

**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

26-Nov-2020 17:41:35

## Status

Replacement

## Announcement Reference

SG201104MEET2MI7

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

Sheryl Cher Ya Li

## Designation

Company Secretary

## Financial Year End

31/08/2020

## Event Narrative

Narrative Type	Narrative Text
Additional Text	All resolutions relating to the matters set out in the Notice of AGM dated 4 November 2020 were duly passed. The AGM Results and AGM Presentation slides are attached.

## Event Dates

## Meeting Date and Time

26/11/2020 14:30:00

## Response Deadline Date

23/11/2020 14:30:00

## Event Venue(s)

## Place

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Venue(s)	Venue details
Meeting Venue	The Annual General Meeting will be held by way of electronic means.

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## Attachments

[SPH REIT - 2020 AGM Results.pdf](#)

[SPH REIT - 2020 AGM Slides.pdf](#)

Total size =2156K MB

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## Related Announcements

### Related Announcements

[25/11/2020 18:35:02](#)

[04/11/2020 06:50:09](#)

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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 7<sup>th</sup> ANNUAL GENERAL MEETING ("AGM")**

SPH REIT Management Pte Ltd, as manager of SPH REIT, 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 7<sup>th</sup> AGM of SPH REIT held today, the Resolutions relating to the following matters as set out in the Notice of the AGM dated 4 November 2020 were put to the Meeting and duly passed on poll vote:-

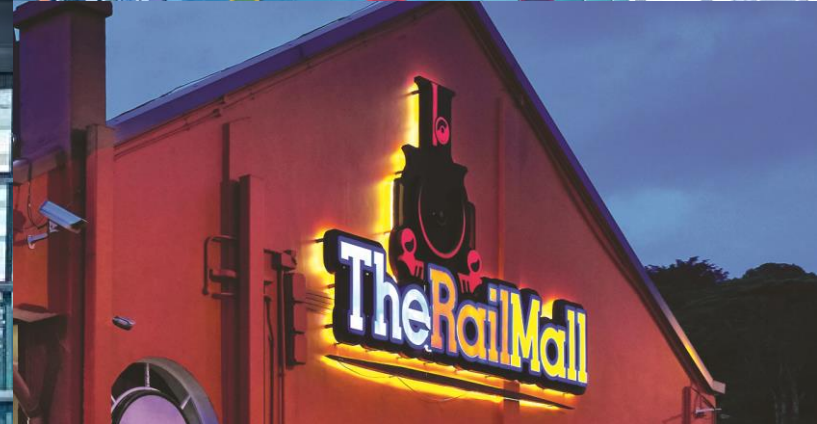
Resolution Number and Details	Total Number of Units Represented by Votes For and Against the Relevant Resolution	For		Against	
		Number of Units	Percentage %	Number of Units	Percentage %
<b>AGM</b>					
<b>Ordinary Resolution 1</b>  To receive and adopt the Report of DBS Trustee Limited, as trustee of 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 2020 together with the Auditors' Report thereon	2,059,566,638	2,059,334,538	99.99	232,100	0.01
<b>Ordinary Resolution 2</b>  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	2,060,252,638	2,060,020,538	99.99	232,100	0.01
<b>Ordinary Resolution 3</b>  To authorise the Manager to issue Units and to make or grant convertible instruments	2,060,252,638	2,050,589,999	99.53	9,662,639	0.47

- B. RHT Governance, Risk & Compliance (Singapore) Pte Ltd was appointed as SPH REIT's scrutineer.

By Order of the Board  
SPH REIT Management Pte Ltd  
as manager of SPH REIT

Sheryl Cher Ya Li  
Company Secretary

Singapore,  
26 November 2020



**7<sup>th</sup> ANNUAL GENERAL MEETING**  
26 November 2020



# Notice

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*No photography or capturing or recording of the AGM proceedings in any form is allowed.*



# 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 of Units and the income derived from them, if any, 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 2020 in the SGXNET announcement.

# Contents

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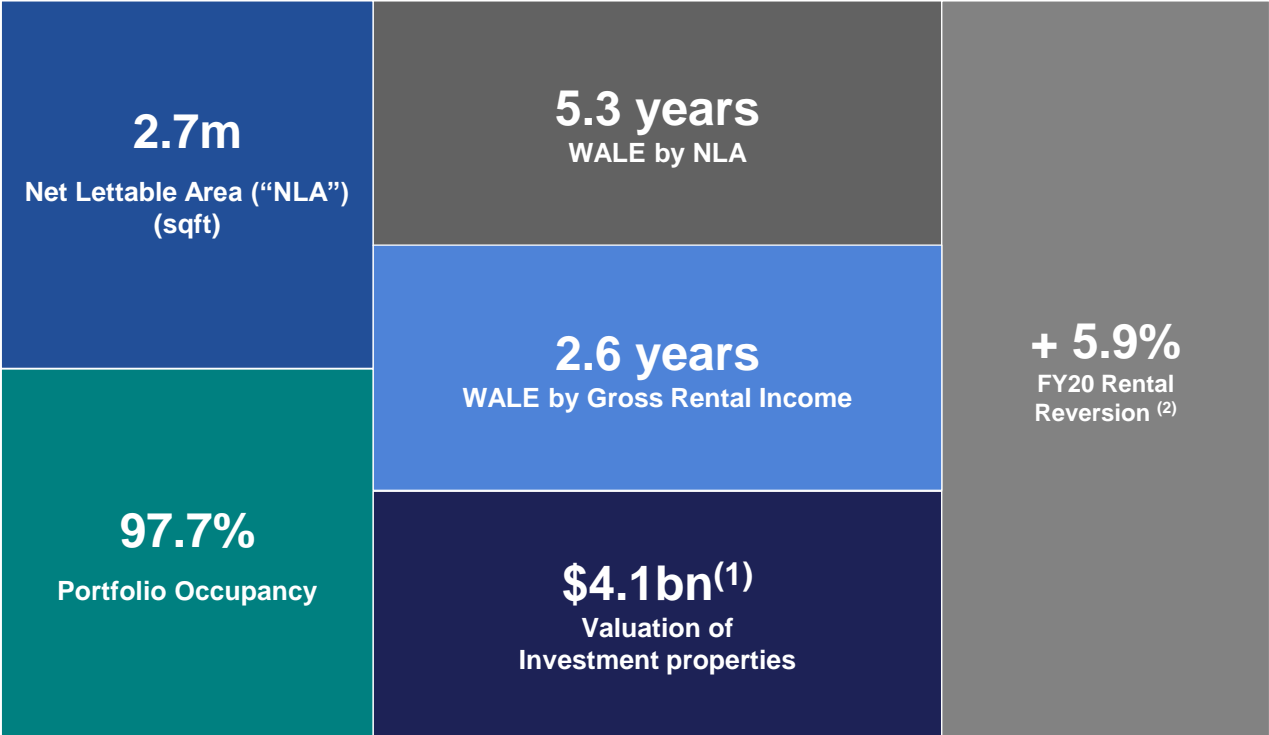
	Slide
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# Overview of SPH REIT

- 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 2020, SPH REIT has a portfolio of 5 assets across Singapore and Australia.
- Summary of SPH REIT portfolio:



Note:

1. Includes 50% valuation of Westfield Marion Shopping Centre & 100% valuation of Figtree Grove Shopping Centre. SPH REIT owns a 50% interest in Westfield Marion Shopping Centre & 85% interest in Figtree Grove Shopping Centre.
2. Pertains mainly to renewed and new leases that were committed pre-COVID-19.



# Overview of SPH REIT (cont'd)

## Singapore

**The Rail Mall**  
 NLA: 49,767 sqft  
 Value: S\$62.2m



**The Clementi Mall**  
 NLA: 195,229 sqft  
 Value: S\$584.0m



**Paragon**  
 NLA: 717,855 sqft  
 Value: S\$2,640m

**Singapore's Portfolio**  
 NLA: 962,851 sqft  
 Value: S\$3,286.2m

## Australia<sup>1</sup>



**Westfield Marion Shopping Centre**  
 NLA: 1,472,125 sqft  
 Value: A\$646.5m  
 (S\$648.6m)

**Figtree Grove Shopping Centre**  
 NLA: 236,678 sqft  
 Value: A\$190.0m  
 (S\$190.6m)

**Australia's Portfolio**  
 NLA: 1,708,803 sqft  
 Value: A\$836.5m  
 (S\$839.2m)

Note:  
 1. Includes 50% valuation of Westfield Marion Shopping Centre & 100% valuation of Figtree Grove Shopping Centre. SPH REIT owns a 50% interest in Westfield Marion Shopping Centre & 85% interest in Figtree Grove Shopping Centre.



# FY2020 Key highlights

# FY2020 Key highlights

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## COVID-19

- COVID-19 started in late 2019 and rapidly spread worldwide to a major pandemic that resulted in lockdowns and global travel restrictions
- The resulting economic downturn affected all countries around the world, and SPH REIT's key markets of Singapore and Australia have not been spared
- Singapore
  - "Circuit breaker" lasted for 2 months in April & May 2020, restrictions included "essentials" only trading to contain spread of COVID-19
  - Border restrictions and work from home arrangements still in place
  - SPH REIT extended rent relief for qualifying Singapore tenants amounting to S\$31.8 million in Singapore, on top of the Singapore Government-legislated property tax rebates and cash grants
- Australia
  - Government imposed trading restrictions from mid-March to early-June
  - Encouraging recovery in tenant sales for SPH REIT's Australia assets in July and August 2020
  - SPH REIT has adopted the Australia Federal Government's SME Commercial Code of Conduct and Leasing Principles ("the Code") that was legislated by the States and provided an allowance for rent relief for the tenants amounting to S\$8.1 million in Australia as at 31 August 2020



# FY2020 Key highlights

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## Acquisition

- Completed the acquisition of a 50% interest in Westfield Marion, Australia for A\$670 million on 6 December 2019
- Funded by a combination of equity, perpetual securities and loans

## Net Property Income (“NPI”)

- Marginal increase of 1.2% in NPI despite COVID-19 rental relief
- NPI for Singapore assets impacted by COVID-19 rental relief granted to eligible tenants amounting to S\$31.8 million
- Australia assets - Westfield Marion contributed S\$26.3 million and Figtree Grove acquired in December 2018 had its first full year contribution of S\$12.5 million

## Capital management

- Stable gearing ratio of 30.5%
- Well staggered debt maturity – no refinancing due till June 2021
- Revolving credit facility lines of S\$225 million available

# FY2020 Key highlights

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## Distribution Per Unit (“DPU”)

- As COVID-19 continues to evolve and there is no certainty when normalcy will return, for prudence in financial management, S\$14.5 million of FY20’s income available for distribution has been deferred
- In addition, for financial flexibility, S\$15.0 million of capital allowance utilised to provide for capital expenditure and other working capital requirement
- 4Q FY20 DPU of 0.54 cents and Full year DPU at 2.72 cents

## Operations update

- Despite the challenging retail environment, portfolio occupancy rate remains high at 97.7% as at 31 August 2020
- SPH REIT’s strategy has always been to forward renew and/or sign new leases to mitigate against vacancies, positive portfolio rental reversion of 5.9% was achieved, mainly from the renewed or new leases committed for the Singapore assets before the onset of COVID-19

## Moving forward

- COVID-19’s impact on economies around the world is expected to continue into FY2021
- Near-term focus for FY2021 – minimize vacancies to provide sustainable rental income
- Committed to support tenants through this challenging COVID-19 period, so as to position the assets to be ready to capture the business opportunities when recovery begins



# FY2020 Financial results



# FY2020 Financial performance

	FY2020 (a) S\$'000	FY2019 S\$'000	Change %
Gross revenue	241,463 (b)	228,635	5.6
Property expenses	(59,520)	(48,856)	21.8
Net property income (NPI)	181,943	179,779	1.2
Income available for distribution	92,226 (c) (d) (e)	145,034	(36.4)
Distribution to Unitholders	72,851	144,790	(49.7)
Distribution per unit (cents)	2.72	5.60	(51.4)

Note:

(a) Included the contribution from Westfield Marion Shopping Centre (acquired on 6 December 2019).

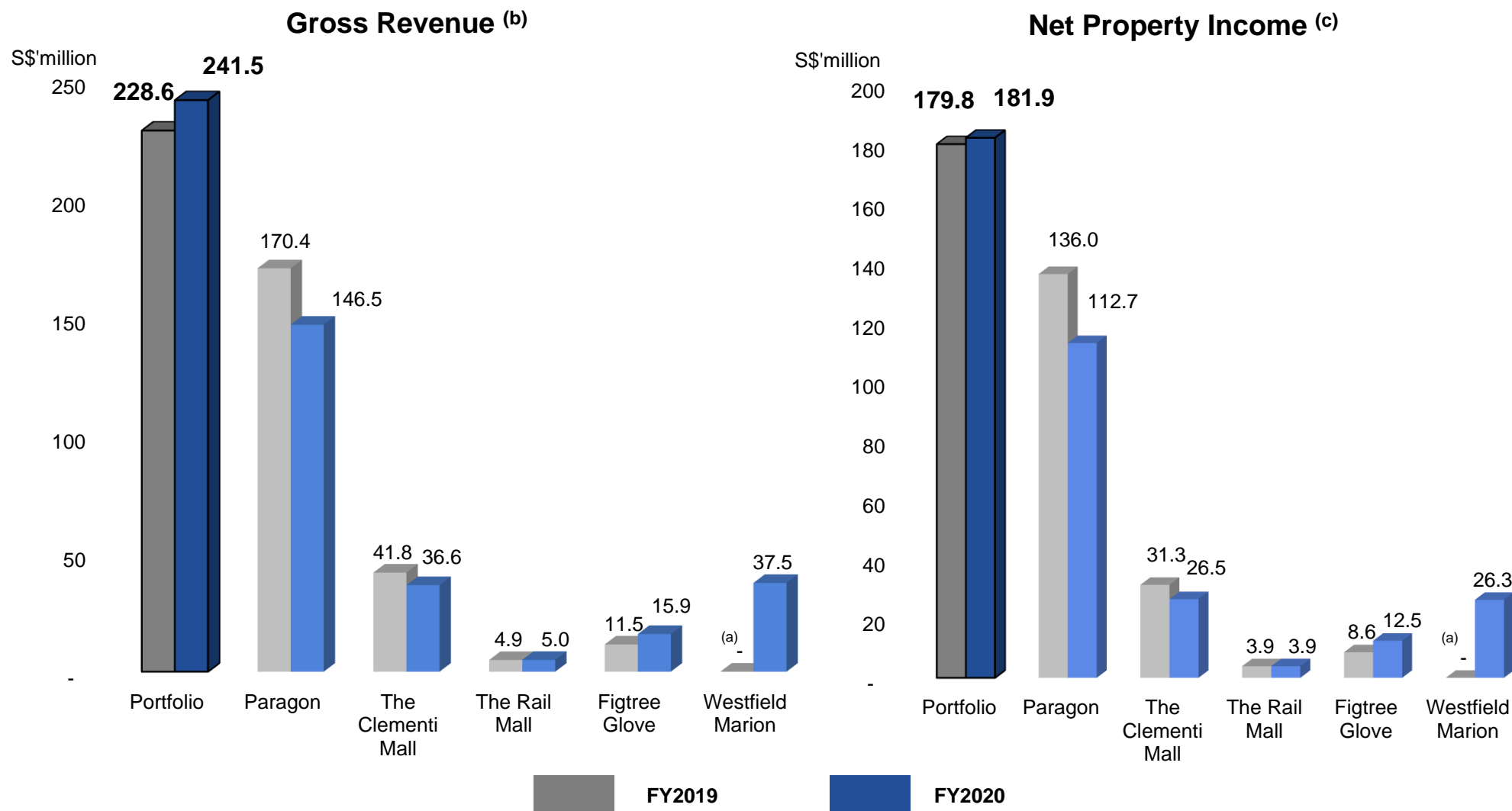
(b) Gross revenue is net of S\$31.8 million COVID-19 rental relief granted by SPH REIT to eligible tenants in Singapore. S\$3.5 million of rental relief for July and August for eligible Singapore tenants has not been recognised in FY2020 as these will be credited to such eligible tenants from September 2020.

(c) Adjusted to include an allowance for COVID-19 rental arrears and relief amounting to S\$8.1 million for eligible tenants in Australia.

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

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

# Gross Revenue and Net Property Income



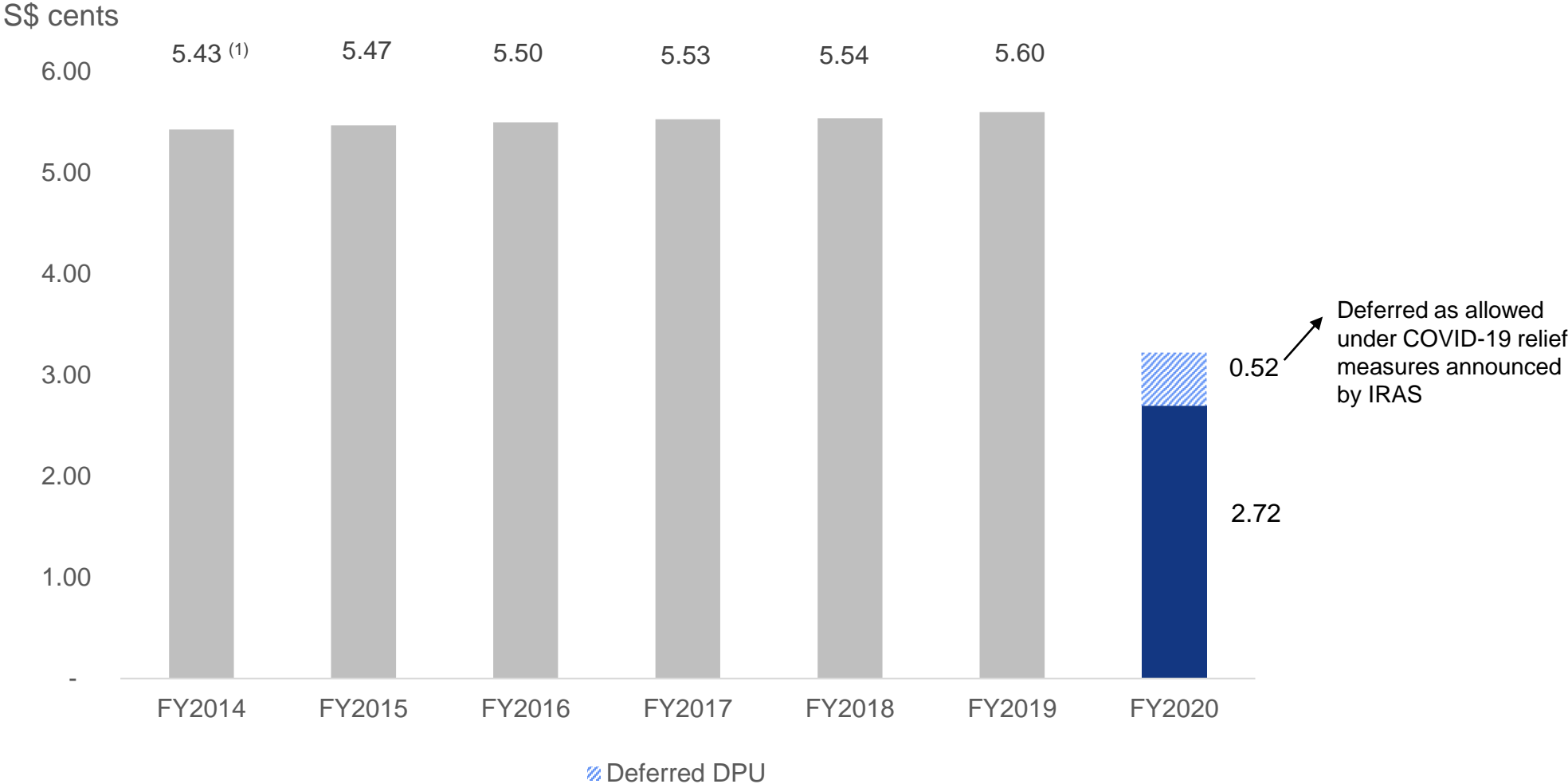
Note:

(a) Asset was acquired on 6 December 2019.

(b) Gross revenue is net of S\$31.8 million COVID-19 rental relief granted by SPH REIT to eligible tenants in Singapore. S\$3.5 million of rental relief for July and August for eligible Singapore tenants has not been recognised in FY2020 as these will be credited to such eligible tenants from September 2020.

(c) FY2020 net property income for Figtree Grove & Westfield Marion has not included the allowance for rental arrears and relief of S\$8.1 million.

# Distributions since IPO



**Note:**

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



## Balance sheet

# Financial position

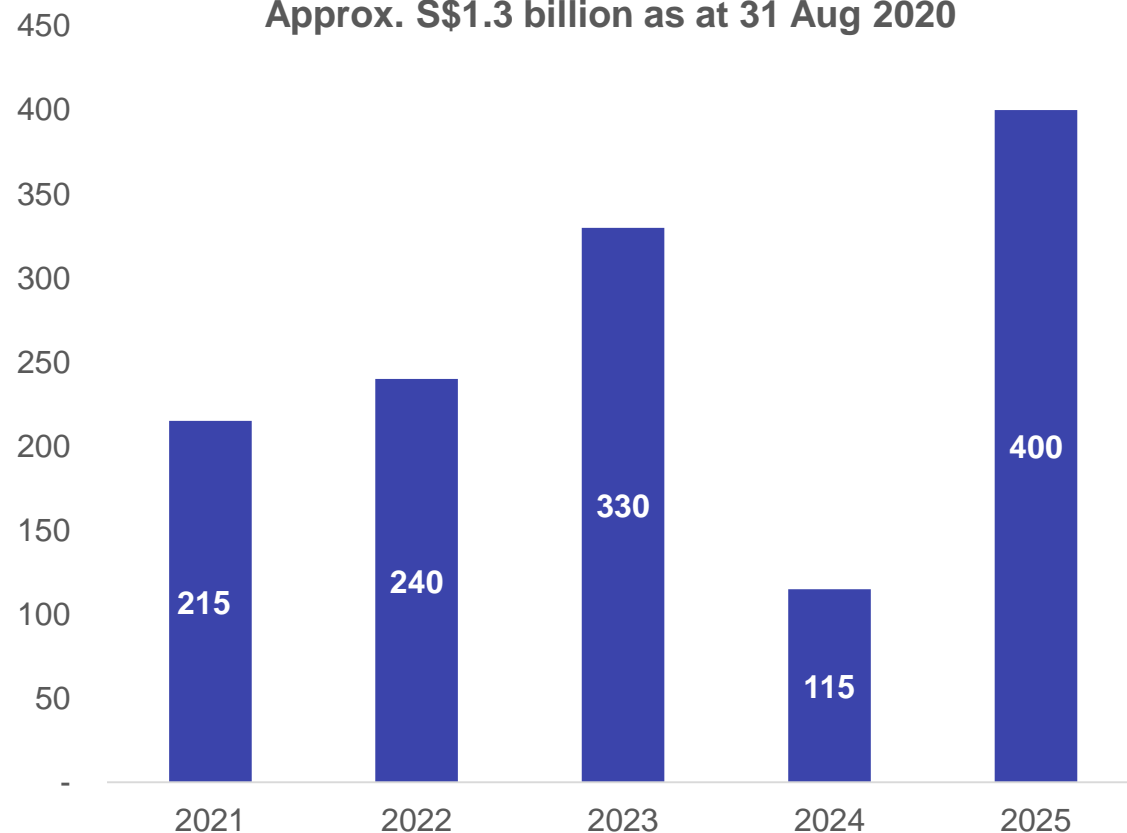
S\$'000	31 August 2020	31 August 2019	Change (%)
Total assets	4,240,663	3,948,402	7.4
Total liabilities	1,425,954	1,176,965	21.2
Net assets	2,814,709	2,771,437	1.6
Net asset value per unit	S\$0.91	S\$0.95	(4.2)
Debt gearing <sup>(1)</sup>	30.5%	27.5%	3.0

Note:

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

# Capital management

**Debt Maturity Profile (S\$ million)**  
 Approx. S\$1.3 billion as at 31 Aug 2020





<b>Gearing <sup>(1)</sup></b>	<b>30.5%</b>
<b>Average Cost of Debts</b>	<b>2.66%</b>
<b>Weighted Average Term to Maturity</b>	<b>2.9 years</b>
<b>Floating rate %</b>	<b>50.3%</b>
<b>Fixed rate %</b>	<b>49.7%</b>
<b>Interest coverage ratio</b>	<b>4.7 times</b>
<b>Available Facilities</b>	<b>S\$225m</b>



(1) The total assets used for computing the gearing ratio is based on the latest valuation of the investment properties as at 31 August 2020.

# Market value of properties

## Singapore assets

As at 31 August	Valuation (S\$ million) <sup>(1)</sup>			Capitalisation rate (%)	
	FY2020	FY2019	Variance	FY2020	FY2019
<b>PARAGON</b>	2,640.0	2,745.0	(105.0)	4.50% - Retail 3.75% - Medical Suite / Office	4.50% - Retail 3.75% - Medical Suite / Office
 <b>THE CLEMENTI mall</b>	584.0	597.0	(13.0)	4.50%	4.50%
 <b>The Rail Mall</b>	62.2	63.8	(1.6)	6.00%	6.00%

## Australia assets

As at 31 August	Valuation (A\$ million)			Capitalisation rate (%)	
	FY2020	FY2019	Variance	FY2020	FY2019
 <b>Westfield</b> <sup>(2)</sup> MARION	646.5	679.5 <sup>(2)</sup>	(33.0)	5.50%	5.50% <sup>(2)</sup>
 <b>figtree</b> <sup>(3)</sup> grove	190.0	206.0	(16.0)	6.25%	6.00%

Note:





- (1) Valuations as at 31 August 2020 and 31 August 2019 were conducted by Edmund Tie & Company (SEA) Pte Ltd.  
 (2) Valuations as at 31 August 2020 and 06 August 2019, were conducted by Urbis Valuations Pty Ltd.  
 Represents SPH REIT's 50% interest in Westfield Marion.  
 (3) Valuations as at 31 August 2020 and 31 August 2019, were conducted by Jones Lang LaSalle Advisory Services Pty Ltd and m3property Pty Ltd respectively.





## Operations review

# Occupancy Rate and Rental reversion

As at 31 August 2020	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>(2)</sup>
<b>PARAGON</b>	97.8%	104	208,966	29.1%	7.0%
	99.6%	111	132,727	68.0%	4.8%
	92.2%	14	26,547	53.3%	10.1%
<b>Singapore assets</b>	97.8%	229	368,240	38.2%	6.4%
As at 31 August 2020	Occupancy rate	Number of renewals / new leases	NLA renewed/ new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates <sup>(3)</sup>
	97.4%	9	129,741	8.8%	-1.5%
	99.2%	7	5,418	2.3%	-9.8%
<b>Australia assets</b>	97.7%	16	135,159	7.9%	-3.2%

Note:

(1) For expiries in FY20, excluding newly created and reconfigured units.

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

(3) Based on the first year fixed rent of the new leases divided by the preceding final year fixed rents of the expiring leases.

# Expiry profile – portfolio

## For new leases in FY20

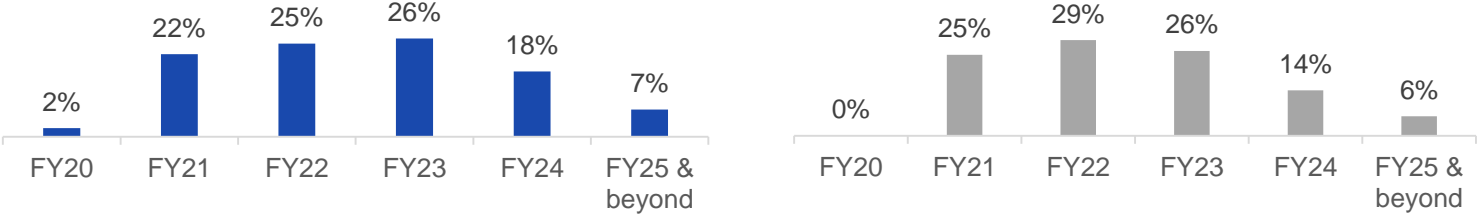
- WALE 3.1 years by GRI
- WALE 5.8 years by NLA
- New leases contributed 37% of gross rental income

Lease expiry as at 31 August 2020	FY20	FY21	FY22	FY23	FY24	FY25 & beyond
<b>SPH REIT Portfolio</b>						
Expiries as a % of total NLA	2%	21%	11%	19%	10%	37%
Expiries as a % of Gross rental income	0%	25%	23%	26%	14%	12%
<b>Singapore assets</b>						
Expiries as a % of total NLA	2%	21%	22%	32%	16%	7%
Expiries as a % of Gross rental income	0%	23%	26%	30%	14%	7%
<b>Australia assets</b>						
Expiries as a % of total NLA	2%	21%	5%	11%	7%	54%
Expiries as a % of Gross rental income	0%	34%	10%	10%	12%	34%

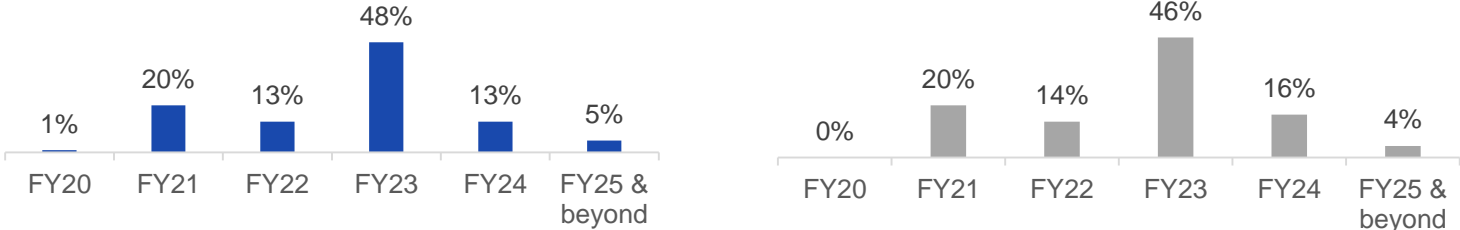
# Expiry profile – Singapore assets

## Singapore assets      Expiry by NLA      Expiry by Gross Rental Income

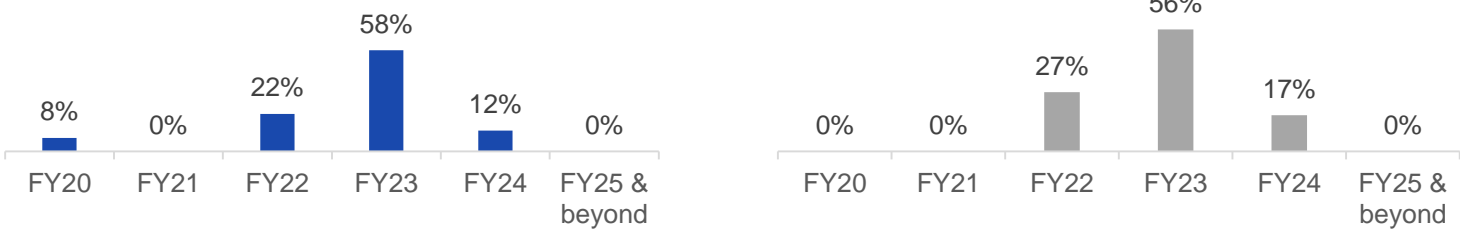
**PARAGON**



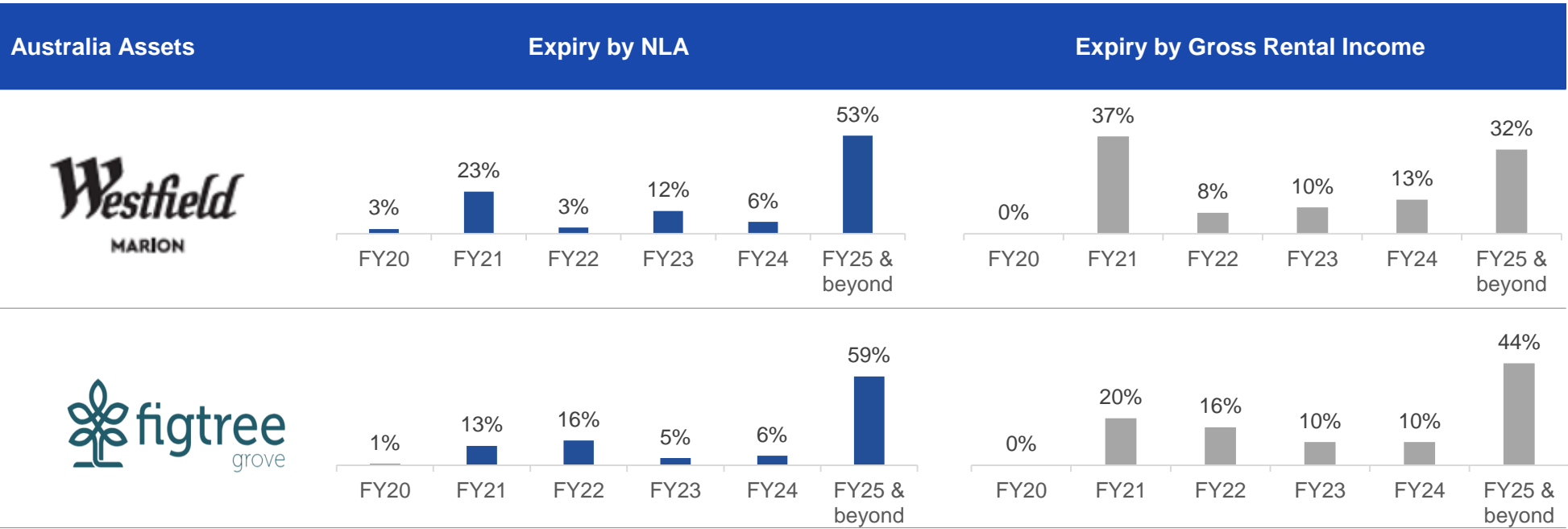
**THE CLEMENTI mall**



**The Rail Mall**



# Expiry profile – Australia assets



# Visitor traffic and tenant sales - Annual

Asset	Visitor traffic (million)		Tenant sales (million)	
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## PARAGON



## THE CLEMENTI MALL



## Westfield MARION



## figtree grove

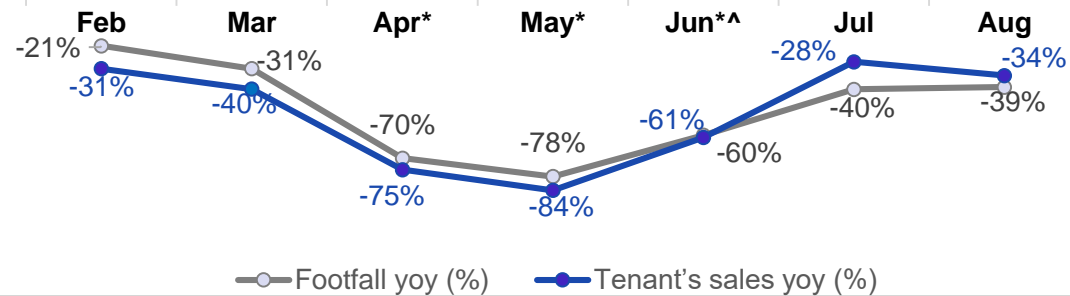


# Visitor traffic and tenant sales – Feb20 to Aug20

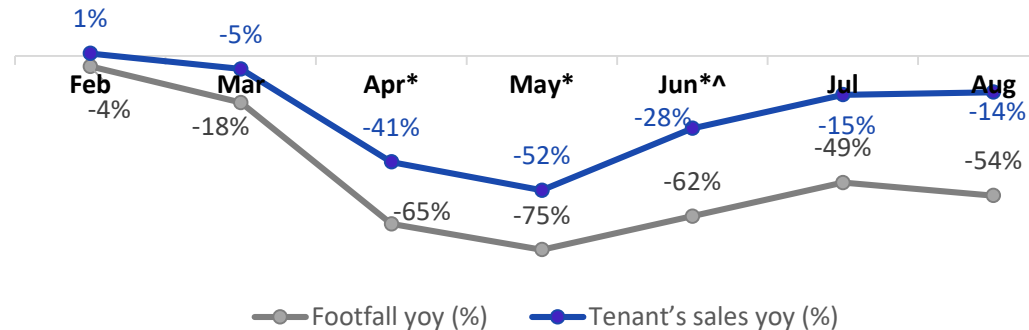
Singapore Assets

Y-O-Y

PARAGON



THE CLEMENTI mall



The Rail Mall

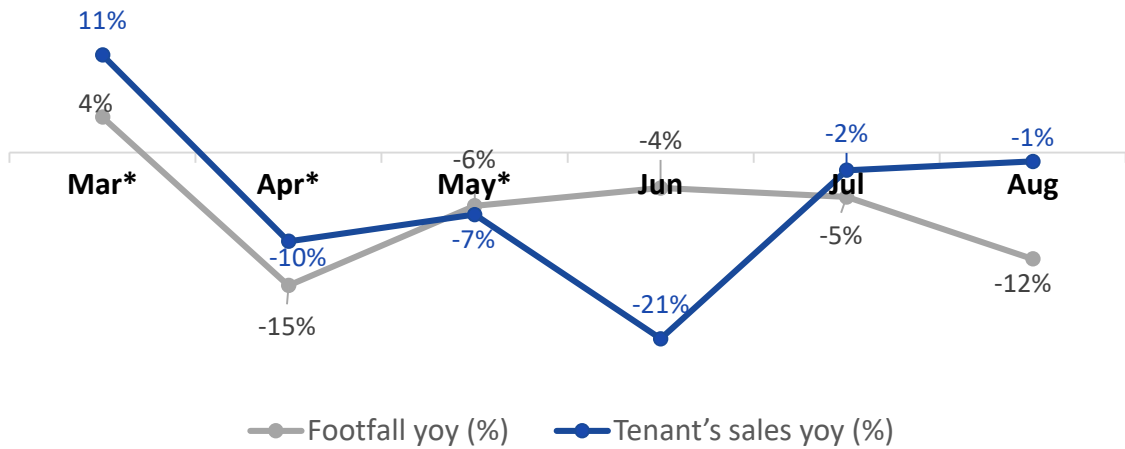
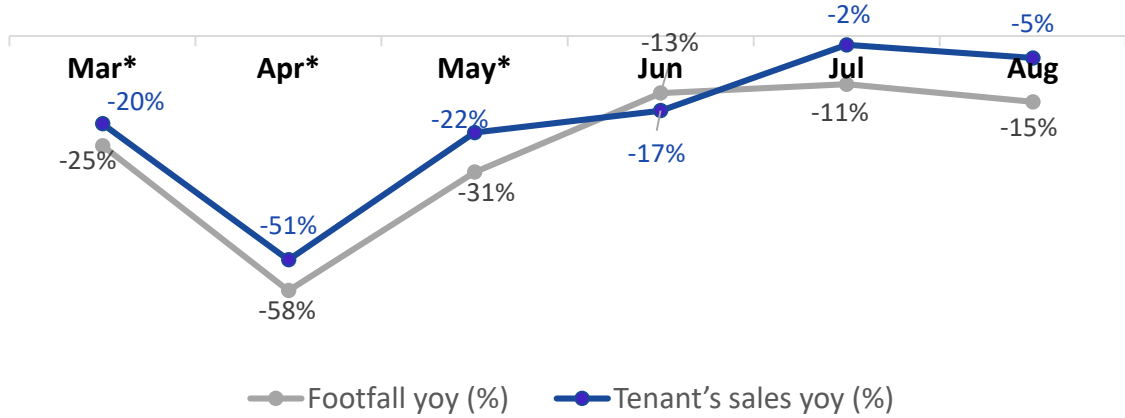
- Being a strip mall comprising 43 shop units, The Rail Mall, unlike a shopping mall, does not have footfall numbers.
- Progressively, tenant sales submissions are being integrated into the lease structure.

• Circuit Breaker was imposed between 07 Apr and 01 Jun 2020  
 ^ Phase 2 post circuit breaker reopening on 19 June 2020



# Visitor traffic and tenant sales – Feb20 to Aug20

Australia Assets	Y-O-Y
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\* Restrictions were imposed between mid Mar and early May 2020



## 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 opened in 2014 has maintained high occupancy; the second ROFR, The Woodleigh Mall is currently under construction.
  - 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

- According to Ministry of Trade and Industry (MTI), GDP growth is forecasted at -7% to -5% for calendar year 2020.
- In second quarter (April to June 2020), the Singapore economy contracted by 13.2% year-on-year (y-o-y) due to the 'circuit breaker' measures implemented.
- Singapore Tourism Board international visitor arrivals from March 2020 to June 2020 declined 97% with the onset of COVID-19.

## Australia

- Reserve Bank of Australia expects Australian economy to experience negative growth in 2020.
- According to latest Australian Bureau of Statistics, retail turnover fell 4.2% from July 2020 to August 2020.

## Portfolio

- Given the uncertainty and fluidity of the COVID-19 pandemic, the extent of the impact on the financial performance for the next reporting period and the next 12 months cannot be determined at this stage.
- Near term focus is to maintain healthy occupancy, sustainable rental income by working with tenants, whilst carefully managing cost.
- Focus is to position the assets to be ready to capture the business opportunities when recovery begins with the core objective of preserving long term returns for unitholders.
- Committed to release the FY2020 deferred DPU to unitholders in FY2021.





**Thank You**

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