

REPL::Annual General Meeting::Voluntary

Issuer & Securities

Issuer/ Manager	SPH REIT MANAGEMENT PTE. LTD.
Security	SPH REIT - SG2G02994595 - SK6U

Announcement Details

Announcement Title	Annual General Meeting
Date & Time of Broadcast	30-Nov-2018 17:59:32
Status	Replacement
Announcement Reference	SG181108MEET9MK2
Submitted By (Co./ Ind. Name)	Lim Wai Pun
Designation	Company Secretary
Financial Year End	31/08/2018

Event Narrative

Narrative Type	Narrative Text
Additional Text	All resolutions relating to the matters set out in the Notice of AGM dated 8 November 2018 were duly passed. The AGM Results and AGM Presentation slides are attached.

Event Dates

Meeting Date and Time	30/11/2018 14:30:00
Response Deadline Date	27/11/2018 14:30:00

Event Venue(s)

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

Attachments	📎SPH REIT - 2018 AGM Results .pdf 📎SPH REIT - 2018 AGM Slides.pdf Total size =4085K
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Related Announcements	08/11/2018 08:21:55
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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 5TH 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 5th AGM of the Company held today, the Resolutions relating to the following matters as set out in the Notice of the AGM dated 8 November 2018 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 %
AGM					
Ordinary Resolution 1 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 2018 together with the Auditors' Report thereon	1,884,189,263	1,883,825,463	99.98	363,800	0.02
Ordinary Resolution 2 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	1,884,354,763	1,884,001,563	99.98	353,200	0.02
Ordinary Resolution 3 To authorise the Manager to issue Units and to make or grant convertible instruments	1,884,009,063	1,876,849,663	99.62	7,159,400	0.38

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

By Order of the Board

MR LIM WAI PUN

Company Secretary

Singapore

30 Nov 2018



ANNUAL GENERAL MEETING

30 November 2018



Disclaimer

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 of 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 financial year ended 31 August 2018 in the SGXNET announcement.

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Results and balance sheet

Slide 3

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Key Highlights

- Net property income for FY18 declined 1.2% year-on-year
- FY18 DPU was 5.54 cents, an increase of 0.2% against last year
- Distribution yield was 5.54% (based on closing price of \$1.00 per unit on 31 August 2018)
- The Rail Mall – yield accretive acquisition
- Strong balance sheet, with low gearing of 26.3% and 69.8% debt on fixed rate

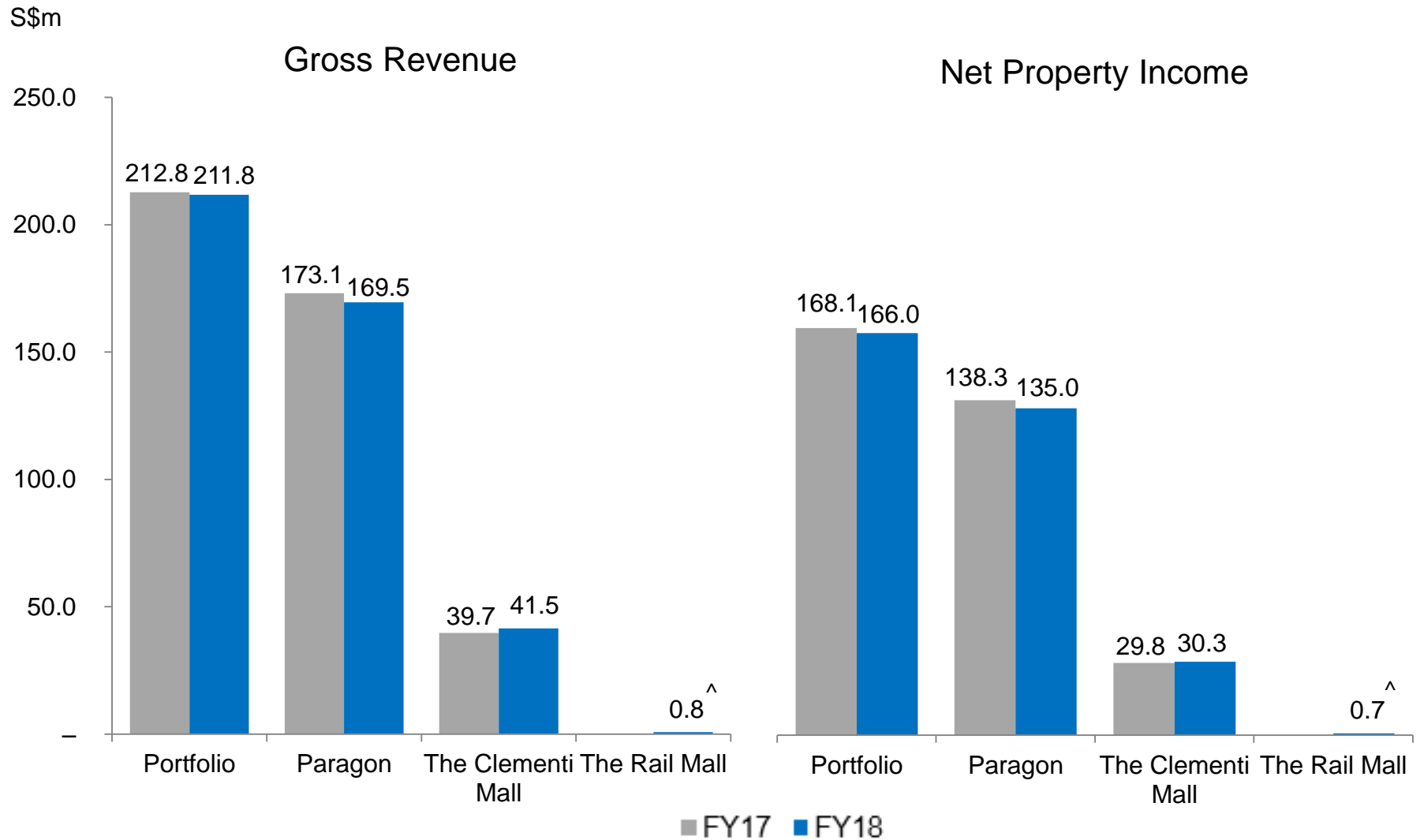
Financial performance

	FY18 ^(a) S\$'000	FY17 S\$'000	Change %
Gross revenue	211,802	212,756	(0.4)
Property expenses	(45,806)	(44,668)	2.5
Net property income (NPI)	165,996	168,088	(1.2)
Income available for distribution	142,310	141,228	0.8
Distribution to Unitholders	142,310	141,228	0.8
Distribution per unit (DPU) (cents)	5.54	5.53	0.2

Note:

(a) Included the contribution from The Rail Mall (acquisition was completed on 28 June 2018).

Gross revenue and NPI

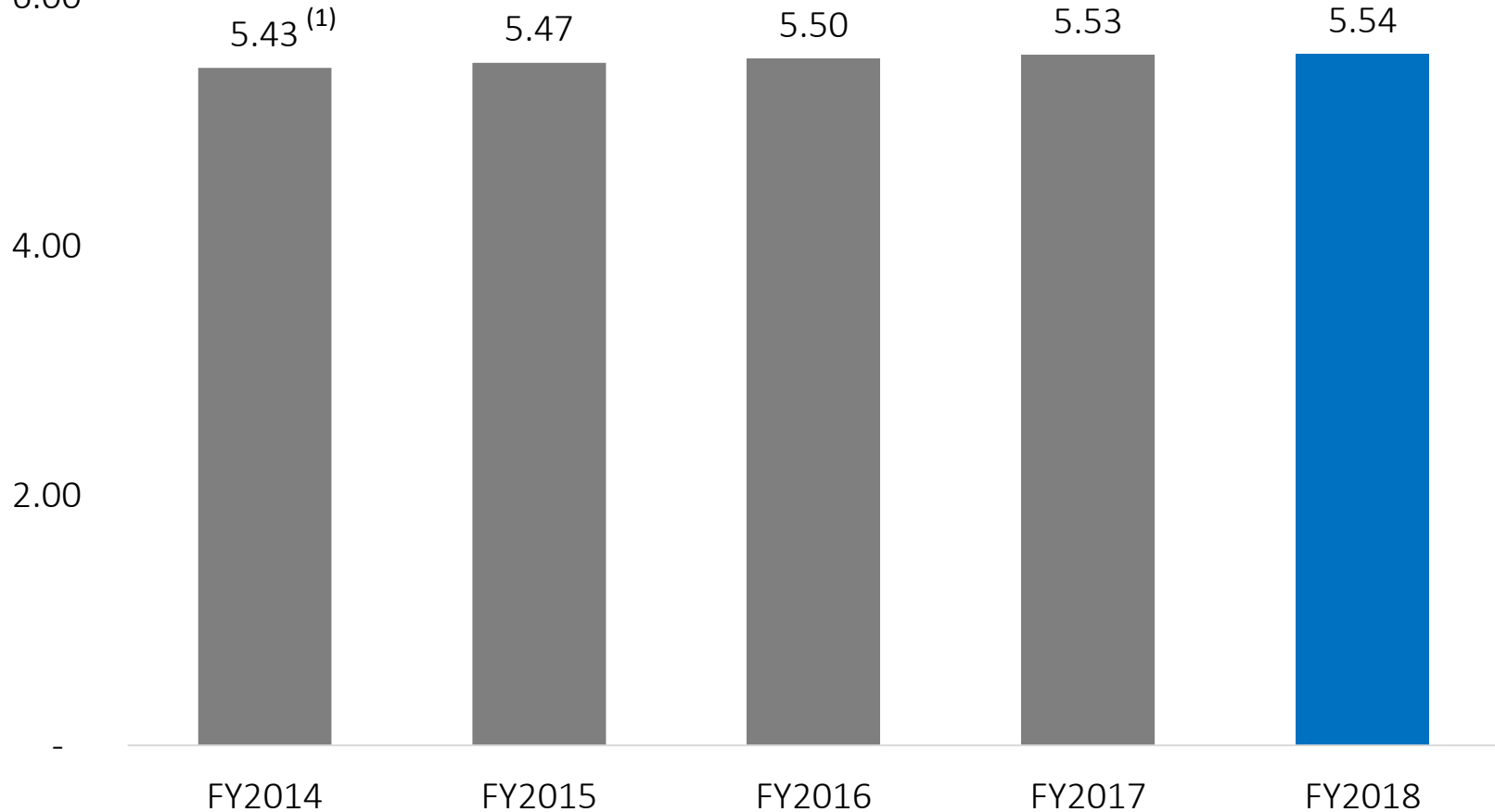


Note:

[^] Included the contribution from The Rail Mall (acquisition was completed on 28 June 2018).

Steady distribution

Cents
6.00



Note:

(1) Does not include the distribution of 0.56 cents from 24 July 2013 (listing date) to 31 August 2013

Financial position

	As at ^(a) 31 August 2018 S\$'000	As at 31 August 2017 S\$'000
Total assets	3,408,034	3,346,701
Total liabilities	969,087	925,641
Net assets	2,438,947	2,421,060
Net asset value per unit	S\$0.95	S\$0.95
Gearing ^(b)	26.3%	25.4%

Note:

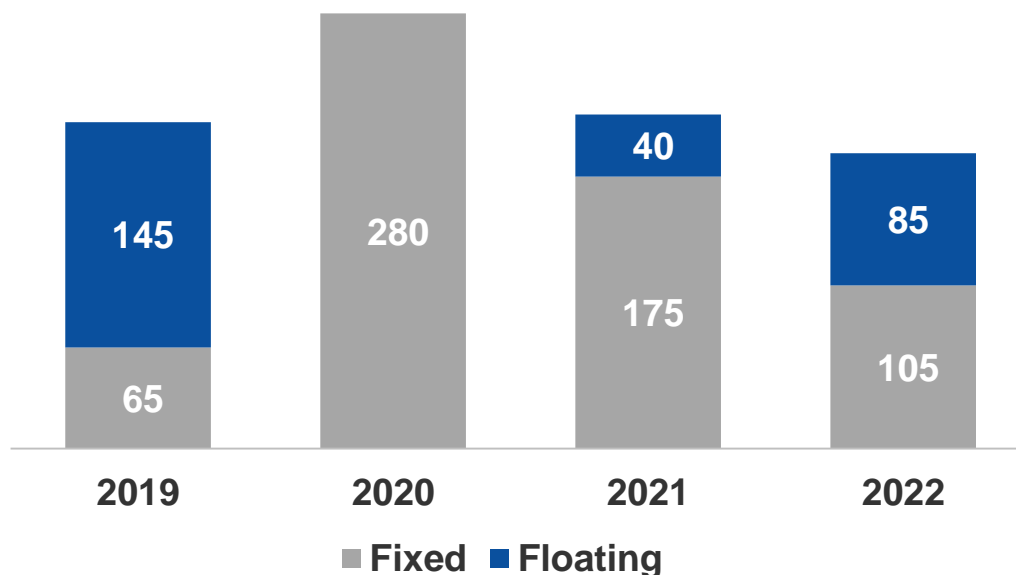
(a) Included the contribution from The Rail Mall (acquisition was completed on 28 June 2018).

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

Low gearing

- SPH REIT maintained a well staggered debt maturity profile without major concentration of debts maturing in a single year.
- Gearing remained low at 26.3% and average cost of debt of 2.85% p.a. as at 31 August 2018.
- Weighted average term to maturity: 2.3 years
- A three year loan of S\$45.0 million was established on 25 June 2018 to partially finance the acquisition of The Rail Mall.

**Debt Maturity Profile (S\$ million)
as at 31 August 2018**



Market value of properties

	Valuation as at 31 August ^(a)		Capitalisation Rate As at 31 August	
	2018 S\$ million	2017 S\$ million	2018 %	2017 %
Paragon	2,719.0	2,695.0	4.50% - Retail 3.75% - Medical Suite/ Office	4.50% - Retail 3.75% - Medical Suite/ Office
The Clementi Mall ^(b)	586.0	583.0	4.75%	4.80%
The Rail Mall	63.3	-	6.00%	-
SPH REIT Portfolio	3,368.3	3,278.0		

Notes:

(a) Valuations as at 31 August 2018 and 31 August 2017 were conducted by Edmund Tie & Company (SEA) Pte Ltd and JLL respectively.

(b) 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.



Operational performance



Operating performance

- SPH REIT portfolio maintained high occupancy of 99.4%.
- Paragon recorded a rental reversion of -3.7% for new and renewed leases cumulatively for FY18. Earlier leases were committed about a year ago, during the retail sales downturn, however, with the recovery in retail sales in the second half of 2017, the cumulative decline was moderated during the financial year.
- The Clementi Mall recorded a positive rental reversion of 3.0%.
- Paragon recorded visitor traffic of 18.8 million, 2.7% higher than the year before. Tenant sales increased by 2.7% to S\$693 million.
- The Clementi Mall visitor traffic remained steady at 29.9 million. Tenant sales grew by 2.2% to S\$230 million.
- Occupancy cost was at 18.3% and 16.2% for Paragon and The Clementi Mall respectively.

Rental reversion

	Number of renewals / new leases ^(a)	NLA renewed / new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ^(c)
Paragon	97	282,413	39.4%	(3.7%)
The Clementi Mall	19	11,602	5.9%	3.0%
The Rail Mall	1	1,140	2.3%	-
SPH REIT Portfolio	117	295,155	30.7% ^(b)	(3.5%) ^(d)

Notes:

(a) For expiries in FY18, excluding newly created and reconfigured units

(b) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 961,523 sqft as at 31 August 2018.

(c) 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.

(d) Reversion rate is computed based on weighted average of all expiring leases.

Staggered portfolio lease renewal

Weighted Average Lease Expiry (WALE) as at 31 August 2018

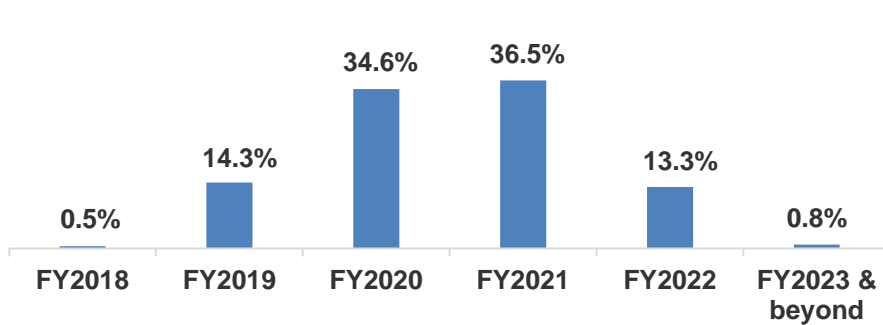
By NLA	1.9 years
By Gross Rental Income	2.0 years

Lease expiry as at 31 August 2018

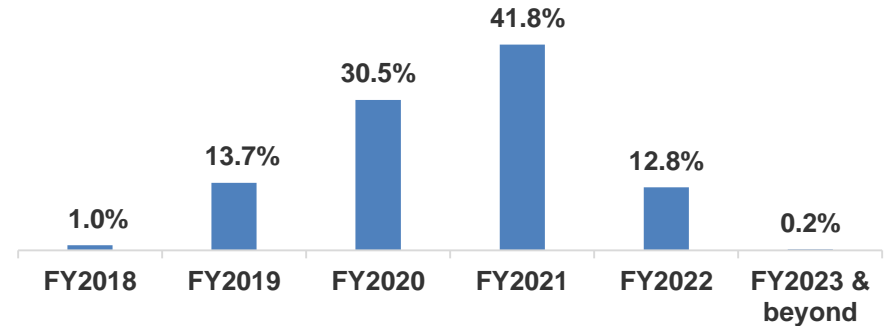
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 and beyond
Expiries as a % of total NLA	1.0%	14.1%	39.3%	35.3%	10.1%	0.2%
Expiries as a % of Gross rental income	0.4%	13.9%	41.5%	32.6%	11.0%	0.6%

Paragon: Staggered lease expiry

Expiry by Gross Rental Income

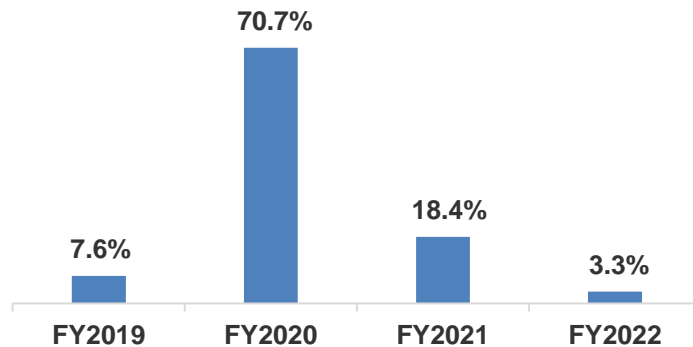


Expiry by NLA

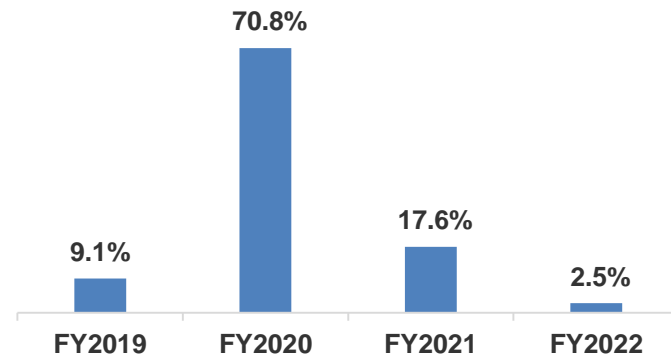


The Clementi Mall : Tenant retention rate of 89% for second renewal cycle in 2017

Expiry by Gross Rental Income



Expiry by NLA

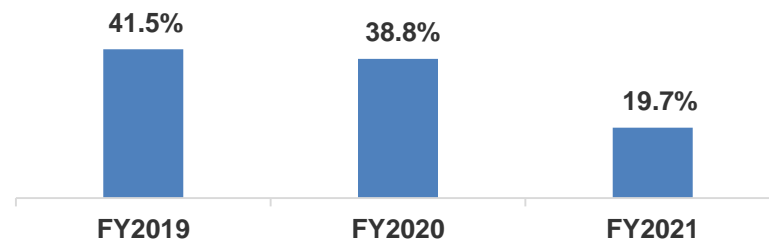


The Rail Mall

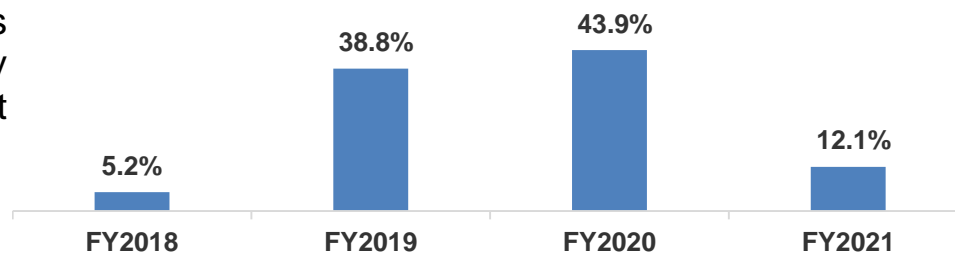
Completed Acquisition on 28 June 2018

- Purchase consideration at S\$63.238 million
- 99-year lease commencing 18 March 1947, with remaining lease tenure of about 28 years
- Approximately 50,000 sq ft net lettable area
- 360 metres prominent road frontage to Upper Bukit Timah Road
- Unique cluster of 43 single-storey shop units with established F&B offerings
- 250 metres to Hillview MRT and a network of public bus services
- Opportunity for SPH REIT to further strengthen its current F&B offerings and to initiate community programs leveraging on the Rail Corridor to attract a wider catchment

Lease expiry by Gross Rental Income

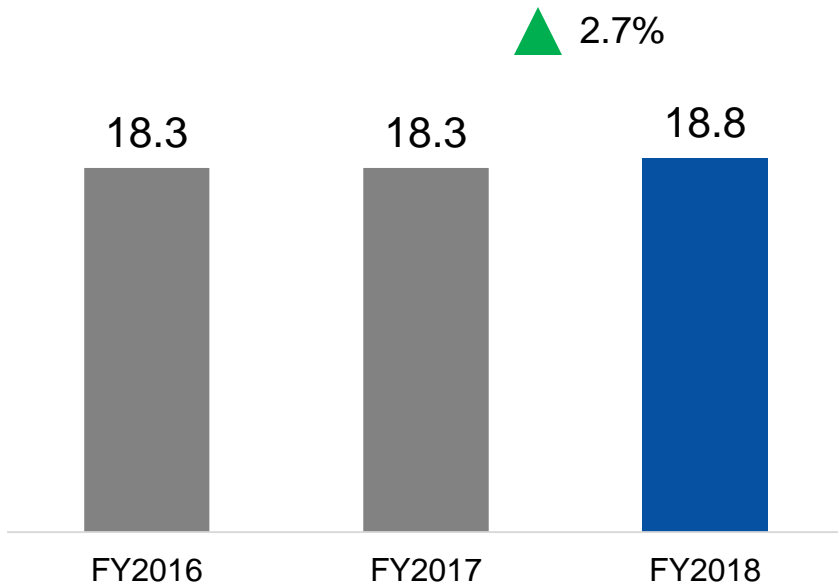


Lease expiry by NLA

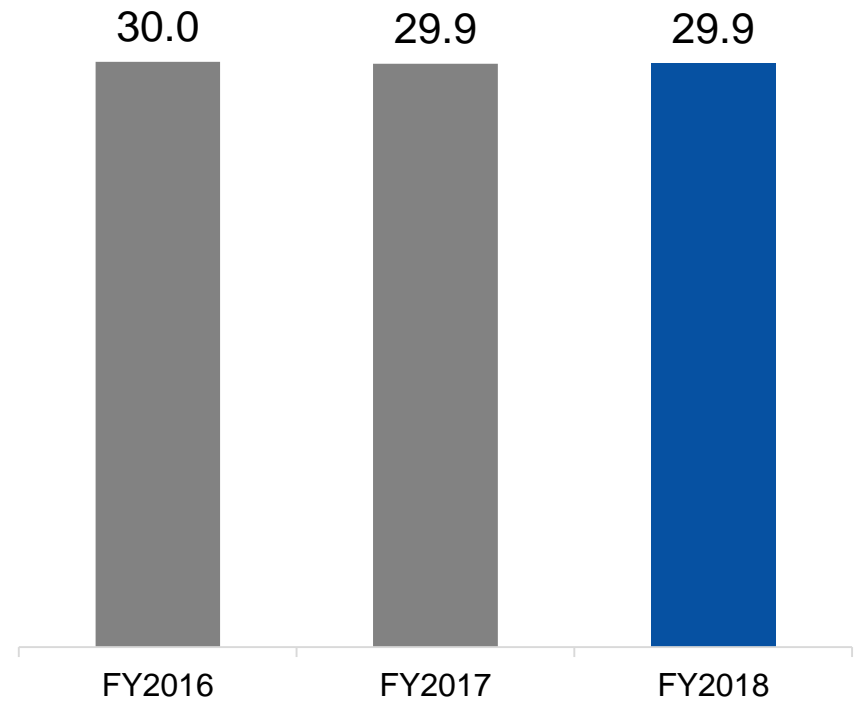


Visitor traffic

Paragon



The Clementi Mall

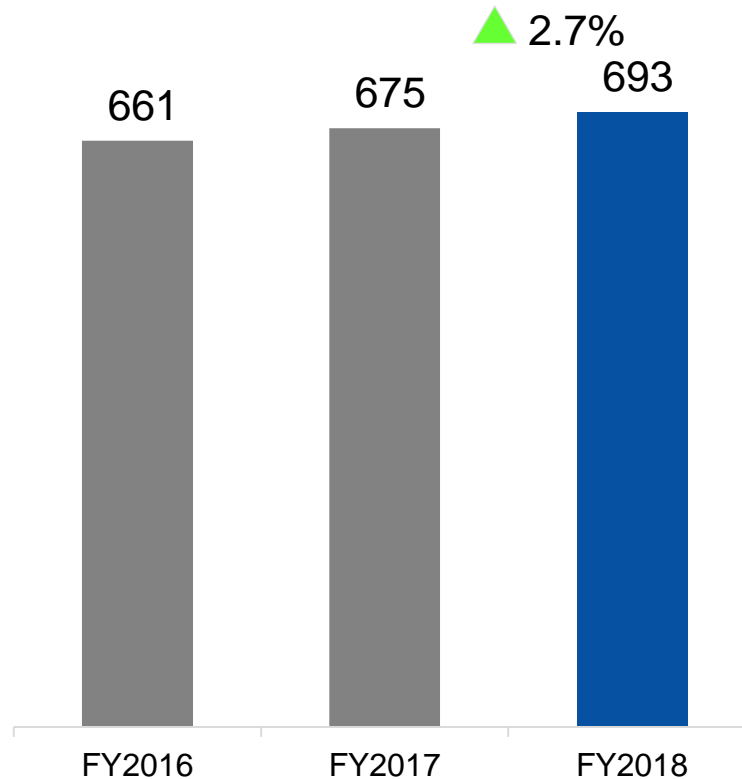


Note:

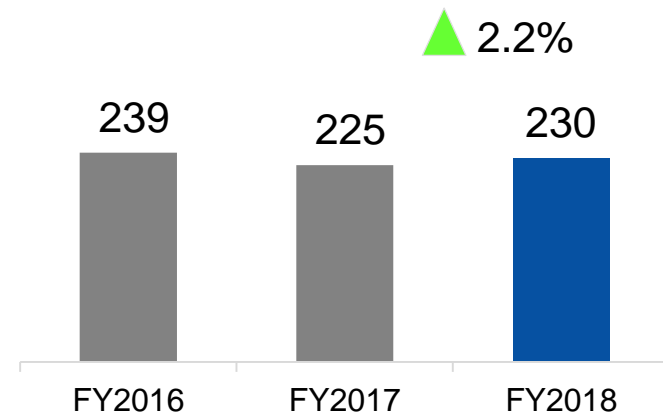
- (a) Financial year refers to the period from 1 September to 31 August in the respective years.
- (b) All figures are in millions

Tenant sales

Paragon



The Clementi Mall



Note:

(a) Financial year refers to the period from 1 September to 31 August in the respective years.

(b) All figures are in millions



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 Singapore retail real estate space
- Implement asset enhancement initiatives and implement proactive marketing plans

Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily⁽¹⁾ for retail purposes in Asia Pacific
 - Currently one applicable ROFR property, The Seletar Mall, which has opened on 28 November 2014, and maintained high occupancy rate since its opening.
 - 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.

Engaging activities at our malls



Exciting Japanese-infused cultural performances, activities, workshop and demonstrations in Paragon.



The Clementi Fiesta community fun to create the largest CD weaved wall.

Prada Silver Line Pop-up store in Singapore with exclusive range of merchandise.

Continual asset enhancement

Level 3

- New retail experience for shoppers with open store design and curated multi-brands concept.
- New retail zone of about 16,000 sq ft at Level 3 will be completed in phases to minimise disruption to tenants. The first phase was launched in June.



Curated multi brands includes:



HUE

MOISELLE

MAKE UP STORE®

Samsonite
FOR HER
SuLin Serio



esentials

Market outlook

- **Outlook for Singapore economic growth is expected to moderate**

- The Ministry of Trade and Industry (MTI) reported that the Singapore economy grew by 2.2 per cent on a year-on-year basis in the third quarter of 2018, slower than the 4.1 per cent growth in the preceding quarter.
- MTI expects Singapore's economy to grow by "3.0 to 3.5 per cent" in 2018 and by "1.5 to 3.5 per cent" in 2019.

- **Growth in international visitor arrivals and tourism receipts**

- In the first nine months of 2018, international visitor arrivals grew by 7.5% y-o-y to reach 14.0 million visitors.
- Tourism receipts for the first half of 2018 held steady at S\$13.4 billion, due to lower expenditure across some components including shopping, accommodation and food & beverage.

- **Growth in retail sales for five quarters**

- The retail sales index (excluding motor vehicles) grew by 0.8% y-o-y in Q3 2018, 0.5% in Q2 2018 and 1.3% in Q1 2018.

Thank You

Please visit www.sphreit.com.sg for more information.

