Media release by: YTL Starhill Global REIT Management Limited (YTL Starhill Global)
Manager of: Starhill Global Real Estate Investment Trust (SGREIT)

SGREIT reports DPU of 1.13 cents for 2Q FY18/19

HIGHLIGHTS

- **Singapore office portfolio recorded a 20.2% y-o-y rise in NPI for 2Q FY18/19 while Australia committed office occupancy more than doubled to 74.8%[1]**
- **Singapore retail portfolio's committed occupancy remained resilient at 99.2%[1] as at 31 December 2018**

SINGAPORE, 29 January 2019 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the three months ended 31 December 2018 (2Q FY18/19). Revenue for SGREIT Group in 2Q FY18/19 was S$51.0 million, easing 2.7% over the previous corresponding period of three months ended 31 December 2017 (2Q FY17/18). Net property income (NPI) for the SGREIT Group was S$39.5 million, a decrease of 2.4% over 2Q FY17/18. The higher contributions year-on-year (y-o-y) from Singapore offices were offset by lower contributions from the retail portfolio in Singapore and the depreciation of the Australian dollar. Notwithstanding that, overall committed occupancy for the Group improved to 96.6%[1] as at 31 December 2018 on the more than doubling of committed occupancy for Myer Centre Adelaide (Office).

Income available for distribution for 2Q FY18/19 decreased by 2.0% over 2Q FY17/18 to S$25.2 million. Distribution per Unit (DPU) for 2Q FY18/19 was 1.13 cents, lower by 3.4% over 2Q FY17/18 mainly due to lower NPI, higher interest costs and higher distributable income retained. This represents an annualised distribution yield of 6.59%[2]. Unitholders can expect to receive their 2Q FY18/19 DPU on 28 February 2019. Book closure date is on 8 February 2019 at 5.00 pm.

[1] Includes leases that have been contracted but have not commenced as at the reporting date.

[2] Based on the closing unit price of S$0.68 as at 31 December 2018.

Overview of Starhill Global REIT's financial results

(S$ million)	2Q FY18/19	2Q FY17/18	Y-O-Y change (%)	YTD FY18/19	YTD FY17/18	Y-O-Y change (%)
Gross revenue	51.0	52.5	(2.7)	103.1	105.4	(2.3)
Net property income	39.5	40.5	(2.4)	79.9	81.9	(2.3)
Income available for distribution	25.2	25.7	(2.0)	51.4	52.4	(2.0)
Income to be distributed to Unitholders	24.6[3]	25.5	(3.4)	49.7	51.7	(3.8)
Distribution per Unit (cents)						
- For the period	1.13	1.17	(3.4)	2.28	2.37	(3.8)
- Annualised	4.48	4.64	(3.4)	4.52	4.70	(3.8)

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said: "The global economy remains uncertain amidst challenging macroeconomic factors. Evolving consumer preferences continue to structurally change the way the global retail industry operates, thus creating new possibilities for us to rejuvenate our portfolio. We are exploring new concepts to reinvigorate Starhill Gallery in Kuala Lumpur, by tapping on the new vibrancy of Bukit Bintang following the completion of the new MRT station. Our strong financial standing and our prudence over the years will enable us to undertake such upgrading projects."

Mr Ho Sing, CEO of YTL Starhill Global, said: "Our office portfolio continues to deliver, with the Singapore office portfolio maintaining its upward momentum. The NPI for the Singapore office portfolio rose 20.2% y-o-y in 2Q FY18/19, while committed occupancy rose to 93.6%[1] as at 31 December 2018 from 89.4%[1] a year ago. In Australia, our office asset in Adelaide secured a new anchor tenant, which led to the more than doubling of its committed occupancy to 74.8%[1] as at 31 December 2018, amid an improving office landscape in Adelaide. Singapore retail occupancy continues to be resilient, achieving committed occupancy of 99.2%[1] as at 31 December 2018, albeit intense competition against a backdrop of an islandwide retail space oversupply and soft consumer sentiment. During the quarter, we have witnessed the opening of new retail tenants at Wisma Atria, such as e-commerce fashion retailer Love & Bravery, international multi-label sneakers-apparel store AW LAB and international cutting-edge

[3] Approximately S$0.5 million of income available for distribution for 2Q FY18/19 (2Q FY17/18: S$0.2 million) has been retained for working capital requirements.

fashion eyewear brand MUJOSH LAB, coupled with an expanded Food & Beverage offering by the new Paradise Dynasty flagship restaurant which opened in January 2019."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 62.0% of total revenue, or S$31.6 million in 2Q FY18/19. NPI for 2Q FY18/19 decreased by 2.3% y-o-y to S$25.1 million, mainly due to lower contributions from Singapore retail portfolio. The Singapore office portfolio maintains its upward momentum with revenue and NPI for 2Q FY18/19 rising by 10.6% and 20.2% y-o-y respectively, while committed occupancy rose to 93.6%[1] as at 31 December 2018 from 89.4%[1] as at 31 December 2017.

Singapore retail portfolio's actual and committed occupancies were 97.8% and 99.2%[1] respectively as at 31 December 2018, albeit at a softer rent. Ngee Ann City Property (Retail) maintained full occupancy. Wisma Atria Property (Retail) recorded actual and committed occupancies of 93.5% and 97.6%[1] respectively as at 31 December 2018, while achieving a 2.9% y-o-y tenant sales growth in the quarter. New tenants at Wisma Atria includes e-commerce fashion retailer Love & Bravery, international multi-label sneakers-apparel store AW LAB and international cutting-edge fashion eyewear brand MUJOSH LAB. Additionally, the opening of the new Paradise Dynasty's flagship restaurant at Wisma Atria in January 2019 brings with it an expanded Food & Beverage offering with dishes created exclusively for the outlet. Ngee Ann City Property (Retail) revenue and NPI were largely stable on the back of the Toshin master lease, which is due for a rent review in June 2019.

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 22.3% of total revenue, or S$11.4 million in 2Q FY18/19. SGREIT Group has long-term leases with Myer Pty Ltd and David Jones Limited, contributing approximately 6.9% and 4.6% of its portfolio gross rents respectively as at 31 December 2018. NPI for 2Q FY18/19 was S$6.9 million, 5.9% lower than in 2Q FY17/18 mainly due to the depreciation of the Australian dollar against the Singapore dollar and higher operating expenses. Committed occupancy of Australia's office portfolio more than doubled to 74.8%[1] as at 31 December 2018, following the committed lease with a digital media solutions provider as its office anchor tenant at Myer Centre Adelaide during the current period, on the back of an improving office landscape in Adelaide. The new tenant is expected to commence the lease in March 2019.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 13.5% of total revenue, or S$6.9 million in 2Q FY18/19. NPI for 2Q FY18/19 was S$6.7 million, same as the previous corresponding period. The Manager is evaluating the master tenancy renewal proposal for SGREIT's Malaysia Properties, which includes an asset enhancement initiative for Starhill Gallery. The existing master leases are due to expire in June 2019.

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China and two properties located in central Tokyo, Japan, contributed 2.2% of total revenue, or S$1.1 million in 2Q FY18/19. NPI for 2Q FY18/19 was S$0.9 million, 3.7% higher than in 2Q FY17/18 mainly due to lower operating expenses for China and Japan Properties.

Maintains strong financial position

SGREIT maintains its strong financial position with stable gearing level at 35.6% and hedged about 91% of its borrowings as at 31 December 2018. As at 31 December 2018, SGREIT's average debt maturity is approximately 3.3 years with no refinancing requirement for its existing debt portfolio until September 2019. SGREIT has available undrawn long-term committed revolving credit facilities to cover the RM330 million (or approximately S$109 million) medium term notes maturing in September 2019.

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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$3.1 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, Starhill Gallery 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. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect wholly-owned subsidiary of YTL Corporation Berhad.

Analyst, Investor and Media Contact:

Jonathan Kuah
YTL Starhill Global REIT Management Limited
Tel: (65) 6835 8693; Mobile: (65) 9753 3930
Email: jonathan.kuah@ytlstarhill.com

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