



SGX-ST Announcement

RENEWAL OF MASTER LEASE WITH TOSHIN DEVELOPMENT SINGAPORE PTE LTD

1. Renewal of Toshin Master Lease

- 1.1 YTL Starhill Global REIT Management Limited, as manager (the “**Manager**”) of Starhill Global Real Estate Investment Trust (“**Starhill Global REIT**”), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT (the “**Lessor**”) and Toshin Development Singapore Pte Ltd (“**Toshin**”) have entered into a master lease agreement dated 30 November 2023 (the “**Renewed Master Lease**”) to renew the current master lease, which is due to expire in June 2025.
- 1.2 Under the current master lease to Toshin dated 11 June 2013 (the “**Current Master Lease**”), Toshin is the master tenant occupying all the retail areas except level five of the Ngee Ann City Property (as hereinafter defined) for the period of 12 years expiring on 7 June 2025. Starhill Global REIT’s stake in Ngee Ann City (the “**Ngee Ann City Property**”) comprises four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City at Orchard Road, Singapore. As at 30 September 2023, the Current Master Lease contributed to approximately 23.6% of Starhill Global REIT’s portfolio gross rent.

2. Initial Term and Option Periods

- 2.1 The Renewed Master Lease is for an initial term of 12 years commencing from 8 June 2025 and expiring on 7 June 2037. In addition, the Renewed Master Lease may be further renewed (i) at the option of either party for a further 6 years to expire on 7 June 2043, and (ii) at the option of Toshin for a further 3 years to expire on 7 June 2046.
- 2.2 The Renewed Master Lease will increase Starhill Global REIT’s portfolio weighted average lease expiry to 8.1 years from 6.3 years (by net lettable area) and to 8.4 years from 4.2 years (by gross rent) as at 30 September 2023¹.

¹ Based on the initial term of 12 years under the Renewed Master Lease and committed leases as at 30 September 2023 (including leases commencing after 30 September 2023), and assuming that the option to renew for the six-year term under the Renewed Master Lease is exercised.

3. **Annual Fixed Rent and Turnover Rent**

3.1 The new base rent ("**Annual Fixed Rent**") for the first three years of the Renewed Master Lease shall be the higher of:

- (i) an agreed amount that is approximately 1.0% higher than the existing base rent under the Current Master Lease; and
- (ii) the prevailing market annual rental value as at the commencement of the Renewed Master Lease, to be agreed between the parties or failing such agreement, based on the average market rental values determined by three licensed valuers but not exceeding 125% of the agreed amount in paragraph (i) above.

3.2 In addition to the Annual Fixed Rent, an annual turnover rent is payable comprising a portion of Toshin's annual operating income over and above agreed revenue and profit margin thresholds. This provides a potential upside for the Lessor while taking into consideration Toshin's profit margin. The Current Master Lease does not have a turnover rent component.

4. **Rent Review**

The Renewed Master Lease provides for a review of the rental rate of the Annual Fixed Rent every three years during the term of the Renewed Master Lease and upon the exercise of options to renew. Similar to the Current Master Lease, the Annual Fixed Rent upon review may be agreed between the parties or failing such agreement, based on the average market rental values determined by three licensed valuers. However, if such average prevailing market rental value is less than the prevailing Annual Fixed Rent, the prevailing Annual Fixed Rent shall continue to apply. For rent review during the term, if such average prevailing market rental value exceeds 125% of the prevailing Annual Fixed Rent, the Annual Fixed Rent will be fixed at 125% of the prevailing Annual Fixed Rent.

5. **Capital Expenditure Contribution**

The Lessor has agreed to contribute a sum of up to S\$5.2 million for renovation and upgrading works (during the initial term of the Renewed Master Lease) that Toshin shall carry out on the demised premises to upgrade and maintain the property as a high class and prestigious shopping complex.

6. **Security Deposit and Corporate Guarantee**

6.1 A security deposit of five months of the Annual Fixed Rent is payable by Toshin under the Renewed Master Lease ("**Renewed Security Deposit**") comprising:

- (i) The difference between the Renewed Security Deposit and the security deposit of three months under the Current Master Lease ("**Current Security Deposit**") paid by Toshin upon execution of the Renewed Master Lease; and
- (ii) The Current Security Deposit, such that the Current Security Deposit shall be concurrently held as security for both the Current Master Lease and the Renewed

Master Lease. Toshin shall ensure that the full amount of the Renewed Security Deposit shall be held by the Lessor on the commencement of the Renewed Master Lease.

- 6.2 Similar to the Current Master Lease, Toshin's obligations under the Renewed Master Lease is also guaranteed by its holding company, Toshin Development Co., Ltd. The corporate guarantee shall be provided within six months after the execution of the Renewed Master Lease.

7. Financial Effects

For illustrative purposes only and assuming that:

- (i) the Annual Fixed Rent mentioned in paragraph 3.1(i) above applies from 1 July 2022 to 30 June 2023;
- (ii) no annual turnover rent is payable;
- (iii) no capital expenditure is payable; and
- (iv) leasing commission is paid to YTL Starhill Global Property Management Pte Ltd under the property management agreement dated 25 June 2020 for Renewed Master Lease,

the pro forma financial effect on the distribution per unit of Starhill Global REIT for the financial year ended 30 June 2023 would not be material².

YTL Starhill Global REIT Management Limited
(Company registration no. 200502123C)
(as manager of Starhill Global Real Estate Investment Trust)

Ivy Soh
Joint Company Secretary
Singapore
30 November 2023

² Based on the audited consolidated financial statements of Starhill Global REIT for the financial year ended 30 June 2023.

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 nine properties in Singapore, Australia, Malaysia, Japan and China, valued at about S\$2.8 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 Property in Kuala Lumpur, Malaysia; a property in Tokyo, Japan and a retail property in Chengdu, China. 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.

Important Notice

The value of units in Starhill Global REIT (“**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, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT), or any of their affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, loss of income or principal invested. The Manager and its affiliates do not guarantee the performance of Starhill Global REIT or the repayment of capital from Starhill Global REIT or any particular rate of return. Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST.

It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not indicative of the future performance of Starhill Global REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This document may contain forward-looking statements that involve assumptions, 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, outbreak of contagious diseases or pandemic, interest rate and foreign exchange trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.