

## REPL::Annual General Meeting::Voluntary

## Issuer &amp; Securities

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

## Announcement Details

<b>Announcement Title</b>	Annual General Meeting
<b>Date &amp; Time of Broadcast</b>	30-Nov-2017 17:15:39
<b>Status</b>	Replacement
<b>Announcement Reference</b>	SG171108MEETM0LO
<b>Submitted By (Co./ Ind. Name)</b>	Lim Wai Pun
<b>Designation</b>	Company Secretary
<b>Financial Year End</b>	31/08/2017

## Event Narrative

<b>Narrative Type</b>	<b>Narrative Text</b>
Additional Text	All resolutions relating to the matters set out in the Notice of AGM dated 8 November 2017 were duly passed. The AGM Results and AGM Presentation slides are attached.

## Event Dates

<b>Meeting Date and Time</b>	30/11/2017 14:30:00
<b>Response Deadline Date</b>	27/11/2017 14:30:00

## Event Venue(s)

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

<b>Attachments</b>	<a href="#">📄SPH REIT - 2017 AGM Results.pdf</a> <a href="#">📄SPH REIT - 2017 AGM Slides .pdf</a> Total size =4255K
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<b>Related Announcements</b>	<a href="#">08/11/2017 08:30:30</a>
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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 4TH 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 4th 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 2017 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 2017 together with the Auditors' Report thereon	1,904,150,780	1,904,107,080	100.00	43,700	0.00
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	1,904,215,480	1,904,175,780	100.00	39,700	0.00
Ordinary Resolution 3 To authorise the Manager to issue Units and to make or grant convertible instruments	1,903,990,680	1,898,501,380	99.71	5,489,300	0.29

RHT Corporate Advisory Pte Ltd was appointed as the Company's scrutineer.

By Order of the Board

MR LIM WAI PUN

Company Secretary

Singapore

30 Nov 2017



# ANNUAL GENERAL MEETING 2017

30 November 2017

# 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 2017 in the SGXNET announcement.

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Results and balance sheet

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# Key Highlights

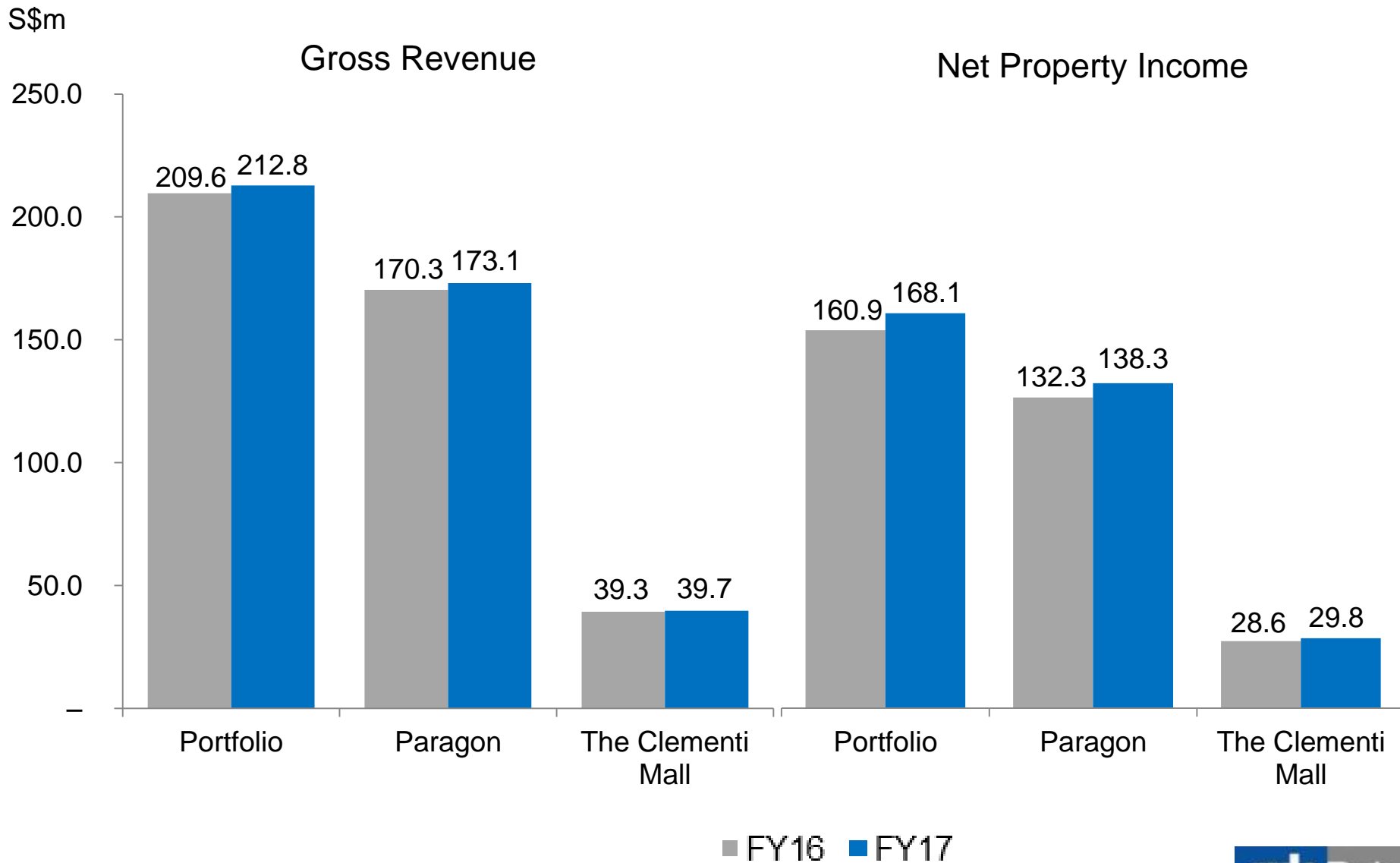
- Net property income for FY17 up 4.5% year-on-year
- FY17 DPU was 5.53 cents, an increase of 0.5 % against last year
- Distribution yield was 5.53% (based on closing price of \$1.00 per unit on 31 August 2017)
- Refresh tenancies and engaging shoppers
- Strong balance sheet, with low gearing of 25.4% and 85.9% debt on fixed rate

# Resilient performance

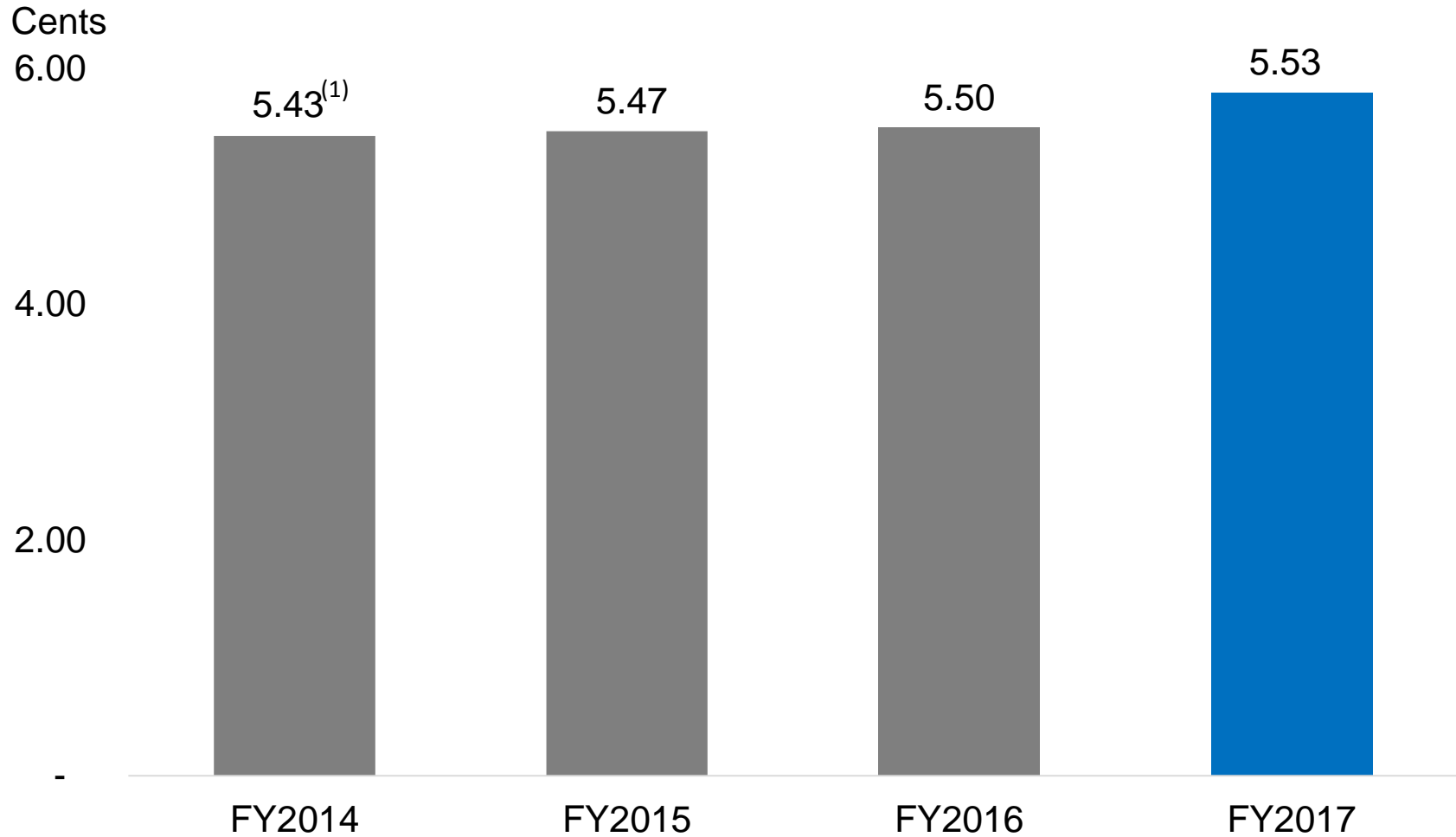
	FY17 S\$'000	FY16 S\$'000	Change %
Gross revenue	212,756	209,594	▲ 1.5
Property expenses	(44,668)	(48,683)	▼ 8.2
Net property income (NPI)	168,088	160,911	▲ 4.5
Income available for distribution	141,228	141,078	▲ 0.1
Distribution to Unitholders	141,228	139,711	▲ 1.1
Distribution per unit (DPU) (cents)	5.53	5.50	▲ 0.5



# Higher gross revenue and NPI



# Steady distribution



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 31 August 2017 S\$'000	As at 31 August 2016 S\$'000
Total assets	3,346,701	3,311,255
Total liabilities	925,641	922,723
Net assets	2,421,060	2,388,532
Net asset value per unit	S\$0.95	S\$0.94
Gearing <sup>(a)</sup>	25.4%	25.7%

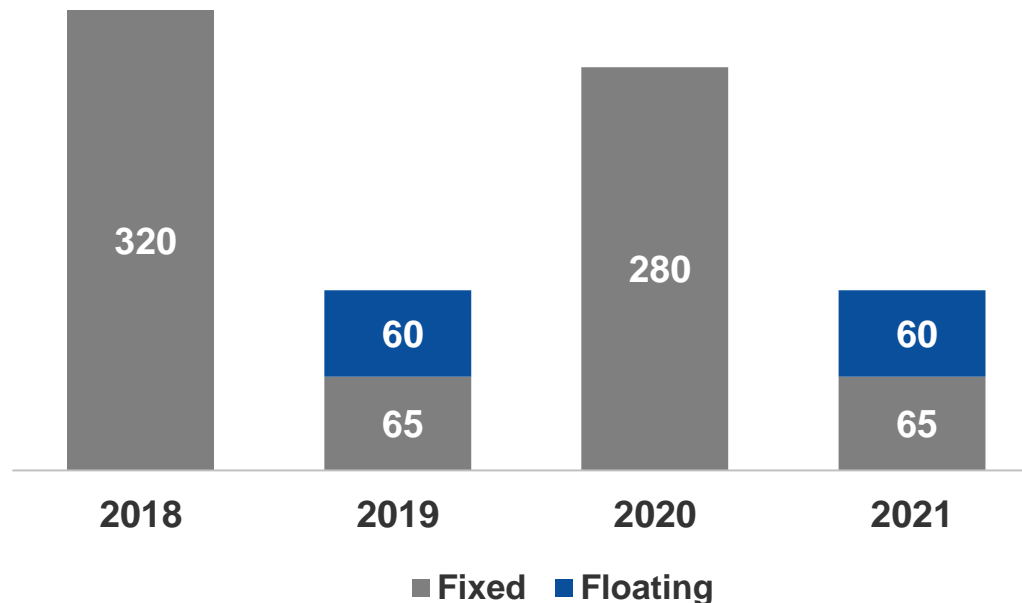
Note:

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

# Low gearing and 86% of debt fixed

- Proactive capital management with 85.9% of the S\$850m debt facility on a fixed rate basis
- Gearing level of 25.4% and average cost of debt: 2.82% p.a.
- Weighted average term to maturity: 2.1 years

Debt Maturity Profile (S\$m)



# Market value of properties

	Valuation as at 31 August <sup>(a)</sup>		Capitalisation Rate As at 31 August	
	2017 S\$m	2016 S\$m	2017 %	2016 %
Paragon	2,695.0	2,656.0	4.50% - Retail 3.75% - Medical Suite/ Office	4.85% - Retail 4.00% - Medical Suite/ Office
The Clementi Mall <sup>(b)</sup>	583.0	574.0	4.80%	5.00%
SPH REIT Portfolio	3,278.0	3,230.0		

Notes:

(a) Valuations as at 31 August 2017 and 31 August 2016 were conducted by JLL.

(b) The Clementi Mall's valuation excludes income support. The guaranteed Net Property Income (NPI) per year is S\$31 million and the aggregate top up NPI shall not exceed \$20 million over five years from 24 July 2013 (Listing date).



# Operational performance



# Resilient operating performance

- Both malls continued their track record of 100% committed occupancy
- The portfolio recorded a moderate rental reversion of 1.2% for new and renewed leases in FY17
- Visitor traffic at Paragon was maintained at 18.3 million. Tenant sales increased by 2.1% to \$675 million.
- The Clementi Mall recorded regular visitor traffic of 29.9 million, 0.3% lower than the year before. Tenant sales declined by 5.8% to \$225 million.
- Occupancy cost was at 19.6% and 15.8% for Paragon and The Clementi Mall respectively.

# Moderate rental reversion

	Number of renewals / new leases <sup>(a)</sup>	NLA renewed / new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates <sup>(c)</sup>
Paragon	92	165,999	23.2%	(0.8%)
The Clementi Mall	99	155,666	79.8%	3.7%
SPH REIT Portfolio	191	321,665	35.3% <sup>(b)</sup>	1.2% <sup>(d)</sup>

## Notes:

- (a) For expiries in FY17, excluding newly created and reconfigured units
- (b) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 910,395 sqft as at 31 August 2017.
- (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 2017

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By NLA	2.2 years
By Gross Rental Income	2.1 years

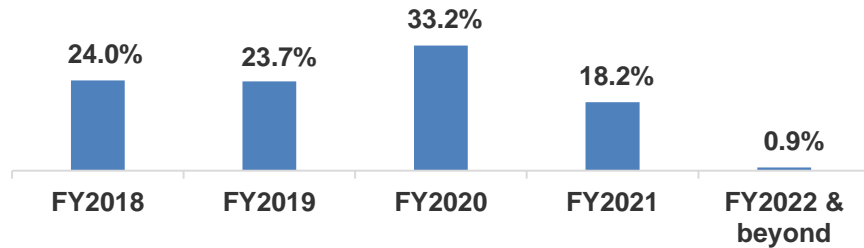
## Lease expiry as at 31 August 2017

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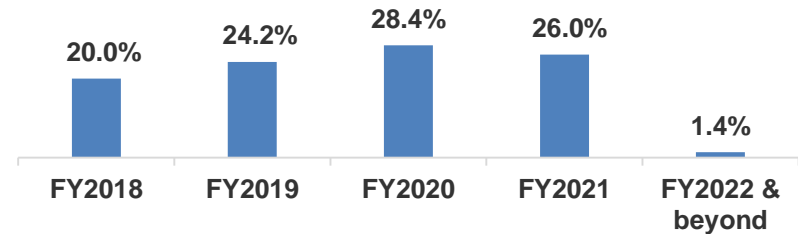
	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022 and beyond</b>
Expiries as a % of total NLA	16.8%	22.0%	36.9%	23.2%	1.1%
Expiries as a % of Gross rental income	20.7%	22.2%	39.3%	17.2%	0.6%

# Paragon: Staggered lease expiry

Expiry by Gross Rental Income

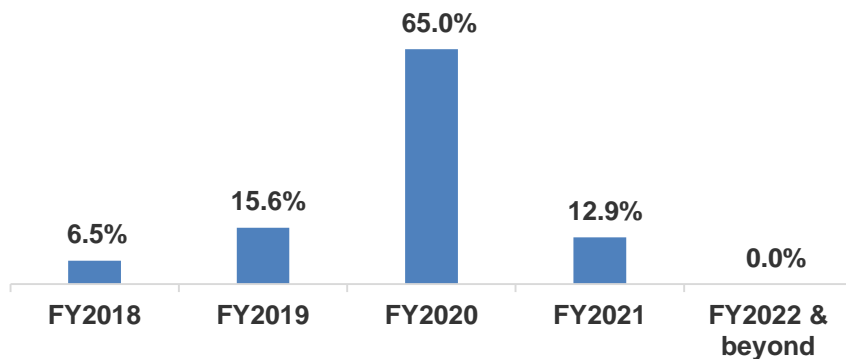


Expiry by NLA

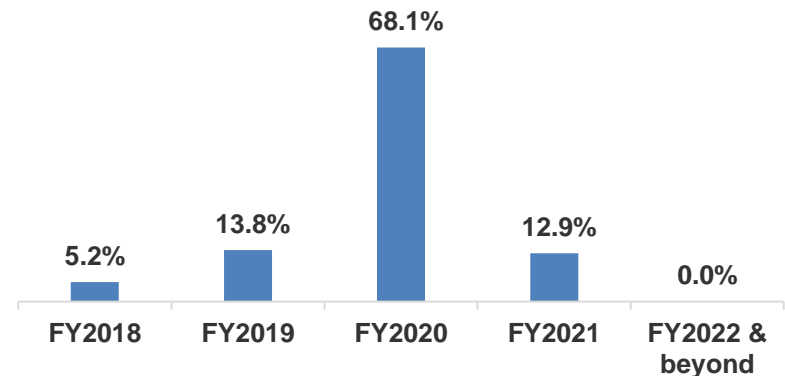


# The Clementi Mall (a) : Second renewal cycle completed in 2017

Expiry by Gross Rental Income



Expiry by NLA

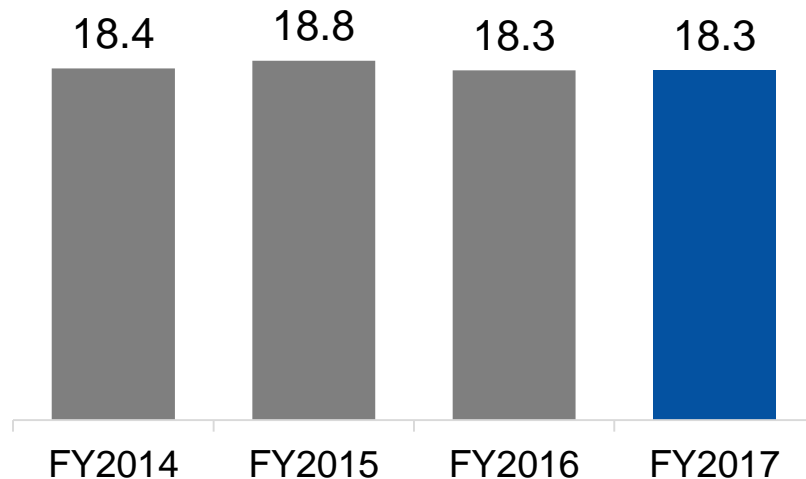


Note:

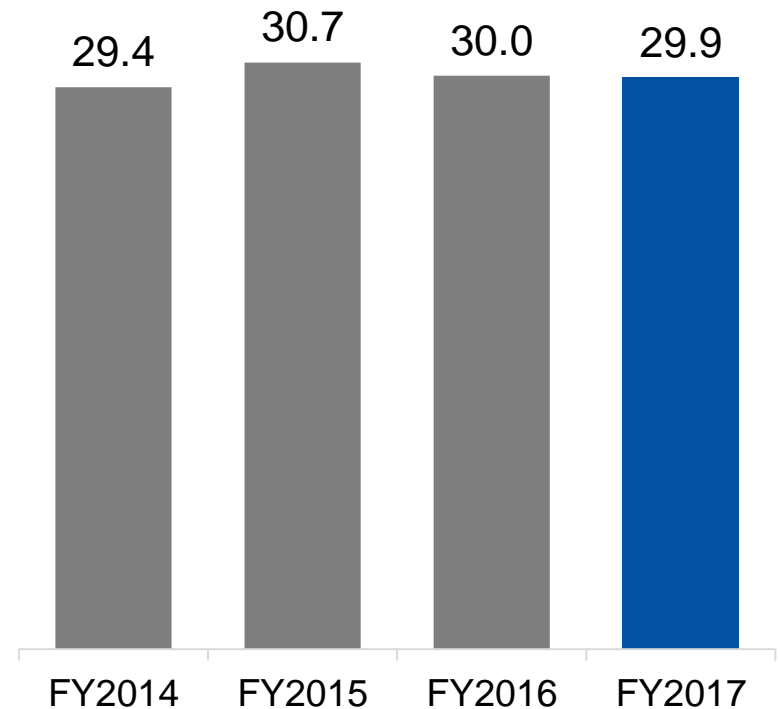
(a) The Clementi Mall officially opened in May 2011 with first lease renewal cycle in 2014.

# Steady visitor traffic

## Paragon



## The Clementi Mall



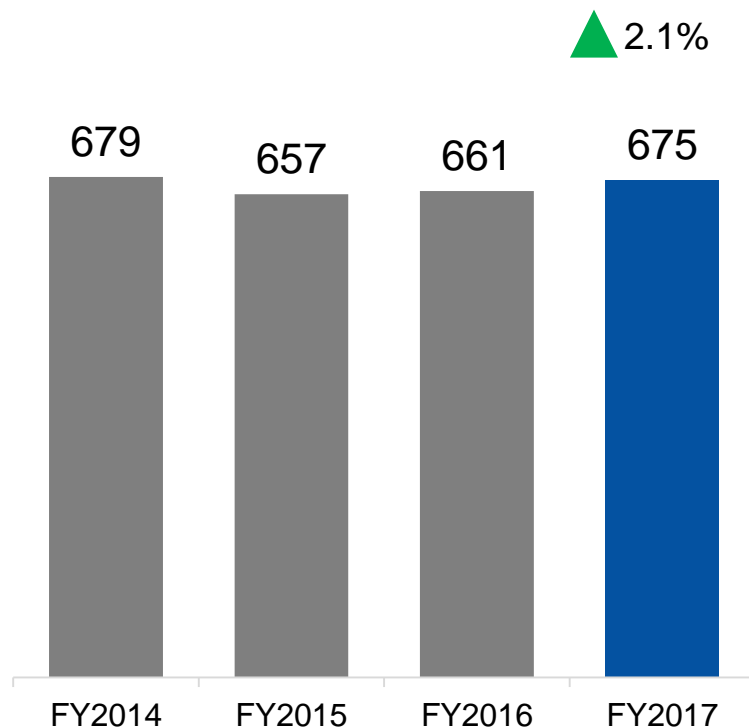
Note:

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

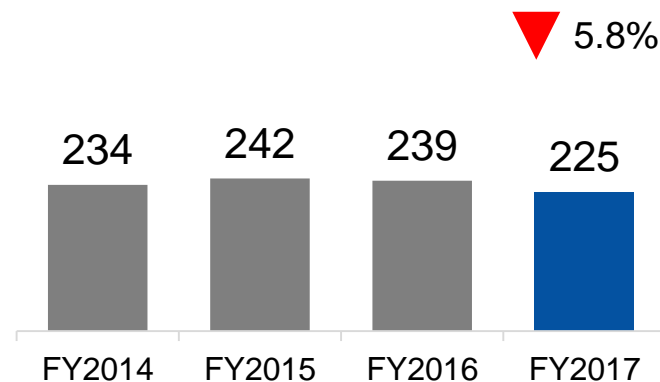
(b) All figures are in millions

# 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<sup>(1)</sup> 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



Amazing performances beyond labels of disability



Unique ski dash challenge



Engagement with community

# Refresh tenancies

## Paragon



New tenant - LaiChan



Flagship - Nike



New concept – 63 Celsius

## The Clementi Mall



New tenant – So Pho



New tenant – Maki San



New tenant – Chateraise



# Continual asset enhancement

## Air Handling Unit (“AHU”) decanting project in Paragon

- Replacing aging AHUs with fan coil unit (“FCU”) and convert about 7,000 sqft back-of-house space into revenue generating net lettable area (“NLA”) at retail levels.
- Mutli-phased approach from September 2015 to mid 2018 to minimise disruption to tenants.
- Phase 1 was completed with newly created net lettable area at Level 1 for new concept “Greyhound Café” and flagship store “Emporio Armani”.
- Phase 2 is scheduled to complete in mid 2018 and the created NLA will be redistributed to retail space at Level 2 to 5.



First Greyhound Café in Singapore



Emporio Armani flagship store

# Market outlook

- **Outlook for Singapore economic growth is expected to moderate but remain firm**
  - The Ministry of Trade and Industry (MTI) reported that the Singapore economy grew by 5.2% year-on-year in third quarter of 2017, faster than the 2.9% growth in the previous quarter.
  - MTI has revised the economic growth forecast for 2017 to “3.0% to 3.5%”, from “2.0% to 3.0%”.
- **The retail environment remains muted**
  - The retail sales index (excluding motor vehicles) grew by 2.4% (year-on-year) in Q3 2017 and 2.5% in Q2 2017, reversing the decline in Q1 2017 (1.0%).
  - Key trade segments registered increase in sales in Q3 2017, including departmental stores (4.6%), watches & jewellery (4.5%) and wearing apparel & footwear (4.1%).
- According to the Singapore Tourism Board (STB), the international visitor arrivals (IVA) recorded a 4.0% y-o-y growth in the first eight months of 2017. Tourism receipts grew by 10.0% to S\$12.7 billion in the first half year of 2017.

# Thank You

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

