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

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

SGREIT achieves DPU of 1.18 cents for 4Q FY16/17

HIGHLIGHTS

- **Laying the foundation for growth with asset rejuvenation and portfolio rebalancing**
- **Secured commitment to refinance loans ahead of expiries, extending debt maturity to approximately 4.5 years post refinancing**

SINGAPORE, 28 July 2017 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the three months ended 30 June 2017 (4Q FY16/17). Revenue and net property income ("NPI") for SGREIT group in 4Q FY16/17 was stable over the previous corresponding period at S$53.7 million and S$41.4 million respectively, resulting from the resilient performance in Ngee Ann City Retail and Malaysia due to rental uplifts from master tenancies, as well as higher contributions from David Jones Building and Myer Centre Adelaide. This was partly offset by disruptions in revenue from the asset redevelopment at Plaza Arcade, lower contributions from Wisma Atria Retail and Singapore offices, as well as the divestment of a property in Japan in May 2017. Income to be distributed to Unitholders for 4Q FY16/17 declined 8.5% over the previous corresponding period to S$25.7 million, mainly due to the effects of straight-lining rent adjustments, withholding taxes for Malaysia income and higher cash retention.

Distribution Per Unit ("DPU") for 4Q FY16/17 was 1.18 cents, representing an annualised distribution yield of 6.06%[1]. Unitholders can expect to receive their 4Q FY16/17 DPU on 29 August 2017. Book closure date is on 7 August 2017 at 5.00 pm.

Revenue for SGREIT group for the financial year ended 30 June 2017 (FY16/17) eased 1.5% over the previous corresponding period to S$216.4 million and NPI for FY16/17 inched down 2.0% over the previous corresponding period to S$166.9 million. SGREIT continues to benefit from higher contributions from the master tenancies in Singapore and Malaysia, and David Jones Building, as well as the recognition of a pre-termination rental compensation for a retail lease at Wisma Atria which has been filled up. These were offset mainly by disruptions in revenue resulting largely from the mall

[1] Based on the closing price of S$0.78 as at 30 June 2017.

repositioning in China and the asset redevelopment at Plaza Arcade, lower contributions from Wisma Atria Retail, Singapore offices and Myer Centre Adelaide, as well as loss of contribution from the divested properties in Japan. Income to be distributed to Unitholders for FY16/17 was S$107.3 million, a 5.0% decline over the previous corresponding period, mainly due to lower NPI including the effects of straight-lining rent adjustments and additional withholding taxes for Malaysia income. DPU for FY16/17 was 4.92 cents, representing a 5.0% decline over the previous corresponding period.

Valuation of investment properties remained stable

SGREIT group's investment properties have been assessed by independent valuers at S$3,136.3 million as at 30 June 2017 (2016: S$3,136.6 million), and the aggregate value remained stable over the last valuation exercise in June 2016. The increase in valuations for the Singapore and Australia Properties as well as net positive foreign currency movements were offset by the divestment of Harajuku Secondo in May 2017, and downward valuations for the China Property and Malaysia Properties mainly as a result of the conversion from a department store model to a single tenancy model in China and softer retail outlook and new upcoming retail supply in Malaysia.

Overview of Starhill Global REIT's financial results

(S$ million)	4Q FY16/17	4Q FY15/16	Change (%)	FY 16/17	FY 15/16	Change (%)
Revenue	53.7	53.6	0.1	216.4	219.7	(1.5)
Net property income	41.4	41.4	0.0	166.9	170.3	(2.0)
Income available for distribution	26.4	28.4	(7.2)	110.4	116.5	(5.2)
Income to be distributed to Unitholders	25.7[2]	28.1	(8.5)	107.3	113.0	(5.0)
Distribution per Unit (cents)						
- For the period	1.18	1.29	(8.5)	4.92	5.18	(5.0)
- Annualised	4.73	5.19	(8.9)	-	-	-

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said, "SGREIT has delivered another steady financial performance amidst challenges and competition in the retail landscape. Looking ahead, whilst the global economic picture points towards positive growth, the retail environment could remain choppy in view of competition from new malls and technology innovations. To stay abreast of

[2] Approximately S$0.6 million (4Q FY15/16: S$0.3 million) of income available for distribution for 4Q FY16/17 has been retained for working capital requirements.

competition, we have been recalibrating our portfolio, embarked on rejuvenating our assets while constantly sieving out opportunities with the aim of creating long-term value for our Unitholders."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Our balanced portfolio of master and long-term tenancies and actively managed leases have fortified our resilience against headwinds in the challenging retail landscape. To lay the foundation for the REIT's next phase of growth, we have been investing in our assets. Construction works for the asset redevelopment at Plaza Arcade and renovation for the China Property have commenced and handover to the new tenants are as scheduled. The rejuvenation project at Lot 10 in Malaysia is making good progress and has seen positive momentum with the opening of the new MRT station in front of the mall since 17 July 2017. As part of our proactive capital management strategy, we have secured the commitment to early refinance approximately S$603 million or 53% of our total borrowings ahead of their maturities in 2018, thereby extending the average debt maturity to approximately 4.5 years with no significant refinancing requirement until June 2019."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 61.4% of total revenue, or S$33.0 million in 4Q FY16/17. NPI for 4Q FY16/17 inched down 0.5% y-o-y to S$26.0 million mainly due to lower average rents for Wisma Atria Retail and lower occupancies for Singapore offices, partially offset by higher rent from master tenant at Ngee Ann City Property. Notwithstanding the soft retail climate, the Singapore retail portfolio achieved a high occupancy of 99.2% as at 30 June 2017. Wisma Atria Retail revenue dipped 2.4% y-o-y and its NPI declined 3.3% over the previous corresponding period mainly due to lower average rents. For the quarter, tenant sales at Wisma Atria were stable over the previous corresponding year despite a 3.8% y-o-y decline in shopper traffic. Wisma Atria Retail achieved a positive rental reversion of 7.8% for leases committed in 4Q FY16/17, which accounted for approximately 30% of the mall's net lettable area. As a result of our proactive leasing approach, approximately 14% of retail leases by gross rent due for expiry in FY17/18 have been committed as at 30 June 2017. New-to-market Pablo Cheese Tart from Japan will be opening its first Singapore store at Wisma Atria in the next quarter. Ngee Ann City Retail revenue gained 3.6% y-o-y while NPI rose 5.1% y-o-y largely attributable to the increase in base rent from the Toshin master lease at Ngee Ann City Property effective from June 2016. The Singapore office portfolio continued to be affected by a softer trading environment and island-wide competition. The Singapore office portfolio revenue and NPI declined 4.5% and 5.4% y-o-y respectively in 4Q FY16/17 mainly due to lower occupancies which stood at 92.9% as at 30 June 2017.

SGREIT's Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, and the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 23.2% of total revenue, or S$12.5 million in 4Q FY16/17, representing a 2.7% y-o-y increase, mainly due to higher occupancies at David Jones Building and the appreciation of the Australian dollar against the Singapore dollar. NPI for 4Q FY16/17 eased 1.9% y-o-y to S$7.9 million, largely attributed to higher expenses and planned redevelopment works at Plaza Arcade. Construction works at Plaza Arcade commenced in 4Q FY16/17 to include a new facade, upgrading of common areas and activation of upper floor space for retail use. The works is expected to be completed by the first quarter of year 2018. The new international anchor tenant at Plaza Arcade will complement Perth city centre's revitalised retail offerings, which is in the midst of being transformed into a vibrant retail hub as landlords within the precinct have also started planned redevelopment work at Forrest Chase and Raine Square. Until its completion, the asset redevelopment in Plaza Arcade will continue to impact Australia's revenue contribution.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 12.6% of total revenue, or S$6.8 million in 4Q FY16/17. NPI for 4Q FY16/17 was S$6.6 million, 5.2% higher than the previous corresponding period mainly due to the rental uplift from the extension of the master leases for the Malaysia Properties effective from June 2016, partially offset by depreciation of the Malaysian ringgit against the Singapore dollar. Good progress is made for the rejuvenation of Lot 10. The creation of a new entry point directly from the new MRT station exit fronting Lot 10 on Jalan Bukit Bintang is underway, providing shoppers with an additional access point directly to Level 1 of the mall. With the opening of the Sungai Buloh-Kajang MRT Line on 17 July 2017, SGREIT's Malaysia Properties are expected to benefit from the positive momentum and enlarged commuter catchment.

The balance of SGREIT's portfolio, which comprises of one property in Chengdu, China and the three Japan Properties located in central Tokyo, contributed 2.8% of total revenue, or S$1.5 million in 4Q FY16/17. NPI for 4Q FY16/17 eased 3.2% y-o-y to S$0.9 million, following the divestment of a property in Japan in May 2017 as part of SGREIT's ongoing strategy to streamline its portfolio and focus on its strengths. Renovation works at the China mall has commenced and is targeted for completion by end-2017. The new long-term fixed lease tenancy will provide a stable income for SGREIT.

Proactive capital management

In June 2017, SGREIT has secured the refinancing of its A$145 million secured loan with the same bank ahead of its maturity in May 2018, where the utilisation is expected to take place in November 2017. As part of its proactive capital management strategy, SGREIT has also in July 2017 secured the refinancing of its S$450 million unsecured loans ahead of their respective maturities in June 2018 and September 2018. The utilisation of the new S$ facilities with a club of seven banks, comprising four and five year tranches, are expected to take place in September 2017, with a lower average interest margin (excluding benchmark rates and hedging cost) post refinancing. Following the refinancing of both the A$145 million and S$450 million loans, SGREIT's debt maturity will be extended from 2.6 years as at 30 June 2017 to approximately 4.5 years, and will have no significant refinancing requirement for its existing debt portfolio until June 2019.

As at 30 June 2017, SGREIT's gearing level remains stable at 35.3%. Approximately 99% of borrowings as at 30 June 2017 are hedged by a combination of fixed rate debt and interest rate swaps and caps, limiting exposure to rising interest rates. Foreign currency exposure, accounting for approximately 39% of total revenue for 4Q FY16/17, is partially mitigated by natural hedge and short-term foreign exchange forward contracts.

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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 11 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 Australia, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China, and three properties in the prime areas of 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.

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