

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

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

## Renewal of Master Lease with Toshin Development Singapore

### HIGHLIGHTS

- **New master lease agreement for 12 years with option to renew for up to additional 9 years**
- **Provides long term income stability while participating in any upside with a new profit-sharing agreement**

**SINGAPORE, 30 November 2023** – YTL Starhill Global, the manager of Starhill Global REIT (“**SGREIT**”), is pleased to announce that SGREIT has successfully renewed its current master lease (“**Current Master Lease**”) with Toshin Development Singapore Pte Ltd (“**Toshin**”) which is due to expire in June 2025.

The new master lease agreement dated 30 November 2023 (“**Renewed Master Lease**”) is for an initial term of 12 years commencing from 8 June 2025 and will expire on 7 June 2037. The Renewed Master Lease may be further renewed at the option of either party for a further 6 years (expiring on 7 June 2043), and thereafter at the option of Toshin for a further 3 years (expiring on 7 June 2046).

This renewal will extend SGREIT’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 2023<sup>1</sup>.

The base rent of the new master lease (“**Annual Fixed Rent**”) for the first three years shall be the higher of (i) an agreed sum that is approximately 1% above 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 by both parties or failing which shall be based on the average market rental values determined by three licensed valuers but not exceeding 125% of the agreed sum set out above in (i).

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<sup>1</sup> 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.

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Additionally, an annual turnover rent (“**Annual Turnover Rent**”) is payable comprising a portion of Toshin’s annual operating income over and above agreed revenue and profit margin thresholds. This profit-sharing arrangement provides potential upside for SGREIT while taking into consideration Toshin’s profit margin. There is no profit-sharing component in the Current Master Lease.

Rent review of the Annual Fixed Rent will be conducted 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 may be agreed by both parties or failing which shall be based on the average market rental values determined by three licensed valuers. Like before, there will be a downside protection based on the prevailing Annual Fixed Rent but during the term, any upside will be capped at 125% of the prevailing Annual Fixed Rent.

As part of the Renewed Master Lease, SGREIT has agreed to contribute up to S\$5.2 million to Toshin for the renovation and upgrading works to be carried out on the premises. The asset enhancement will ensure the mall is upgraded and maintained as a high class and prestigious shopping complex.

Mr Ho Sing, CEO of YTL Starhill Global, said: “We would like to announce that we have successfully renewed our current master lease with Toshin. The new lease will be for another 12 years with the option to extend for up to nine years. The renewal ahead of expiry provides both certainty and continuity to both Toshin and us. Additionally, the new master lease will allow SGREIT to participate on the upside with a profit-sharing arrangement. Toshin has been a valued tenant at Ngee Ann City since 1993 and we look forward to further develop and expand this fruitful relationship for the decades ahead.”

<b>Summary of Key Terms of the Renewed Master Lease with Toshin</b>	
Initial Term	12 years from 8 June 2025 – 7 June 2037
Option to Renew	(i) 6 years to 7 June 2043 (Option: SGREIT or Toshin) (ii) 3 years to 7 June 2046 (Option: Toshin)
Annual Fixed Rent (first 3 years)	New base rent shall be the higher of: (i) Amount agreed which is approximately 1% higher than existing base rent of Current Master Lease; and (ii) Prevailing market annual rental value as at the commencement of the Renewed Master Lease, agreed by both parties or failing which, shall be based on the average market rental values determined by three licensed valuers not exceeding 125% of the agreed amount in (i) above.

Annual Turnover Rent	Comprises a portion of Toshin's annual operating income over and above agreed revenue and profit margin thresholds.  The profit-sharing arrangement provides for potential upside for SGREIT while taking into consideration Toshin's profit margin.
Rent Review of Annual Fixed Rent (to be Conducted Every 3 Years)	(i) Agreed by both parties; OR (ii) Average market rental values of three licensed valuers Downside protection is based on prevailing Annual Fixed Rent but during the term, upside is capped at 125% of the prevailing Annual Fixed Rent.
Capital Expenditure Contribution	Up to S\$5.2 million to be granted to Toshin for renovation and upgrading works to ensure the mall is upgraded and maintained as a high class and prestigious shopping complex.
Security Deposit and Corporate Guarantee	<ul style="list-style-type: none"> <li>• Security deposit of five months of the Annual Fixed Rent</li> <li>• Corporate Guarantee by Toshin Development Co., Ltd will be provided</li> </ul>

### About Current Master Lease

Toshin is currently the master tenant occupying all the retail areas except level five of the Ngee Ann City Property for the period of 12 years expiring on 7 June 2025. SGREIT's stake in Ngee Ann City ("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 with Toshin contributed approximately 23.6% of SGREIT's portfolio gross rent.

For more information on Ngee Ann City Property, please refer to our website at [www.starhillglobalreit.com](http://www.starhillglobalreit.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 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.*

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