

**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

24-Nov-2021 17:00:13

## Status

Replacement

## Announcement Reference

SG211027MEET30N7

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

Jessie Phua Swee Hoon

## Designation

Company Secretary

## Financial Year End

31/08/2021

## Event Narrative

Narrative Type	Narrative Text
Additional Text	All resolutions relating to the matters set out in the Notice of AGM dated 27 October 2021 were duly passed. The AGM Results and AGM Presentation slides are attached.

## Event Dates

## Meeting Date and Time

24/11/2021 14:30:00

## Response Deadline Date

21/11/2021 14:30:00

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## Event Venue(s)

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### Place

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

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## Attachments

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[SPH REIT - 2021 AGM Results.pdf](#)

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[SPH REIT - 2021 AGM Presentation.pdf](#)

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Total size = 1616K MB

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## Related Announcements

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### Related Announcements

[27/10/2021 07:15:24](#)

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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 8<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 8<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 27 October 2021 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 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 2021 together with the Auditors' Report thereon	2,076,835,063	2,076,475,463	99.98	359,600	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	2,077,505,963	2,076,990,163	99.98	515,800	0.02
Ordinary Resolution 3 To authorise the Manager to issue Units and to make or grant convertible instruments	2,077,505,963	2,056,189,784	98.97	21,316,179	1.03

- 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

Jessie Phua Swee Hoon  
Company Secretary

Singapore  
24 November 2021



**8<sup>th</sup> ANNUAL GENERAL MEETING**  
24 November 2021



# 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 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. If in doubt, you should consult your stockbroker, bank manager, solicitor or other professional advisers.

This presentation shall be read in conjunction with SPH REIT’s financial results for the financial year ended 31 August 2021 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 2021, SPH REIT has a portfolio of 5 assets across Singapore and Australia.
- Included in the FTSE EPRA Nareit Global Developed Index with effect from 20 September 2021
- 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.



# Overview of SPH REIT (cont'd)

## Singapore assets

**The Rail Mall**  
 NLA: 50k sqft  
 Value: S\$62.2m



**The Clementi Mall**

NLA: 195k sqft  
 Value: S\$594.0m



**Paragon**

NLA: 718k sqft  
 Value: S\$2,640.0m

**Singapore's Portfolio**  
 NLA: 963k sqft  
 Value: S\$3,296.2m

## Australia assets<sup>1</sup>



**Westfield Marion Shopping Centre**

NLA: 1,485k sqft  
 Value: A\$640.5m  
 (S\$630.1m)



**Figtree Grove Shopping Centre**

NLA: 237k sqft  
 Value: A\$200.0m  
 (S\$196.7m)

**Australia's Portfolio**  
 NLA: 1,722k sqft  
 Value: A\$840.5m  
 (S\$826.8m)

**SPH REIT Portfolio**  
 NLA: 2.7m sqft  
 Value: S\$4.1b

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.



# FY2021 Key highlights

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## Improvement in Revenue and Distributions led by gradual market recovery

- Gross Revenue and Net Property Income (“NPI”) grew by 14.8% yoy to S\$277.2 million and 11.4% yoy to S\$202.6 million respectively mainly from the first full year contribution from Westfield Marion Shopping Centre
- FY2021 full year DPU at 5.40 cents, an increase of 98% yoy, which includes 0.52 cents deferred from FY2020

## Proactive management of a resilient and diversified portfolio to deliver stable returns to Unitholders

- High occupancy at 98.8%
- Portfolio rental reversion of -8.4% due to soft retail leasing sentiment amid COVID-19
- Healthy portfolio WALE of 5.4 years by NLA and 2.7 years by GRI
- Strategically located assets with dominant catchments cushioned the impact of COVID-19, supporting management’s strategy to drive sustainable cash flow generation

# FY2021 Key highlights

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## Prudent capital management for sustainable Unitholders' returns

- Weighted average term to maturity of 2.9 years, maturities well staggered over the next five years
- Gearing of 30.3% with ample debt headroom; additional liquidity with revolving credit facility lines of S\$225 million remains undrawn

## Inclusion in FTSE EPRA Nareit Global Developed index with effect from 20 September 2021

- Raise visibility among global investors, improve trading liquidity and diversify unitholder base
- Enhance position to capitalise on market recovery and future growth opportunities

## Moving forward despite COVID-19 disruptions

- Continuing retail market recovery supported by accelerated vaccination rollout globally and gradual reopening of the economy
- Encouraging signs of improvement but resurgence of COVID-19 cases may dampen recovery
- Continuing focus to minimise vacancies and provide sustainable rental income
- Adopt an agile and disciplined approach in exploring asset acquisition opportunities to capitalise on market recovery and growth



# FY2021 Financial results

# FY2021 Financial performance

	FY2021 S\$'000	FY2020 S\$'000	Change %
Gross revenue <sup>(a)</sup>	277,179	241,463	14.8
Property expenses	(74,552)	(59,520)	25.3
Net property income	202,627	181,943	11.4
Distributable income to Unitholders <sup>(b)</sup>	157,803	92,226	71.1
Distribution to Unitholders <sup>(c)</sup>	150,160	72,851	NM
Distribution per unit (cents) <sup>(c)</sup>	5.40	2.72	98.5

Notes:

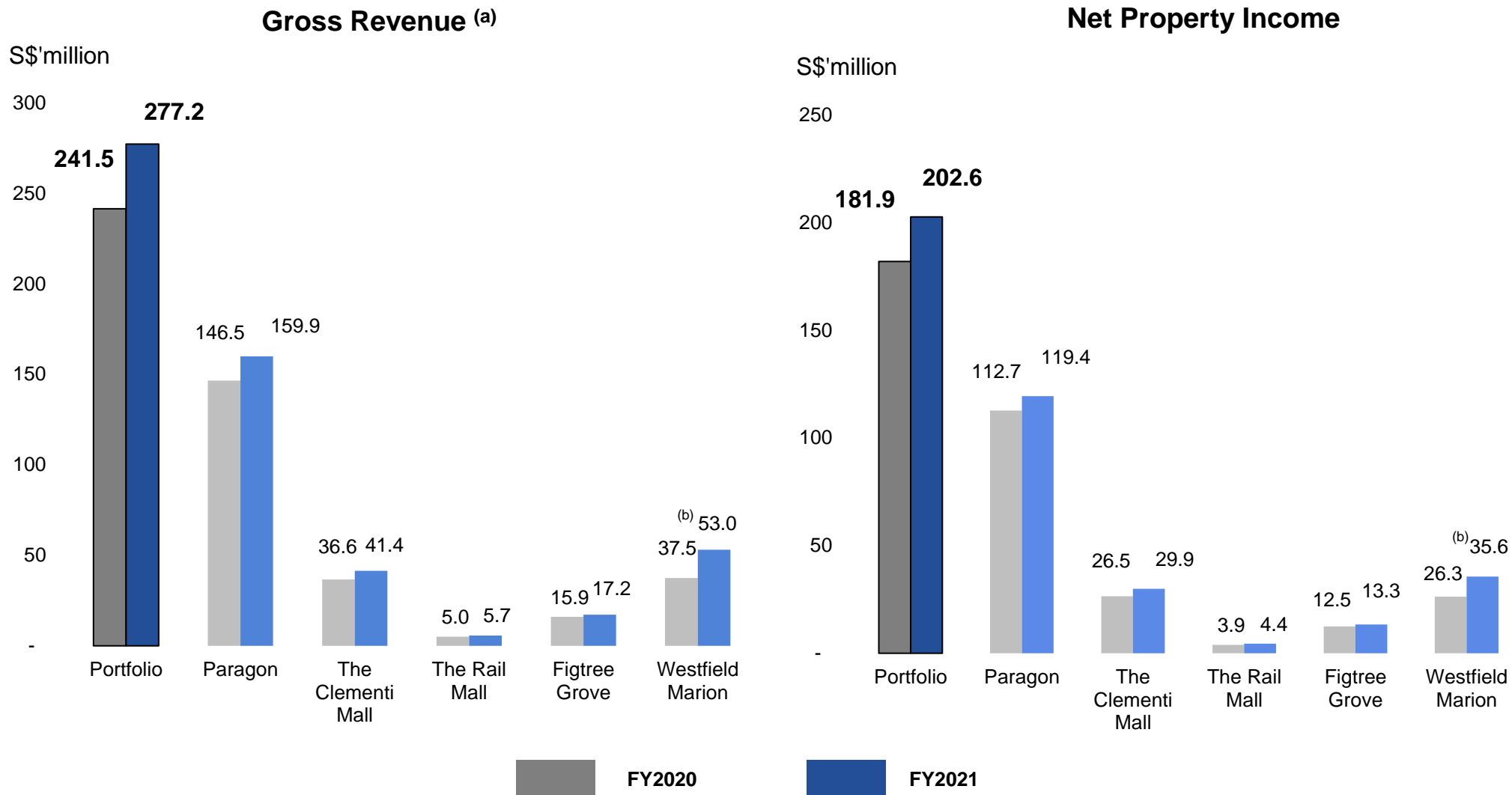
(a) Gross revenue is net of rental relief to tenants in Singapore

(b) Adjusted to include an allowance for COVID-19 rental arrears and relief to tenants in Australia

(c) The distribution to unitholders for FY2021 includes S\$14.5 million (0.52 cents) of FY2020 distributable income deferred as allowed under COVID-19 relief measures

# Improvements in revenue and NPI across all assets

Benefited from gradual market recovery and the full year contribution from Westfield Marion



Notes:

- (a) Gross revenue is net of rental relief to tenants in Singapore
- (b) Asset was acquired on 6 December 2019

# Distribution per Unit “DPU”



Notes:

- 1. Does not include the distribution of S\$0.56 cents from 21 July 2013 (listing date) to 31 August 2013
- 2. Includes 0.52 cents FY2020 income deferred as allowed under COVID-19 relief measures announced by IRAS





## Balance sheet

# Resilient balance sheet

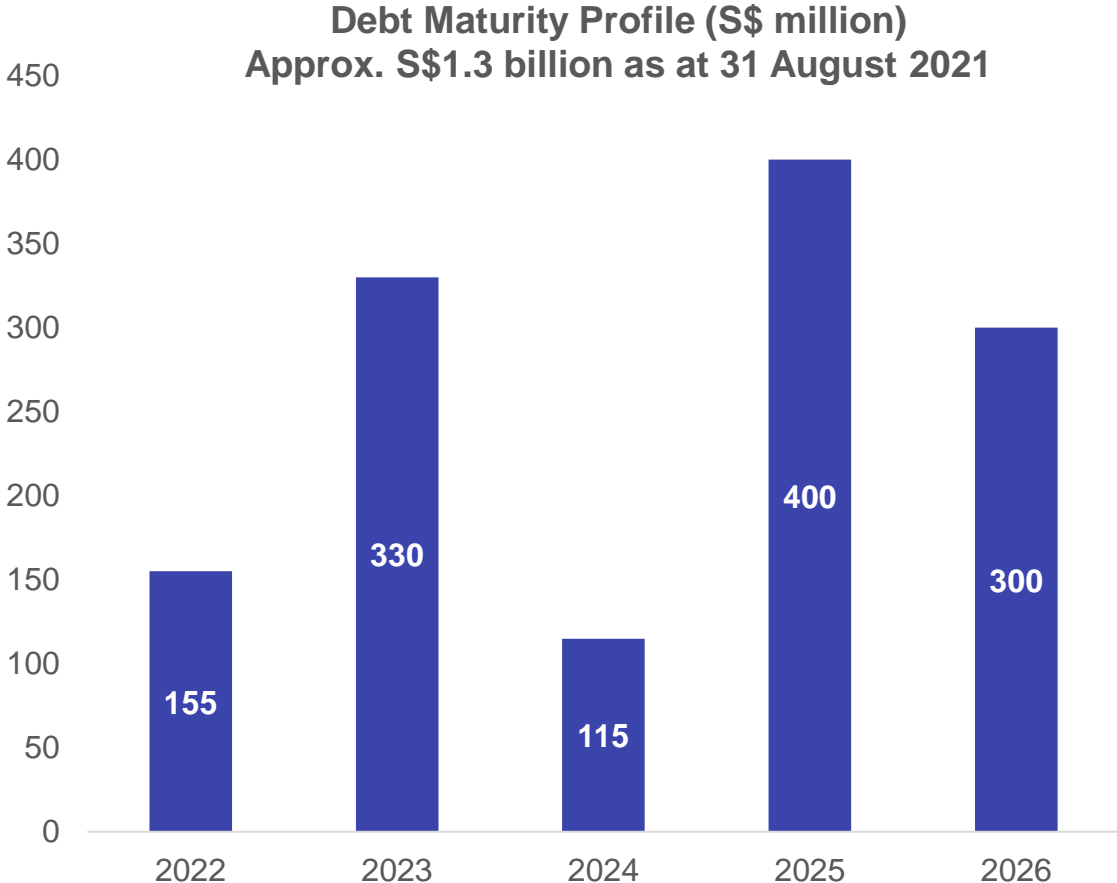
S\$'000	31 August 2021	31 August 2020	Change (%)
Total assets	4,246,565	4,240,663	0.1
Total liabilities	1,398,697	1,425,954	(1.9)
Net assets	2,847,868	2,814,709	1.2
Net asset value per unit	S\$0.91	S\$0.91	-
Debt gearing <sup>(1)</sup>	30.3%	30.5%	(0.2)

Note:

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

# Effective capital management

## Proactive and disciplined capital management to maximise Unitholders returns



<b>Gearing <sup>(1)</sup></b>	<b>30.3%</b>
<b>Average Cost of Debts</b>	<b>1.84%</b>
<b>Weighted Average Term to Maturity</b>	<b>2.9 years</b>
<b>Floating rate %</b> <b>Fixed rate %</b>	<b>24%</b> <b>76%</b>
<b>Interest Coverage ratio</b>	<b>7.3 times</b>
<b>Available Facilities</b>	<b>S\$225m</b>



**Note:** Excludes perpetual securities of SPH REIT

Note:



(1) The total assets used for computing the gearing ratio is based on the latest valuation of the investment properties as at 31 August 2021.

# Improved valuations underpinned by market recovery

## Singapore assets

As at 31 August	Valuation (S\$ million) <sup>(1)</sup>			Capitalisation rate (%)	
	FY2021	FY2020	Variance	FY2021	FY2020
<b>PARAGON</b>	2,640.0	2,640.0	-	4.50% - Retail 3.75% - Medical Suite / Office	4.50% - Retail 3.75% - Medical Suite / Office
 <b>THE CLEMENTI mall</b>	594.0	584.0	10.0	4.50%	4.50%
 <b>The Rail Mall</b>	62.2	62.2	-	6.00%	6.00%

## Australia assets

As at 31 August	Valuation (A\$ million)			Capitalisation rate (%)	
	FY2021	FY2020	Variance	FY2021	FY2020
 <b>Westfield</b> <sup>(2)</sup> MARION	640.5	646.5	(6.0)	5.50%	5.50%
 <b>figtree</b> <sup>(3)</sup> grove	200.0	190.0	10.0	6.00%	6.25%





### Notes:

- (1) Valuations as at 31 August 2021 and 31 August 2020 were conducted by Savills Valuation & Professional Services (S) Pte Ltd and Edmund Tie & Company (SEA) Pte Ltd respectively.
- (2) Valuations as at 31 August 2021 and 31 August 2020 were conducted by CBRE Valuation Pty Ltd and Urbis Valuations Pty Ltd respectively.  
Represents SPH REIT's 50% interest in Westfield Marion
- (3) Valuations as at 31 August 2021 and 31 August 2020 were conducted by Jones Lang LaSalle Advisory Services Pty Ltd.



## Operations review

# High occupancy cushioned impact from negative reversions

As at 31 August 2021	Occupancy rate	Number of renewals / new leases <sup>(1)</sup>	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates <sup>(2)</sup>
<b>PARAGON</b>	99.1%	105	308	43.0%	-8.3%
	99.9%	34	45	23.1%	-8.7%
	92.2%	5	6	12.1%	5.4%
<b>Singapore assets</b>	98.9%	144	359	37.4%	-8.2%
As at 31 August 2021	Occupancy rate	Number of renewals / new leases	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates <sup>(3)</sup>
	98.8%	26	130	8.8%	-10.5%
	99.1%	11	13	5.7%	-12.0%
<b>Australia assets</b>	98.8%	37	143	8.4%	-10.8%

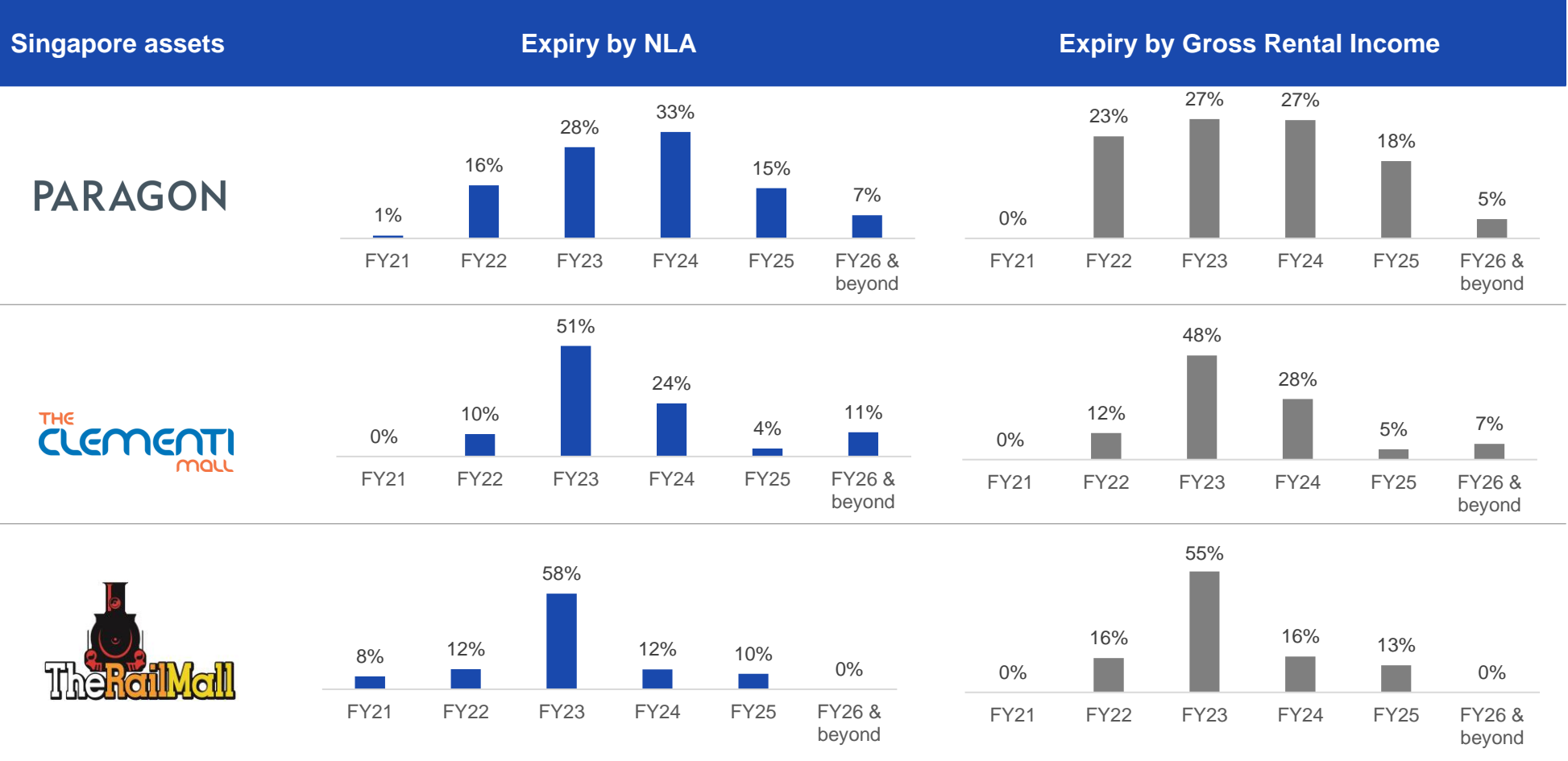
Notes:

- (1) For expiries in FY2021, excluding newly created, reconfigured units and licenses less than 12 months
- (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.

# Healthy lease expiry profile provides stability

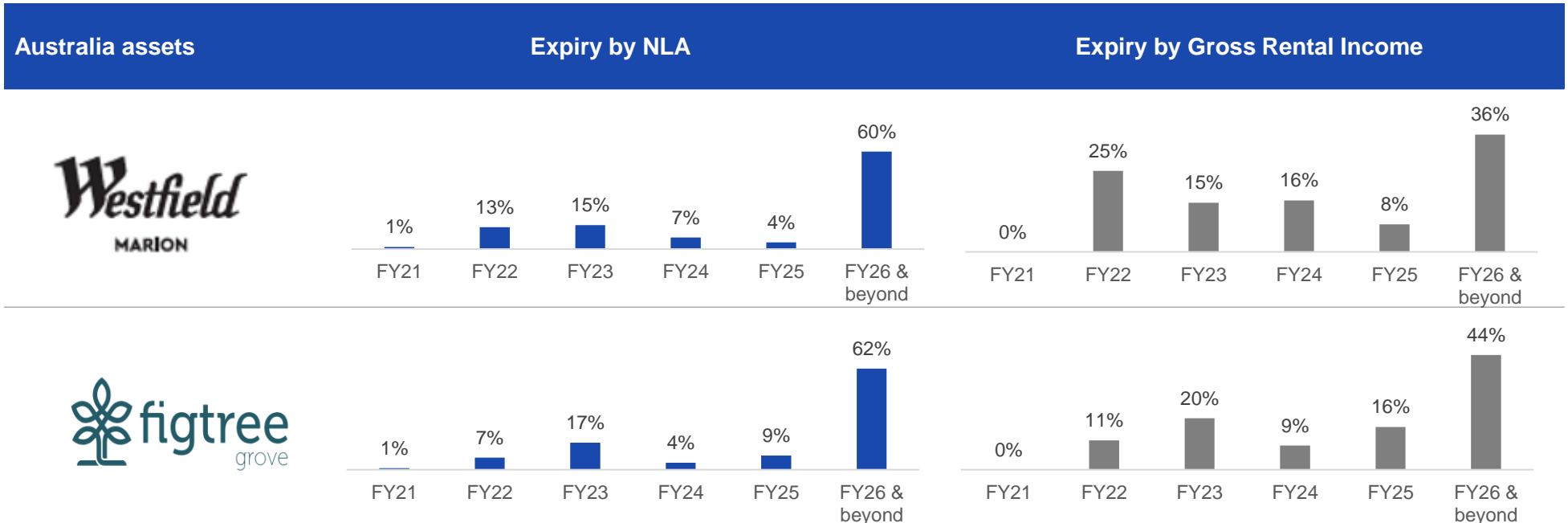
Lease expiry as at 31 August 2021	FY21	FY22	FY23	FY24	FY25	FY26 & beyond
<b>SPH REIT Portfolio</b>						
Expiries as a % of total NLA	1%	13%	22%	15%	8%	41%
Expiries as a % of Gross rental income	0%	21%	28%	24%	14%	13%
<b>Singapore assets</b>						
Expiries as a % of total NLA	1%	15%	34%	30%	13%	7%
Expiries as a % of Gross rental income	0%	21%	32%	27%	15%	5%
<b>Australia assets</b>						
Expiries as a % of total NLA	1%	13%	15%	7%	5%	59%
Expiries as a % of Gross rental income	0%	22%	16%	14%	10%	38%

# Proactive management of lease expiry for SG assets





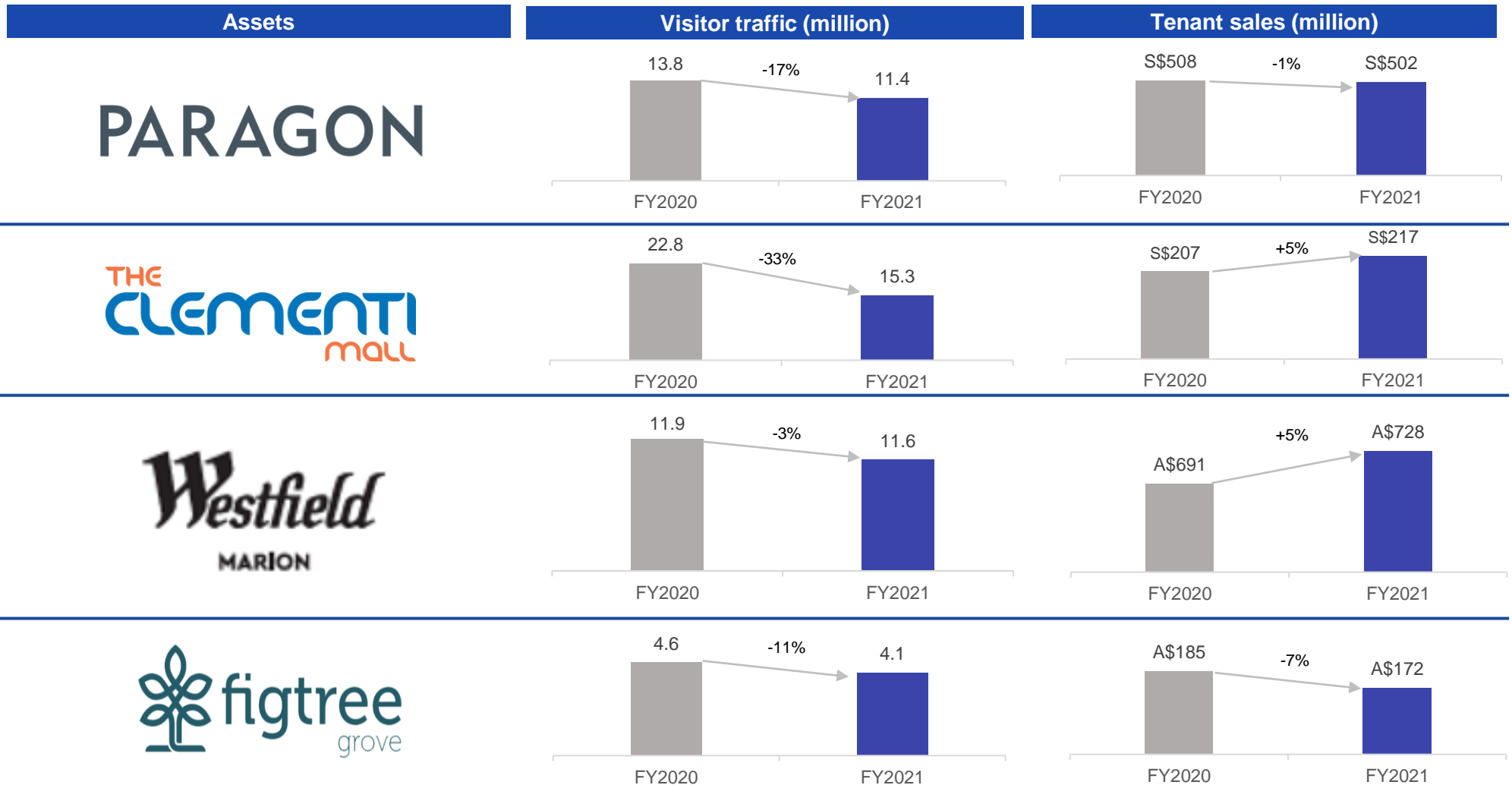
# Resilient and stable lease expiry profile for AU assets



# Visitor traffic and tenant sales - Annual

Overall portfolio tenant sales increased 2% despite footfall decline of 20%

Footfall impacted by various “lock down” restrictions but tenant sales remained resilient

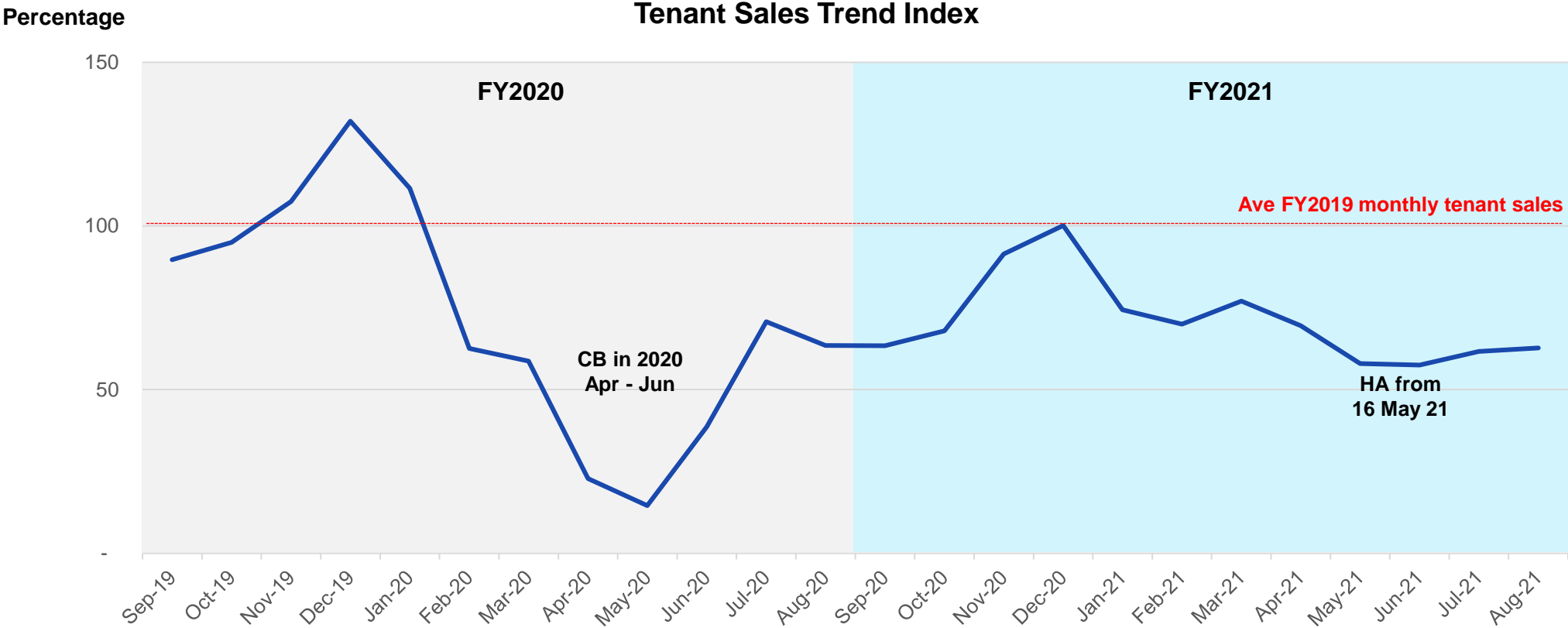


# SG: Recovery disrupted by prolonged COVID-19 impact

## PARAGON

Tenant Sales	
FY2021	S\$502m (-1% yoy)
FY2020	S\$508m

- Tenant sales impacted by decline in tourist arrivals
- Footfall from medical offices and phased lifting of safe distancing measures partially cushioned the decline in tenant sales

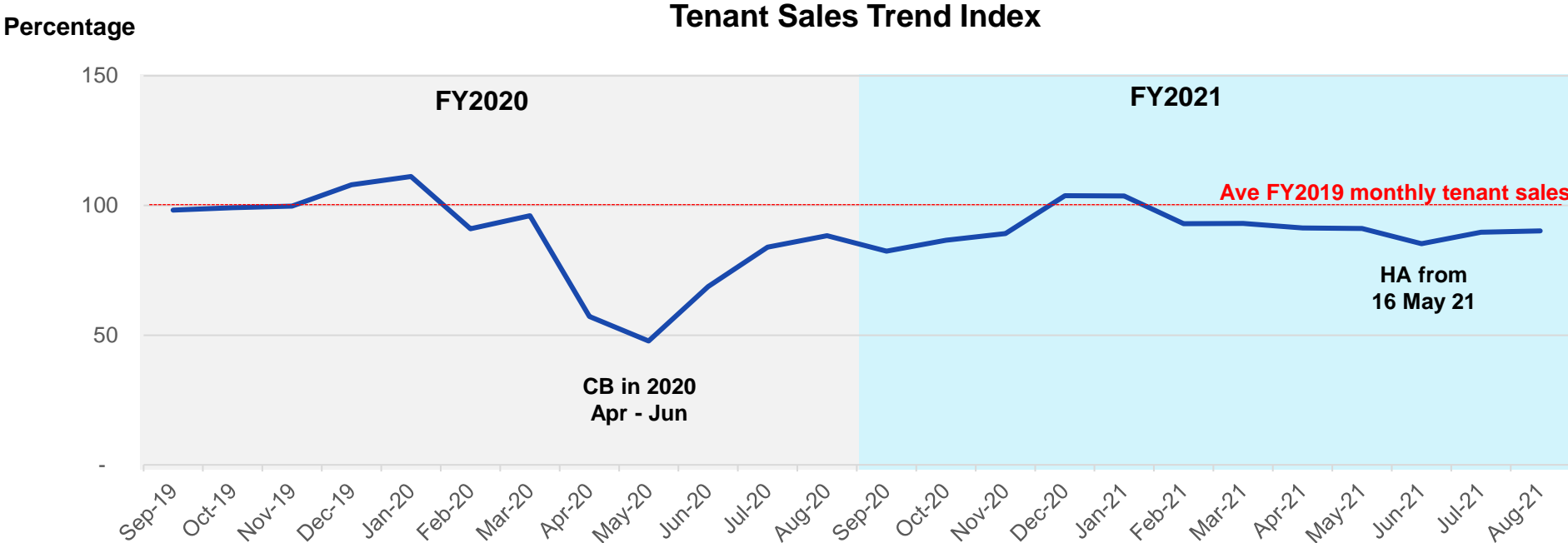


# SG: Defensive nature of suburban malls supports tenant sales



Tenant Sales	
FY2021	S\$217m (+5% yoy)
FY2020	S\$207m

- Tenant sales recovered close to pre-COVID levels, in line with resilient suburban malls' performances
- Footfall impacted by work from home trends but mitigated by close proximity to large residential catchment pool
- Introduction of reopening measures by the government will encourage local consumption



• The Rail Mall was acquired in June 2018, and since then, tenant sales submissions are progressively integrated into the lease arrangements.

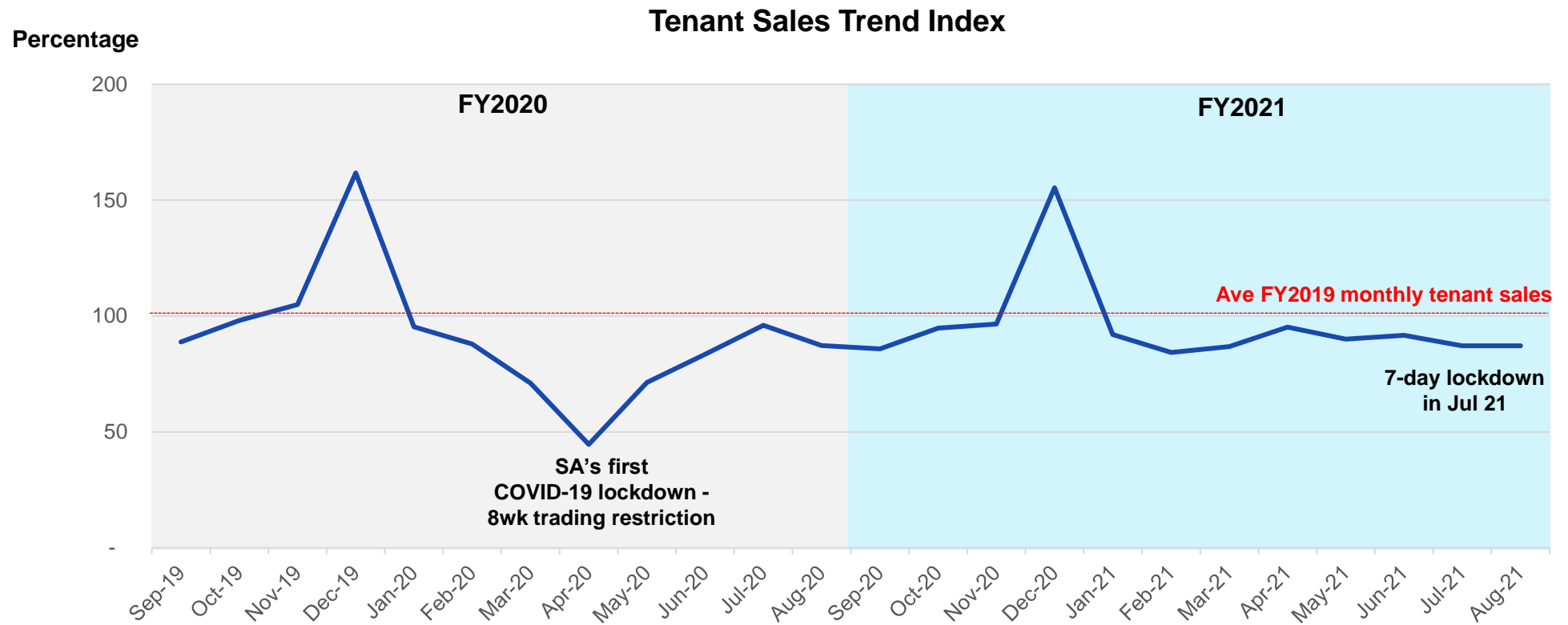


# AU: Tenant sales recovered to pre-COVID levels



Tenant Sales	
FY2021	A\$728m (+5% yoy)
FY2020	A\$691m

- Resilient tenant sales backed by prompt actions to manage the isolated COVID-19 incidents
- Tenant sales recovered to pre-COVID levels despite 7-day lockdown in July; benefit from strategic location with close proximity to strong catchment from community and education infrastructure

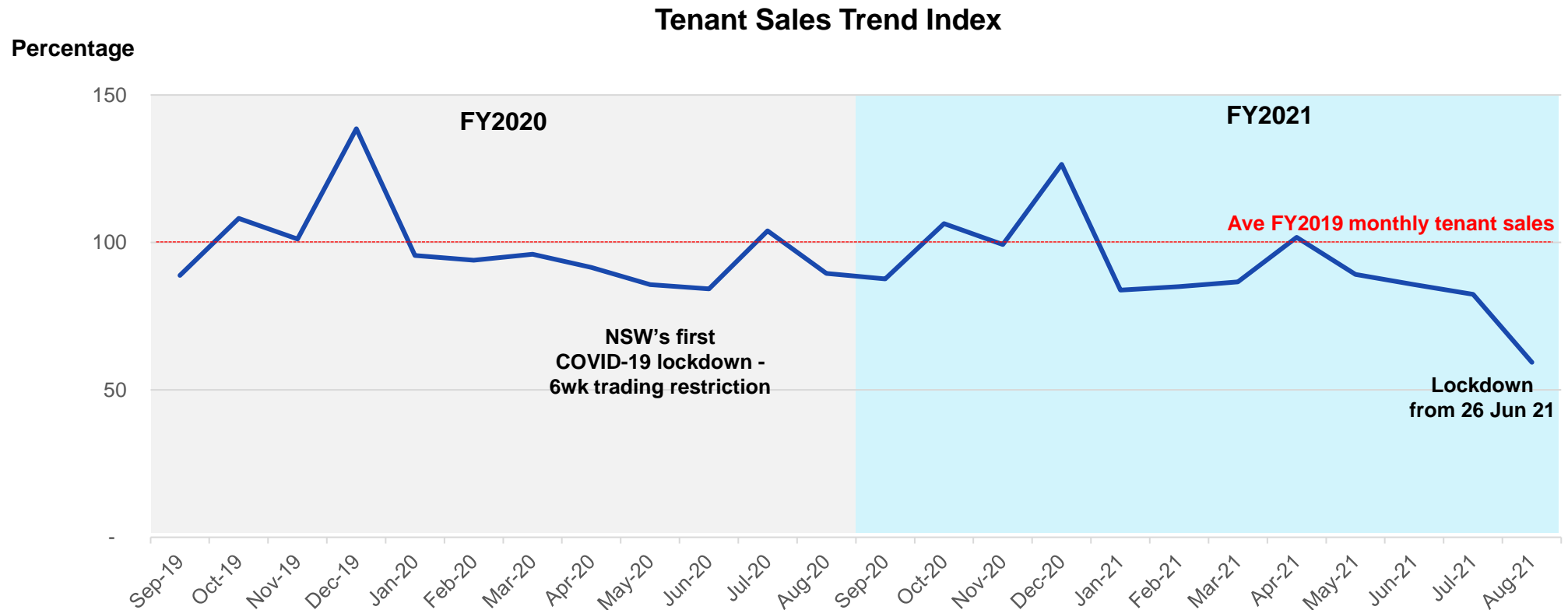


# AU: Tenant sales recovered to pre-COVID levels



Tenant Sales	
FY2021	A\$172m (-7% yoy)
FY2020	A\$185m

- Dominant and strategically located sub-regional shopping centre in Wollongong with high percentage of non-discretionary retail tenancy mix, attracting footfall and mitigating the impact of temporary lockdown restrictions





# 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
- Continue to optimise tenant mix across its assets, in line with evolving market trends and changing consumers' demand
- Develop high quality services to tenants and to remain as the landlord of choice in the retail real estate space
- Deploy online and offline marketing strategies to drive tenant sales and strengthen customers' engagement
- Adopt a prudent and disciplined approach in reviewing AEI opportunities

## 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

- 2021 GDP growth forecast upgraded to 6% - 7% from 4% - 6% for calendar year 2021, according to Ministry of Trade and Industry, reflecting an expected rebound in the economy
- Suburban market with large residential catchment continues to benefit from work-from-home arrangements
- Retail market is poised to benefit from an increase in economic activities and improved consumer sentiment
- Headwinds in tourism sector continue to weigh on the tourist-focused locations
- Retail market is poised to benefit from an increase in economic activities and improved consumer sentiment

## Australia

- Reserve Bank of Australia upgraded GDP forecast to 4.75% and 5% in 2021 and 2022 respectively
- Retail recovery clouded by resurgence of cases. Economy is forecast to rebound from this setback as restrictions ease
- Easing of domestic and international travel restrictions expected by end 2021

## Portfolio

- Given the risks and uncertainties of the COVID-19, the extent of the impact on the financial performance for the next reporting period and next financial year cannot be determined at this stage
- Encouraging signs of improvement but resurgence of COVID-19 cases may dampen recovery
- Continuing focus to support tenants, minimise vacancies and provide sustainable rental income
- Deliver stable distribution and sustainable returns with prudent capital management
- Continue an agile and disciplined approach in exploring asset acquisition opportunities to capitalise on market recovery and growth



**Thank You**

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