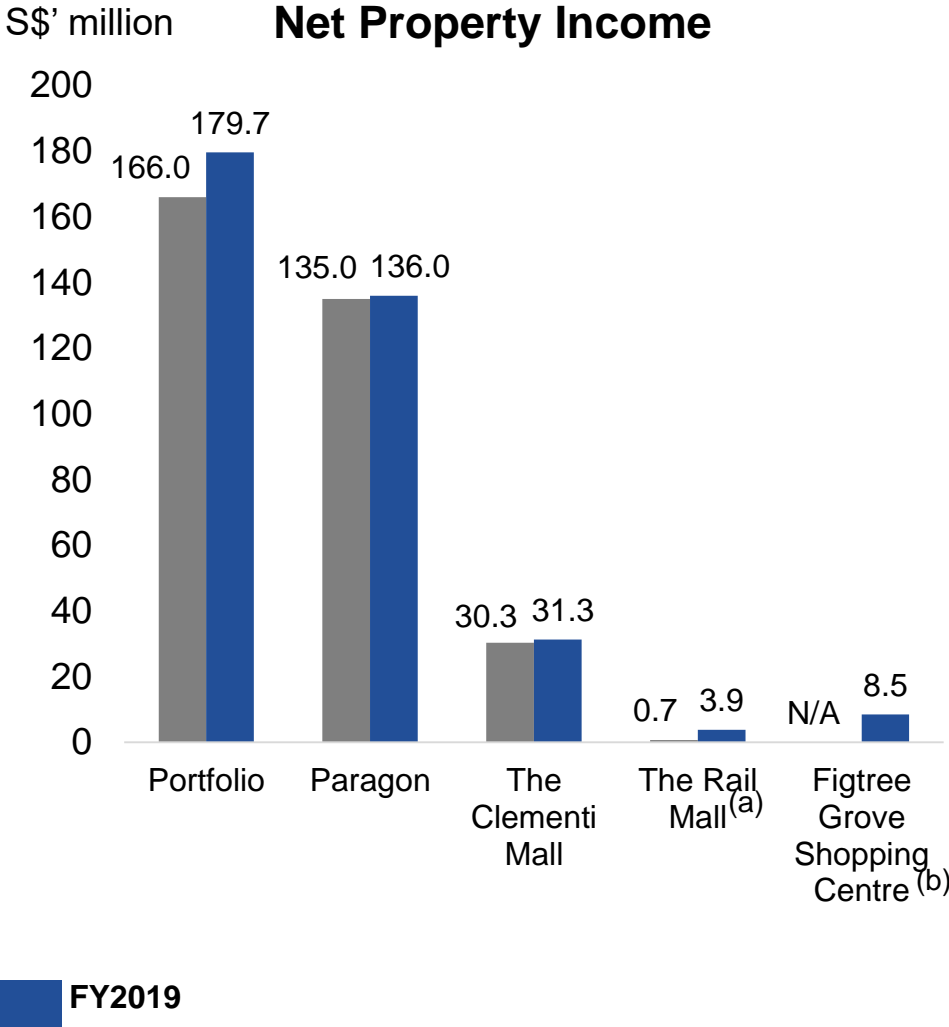
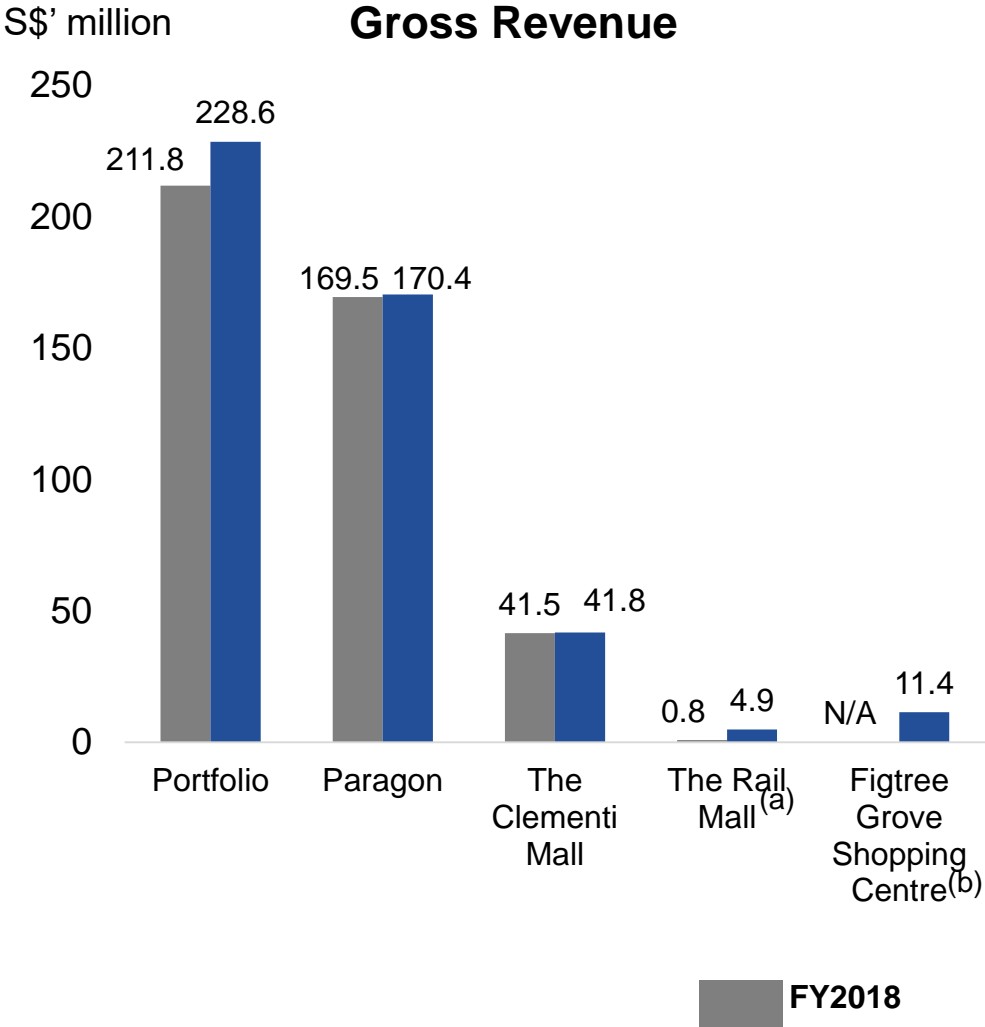
**27.5%**

**+1.2%** vs FY2018 (26.3%)

# FY2019 Financial performance

|                                   | FY2019<br>S\$'000 | FY2018<br>S\$'000 | Change<br>% |
|-----------------------------------|-------------------|-------------------|-------------|
| Gross revenue                     | 228,635           | 211,802           | 7.9         |
| Property expenses                 | (48,856)          | (45,806)          | (6.7)       |
| Net property income (NPI)         | 179,779           | 165,996           | 8.3         |
| Income available for distribution | 145,034           | 142,310           | 1.9         |
| Distribution to Unitholders       | 144,790           | 142,310           | 1.7         |
| Distribution per unit (cents)     | 5.60              | 5.54              | 1.1         |

# Gross revenue and NPI



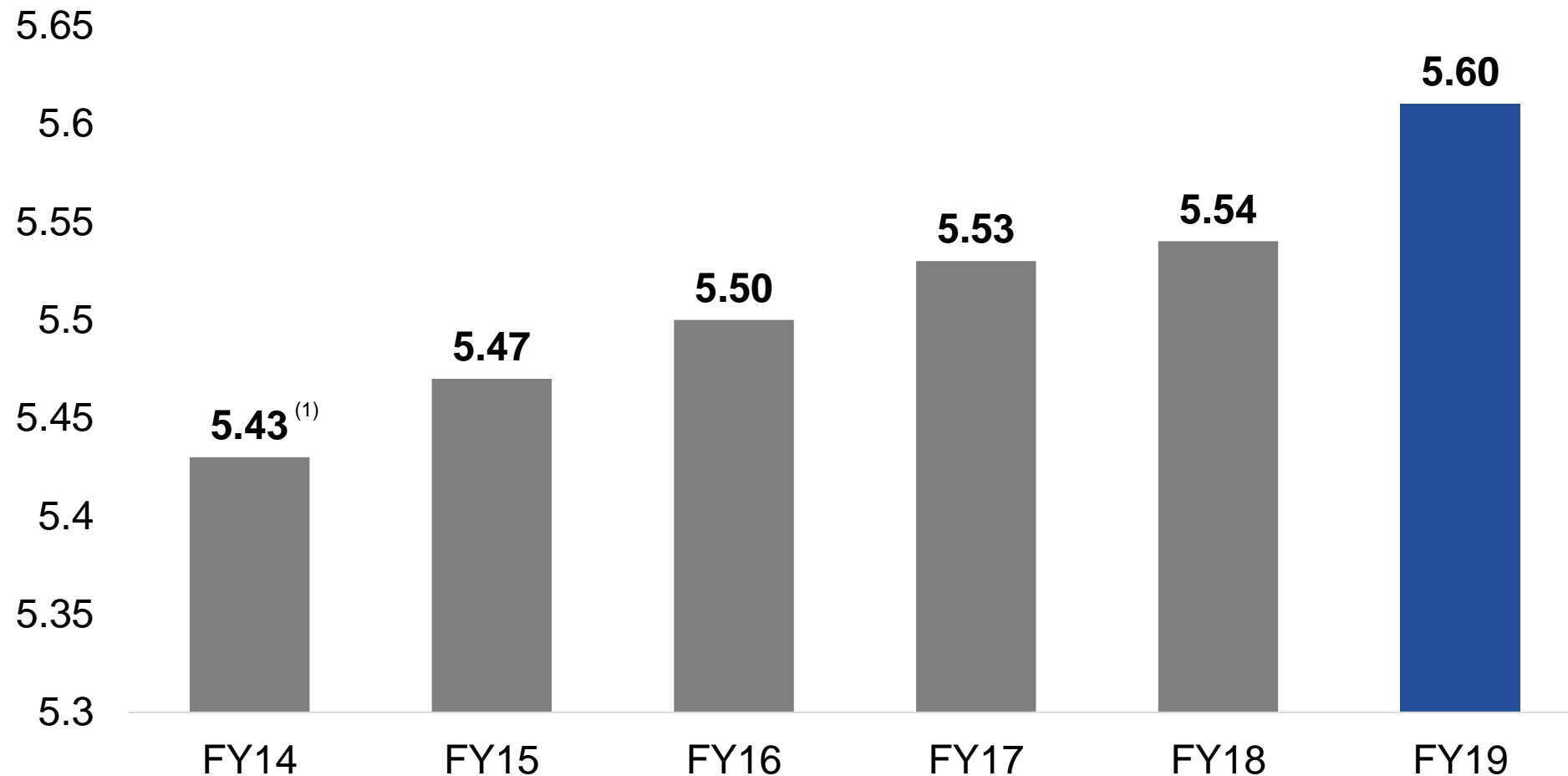
Note:

(a) Partial contribution as asset was acquired on 28 June 2018

(b) Not available as asset was acquired on 21 December 2018

# Steady growth in distribution since IPO

S\$ cents



Note:

1. Does not include the distribution of S\$0.56 cents from 21 July 2013 (listing date) to 31 August 2013.

# Balance sheet

## Net assets value per unit

**S\$0.95**

**0%** vs FY2018 (S\$0.95)

## Average cost of debt

**2.91% p.a**

**+0.06%** vs FY2018 (2.85% p.a)

## Weighted average debt term to maturity

**2.5 years**

**+0.2 year** vs FY2018 (2.3 years)

# Financial position

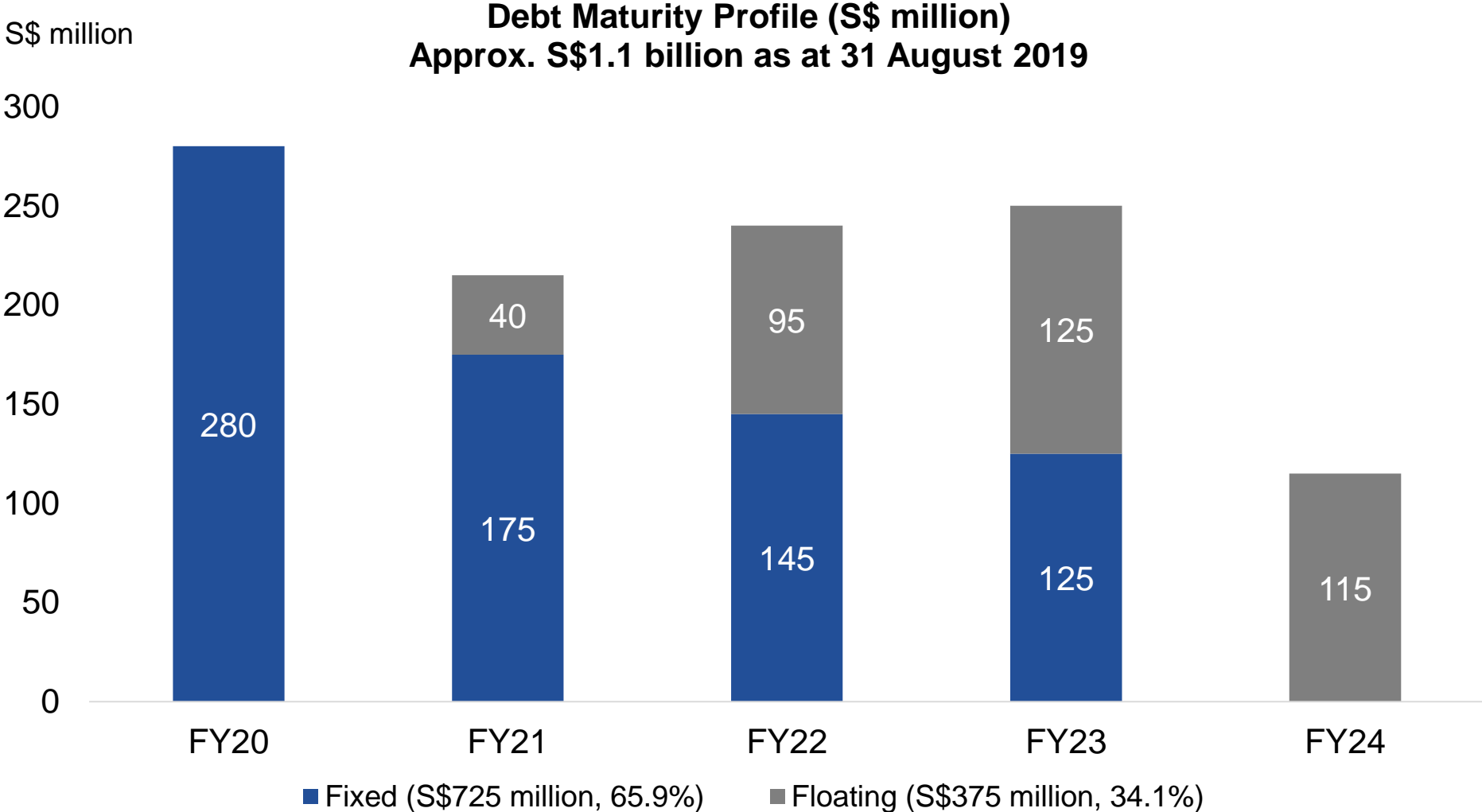
| As at 31 August (S\$'000)   | 2019      | 2018      | Change (%) |
|-----------------------------|-----------|-----------|------------|
| Total assets                | 3,948,402 | 3,408,034 | 15.9       |
| Total liabilities           | 1,176,965 | 969,087   | 21.5       |
| Net assets                  | 2,771,437 | 2,438,947 | 13.6       |
| Net asset value per unit    | S\$0.95   | S\$0.95   | -          |
| Debt gearing <sup>(1)</sup> | 27.5%     | 26.3%     | 1.2        |

Note:

(1) Gearing is computed based on total debt/ total assets





# Capital management




# Market value of properties

## Singapore assets

| As at<br>31 August   | Valuation (S\$ million) <sup>(1)</sup> |         |          | Capitalisation rate (%)                             |   |
|--|--|---------|----------|---|---|
|  | FY2019                                 | FY2018  | Variance | FY2019  | FY2018  |
| <b>PARAGON</b>   | 2,745.0                                | 2,719.0 | 26.0     | 4.50% - Retail<br>3.75% -<br>Medical Suite / Office | 4.50% - Retail<br>3.75% -<br>Medical Suite / Office |
|  <sup>(2)</sup> | 597.0                                  | 586.0   | 11.0     | 4.50%   | 4.75%   |
|                 | 63.8                                   | 63.3    | 0.5      | 6.00%   | 6.00%<br>(As at June 2018)                          |

## Australia asset

|   | Valuation (AS\$ million) <sup>(3)</sup> |                                     |          | Capitalisation rate (%)           |                                     |
|---|---|-------------------------------------|----------|-----------------------------------|-------------------------------------|
|   | FY2019<br>As at 31 August<br>2019       | FY2019<br>As at 21<br>December 2018 | Variance | FY2019<br>As at 31 August<br>2019 | FY2019<br>As at 21 December<br>2018 |
|  | 206.0                                   | 206.0                               | 0.0      | 6.00%                             | 6.00%                               |

Note:

- (1) Valuations as at 31 August 2019 and 31 August 2018 were conducted by Edmund Tie & Company (SEA) Pte Ltd.
- (2) The Clementi Mall's valuation excludes income support. The income support has ended on 23 July 2018, five years after listing date on 24 July 2013.
- (3) Valuation as at 31 August 2019, was conducted by m3property Pty Ltd.

# Operational performance

## Portfolio occupancy rate

**99.1%**

**(0.3%)** vs FY2018 (99.4%)

## Portfolio rental reversion

**8.4%**

**+11.9%** vs FY2018 (- 3.5%)

## Portfolio WALE

By NLA



**3.2 years**

By Gross Rental Income


**3.6 years**

# Occupancy Rate and Rental reversion

## Singapore assets

| As at 31 August 2019  | Occupancy rate | Number of renewals / new leases <sup>(1)</sup> | NLA renewed/ new leases (sqft) | As a % of properties' NLA   | Change compared to preceding rental rates <sup>(3)</sup> |
|---|----------------|--|--------------------------------|-----------------------------|--|
| PARAGON   | 99.8%          | 105  | 190,417                        | 26.6%                       | 9.7%   |
|  THE CLEMENTI mall | 100.0%         | 20   | 20,805                         | 10.7%                       | 5.0%   |
|  The Rail Mall     | 84.3%          | 11   | 11,672                         | 23.5%                       | 9.4%   |
| <b>Total</b>  | <b>99.1%</b>   | <b>136</b>                                     | <b>222,894</b>                 | <b>23.2% <sup>(2)</sup></b> | <b>9.4% <sup>(4)</sup></b>                               |

## Australia asset

| As at 31 August 2019  | Occupancy rate | Number of renewals / new leases | NLA renewed/ new leases (sqft) | As a % of properties' NLA | Change compared to preceding rental rates <sup>(5)</sup> |
|---|----------------|---------------------------------|--------------------------------|---------------------------|--|
|  figtree grove | 99.2%          | 5                               | 2,544                          | 1.1%                      | (2.7%)   |

Note:

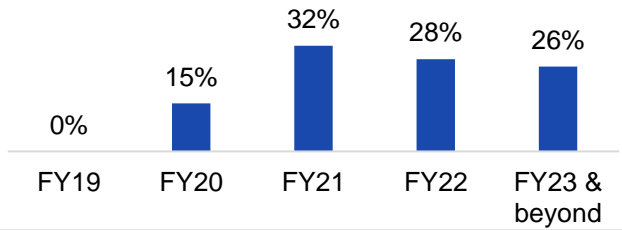
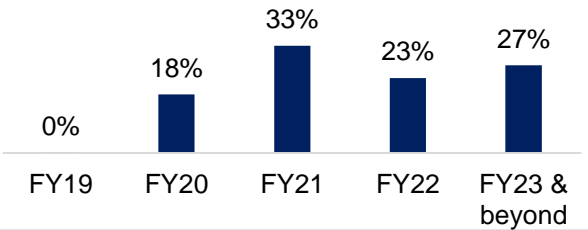
- (1) For expiries in FY19, excluding newly created and reconfigured units.
- (2) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 962,153 sqft as at 31 August 2019.
- (3) The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. Preceding leases were typically committed three years ago.
- (4) Reversion rate is computed based on weighted average of all expiring leases.
- (5) Based on the first year fixed rent of the new leases divided by the preceding final year fixed rents of the expiring leases.

# Staggered lease renewal by portfolio and assets

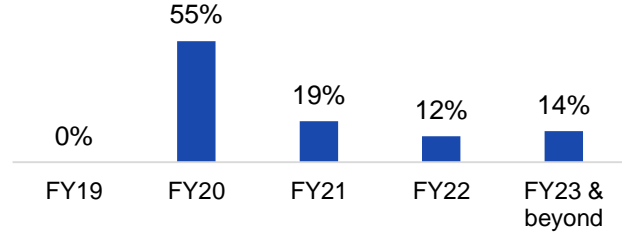
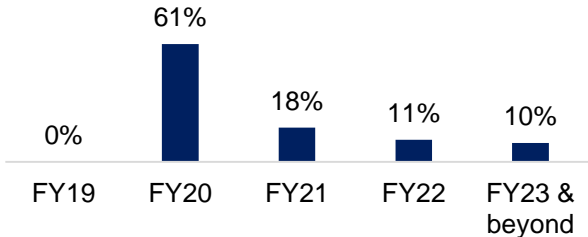
| Portfolio lease expiry as at 31 August 2019 | FY19 | FY20 | FY21 | FY22 | FY23 & beyond |
|---|------|------|------|------|---------------|
| Expiries as a % of total NLA                | 1%   | 24%  | 24%  | 20%  | 31%           |
| Expiries as a % of Gross rental income      | 0%   | 21%  | 20%  | 21%  | 38%           |

| Asset | Expiry by NLA | Expiry by Gross Rental Income |
|-------|---------------|-------------------------------|
|-------|---------------|-------------------------------|

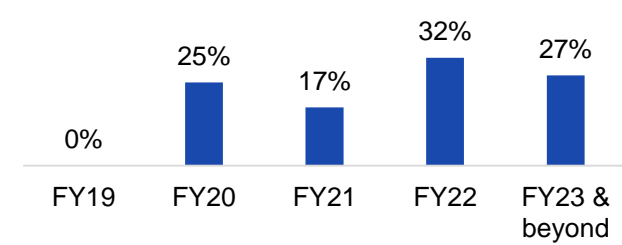
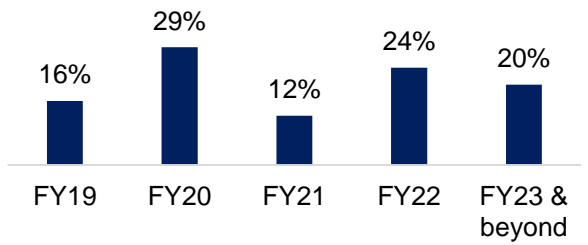
**PARAGON**



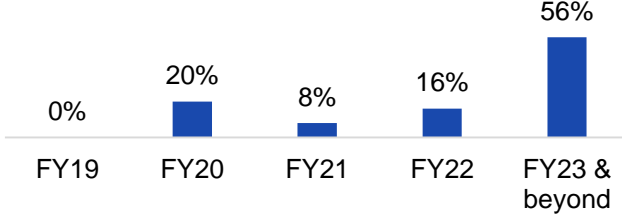
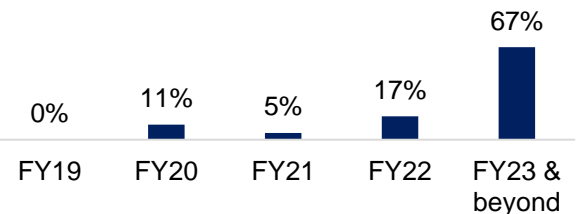
**THE CLEMENTI mall**



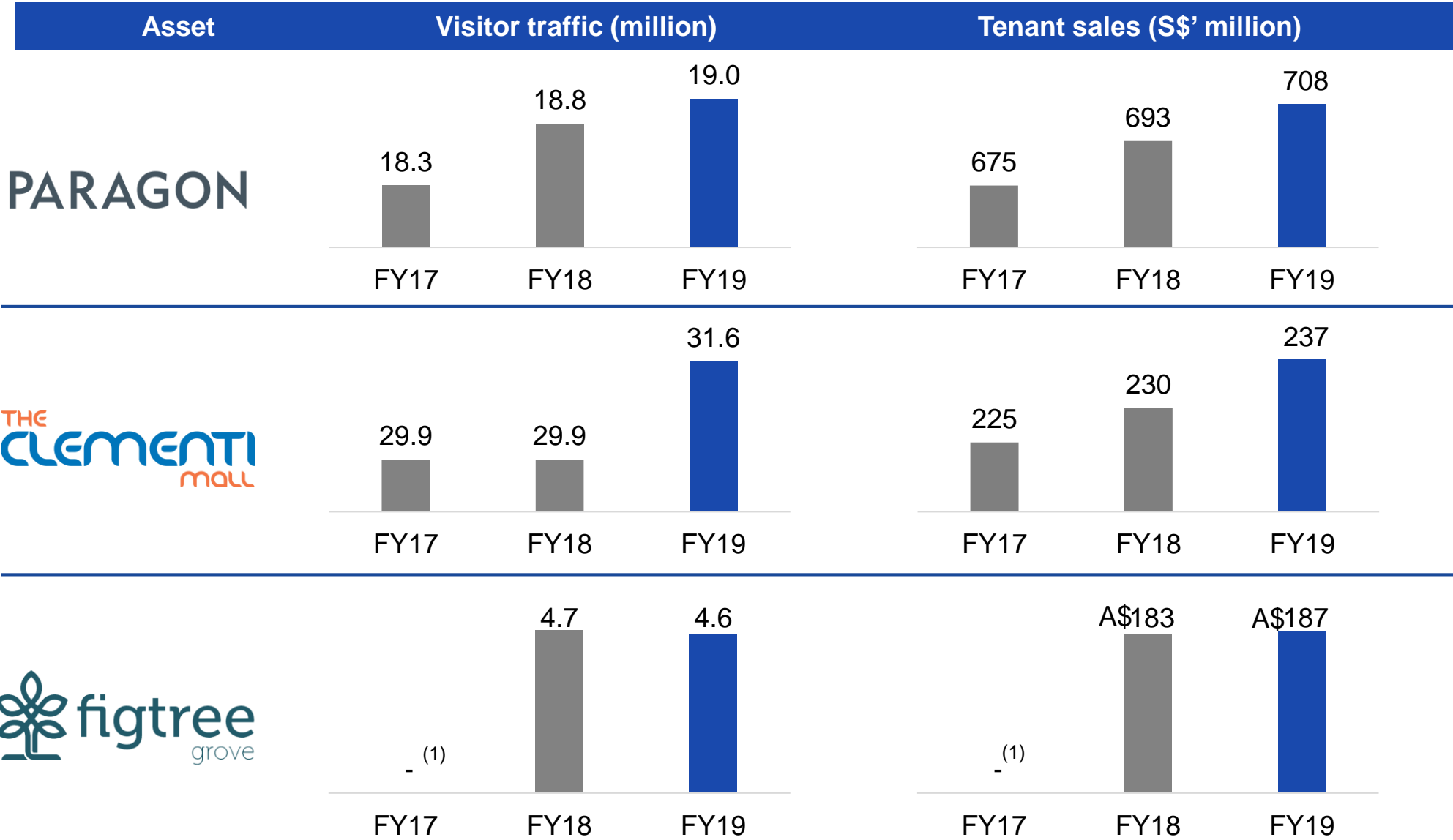
**The Rail Mall**



**figtree grove**



# Visitor traffic and tenant sales annual trend



Note:  
 (1) Record not available, as asset was newly acquired in December 2018



# **Growth strategy and market outlook**

# Multi-pronged strategy to ensure growth

## Proactive asset management and asset enhancement strategy

- Ensure that interests of all stakeholders, including tenants, shoppers and Unitholders are protected while keeping its properties at the forefront of evolving retail mall trends and relevant to changing demands of consumers
- Continually optimise tenant mix of its properties
- Deliver high quality service to tenants and become the landlord of choice in the retail real estate space
- Implement asset enhancement initiatives and implement pro-active marketing plans

## Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily<sup>(1)</sup> for retail purposes in Asia Pacific:
  - One applicable ROFR property, The Seletar Mall, which has opened on 28 November 2014, and maintained high occupancy rate since its opening; and
  - Explore acquisition opportunities that will add value to SPH REIT's portfolio and improve returns to Unitholders.

Note:

- (1) 'primarily' means more than 50.0% of net lettable area or (in the case of a property where the concept of net lettable area is not applicable) gross floor area.



# Market outlook - Singapore

## Economy's outlook

- According to the Ministry of Trade and Industry (MTI), the Singapore economy grew marginally by 0.1% on a year-on-year basis in third quarter of 2019, the same pace of growth as in the previous quarter.
- On a quarter-on-quarter seasonally-adjusted annualized basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter.

## Tourism

- Singapore Tourism Board (STB) reported that international visitor arrivals grew by 2.1% year-on-year during January 2019 to September 2019.
- Tourism receipts reached S\$13.1 billion in the first half of 2019, a decline of 3.0% compared to the same period last year.

## Retail sales index (RSI)

- Based on figures released by the Singapore Department of Statistics (DOS), the RSI (excluding motor vehicles) declined by 0.3% year-on-year in September 2019 as compared to September 2018.

# Market outlook – New South Wales, Australia

## Economy's outlook

- According to the Reserve Bank of Australia (RBA), the year-end GDP growth is expected to be 2.5% over 2019, 2.75% over 2020 and 3.0% over 2021.

## Retail trade

- Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted retail turnover rose by 0.2% in September 2019. In volume terms, the trend estimate for Australia retail turnover was relatively unchanged in third quarter of 2019.



**Thank You**

**Please visit  
[www.sphreit.com.sg](http://www.sphreit.com.sg)  
for more information**