

Starhill Global REIT Annual General Meeting

27 October 2023

- Singapore • Australia • Malaysia • Japan • China



- Overview of Starhill Global REIT
- Financial Highlights
- Operational Review
- Rejuvenating the Portfolio
- Going Forward



Overview of Starhill Global REIT

Overview of Starhill Global REIT



Quality Assets

- Portfolio valued at ~**S\$2.8 billion** as at 30 June 2023
- **Nine mid-to high-end** predominantly retail properties in six Asia Pacific cities



Strategic Locations

- **Landmark assets** at prime locations
- **Excellent connectivity** to transportation hubs



Diversified Portfolio

- **Core markets:** Singapore, Australia, Malaysia
- Contribution to FY 2022/23 revenue: Retail (~85%) & Office (~15%)



Strong Sponsor

- Our sponsor YTL Group has a combined market capitalisation of **US\$5.7 billion** as at 30 June 2023
- Owns ~37.8% of SGREIT



Healthy Financials

- **“BBB” corporate rating** by Fitch Ratings
- Gearing of 36.7% as at 30 June 2023
- Average debt maturity of 3.4 years
- Component stock of FTSE EPRA NAREIT Global Developed Index



Financial Highlights

Stable Financial Performance



S\$ million	FY22/23	% change (y-o-y)	Comments
Gross Revenue	S\$187.8	+0.7%	<ul style="list-style-type: none"> Higher contributions from Singapore portfolio Completion of Asset Enhancement Works at The Starhill
Net Property Income (NPI)	S\$147.8	+2.2%	<ul style="list-style-type: none"> Lower rental assistance Partially offset by foreign exchange weakness and loss of income from divestment
Income Available for Distribution	S\$88.9	-0.9%	<ul style="list-style-type: none"> Higher NPI Offset by higher net finance costs and tax expenses
Income to be Distributed	S\$85.6	+0.7%	<ul style="list-style-type: none"> S\$3.3m retained for working capital requirements
DPU (cents)	3.80	-	<ul style="list-style-type: none"> Translates to annual yield of 7.4% (based on closing unit price of 51.5 cents as at 30 June 2023)

Financial Metrics



	30 June 2023	30 June 2022
Total debt	S\$1,049 mil	S\$1,085 mil
Gearing	36.7%	36.2%
Interest cover	3.4x	3.4x
Adjusted interest cover⁽¹⁾	3.1x	3.1x
Average interest rate p.a.	3.67%	3.18%
Weighted average debt maturity	3.4 years	3.5 years
Fixed/hedged debt ratio	84%	93%
Corporate rating	BBB ⁽²⁾	BBB

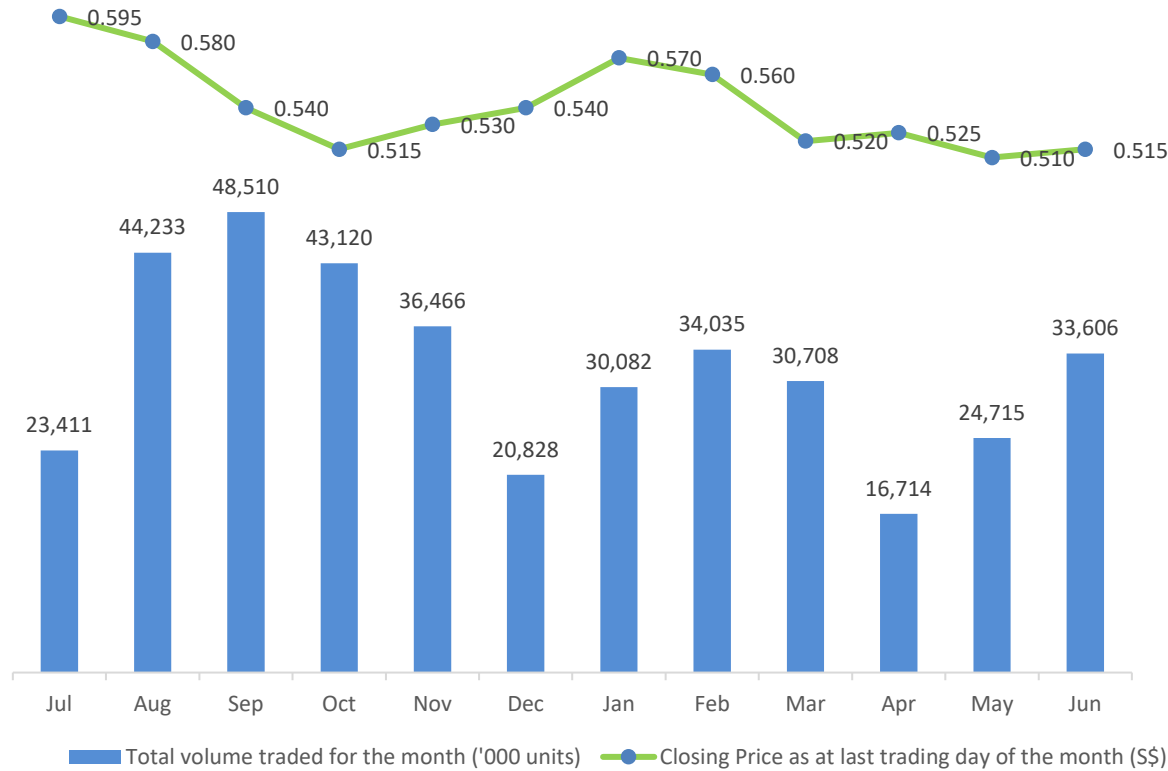
Notes:

1. Includes distribution on perpetual securities.
2. Placed on rating watch negative by Fitch Ratings following the Myer arbitration announcement in March 2023.

Trading Performance for FY22/23



**SGREIT Unit Price and Trading Volume
1 Jul 2022 to 30 Jun 2023**



Liquidity statistics

Average daily traded volume for FY22/23 (units) 1.5 mil

Estimated free float⁽¹⁾ ~62%

Market cap (S\$)⁽²⁾ S\$1,161 mil

Source: Bloomberg

Notes:

- Free float as at 30 June 2023. The stake held by YTL Group is approximately 37.8% as at 30 June 2023.
- By reference to Starhill Global REIT's closing price of S\$0.515 per unit as at 30 June 2023. The total number of units in issue as at 30 June 2023 is 2,254,288,304.



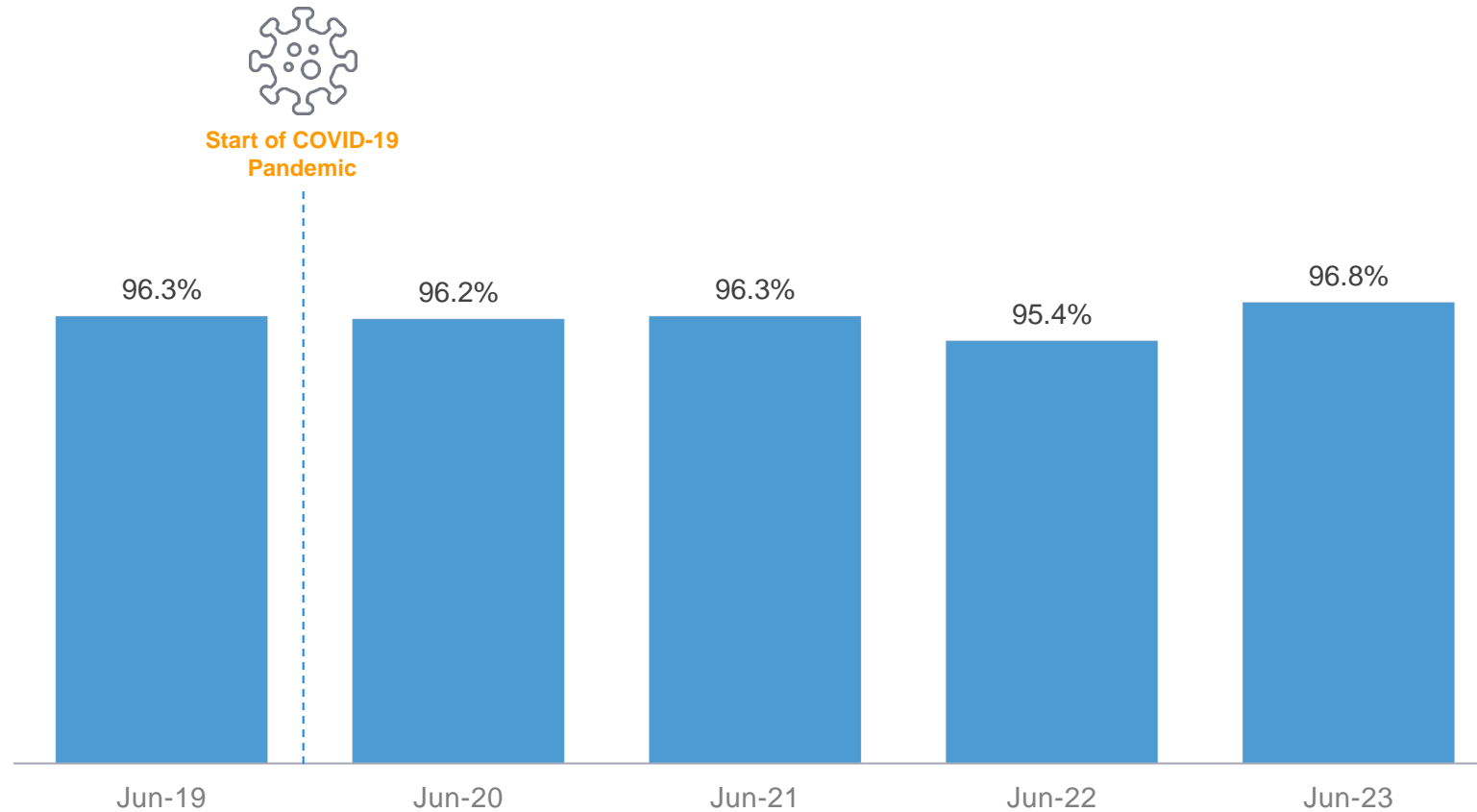
Operational Review

Stable Portfolio Occupancy

Committed Portfolio Occupancy of 97.7% with the Singapore Properties achieving full occupancy on a committed basis



Starhill Global REIT Portfolio Occupancy⁽¹⁾



Portfolio Occupancy by Geography⁽²⁾



Notes:

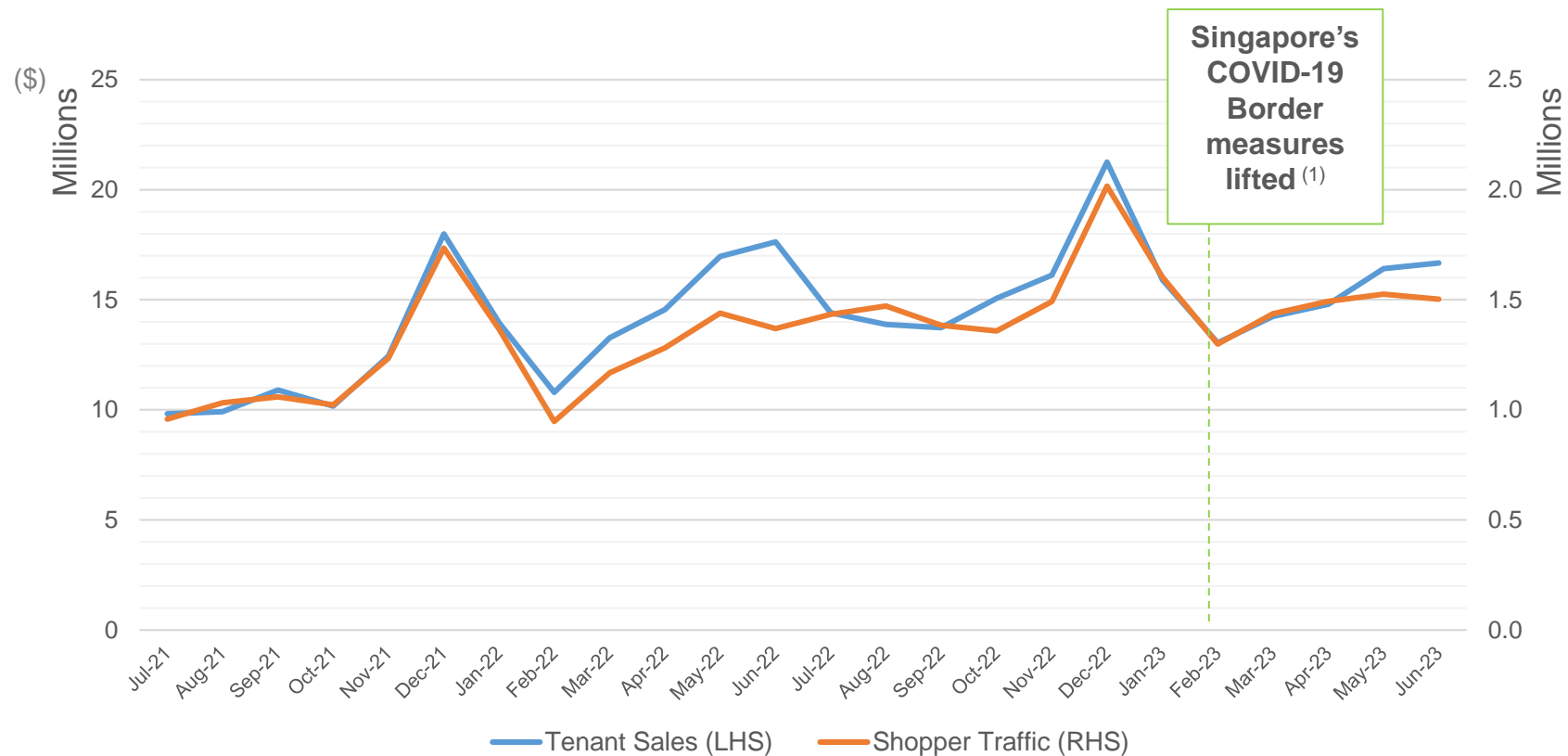
- 1. Based on commenced leases as at reporting date.
- 2. As at 30 June 2023.

Tenant Sales and Shopper Traffic - Wisma Atria Property

Further improvement in sales and traffic following complete lifting of measures



Monthly Tenant Sales and Shopper Traffic (Jul 2021 – Jun 2023)



➔ In FY22/23, tenant sales and shopper traffic increased by 17.1% and 23.3% y-o-y respectively, following the lifting of Singapore's COVID-19 related border measures and completion of renovation works at Wisma Atria Property

Note:

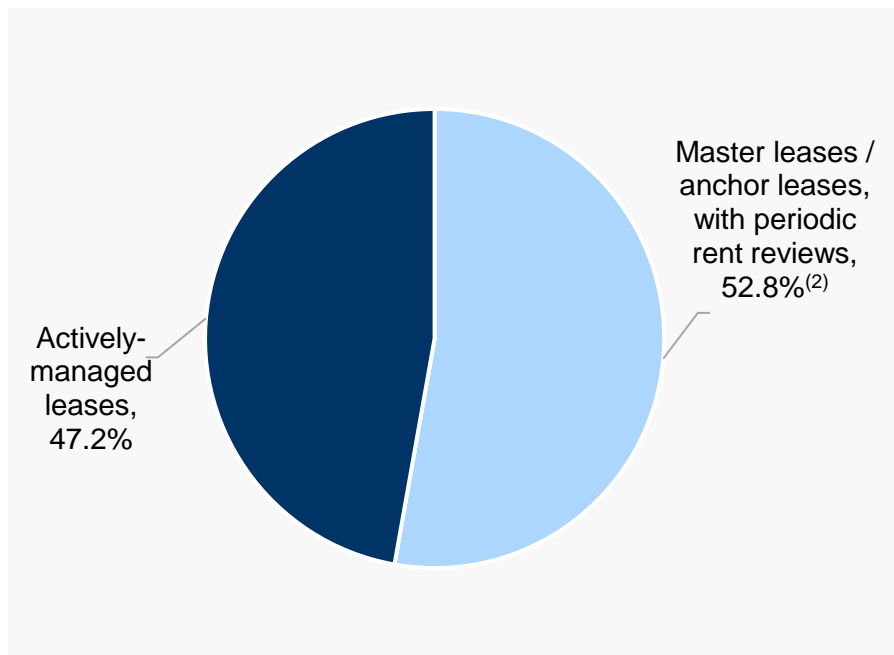
1. From 13 February 2023, Singapore lifted all COVID-19 related border measures.

Master / Anchor Leases and Office Portfolio provide Resilience

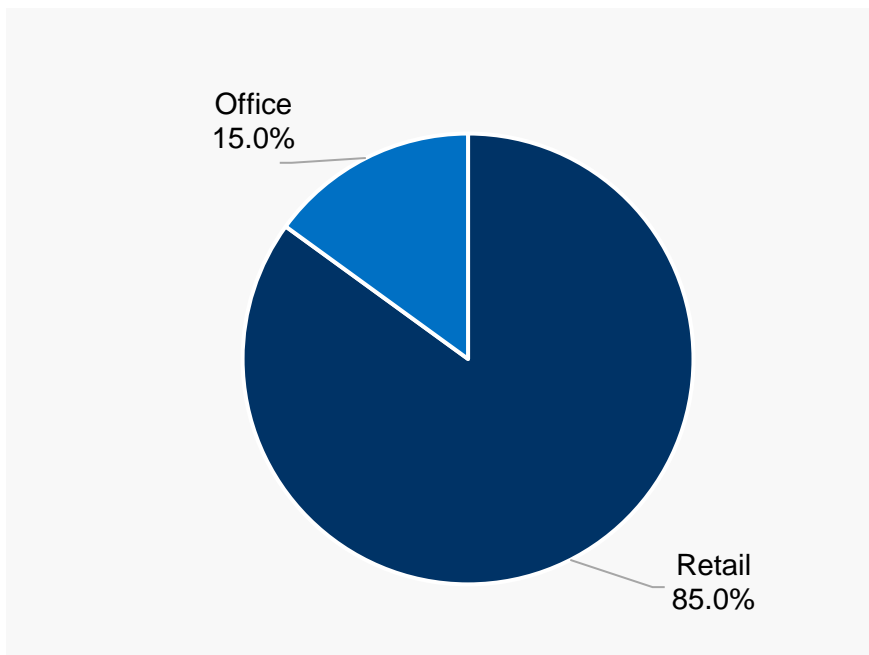


Balance of master / anchor leases & actively-managed leases

(By Gross Rent as at 30 June 2023)



FY22/23 Gross Revenue Retail / Office



Key tenants include:



Ngee Ann City Property Retail (Singapore)
The Toshin master lease expires in 2025.



The Starhill & Lot 10 Property (KL, Malaysia)
New master tenancy agreements expiring in December 2038 and June 2028⁽¹⁾ for The Starhill and Lot 10 Property respectively, with periodic rental step-ups.

MYER

Myer Centre (Adelaide, Australia)
Anchor lease expires in 2032 and provides for an annual rent review.



David Jones Building (Perth, Australia)
Anchor lease expires in 2032 and provides for upward-only rent review every three years. A rental uplift was secured in August 2023.

Notes:

1. Assuming the option to renew for the third three-year term for Lot 10 Property is exercised.
2. Excludes tenants' option to renew or pre-terminate.

Valuation of Investment Properties

Description	30-Jun-23 S\$'000	30-Jun-22 S\$'000	Change S\$'000	Change %	Cap rate 30-Jun-23 %
Ngee Ann City Property	1,130,400	1,131,500	(1,100)	(0.1%)	4.70% (Retail) 3.70% (Office)
Wisma Atria Property	828,305	838,455	(10,150)	(1.2%)	4.75% (Retail) 3.70% (Office)
Australia Properties ⁽¹⁾	357,484	422,537	(65,053)	(15.4%)	6.50% (Perth) 6.86% (Adelaide)
Malaysia Properties ⁽²⁾	391,034	420,695	(29,661)	(7.1%)	6.00%-6.25% ⁽⁶⁾ 6.50%-7.00% ⁽⁶⁾
Japan Properties ⁽³⁾	34,935	50,734 ⁽⁷⁾	(15,799)	(31.1%)	3.40%
China Property ⁽⁴⁾	25,653	29,373	(3,720)	(12.7%)	5.00%
Total ⁽⁵⁾	2,767,811	2,893,294 ⁽⁷⁾	(125,483)	(4.3%)	
Total (excluding Daikanyama) ⁽⁵⁾	2,767,811	2,879,513	(111,702)	(3.9%)	

Notes:

- Translated as at 30 June 2023 at A\$1.11:S\$1.00 (2022: A\$1.04:S\$1.00).
- Translated as at 30 June 2023 at RM3.44:S\$1.00 (2022: RM3.17:S\$1.00).
- Translated as at 30 June 2023 at JPY106.77:S\$1.00 (2022: JPY97.96:S\$1.00).
- Translated as at 30 June 2023 at RMB5.35:S\$1.00 (2022: RMB4.81:S\$1.00).
- Including right-of-use assets following the adoption of FRS116.
- The valuation assumed a term cap rate of 6.00%-6.25% and reversionary cap rate of 6.50%-7.00% for the Malaysia Properties.
- Included Daikanyama which has been divested for a cash consideration of JPY1,877.7 million (or approximately S\$18.9 million) in January 2023.

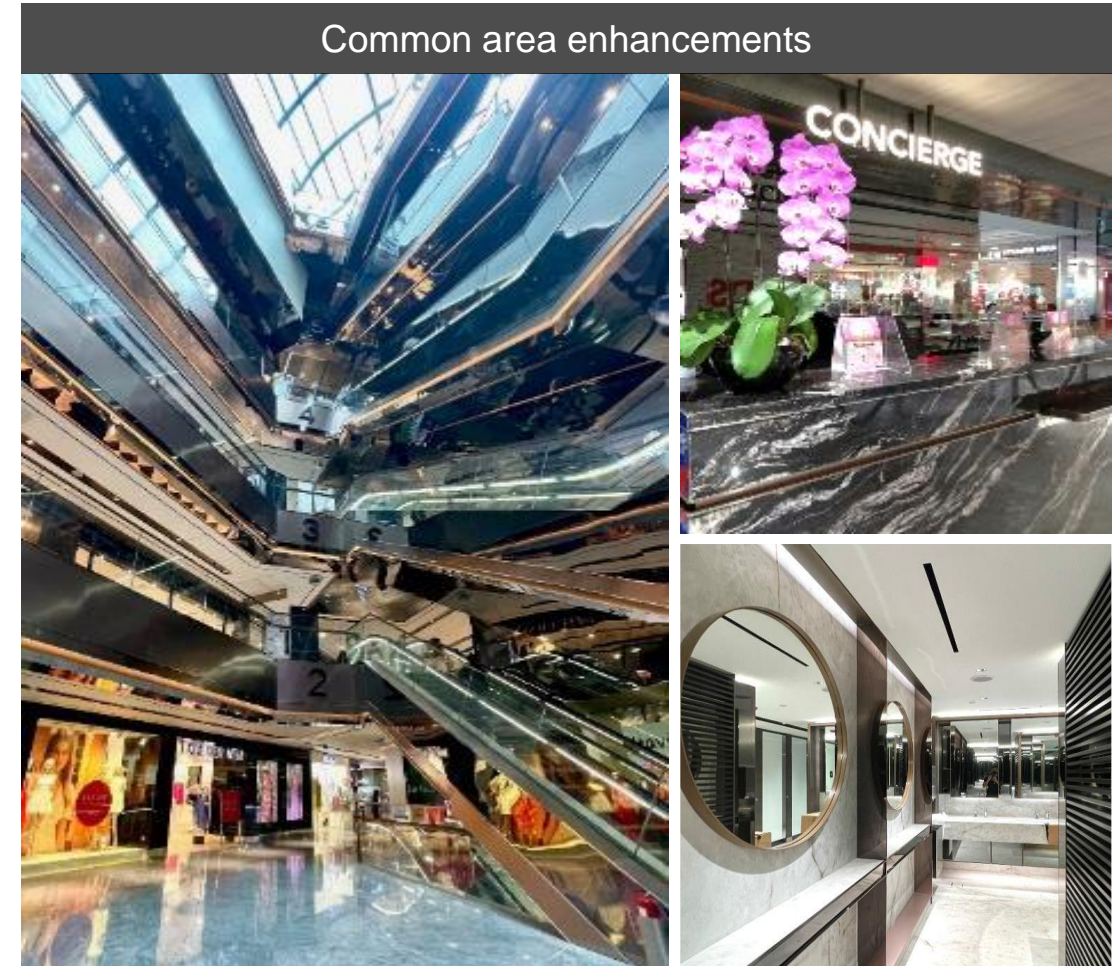


Rejuvenating the Portfolio

Wisma Atria - Interior Upgrading Works to maintain its appeal as a Premier Lifestyle Mall



- Rejuvenation works carried out during the pandemic when opportunity cost was low, were completed in 1Q2023
- Upgrading works amounting to about S\$15 million include the refurbishment of common corridors, balustrades, concierge, toilets and lighting enhancements
- The mall remained operational throughout the upgrading works
- Upgrading works contributed to the mall's full committed occupancy as at June 2023



Next Phase of Wisma Atria Rejuvenation Works in the Basement

- ➔ Next phase of interior upgrading works will be at the high foot traffic basement, which connects directly to Orchard MRT station
- ➔ Includes modernising the interior, widening of MRT entrance portal, reconfiguration of central space with the introduction of a new hip artisan bakery cafe, as well as enhanced signages to create better awareness of our retail offerings
- ➔ Estimated to cost about S\$3.5 million, the renovation has already commenced and is expected to complete in March 2024
- ➔ The works will be carried out in various phases, and will have minimal disruption to tenants and operations as works will be conducted at night, and at least one pair of escalators will remain operational throughout the upgrade



Asset Enhancement Works for The Starhill – Home of the Tastemakers



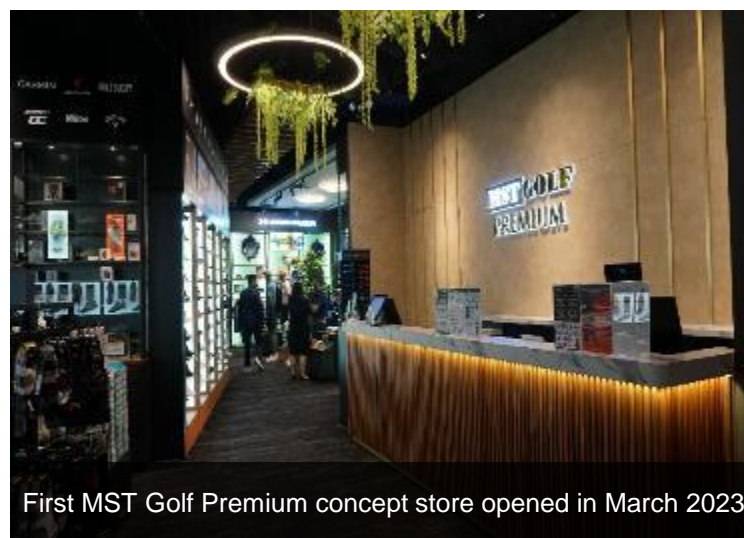
- ➔ Asset Enhancement Works completed in December 2021 amounting to RM175 million
- ➔ Repositioned as The Starhill – Home of the Tastemakers
- ➔ The Starhill is now an integrated development with four lower floors of retail and three upper floors for hospitality use
- ➔ Tenants include South East Asia's first Eslite Spectrum, the flagship stores of Paul & Shark, Roberto Coin and Stefano Ricci, as well as a redesigned Rolex boutique



New Tenants at The Starhill



South East Asia's first Eslite Spectrum bookstore opened in December 2022



First MST Golf Premium concept store opened in March 2023



New Era opened its flagship store in April 2023

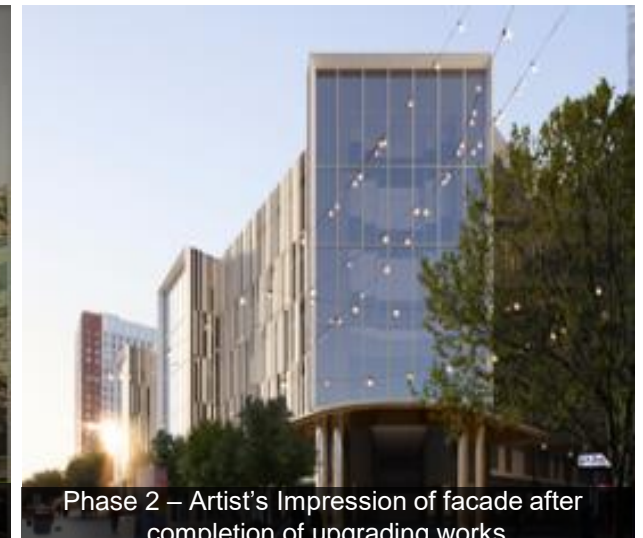
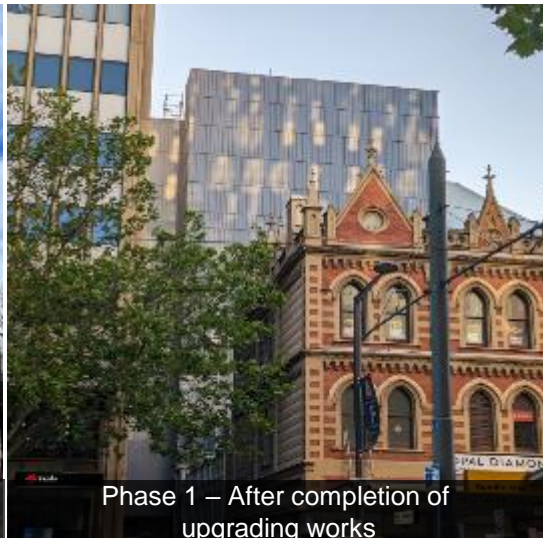


Premium streetwear store Stealplug opened in June 2023

Facade Rejuvenation at Myer Centre Adelaide



- ➔ Phase 1 of façade upgrading works was completed at end of 2022, included cladding replacement at North, East and West façades
- ➔ Phase 2 of façade upgrading works commenced in April 2023 and includes a facelift to modernise South façade, improving aesthetics and safety. Completion is expected by early 2024



South Australia's first UNIQLO store opens at Myer Centre Adelaide

- Leveraging on existing relationships, SGREIT partnered UNIQLO in its first store in South Australia on 24 November 2022. UNIQLO opened its first Perth store in SGREIT's Plaza Arcade in 2018
- At approximately 10,500 sq ft, the store features prominently along the Rundle Mall entrances of the Myer Centre Adelaide
- The opening day drew crowds of over 3,000 customers
- Overall sales performance has been strong to-date, with the store attracting large crowds during the Black Friday weekend



Divestment of Daikanyama at a Premium over Valuation and Acquisition Price

- Completed the divestment of Daikanyama for JPY1,877.7 million (approximately S\$18.9 million⁽¹⁾) in January 2023
- Transacted price represents a 39.1% and 2.9% premium over the last valuation⁽²⁾ and acquisition price⁽²⁾ respectively, at a yield of 2.77%⁽³⁾
- Net proceeds from the sale have been substantially used to prepay the Yen borrowings
- Provides greater financial flexibility and capacity to focus on new assets that align with growth strategy



Notes:

1. Based on exchange rate of S\$1:00 : JPY99.10.
2. Based on the independent valuation of JPY1,350 million as at 30 June 2022 conducted by CBRE K.K.. Purchase price of Daikanyama acquired on 30 May 2007 was at JPY1,824.2 million.
3. Based on the net property income for the financial year ended 30 June 2022.



ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Fostering a Sustainable Future in FY22/23

Green Certifications

- Attained green certifications for 50% of portfolio by NLA as at 30 June 2023
- Japan Property achieved “Rank S” rating for CASBEE
- Myer Centre Adelaide (MCA) achieved NABERS Energy rating for office and retail
- China Property attained LEED Gold certification
- **Targets for FY23/24 and beyond:**
 - Attain green certifications for at least 60% of portfolio by NLA by 2030
 - Attain Green Building Index (GBI) certification for Lot 10 Property
 - Improve NABERS Energy rating for MCA (Retail) from 3.5 stars
 - Attain NABERS Water rating for Australian assets



Electric Vehicle (EV) Charging Points

- Total of 12 parking lots in our portfolio equipped with EV charging capabilities
- Target to install an additional 6 parking lots in Wisma Atria in FY24/25



Going Forward



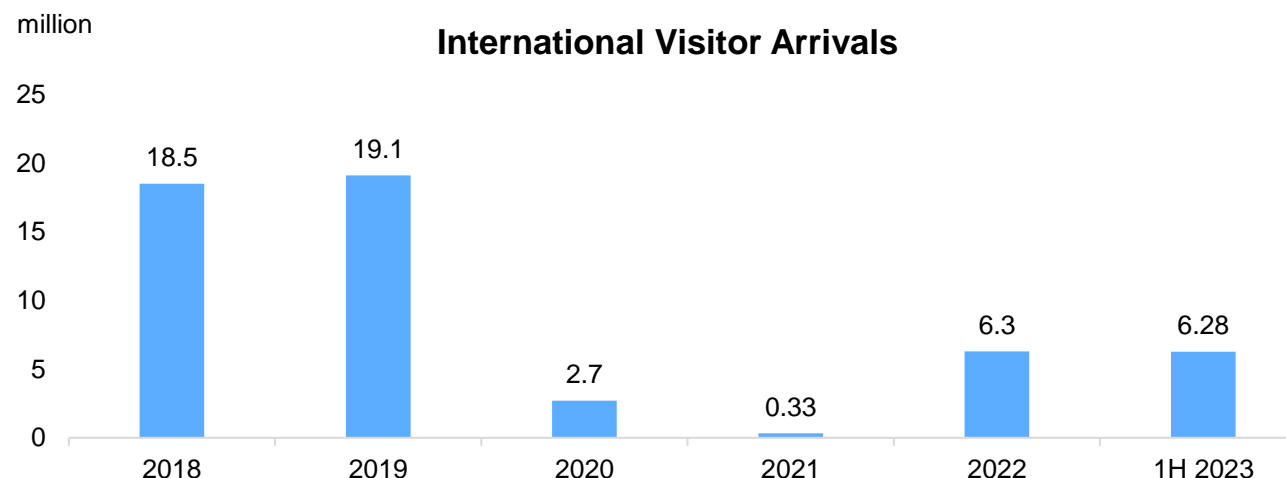
Singapore Tourism Recovery

2023 Outlook⁽¹⁾

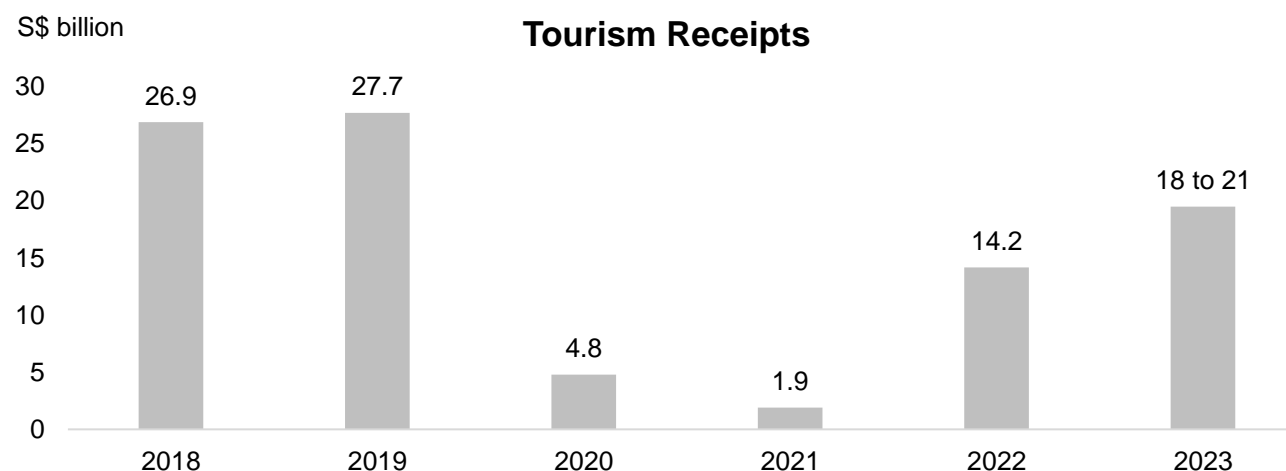
- Singapore's visitor arrivals reached 6.3 million in 1H 2023, representing a 317.8% yoy increase. However, this is only 67.4% of the pre-pandemic level recorded in 1H 2019⁽²⁾
- Singapore Tourism Board forecasts international visitor arrivals to hit 12 million to 14 million in 2023. Barring unforeseen circumstances, full tourism recovery is expected by 2024
- Tourism receipts are anticipated to climb to S\$18-S\$21 billion from S\$14.2 billion in 2022

Notes:

1. CBRE Singapore.
2. Singapore Tourism Board.



Source: Singapore Tourism Board, CBRE, 2Q 2023



Source: Singapore Tourism Board

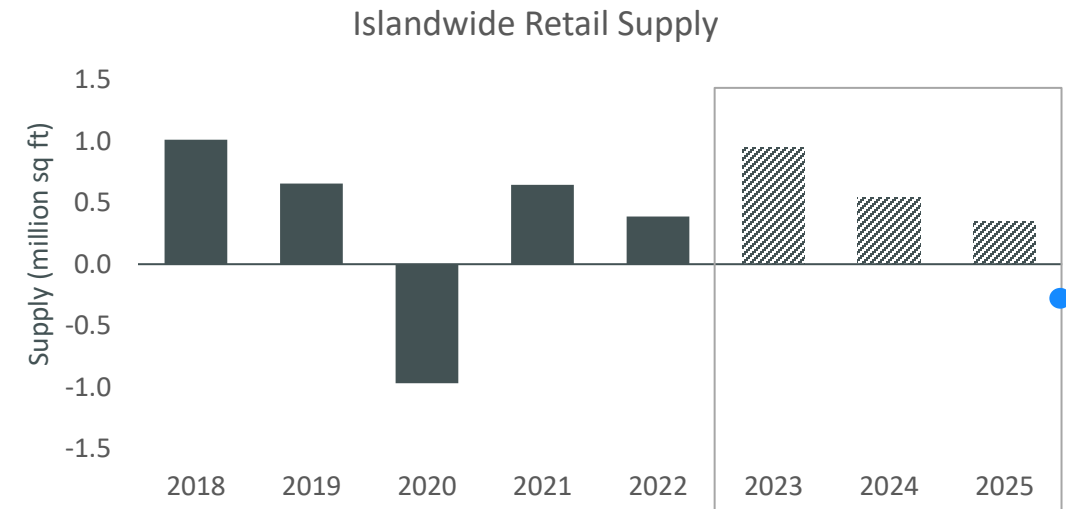
Singapore Retail⁽¹⁾

Rents expected to gradually recover in 2023

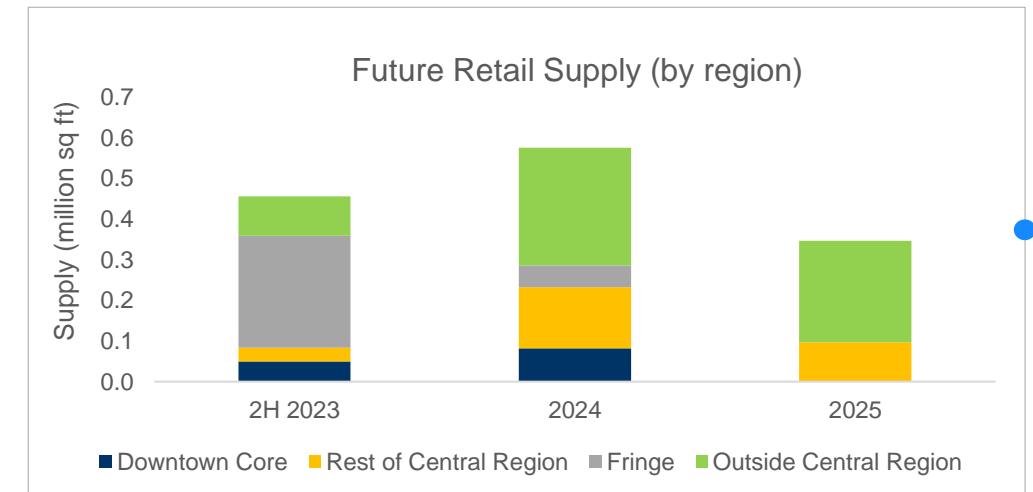


- All submarkets recorded growth in 2Q 2023. Prime rents in Orchard Road, which have grown for the past four consecutive quarters, grew by 1.0% qoq and 2.9% yoy
- Future completion supply from 2023 to 2025 is expected to average 0.6 million sq ft, in line with the historical 5-year annual average (2018-2022), with no new supply in Orchard Road
- Rising operating costs and interest rates mitigated by tourism recovery, return of office workers, and no known new retail supply in Orchard Road

Notes:
1. CBRE Singapore.
2. CBRE revised its basket of prime retail properties since 1Q 2021 by removing some of the older malls in Orchard Road.



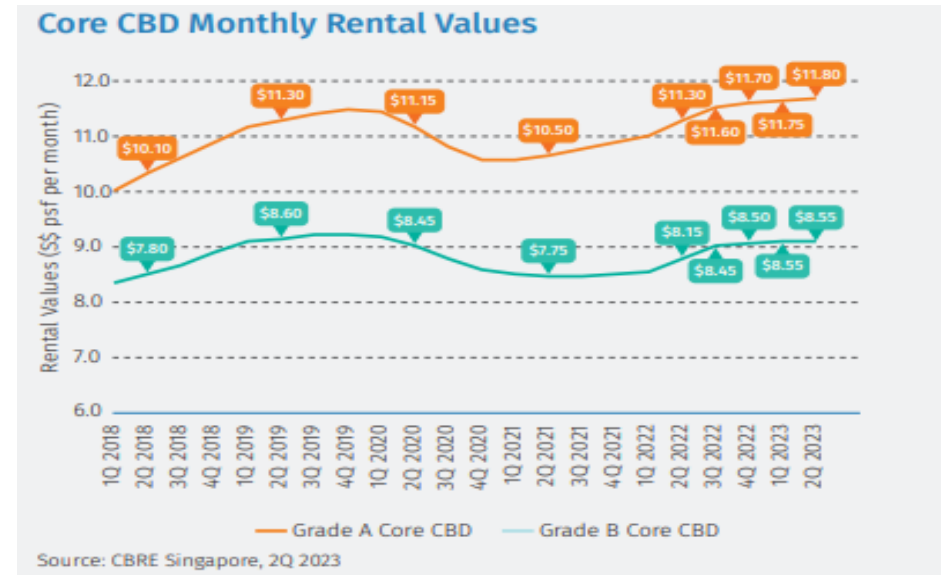
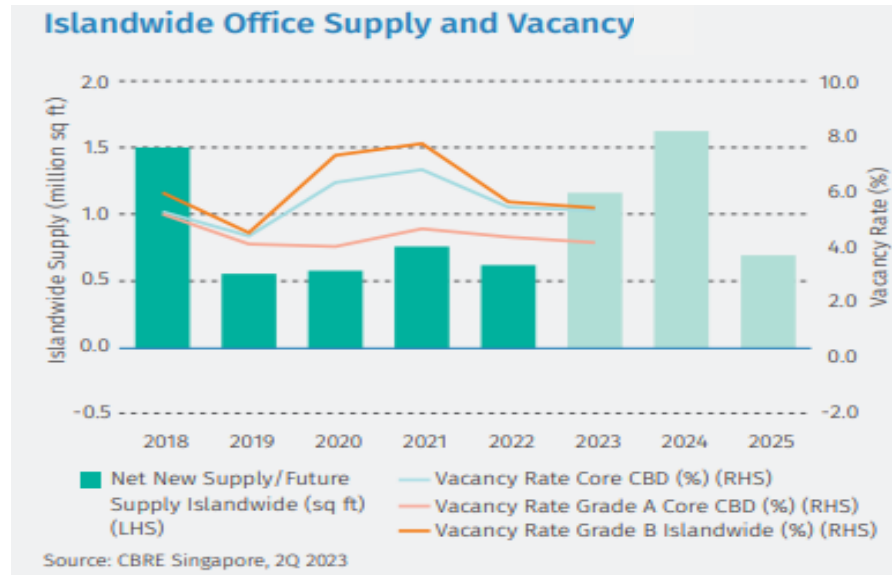
Source: CBRE Singapore, 2Q 2023



Source: CBRE Singapore, 2Q 2023

Singapore Office⁽¹⁾

Office market to remain stable. Orchard Road office is differentiated



- ➔ Grade A Core CBD office rents increased 0.4% qoq or 4.4% yoy growth in 2Q 2023, due to flight-to-quality by occupiers and tight prevailing vacancies. Grade B Core CBD office rents remain unchanged qoq but grew 4.9% yoy in 2Q 2023
- ➔ Rental growth to be subdued amid weakening economy and presence of shadow space, mitigated by low vacancies amidst shrinking pool of quality spaces in the CBD
- ➔ Orchard Road micro market remains differentiated with occupiers such as retailers, aesthetics and financial sector

Note:

1. CBRE Singapore.

Singapore

Thomson-East Coast Line (TEL) Orchard Road MRT Station in operation since end-2022



Thomson-East Coast Line (TEL)

Projected daily ridership: 500,000

Number of stations: 32

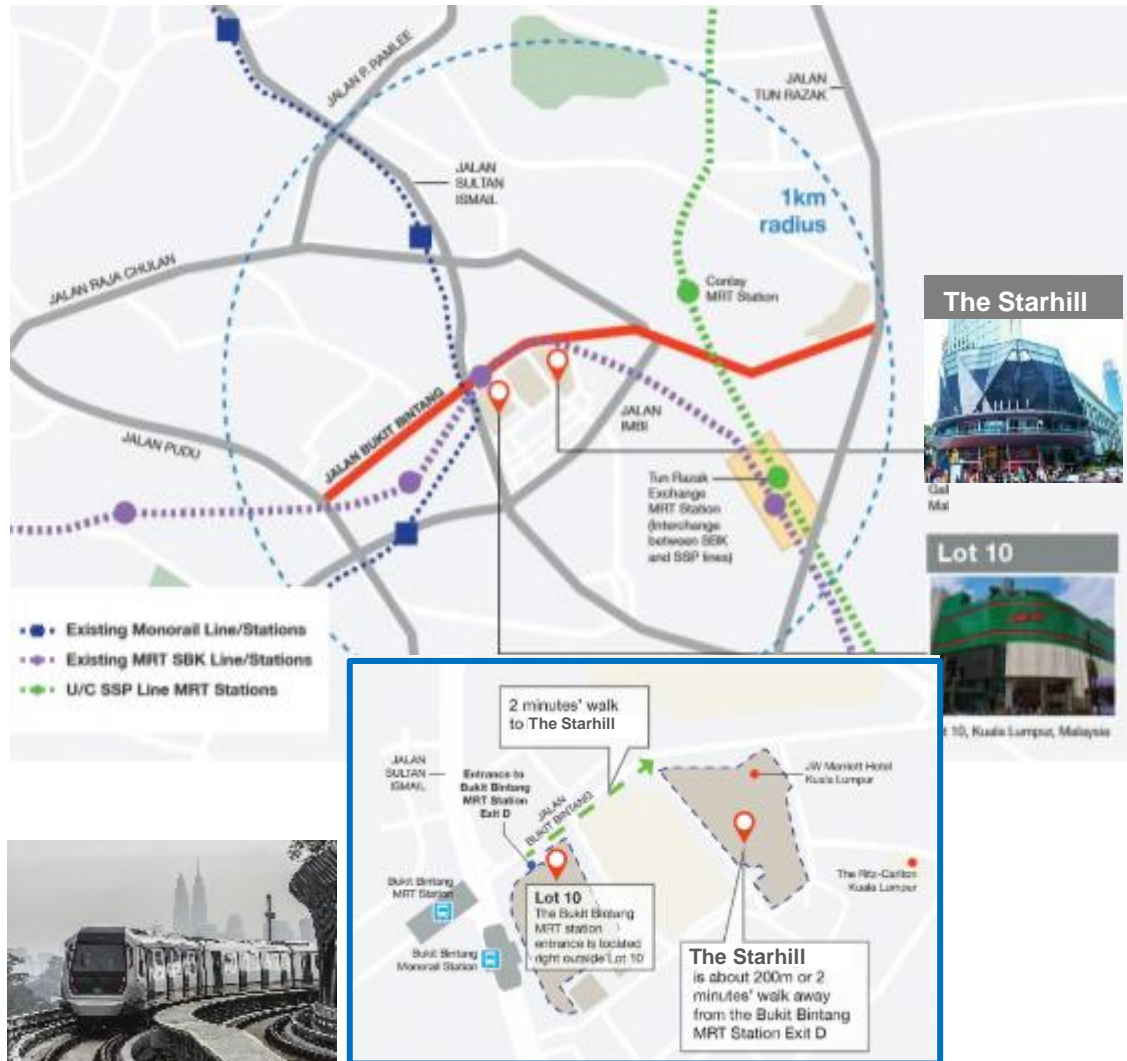


Project	Description
Stage 1	Woodlands North – Woodlands South (3 stations)
Stage 2	Springleaf – Caldecott (6 stations)
Stage 3	Mount Pleasant – Gardens by the Bay (13 stations)
Stage 4	Founder’s Memorial – Bayshore (8 stations) (around 2024)
Stage 5	Bedok South – Sungei Bedok (2 stations) (around 2025)
Thomson-East Coast Line Extension	Sungei Bedok – Changi Airport (3 stations) Changi Airport – Tanah Merah (Conversion from EWL to TEL)

* Mount Pleasant and Marina South stations will open upon completion of the surrounding housing developments
The Straits Times

Malaysia

New MRT network in Klang Valley



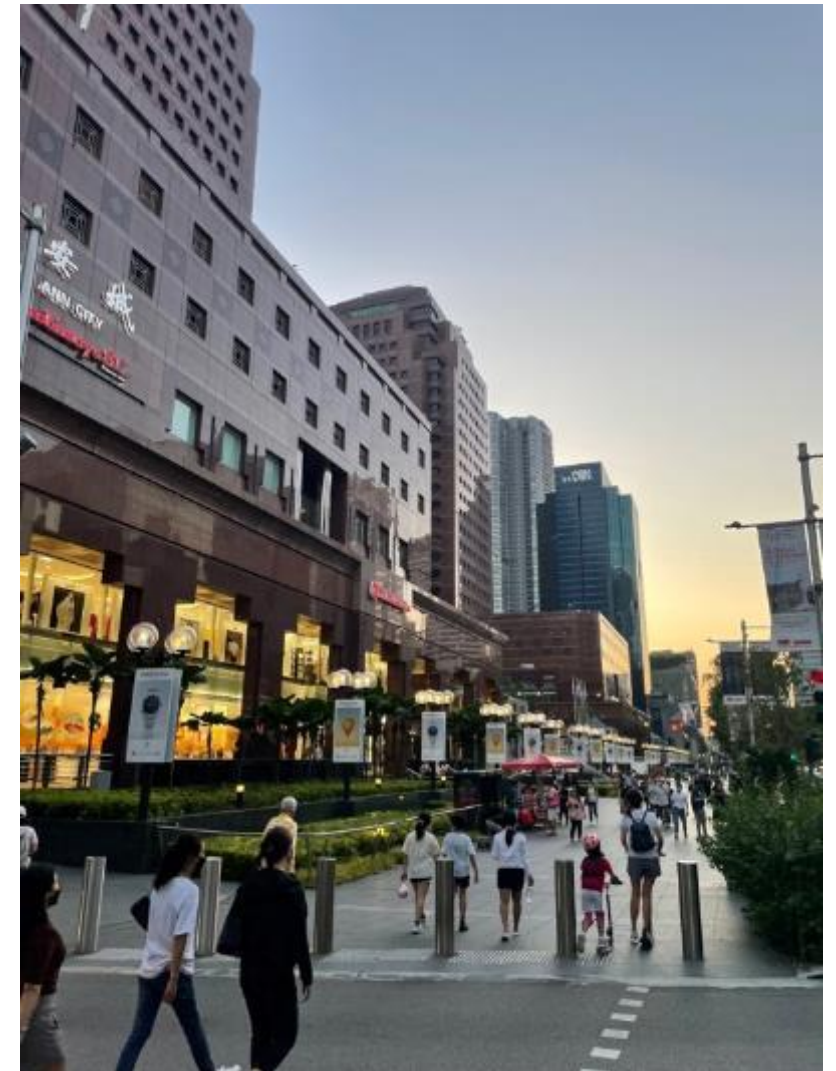
- ➔ The Bukit Bintang MRT Station along the MRT Kajang Line has been in operation for several years, connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city
- ➔ An exit from the MRT station is located in front of the Lot 10 Property, providing commuters greater accessibility to the mall and The Starhill
- ➔ Phase One and Two of the MRT Putrajaya Line began operation in June 2022 and March 2023 respectively. Two stations along the Putrajaya Line are within 15 minutes' walk to The Starhill and Lot 10 Property. The new MRT line is expected to serve a population of approximately two million people ⁽¹⁾

Note:

1. Mass Rapid Transit Corporation Sdn Bhd.

Discerning and Careful in our Expansion Plans

- Recovery has been uneven at this juncture but trending in the right direction
- Hospitality, tourism, aviation and retail sectors will continue its upward trajectory as governments ease domestic and border restrictions
- Elevated geopolitical tensions, inflationary pressures, higher interest rates and tight labour market may dampen global economic recovery
- However, given our rejuvenated portfolio, healthy balance sheet and liquidity, Starhill Global REIT is in a good position to forge ahead to leverage opportunities that may arise, while remaining vigilant and steadfast





Thank you



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