



**Media release by:** YTL Starhill Global REIT Management Limited (YTL Starhill Global)

**Manager of:** Starhill Global Real Estate Investment Trust (SGREIT)

## **SGREIT reports total DPU payout of 1.88 cents for 1H FY20/21**

### **HIGHLIGHTS**

- **DPU for 1H FY20/21 stood at 1.88 cents<sup>1</sup>, 16.8% lower than 1H FY19/20 largely due to rental assistance for its eligible tenants affected by the COVID-19 pandemic**
- **Portfolio actual occupancy remains resilient at 96.0% as at 31 December 2020, with stable retail portfolio occupancy of 96.9%**

**SINGAPORE, 28 January 2021** – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the first half year ended 31 December 2020 (1H FY20/21). Revenue for SGREIT Group for 1H FY20/21 eased 8.6% over the previous corresponding period of first half year ended 31 December 2019 (1H FY19/20) to S\$88.4 million and net property income (NPI) for 1H FY20/21 inched down by 12.3% over 1H FY19/20 to S\$65.0 million. The lower revenue and NPI were mainly due to rental assistance for its eligible tenants affected by the COVID-19 pandemic, including allowance for rental arrears and rebates for Singapore and Australia Properties, partially offset by the appreciation of Australian dollar against Singapore dollar and lower other operating expenses.

Income available for distribution for 1H FY20/21 was S\$43.2 million, a 14.4% decline over 1H FY19/20, mainly in line with the rental assistance for its eligible tenants affected by the COVID-19 pandemic. In view of the continuing headwinds caused by COVID-19, the Manager has exercised prudence by retaining S\$4.9 million of income available for distribution. The Manager will be paying out S\$3.1 million of deferred distributable income from FY19/20.

Distribution per Unit (DPU) to Unitholders for 1H FY20/21 was 1.88 cents<sup>1</sup>, representing a 16.8% decline over the previous corresponding period. This represents an annualised distribution yield of 7.41%<sup>2</sup>.

<sup>1</sup> Includes 0.14 cents from the release of FY19/20 deferred distributable income as allowed under COVID-19 relief measures announced by the Inland Revenue Authority of Singapore.

<sup>2</sup> Based on the closing unit price of S\$0.505 as at 31 December 2020 and annualised 1H FY20/21 DPU.

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SGREIT will be activating its maiden Distribution Reinvestment Plan (DRP) for the 1H FY20/21 distribution. Issue price of new units for this DRP will be announced on or around 5 February 2021. Unitholders can expect to receive their 1H FY20/21 DPU on 25 March 2021. Record date is on 5 February 2021 at 5.00 pm.

#### Overview of Starhill Global REIT's financial results

(S\$ million)	1H FY20/21	1H FY19/20	Y-O-Y Change (%)
Gross revenue <sup>3</sup>	88.4	96.7	(8.6)
Net property income <sup>3</sup>	65.0	74.1	(12.3)
Income available for distribution	43.2	50.5	(14.4)
Income to be distributed to Unitholders	41.4 <sup>4</sup>	49.4	(16.1)
<b>Distribution per Unit (cents)</b>			
- Total payout (include deferred portion <sup>1</sup> )	1.88	2.26	(16.8)
- Annualised (include deferred portion <sup>1</sup> )	3.74	4.48	(16.5)

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said: "2020 was a difficult year for the global commercial real estate sector as a result of COVID-19 which severely disrupted tenants' businesses and global economies. I am happy to note that stakeholders stood in solidarity and with the aid of governments around the world, we have managed to ride through this challenging period. The global economy is starting to recover and the outlook appears positive with the availability of vaccines. Whilst we remain vigilant given the fluidity of the pandemic, we intend to emerge stronger and seek out growth opportunities when they arise."

Mr Ho Sing, CEO of YTL Starhill Global, said: "We are encouraged by the improvement in tenants' sales and shopper traffic at our malls while portfolio occupancy remains stable. We have been working with our tenants to help them ride through this difficult period, including the provision of targeted relief support which impacted the financial performance in 1H FY20/21. While economic activities have gradually resumed, we continue to be cautious as travel restrictions and safe distancing measures remain in place, with recurring waves of infection in several countries. As part of our proactive capital management, we have recently issued our maiden perpetual securities and secured a five-year unsecured club loan facilities, which bolstered our financial position and liquidity."

<sup>3</sup> Net of rental rebates for eligible tenants.

<sup>4</sup> Approximately S\$4.9 million of income available for distribution for 1H FY20/21 has been retained for working capital requirements and includes the release of S\$3.1 million of FY19/20 deferred distributable income for 1H FY20/21 distribution.

### **Review of portfolio performance**

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 62.4% of total revenue, or S\$55.2 million in 1H FY20/21. NPI for 1H FY20/21 declined by 16.3% y-o-y to S\$42.1 million, mainly due to the rental assistance for its tenants. Singapore retail portfolio registered an actual occupancy of 96.0% as at 31 December 2020, with Ngee Ann City Property (Retail) being fully occupied as at 31 December 2020. Tenant sales and footfall traffic at Wisma Atria continue to recover gradually to about two-thirds and about half of pre-COVID-19 levels y-o-y in 1H FY20/21 following Phase 2 and Phase 3 re-opening, despite strict safe distancing measures and minimal tourist arrivals due to travel curbs. Singapore office portfolio remained resilient with an actual occupancy of 89.5% as at 31 December 2020.

As part of the overall re-positioning strategy for Wisma Atria Property to strengthen its food and beverage offerings and enhance its appeal as a premier lifestyle mall, popular brands like Unity Pharmacy, Beryl's and Skechers as well as new-to-market brands like Yanmi Yogurt and Sugar Toast have commenced their operations at Wisma Atria Property (Retail) in 1H FY20/21. Popular hotpot chain well-known for its food quality and service philosophy, Haidilao HotPot, is also expected to commence operations in 2H FY20/21.

SGREIT's Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 24.6% of total revenue, or S\$21.7 million in 1H FY20/21. NPI for 1H FY20/21 declined 7.3% y-o-y to S\$12.4 million largely due to lower contributions from the retail portfolio including allowance for rental arrears and rebates for eligible tenants affected by the COVID-19 pandemic, partially offset by the appreciation of Australian dollar against Singapore dollar. Most tenants have resumed business. Sales in Perth assets achieved pre-COVID-19 levels in 1H FY20/21. Australia's retail portfolio registered stable actual occupancy of 94.6% as at 31 December 2020. Unutilised space on Level 4 of Myer Centre Adelaide will be fully activated with the expansion of an existing tenant to the remaining vacant space on the level, leading to a higher committed occupancy of 93.1% as at 31 December 2020 for Myer Centre Adelaide.

SGREIT's Malaysia portfolio, comprising The Starhill and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 10.4% of total revenue, or S\$9.2 million in 1H FY20/21. NPI for 1H FY20/21 increased by 1.1% y-o-y to S\$8.7 million. Malaysia's first Jonetz by Don Don Donki store is expected to open at Lot 10 in 2H FY20/21. The asset enhancement works for The Starhill is expected to complete by December 2021. Upon completion, the luxury mall will feature Taiwan's renowned lifestyle bookstore chain, eslite spectrum, as its anchor tenant. The 70,191 sq ft flagship outlet targeted to open in 2022 will be its first store in Southeast Asia, taking up the entire Level 1 of the mall, including a street-fronting



food and beverage outlet on the ground floor. The Starhill will also feature new flagship boutiques such as Balmain, Philipp Plein, Tom Ford, Stefano Ricci and Paul & Shark, among others and returning brands with new concepts.

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China, and two properties located in central Tokyo, Japan, contributed 2.6% of total revenue, or S\$2.3 million in 1H FY20/21. NPI for 1H FY20/21 was S\$1.8 million.

### **Capital management**

As part of its proactive capital management, SGREIT issued its maiden S\$100 million perpetual securities in December 2020, which enhanced its financial flexibility and diversified its sources of funding. The net proceeds were largely used to repay A\$55 million term loan and existing debts drawn under its revolving credit facilities. Gearing decreased to 35.8% as at 31 December 2020. Additionally, SGREIT also recently entered into a five-year unsecured S\$550 million facility agreement for the refinancing of the S\$100 million medium term notes and S\$150 million unsecured term loan due in February and September 2021 respectively. Following the refinancing expected in 2H FY20/21, SGREIT does not have any term debt maturities in the next 12 months, save for the refinancing of A\$80 million term loan due in November 2021, which is currently in progress and covered by available undrawn committed revolving credit facilities.

### **Updates in view of COVID-19 pandemic**

Singapore entered Phase 3 of re-opening in December 2020, where up to eight people are allowed to gather or dine together and capacity limits in malls and large standalone stores are also increased<sup>5</sup>. Singapore began its COVID-19 vaccination exercise in December 2020<sup>6</sup>.

In Australia, mass vaccinations will begin in February 2021 with a target to vaccinate four million Australians by March 2021<sup>7</sup>. In Malaysia, Movement Control Order (MCO) has been re-introduced in most states including Kuala Lumpur from 13 January 2021 to 4 February 2021<sup>8</sup>. Except for essential services like food and beverage outlets catering to takeaways and deliveries, all retail activities at The

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<sup>5</sup> Gov.sg website, Moving into Phase 3 of Re-Opening on 28 Dec 2020, 14 December 2020.

<sup>6</sup> Today Online, Covid-19 vaccination in Singapore to begin on Dec 30, starting with healthcare workers, 27 December 2020.

<sup>7</sup> BBC News, Covid-19: Australia to begin mass vaccinations in February, 7 January 2021.

<sup>8</sup> CNA, Malaysia COVID-19 restrictions to be extended in 6 states, 3 federal territories until Feb 4, 21 January 2021.

Starhill and Lot 10 Property are temporarily halted during the duration of the MCO. While asset enhancement works for The Starhill are allowed to continue, some disruptions may be expected due to the additional measures in place for the construction workers.

Rental assistance for eligible tenants in the Group affected by the COVID-19 pandemic, including allowance for rental arrears and rebates for Singapore and Australia Properties, amounted to approximately S\$9.0 million in 1H FY20/21.

The Group's portfolio is characterised by its quality master retail leases in Singapore and Malaysia which make up about 32.5% of revenue in 1H FY20/21. Office portfolio contributed another 15.2% of revenue in 1H FY20/21. Additionally, as at 31 December 2020, the weighted average portfolio lease expiry by gross rent stood at 5.4 years while retail leases expiring in the financial year ending 30 June 2021 comprised 8.8% of gross retail rent. The Group's retail portfolio committed occupancy remained stable at 97.6% as at 31 December 2020.

SGREIT's unaudited financial results for 1H FY20/21 are available on its website ([www.starhillglobalreit.com](http://www.starhillglobalreit.com)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

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#### **About Starhill Global REIT**

*Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S\$2.9 billion.*

*These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia, The Starhill and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China and two properties in Tokyo, Japan. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio, through proactive leasing efforts and creative asset enhancements.*

*Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited, of which all of its shares are indirectly held by YTL Corporation Berhad.*

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