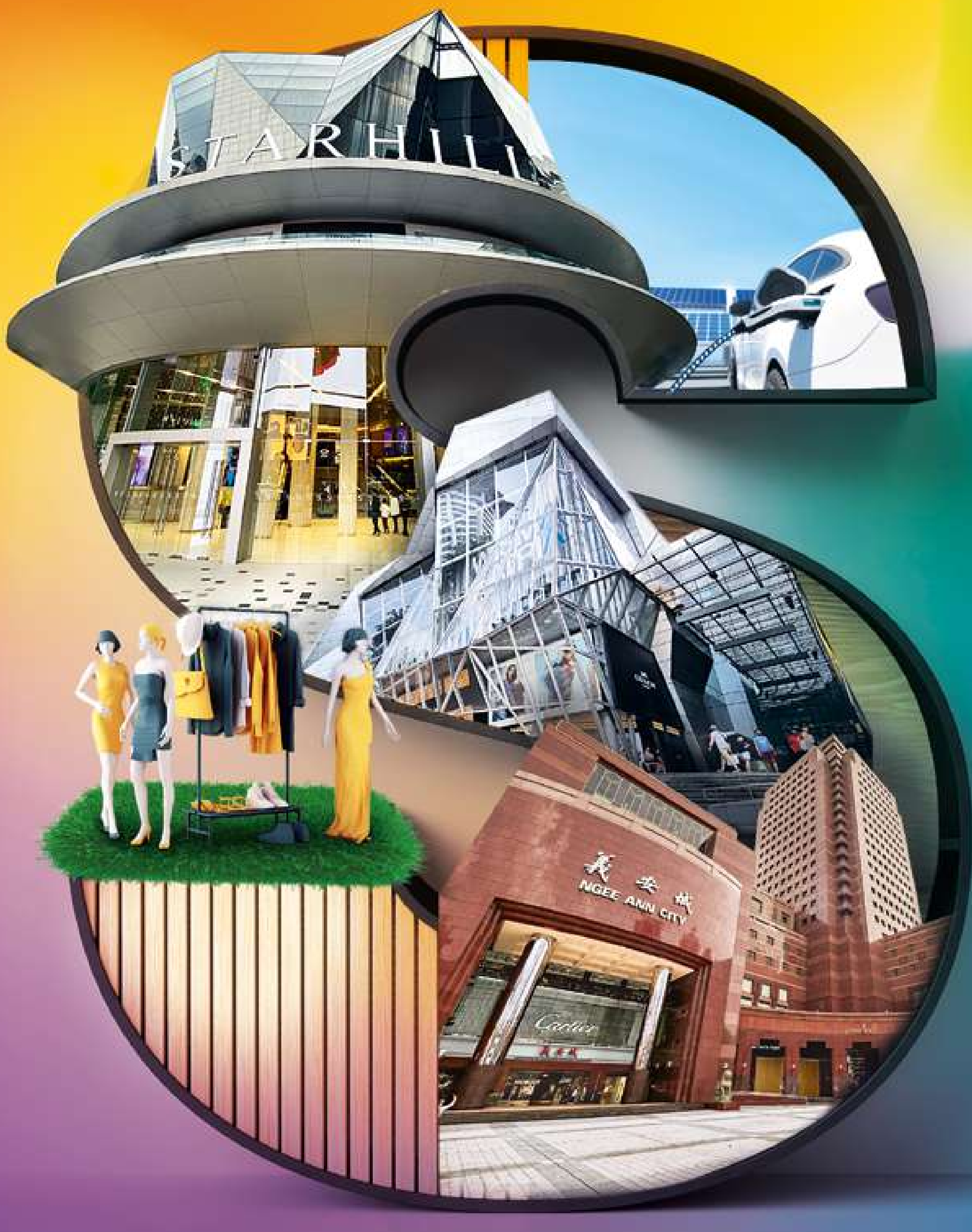
STARHILL GLOBAL REIT

A Symbol of Emergence

STARHILL GLOBAL REIT
ANNUAL REPORT FY 2022/23



Vision

To be the preferred real estate investment trust with a stable of high-quality and valuable income-generating assets.

Mission

To deliver long-term sustainable returns to our Unitholders through growth and value creation in our assets, backed by prudent capital management.

To be a landlord of choice for our tenants and shoppers.

To be a forward-thinking real estate company with strong management expertise.

Values

The values to which we aspire can be summarised under six principles:

- Integrity
- Client Commitment
- Strive for Profitability
- Fulfilment for our People
- Teamwork
- Highest Standards

ONLINE ANNUAL REPORT FY 2022/23
www.starhillglobalreit.com/ir_ar.html

A Symbol of Emergence

Navigating the road ahead, we emerge tall with newfound strength as we transform adversities into fortified pillars of resilience. Our assets stand steadfast, in a prime position to leverage opportunities amid the uncertain economy. This is anchored by a solid foundation and our commitment to driving sustainable growth for our stakeholders.

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 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 as at 30 June 2023.

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.

Contents

Our Strategy

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, as well as maintaining a prudent capital management approach.

01 Active Asset Management

- Balance of master and anchor leases coupled with actively managed tenancies for income stability with potential rental upside
- Proactive leasing and cost management strategies
- Maintaining healthy occupancy throughout economic cycles
- Asset enhancements to drive value and enhance sustainability

02 Prudent Capital Management

- Managing capital to optimise Unitholders' returns with a mix of available capital sources
- Manage debt maturities and hedging profile to reduce risk

03 Acquisitions

- Focus on prime real estate used for office and/or retail with strong fundamentals and strategic location
- Grow office portfolio and enhance presence in key cities for income diversification
- Enhance yield through strategic acquisitions and divestments

Key Highlights

Gross Revenue
(FY 2022/23)

S$187.8M

Net Property Income
(FY 2022/23)

S$147.8M

Income Available For Distribution
(FY 2022/23)

S$88.9M

Distribution Per Unit
(FY 2022/23)

3.80 cents

Net Asset Value Attributable To Unitholders
(As at 30 June 2023)

S$1,649.5M

Stable Gearing
(As at 30 June 2023)

36.7%

Resilient Occupancy
(As at 30 June 2023)

96.8%[1]

Note:
(1) Based on commenced leases as at 30 June 2023.

Key Events in FY 2022/23

2022

July

Declared

2H FY 2021/22 DPU of
2.02 cents

FY 2021/22 DPU of
3.80 cents

August


Ebisu Fort, Japan

Attained

"Rank S" rating

for CASBEE for Ebisu Fort, Japan.

October

Entered into a five-year unsecured bank loan facility agreement of

S$50M

to refinance part of the S$125 million medium term notes maturing in May 2023.

Unitholders approved all resolutions, including the re-endorsement of Dato' Yeoh Seok Kian and Mr Tan Bong Lin as directors during the Annual General Meeting.

Attained

5 stars

NABERS Energy rating for Myer Centre Adelaide (office).

December

Successfully completed Phase 1 of Myer Centre Adelaide façade upgrading initiative,

signifying our commitment to ensuring the safety and well-being of our shoppers and occupants.

2023

January

Reported

1H FY 2022/23 DPU of
1.82 cents

Completed the divestment

of Daikanyama in Japan for

JPY1,877.7M

(approximately S$18.9 million), at a premium over both valuation and acquisition price.

February

Entered into a five-and-a-half-year unsecured bank loan facility agreement of

S$75M

to refinance the remaining portion of the S$125 million medium term notes maturing in May 2023.

Fitch Ratings affirmed SGREIT's

"BBB"

credit rating[(1)].

Note:

(1) Placed on rating watch negative following the Myer arbitration announcement in March 2023.

March

Received a notice of arbitration
regarding the lease to

Myer Pty Ltd

at Myer Centre Adelaide.

Completed interior upgrading works at

Wisma Atria,

enhancing its appeal to shoppers.


Wisma Atria, Singapore

April

Commenced Phase 2 of façade upgrading works
at Myer Centre Adelaide.

Entered into a five-year unsecured bank loan facility of

A$63M

to refinance the existing A$63 million loan, secured by David Jones Building. Following the repayment in June 2023, the mortgage has been duly released.

Attained

3.5 stars

NABERS Energy rating for Myer Centre Adelaide (retail).

May

Attained

LEED Gold

certification for the China Property.


China Property

Entered into a five-and-a-quarter-year unsecured revolving credit facility agreement with a bank of

S$50M

to be converted into an unsecured loan facility on 31 March 2025.

June

Achieved

gender diversity for the Board

with the appointment of Ms Yeoh Pei Nee as an Alternate Director to Dato' Yeoh Seok Kian (a Non-Executive Director of the Manager) with effect from 1 July 2023.

Stronger through It All

In solidarity, we have emerged stronger by overcoming the obstacles brought about by the pandemic. Through our prudent capital management strategy, we maintain our financial standing, reinforced by a strong credit rating and stable portfolio occupancy. The strong relationships forged with our tenants and stakeholders are our main tenets.

PRUDENT CAPITAL MANAGEMENT

Gearing Ratio

(As at 30 June 2023)

36.7%

Healthy Liquidity

Refinanced S$125 million MTN and A$63 million loan in FY 2022/23. No term debt refinancing requirements until September 2024. Available committed long-term RCF lines to cover outstanding debts maturing in the next two years.

Weighted Average Debt Maturity

(As at 30 June 2023)

3.4 YRS

Hedging Ratio

(As at 30 June 2023)

84%

of borrowings were fixed/hedged

CORPORATE RATING

BBB Credit Rating[(1)]

By Fitch Ratings

QUALITY TENANT PROFILE

Resilient Portfolio Occupancy[(2)]

(As at 30 June 2023)

96.8%

Master and Anchor Leases comprise 52.8% of gross rent.

Long Weighted Average Lease Expiry[(3)(4)(5)]

(As at 30 June 2023)

6.5 YRS

By Net Lettable Area

Notes:

(1) Placed on rating watch negative following the Myer arbitration announcement in March 2023.

(2) Based on commenced leases as at 30 June 2023.

(3) Excludes tenants' option to pre-terminate or renew their existing leases.

(4) Assuming that the option to renew for the third three-year term for the Lot 10 Property is exercised.

(5) Based on committed leases as at 30 June 2023, including leases commencing after 30 June 2023. Based on the date of commencement of leases, portfolio WALE was 6.4 years by NLA.


Lot 10
STARHILL
GALLERY
H&M

Steadfast
in Our Vision

We remain agile during uncertain times by strengthening our foundation to stand ready to ride on opportunities. Simultaneously, we remain focused on strategic acquisitions that effectively diversify and enhance our presence in key cities to expand on new growth possibilities.

PORTFOLIO REJUVENATION

Façade
Improving aesthetics and safety through ongoing façade upgrading works at Myer Centre Adelaide, Australia, with expected completion by early 2024.

Premier Lifestyle Mall
Interior upgrading works to rejuvenate Wisma Atria completed in 2023.

Embarking on the next phase of enhancement in the basement with expected completion in March 2024.

STRATEGIC ACQUISITIONS

Income Diversification
Disciplined approach to acquisitions to grow office portfolio and enhance presence in key cities for income diversification.

PROACTIVE ASSET MANAGEMENT

Leading Consumer Trends
Enhanced retail offering in malls to stay ahead of changing consumer preferences.

Tenant Ecosystem
Extending partnerships across the portfolio through strengthening relationships with existing tenants.

UNIQLO opened its first South Australian store in Myer Centre Adelaide after its successful opening in our Plaza Arcade in Perth.

Consumer Engagement
New Wisma Atria app launched in 2023 to improve shoppers' experience and reward our shoppers.

Sustainable
on All Fronts

Anchored on strong foundations, we stand resilient despite the odds. We remain firm in our long-term operational and sustainability commitment. Our portfolio of prime assets puts us in a strategic position to benefit from ongoing infrastructure developments in Singapore and Malaysia. Together with our Sponsor, we will continue to deliver consistent value for our Unitholders.

FUTURE-FORWARD ASSETS

Diversified Portfolio

Comprising retail and commercial assets in Asia Pacific, our portfolio of assets at prime locations have excellent connectivity to transportation hubs, appealing to both local and international brands.

Quality Tenants

Attracted and retained flagship outlets for international brands such as Eslite Spectrum in The Starhill; UNIQLO in Plaza Arcade and Myer Centre Adelaide; Tory Burch in Wisma Atria; and many more.

SUSTAINABLE BUSINESS

Driving Long-Term Value

Enhancing business sustainability through the implementation of critical Environmental, Social and Governance (ESG) factors in our business. Future proofing our portfolio by progressively attaining green certificates.

GROUNDED FOUNDATION

Strong Sponsor

(As at 30 June 2023)

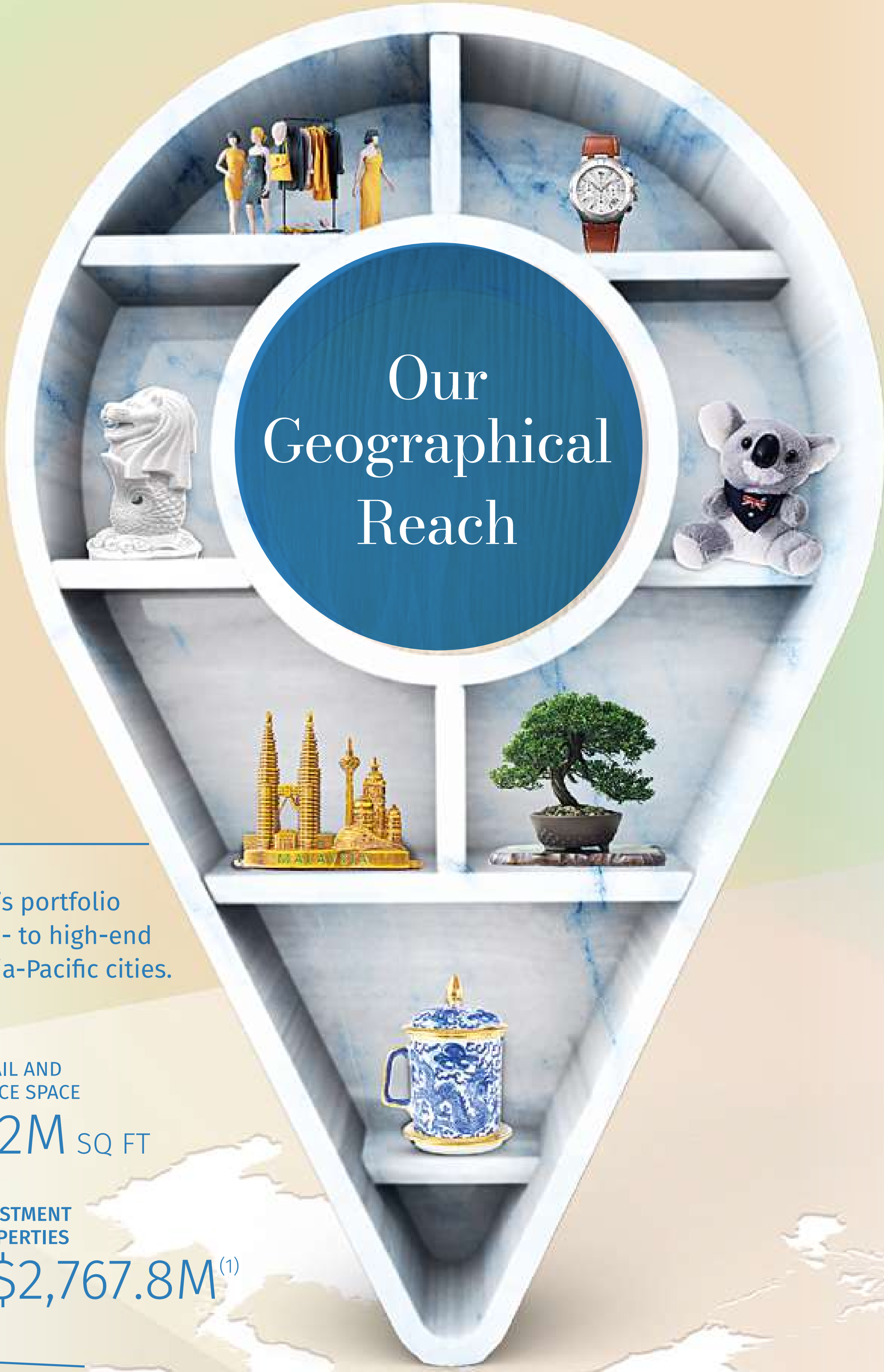
YTL Corporation combined market capitalisation of

US$5.7B

with its listed entities in Malaysia

With ~37.8% ownership of Starhill Global REIT.


DAVID JONES
MYER
CENTRE
UNI
QLO



Our Geographical Reach

Starhill Global REIT's portfolio comprises nine mid- to high-end properties in six Asia-Pacific cities.

ASIA-PACIFIC CITIES
6

RETAIL AND OFFICE SPACE
2.2M SQ FT

NUMBER OF PROPERTIES
9

INVESTMENT PROPERTIES
S$2,767.8M[(1)]

Singapore

619,912 SQ FT

By Asset Value
(As at 30 June 2023)

S$1,958.2M

By Gross Revenue
(FY 2022/23)

Ngee Ann City Property
Singapore

Retail	Office
77.2%	22.8%

Wisma Atria Property
Singapore

Retail	Office
79.4%	20.6%

Australia

921,907 SQ FT

By Asset Value
(As at 30 June 2023)

S$357.5M

By Gross Revenue
(FY 2022/23)

Myer Centre Adelaide
Adelaide

Retail	Office
89.6%	10.4%

David Jones Building & Plaza Arcade
Perth

Retail
100%

Malaysia

587,452 SQ FT

By Asset Value
(As at 30 June 2023)

S$391.0M

By Gross Revenue
(FY 2022/23)

The Starhill
Kuala Lumpur

Retail
100%

Lot 10 Property[(2)]
Kuala Lumpur

Retail
100%

SGREIT'S portfolio is characterised by its master and anchor leases which make up about 52.8% of gross rent[(3)]**.**

Japan

18,816 SQ FT

By Asset Value
(As at 30 June 2023)

S$34.9M

By Gross Revenue
(FY 2022/23)

Ebisu Fort[(2)]
Tokyo

Retail
100%

China

100,854 SQ FT

By Asset Value
(As at 30 June 2023)

S$25.6M

By Gross Revenue
(FY 2022/23)

China Property
Chengdu

Retail
100%

Notes:
(1) Including right-of-use assets following the adoption of FRS 116.
(2) Largely retail with a small office component.
(3) As at 30 June 2023.

Our Business in Brief

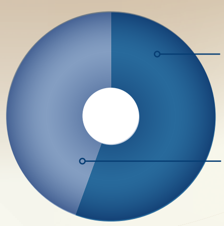
Singapore


Ngee Ann City Property


Wisma Atria Property

REVENUE CONTRIBUTION
(FY 2022/23)

S$115.6M



Centrally-located assets in the prime stretch of Orchard Road, with excellent connectivity to transportation hubs.

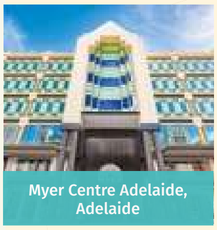
Ngee Ann City Property

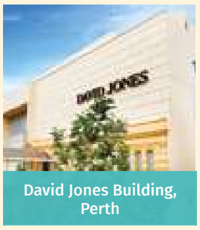
Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces.

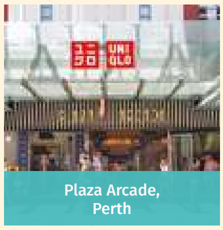
Wisma Atria Property

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent retail areas (excluding the space owned by Isetan and common area property) and the office tower.

Australia

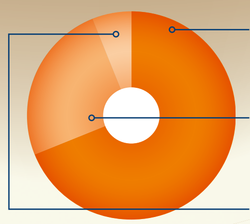

Myer Centre Adelaide, Adelaide


David Jones Building, Perth


Plaza Arcade, Perth

REVENUE CONTRIBUTION
(FY 2022/23)

S$39.8M



Retail and commercial assets located in the prime retail districts and pedestrian streets of the Adelaide and Perth city centres.

Myer Centre Adelaide, Adelaide

An eight-storey retail centre along the iconic Rundle Mall within Adelaide's city centre and is anchored by department store Myer. The asset comprises four basement levels of car park, and an office component which includes a six-storey office tower and two heritage buildings.

David Jones Building, Perth

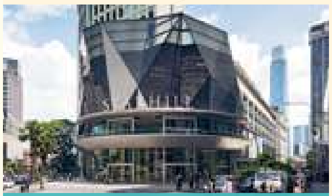
A four-storey heritage-listed retail centre anchored by David Jones.

Plaza Arcade, Perth

A three-storey heritage-listed retail building located next to the David Jones Building. The property is anchored by international apparel retailer, UNIQLO.

Both properties are located in the heart of Perth's city centre, and enjoy dual frontage to the bustling Murray Street Mall and Hay Street Mall.

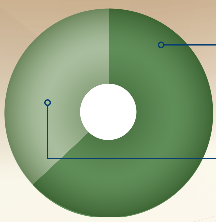
Malaysia


The Starhill, Kuala Lumpur


Lot 10 Property, Kuala Lumpur

REVENUE CONTRIBUTION
(FY 2022/23)

S$28.8M



The Starhill and Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, one of Kuala Lumpur's premier shopping districts and home to many prestigious international hotels, prime office buildings and shopping complexes.

The Starhill, Kuala Lumpur
An integrated development comprising four retail floors and three upper floors of hospitality use.

Lot 10 Property, Kuala Lumpur
The Lot 10 Property comprises 137 strata parcels and two accessory parcels within the Lot 10 shopping centre. These strata parcels represent retail areas (excluding the space owned by Isetan).

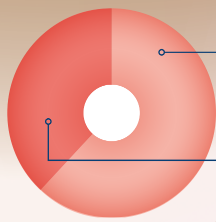
Others – Japan & China


Ebisu Fort, Tokyo


China Property, Chengdu

REVENUE CONTRIBUTION
(FY 2022/23)

S$3.7M[(1)]



The Japan Property in Tokyo and the China Property in Chengdu are strategically located within walking distance to subway stations.

Ebisu Fort, Tokyo
A seven-storey building (with two basement levels) located near the Ebisu train station in Ebisu (Shibuya Ward), Tokyo.

China Property, Chengdu
Situated on the Second Ring Road, the property is located near high-end residences and offices in Chengdu. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

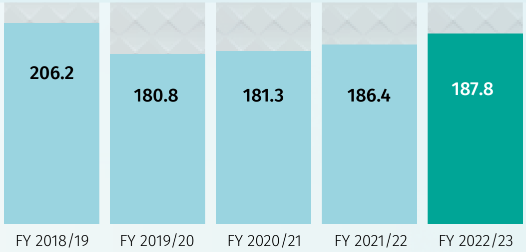
Singapore, Australia and Malaysia Properties contributed 98.1% of revenue in FY 2022/23.

Note:
(1) Included contribution from Daikanyama, until its divestment in January 2023.

Key Figures for 5 Years

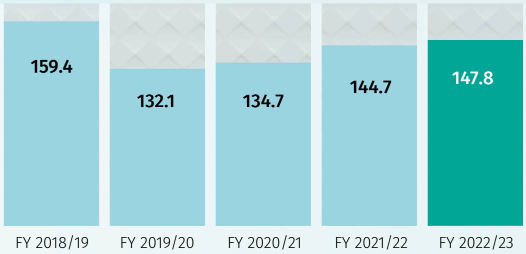
Gross Revenue (S$ million)
(FY 2022/23)

S$187.8M



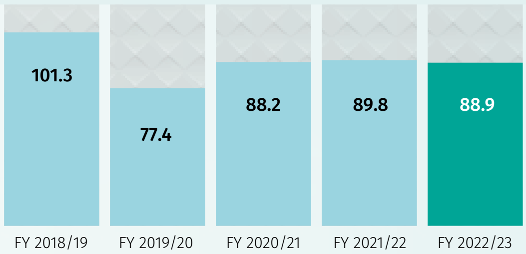
Net Property Income (S$ million)
(FY 2022/23)

S$147.8M



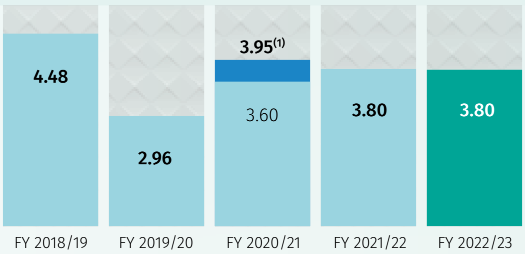
Income Available for Distribution (S$ million)
(FY 2022/23)

S$88.9M



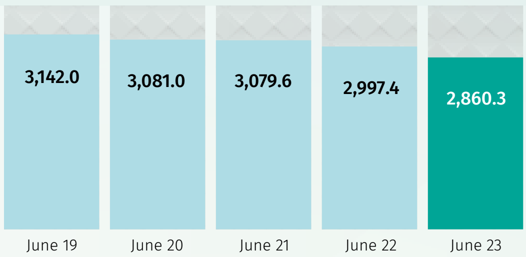
Distribution Per Unit (cents)
(FY 2022/23)

3.80 cents



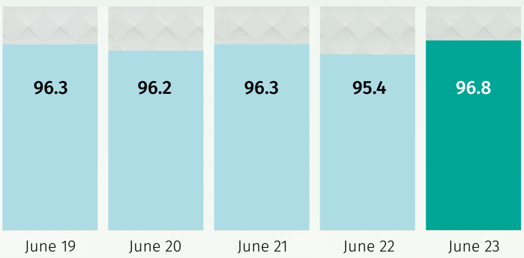
Total Assets (S$ million)
(As at 30 June 2023)

S$2,860.3M



Occupancy Rate (%)[2]
(As at 30 June 2023)

96.8%[3]



Notes:

(1) The reported number for FY 2020/21 included the full release of S$7.7m (or 0.35 cents per unit) of distributable income for FY 2019/20 which was deferred as allowed under COVID-19 relief measures.

(2) Based on commenced leases as at the reporting date.

(3) Portfolio occupancy based on committed leases was 97.7% as at 30 June 2023.

Financial Summary

Statement of Total Return and Distribution for the Year:	FY 2022/23	FY 2021/22	Change (%)
Gross Revenue (S$ million)	**S$187.8**	S$186.4	0.7%
Net Property Income (S$ million)	**S$147.8**	S$144.7	2.2%
Income Available for Distribution (S$ million)	**S$88.9**	S$89.8	(0.9%)
Income to be Distributed to Unitholders[1] (S$ million)	**S$85.6**	S$85.0	0.7%
Distribution Per Unit (DPU)[2] (cents)	**3.80 cents**	3.80 cents	–

Notes:
(1) Approximately S$3.3 million (FY 2021/22: S$4.8 million) of income available for distribution for FY 2022/23 has been retained for working capital requirements.
(2) The computation of DPU for FY 2022/23 was based on number of units entitled to distributions comprising (i) 2,249,480,125 units for first half year of FY 2022/23 ("1H FY 2022/23"), and (ii) issued and issuable units of 2,255,842,120 for second half year of FY 2022/23 ("2H FY 2022/23") (FY 2021/22: (i) 2,232,571,530 units for first half year of FY 2021/22 ("1H FY 2021/22"), and (ii) 2,240,421,241 units for second half year of FY 2021/22 ("2H FY 2021/22")).

Balance Sheet as at:	30 June 2023	30 June 2022	Change (%)
Net Asset Value attributable to Unitholders Per Unit (S$)	**S$0.73**	S$0.78	(6.4%)
Total Assets (S$ million)	**S$2,860.3**	S$2,997.4	(4.6%)
Investment Properties			
– Number of Properties	**9**	10	
– Valuation[1] (S$ million)	**S$2,767.8**	S$2,893.3	(4.3%)
Gearing (%)	**36.7%**	36.2%	NM

Note:
(1) Including right-of-use assets following the adoption of FRS 116.

Trading Performance

Starhill Global REIT's Unit Price and Trading Volume

From 1 July 2022 to 30 June 2023	
Opening Price[1]	S$0.580
Closing Price[2]	S$0.515
High (1-3 August 2022)	S$0.600
Low (21 October 2022)	S$0.485
Volume traded (in million units)	386.4

Notes:
[1] Based on the last trading day of FY 2021/22.
[2] Based on the last trading day of FY 2022/23.

	1-year (from 1 July 2022 to 30 June 2023)	3-year (from 1 July 2020 to 30 June 2023)	5-year (from 1 July 2018 to 30 June 2023)
Total return (assuming distributions reinvested) (%)	(5.2)	20.7	6.4
Distribution yield[1] (%)	7.4	22.4	36.9

Note:
[1] Based on Starhill Global REIT's closing price of S$0.515 per unit as at 30 June 2023 and total DPU for the respective periods.

Letter to Unitholders

Securing Portfolio Value to Achieve Sustainable Growth

Dear Unitholders,
The financial year ended 30 June 2023 (FY 2022/23) was both challenging and exciting. We started the year with great optimism as many countries started easing COVID-19 measures. As global economies gradually reverted to normality, it became apparent that the pandemic has disrupted global supply chains, impacting the ability of businesses to cope with the surge in demand. The resulting inflationary environment pressured central banks to raise interest rates aggressively to curb consumer spending. As a result, high borrowing costs and energy prices coupled with rising geopolitical and trade tensions, have fuelled economic uncertainty worldwide. The Singapore REIT benchmark index, the FTSE REIT Index, retreated 11.8% during FY 2022/23.

Notwithstanding these challenges, we navigated the year with renewed strength and delivered healthy results. Operationally, our portfolio performed well as we benefitted from various asset rejuvenation initiatives implemented during the pandemic where opportunity cost was low. In addition, recovery in tourist arrivals and the return of the office community following the easing of COVID-19 measures boded well for downtown malls like ours. Our prudent capital management strategy and stable profile of master/anchor leases served us well, mitigating the impact of rising interest rates, foreign exchange volatility and energy costs on our distributable income.

FINANCIAL PERFORMANCE

Group revenue of S$187.8 million for FY 2022/23 was 0.7% higher year-on-year (y-o-y) while net property income (NPI) for the Group was S$147.8 million, representing an increase of 2.2% y-o-y. The increase in NPI was attributed mainly to the Singapore portfolio, completion of asset enhancement works at The Starhill and lower rental assistance, despite foreign exchange weakness and loss of income from divestment.

Income available for distribution to Unitholders for FY 2022/23 was S$88.9 million, representing a decrease of 0.9% y-o-y. Income to be distributed to Unitholders after retention of S$3.3 million totalled S$85.6 million for FY 2022/23, or an increase of 0.7% y-o-y.

Distribution Per Unit (DPU) for FY 2022/23 remained stable y-o-y at 3.80 cents, translating to an annual yield of approximately 7.4% based on the closing unit price of S$0.515 as at 30 June 2023.

Right
Tan Sri (Sir) Francis Yeoh
PSM, KBE
Chairman

Left
Mr Ho Sing
Chief Executive Officer & Executive Director

Letter to Unitholders

> "Committed portfolio occupancy rose to 97.7% as at 30 June 2023, being the highest occupancy achieved since 2015, with the Singapore Properties achieving full occupancy on committed basis."

The Group's portfolio valuation declined by 4.3% y-o-y to S$2.8 billion as at 30 June 2023, mainly due to the downward revaluation of Australia Properties and Wisma Atria Property (Retail), divestment of Daikanyama in Tokyo, as well as net movement in foreign currencies. Excluding the effects of the divestment, the Group's portfolio valuation would have dropped by 3.9% y-o-y. As a result, net asset value per Unit was lower at S$0.73 as at 30 June 2023.

PRUDENT CAPITAL MANAGEMENT

As part of our prudent capital management strategy, we have successfully refinanced S$125 million unsecured medium term notes and A$63 million secured loan in FY 2022/23, with new unsecured loans of the same amounts with tenor ranging from 5 to 5.5 years, thereby raising the average debt maturity profile to 3.4 years as at 30 June 2023. We do not have any term debt refinancing requirements until September 2024, and the Group has sufficient undrawn long-term committed revolving credit facility lines to cover the remaining debts maturing in the next two years.

Despite the asset enhancement commitments and the challenging market environment, our gearing level remained stable at 36.7% as at 30 June 2023 and about 84% of our borrowings are on fixed/hedged basis. Our proactive hedging strategy enabled us to mitigate the impact of interest rate volatility on SGREIT's distributions, with net finance costs rising marginally by 1% y-o-y in FY 2022/23.

OPERATIONAL RECOVERY

Riding on the reopening of economies, Starhill Global REIT's portfolio of prime commercial assets staged a healthy recovery in FY 2022/23. Committed portfolio occupancy rose to 97.7% as at 30 June 2023, being the highest occupancy achieved since 2015, with the Singapore Properties achieving full occupancy on committed basis. Asset rejuvenations undertaken at properties in our Singapore and Malaysian portfolio during the pandemic have revitalised the malls and enhanced their appeal to shoppers and tenants. The upgrading works contributed to the Singapore Properties' full committed occupancy while The Starhill in Kuala Lumpur unveiled new retail and lifestyle offerings including Taiwanese bookstore Eslite Spectrum's first foray into South-East Asia and Italian luxury fashion, Roberto Cavalli.

In Singapore, Wisma Atria Property celebrated its makeover and new mall app with a launch party in April 2023 following the completion of interior upgrading works. The mall experienced a healthy rebound in tenant sales and shopper traffic of 17.1% and 23.3% y-o-y respectively in FY 2022/23 whilst sales in the last quarter surpassed pre-COVID levels. The out-performance was largely attributed to higher tourist arrivals as well as the return of office workers. We remain optimistic with Singapore's outlook mirroring Singapore Tourism Board's (STB) expectation that visitor arrivals may recover to pre-pandemic levels by 2024, barring unforeseen circumstances. Prime rents in Orchard Road rose 2.9% y-o-y in 2Q 2023, recovering from the pandemic-induced border closures, which led to four consecutive quarters of growth since 3Q 2022[1] against a backdrop of no new supply in Orchard Road between 3Q 2023 and 2025.

In November 2022, Stage 3 of the Thomson-East Coast MRT Line was completed with 11 stations including Orchard MRT, providing faster access to commuters from the North-South Corridor to the city and benefitting Orchard Road malls. Stages 4 and 5 which are slated for completion in 2024 and 2025 respectively will further extend the MRT line to the eastern region of Singapore.

Our Singapore office portfolio performed well with a committed full occupancy as at 30 June 2023. Grade A Core CBD rents and Grade B Core CBD rents recorded a 4.4% and 4.9% y-o-y growth respectively in 2Q 2023 amid tight vacancy and limited supply.

The Australia Properties which accounted for 21.2% of the Group's revenue in FY 2022/23 continue to remain stable in local currency on the back of the new lease with UNIQLO and rental step-up for anchor tenant Myer. During the year, Japanese international fashion brand, UNIQLO, opened its first South Australian store at our Myer Centre Adelaide. Spanning approximately 10,500 square feet, this is the second UNIQLO store in our

Australian portfolio. UNIQLO opened its first Perth store in our Plaza Arcade back in 2018. The NPI decline of 7.1% y-o-y for FY 2022/23 was mainly attributed to the depreciation of the Australian dollar against Singapore dollar. Committed occupancy of the Australian portfolio improved to 94.5% as at 30 June 2023 from 93.0% a year ago. While CBD retail in Adelaide and Perth are gradually recovering with the reopening of borders and increase in leasing enquiries, the retail market is likely to face uncertainties as the current economic conditions with high interest rates and inflation in Australia may dampen consumer spending power in retail centres.

In Kuala Lumpur, Malaysia, the oversupply of retail space continues to weigh down on occupancies and rents. However, the master tenancy which was renewed prior to COVID-19 provided income stability to Starhill Global REIT. The Starhill's asset enhancement initiative transformed the upper levels of the mall into an extension of the adjourning JW Marriott Hotel, thereby enhancing the efficiency of the property with a more focused and streamlined retail space. The recent completion of the MRT Putrajaya Line complemented the earlier MRT Kajang Line as it adds to the rail network serving both The Starhill and Lot 10 Property. The next and final phase is the MRT3 Circle Line which is expected to be ready by 2030, completing Kuala Lumpur's urban rail network and further encouraging public transport usage in the capital city.

DIVESTMENT OF NON-STRATEGIC ASSET

As part of our capital recycling strategy, we divested Daikanyama in Tokyo, Japan in January 2023, at a premium of 39.1% over its last valuation. At a price of JPY1,877.7 million (approximately S$18.9 million), this translated to a yield of 2.77%. The proceeds from the divestment have been used substantially to repay the Yen borrowings. The divestment has granted us greater financial flexibility as well as the capacity to focus on new assets which align with our core growth strategy.

OUTLOOK

Ongoing geopolitical developments, elevated interest rates and heightened inflation are likely to negatively impact global economies. In view of such uncertainties, our financial standing must remain strong. We have and will maintain a healthy leverage ratio and continue to mitigate rising interest costs and foreign exchange fluctuations by proactively managing our debt maturities and adopting appropriate hedging strategies. We will focus on income stability and preserving the value of our portfolio through strategic asset enhancement initiatives to ensure the portfolio remains relevant to shoppers and tenants. Our next initiative is to modernise the high traffic basement level of Wisma Atria Property while curating new shopping experiences.

We will continue to be selective and vigilant in acquisitions in key cities and will explore all relevant funding options, capital recycling and/or joint venture partnerships to provide optimal risk adjusted returns for Unitholders.

SUSTAINABILITY

We remain committed in our sustainability efforts and will continue to step up our efforts in our Environmental, Social and Governance journey. We attained green certifications for 50% of Starhill Global REIT's portfolio by NLA, ahead of the targeted date. During the year, we attained NABERS Energy rating for Myer Centre Adelaide[2] in Australia, as well as CASBEE "Rank S" rating and LEED Gold Certification for the Japan and China Property respectively. Electric Vehicle Charging Facilities were also rolled out in Wisma Atria. Our new targets include increasing the number of assets with green certifications, reducing our carbon footprint for assets under our operational control and installing renewable energy facilities (e.g. solar panels) in at least one asset in the portfolio.

CONCLUSION

FY 2022/23 has been a year of rejuvenation with the objective of securing portfolio value to achieve sustainable long-term growth. With our healthy balance sheet and liquidity, and a rejuvenated portfolio, Starhill Global REIT is in a good position to forge ahead to leverage opportunities that may arise in a challenging market. As we stay focused on delivering value to our stakeholders, we remain vigilant and steadfast, which are values that have been core to us since our listing in 2005.

ACKNOWLEDGEMENT

The Board and Management would like to thank our Directors for their contributions and guidance, our colleagues for their hard work, commitment and dedication, and our tenants, business partners and investors for their continued trust and support. We take this opportunity to welcome our new Independent Director, Ms Grace Ho. We would also like to thank you for your continued support and confidence in Starhill Global REIT.

Tan Sri (Sir) Francis Yeoh
PSM, KBE
Chairman

Mr Ho Sing
Chief Executive Officer & Executive Director

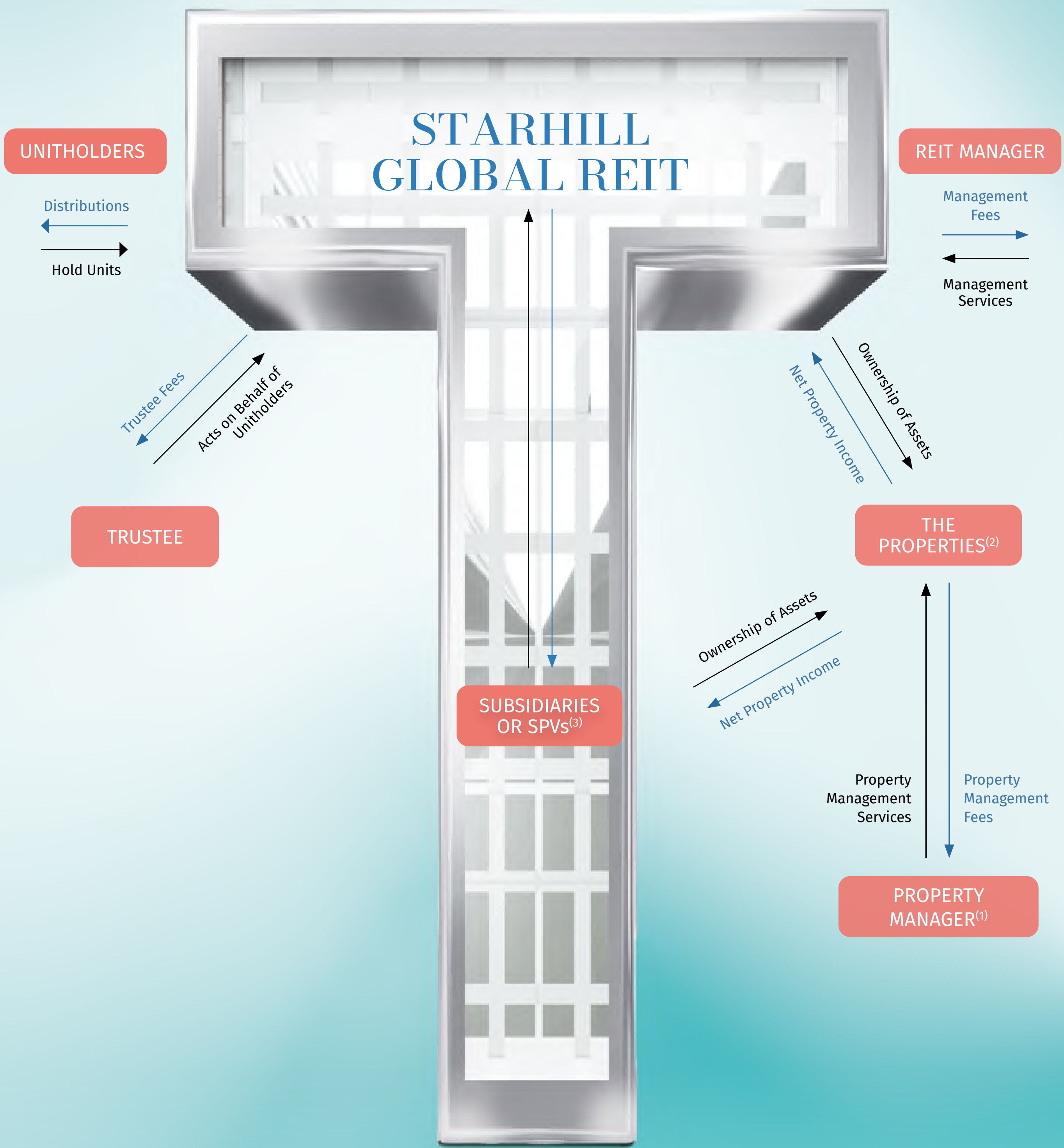
28 August 2023

Notes:

(1) CBRE Singapore.

(2) NABERS 3.5 Stars and 5 Stars for Myer Centre Adelaide retail and office respectively.

Trust Structure



Notes:

(1) The Property Manager manages the Singapore Properties, namely Wisma Atria Property and Ngee Ann City Property. The overseas properties are mainly managed by external property managers.

(2) The Singapore Properties are held by Starhill Global REIT. The overseas properties are held through its subsidiaries or special purpose vehicles (SPVs).

(3) The net income from overseas properties are largely repatriated to Starhill Global REIT via a combination of trust distributions, dividends, interest, as well as repayment of shareholders' loans and/or redemption of redeemable preference shares.

Board of Directors

Guiding the path for tomorrow

TAN SRI (SIR) FRANCIS YEOH
NON-EXECUTIVE CHAIRMAN

MR HO SING
EXECUTIVE DIRECTOR

Tan Sri (Sir) Francis Yeoh joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. Tan Sri (Sir) Francis Yeoh studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri (Sir) Francis Yeoh was conferred an Honorary Degree of Doctor of Laws by the University of Nottingham. He became the Managing Director of YTL Corp Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities, i.e. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global REIT. Tan Sri (Sir) Francis Yeoh was the Managing Director of YTL Corp and YTL Power International Berhad which are listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri (Sir) Francis Yeoh is the Executive Chairman and Managing Director of YTL e-Solutions Berhad and also a Director of YTL Industries Berhad. He is also the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte. Limited in Singapore. Tan Sri (Sir) Francis Yeoh served as an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. He sits on the board of trustees of YTL Foundation. Tan Sri (Sir) Francis Yeoh is a Founding Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and Global Council member of the Asia Society. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri (Sir) Francis Yeoh was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016. Tan Sri (Sir) Francis Yeoh was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005. In 2006, Tan Sri (Sir) Francis Yeoh was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri (Sir) Francis Yeoh received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy. In 2022 he was awarded the PropertyGuru Real Estate Personality of the Year for Malaysia. The award is given to individuals who have made a significant impact in the Asian real estate sector.

Mr Ho Sing joined the Board on 20 April 2010. He is the Chief Executive Officer of the Manager. He works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT. He has over 29 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

Board of Directors

DATO' YEOH SEOK KIAN
NON-EXECUTIVE DIRECTOR

MR TAN BONG LIN
LEAD INDEPENDENT DIRECTOR

MR CHING YEW CHYE
INDEPENDENT DIRECTOR

MR TAN WOON HUM
INDEPENDENT DIRECTOR

MS HO GEK SIM GRACE
INDEPENDENT DIRECTOR

MS YEOH PEI NEE
ALTERNATE DIRECTOR TO NON-EXECUTIVE DIRECTOR DATO' YEOH SEOK KIAN

Dato' Yeoh Seok Kian joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. He was appointed as an Executive Director of YTL Corp since 1984 and has been the Deputy Managing Director of YTL Corp until 29 June 2018 when he was redesignated as Managing Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom, as well as a Member of the Chartered Institute of Building (UK). Dato' Yeoh served as Deputy Managing Director of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte. Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

Mr Tan Bong Lin joined the Board on 1 January 2018 and is the Chairman of the Audit Committee as well as a member of the Nominating and Remuneration Committee. Mr Tan has 27 years of working experience with Wall Street investment banking and brokerage institutions. He served as the Managing Director of Citigroup Global Markets Singapore Pte Ltd from 1991 to 2007. He was also a Member of the Finance Committee of the Singapore Broadcasting Authority from 1997 to 2002. Mr Tan was a Non-Executive Independent Director of APAC Realty Limited from September 2017 to April 2023. He was also the Non-Executive Chairman and Independent Director of RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust (which is listed on the Mainboard of SGX-ST), from February 2019 to July 2023. Mr Tan holds a Bachelor of Accountancy degree from the University of Singapore in 1980.

Mr Ching Yew Chye joined the Board on 1 November 2016 and is a member of the Audit Committee and of the Nominating and Remuneration Committee. He is a seasoned management and information technology professional. In 1982, he joined Accenture PLC, a global management consulting, technology services and outsourcing company. From 1997 until his retirement in 2007, he assumed various regional senior management roles in Accenture, including Managing Partner of the Financial Services Industry Group-Asia, Geographic Council Chairman-Asia and Managing Partner for South Asia Region. He was a member of the Accenture Global Executive Committee from 2001 to 2004 and served on several committees/ task forces to craft Accenture's global strategy. He was also an Independent Non-Executive Director of AIA Berhad from November 2015 to May 2017 and an Independent Non-Executive Chairman of AIA Berhad from May 2017 to June 2023. He is currently an Independent Non-Executive Director of Genting Plantations Berhad, Chairman of United Overseas Bank (Malaysia) Berhad (redesignated on 16 June 2023), and the Independent Non-Executive Chairman of AIA General Berhad. Mr Ching holds a Bachelor of Science (Honours) degree in computer science from the University of London, UK.

Mr Tan Woon Hum joined the Board on 1 August 2017 and is the Chairman of the Nominating and Remuneration Committee as well as a member of the Audit Committee. He is currently a partner of Shook Lin & Bok LLP, a Singapore law firm, and has been with the firm since December 2003. He graduated from the National University of Singapore with a LLB (Honours) Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996. Mr Tan obtained his MBA (Finance) from the University of Leicester in 2000. He has been in private legal practice since 1996 and specialises in trust, asset and wealth management. He advises on the establishment of traditional and alternative funds including related licences and exemptions for fund management companies, as well as the establishment and listing of REITs. Mr Tan is also an Independent Non-Executive Director of UTI International (Singapore) Private Limited, a licensed fund manager.

Ms Ho Gek Sim Grace joined the Board on 1 August 2023 and is a member of the Audit Committee and the Nominating and Remuneration Committee. Ms Ho had a 10-year tenure at Microsoft where she held various roles in companies within the group including local enterprise sales leadership roles, regional operations roles and global product management role. Ms Ho also has experience in business transformation and strategy to grow start-ups, expand to new markets and diversify into new customers and product lines. She was a President at SWAT Mobility Pte Ltd (Global), the Chief of Staff (APAC) and Area Vice President (ASEAN) of Commvault Systems (Singapore) Pte Ltd. She was also the Chief Marketing & Communications Officer, and Strategy Leader (Asean) of IBM Global Services Pte Ltd (Asean), the Chief Commercial Officer & Managing Director (Group Sales) of Singapore Post Limited (Global), Head of Marketing & Managing Director of SAP Asia Pte Ltd (Asia Pacific & Japan) and Country President (Singapore) & Head of Solutions Sales (Apac & Japan) of Motorola Solutions (Asia Pacific & Japan). Ms Ho is currently the Chief Executive Officer of Super Grains Pte Ltd and UPGRAIN Foods Pte Ltd. She is also an Advisor at SWAT Mobility Pte Ltd (Global), a company involved in the business of providing smart applications for the transport and logistics sector. Ms Ho holds a Bachelor of Sciences (Biochemistry & Microbiology) from the National University of Singapore and a Master of Business Administration (Finance & Marketing) from The Australian Graduate School of Management, University of New South Wales, Sydney, Australia.

Ms Yeoh Pei Nee joined the Board on 1 July 2023 and is a Non-Executive Alternate Director to Non-Executive Director Dato' Yeoh Seok Kian on the Board of Directors and on the Nominating and Remuneration Committee. Ms Yeoh has valuable and relevant experience in the retail division of YTL Corporation Berhad's subsidiaries in Malaysia and has overseen the development of luxury brands within YTL Corporation Berhad group's portfolio, as Executive Director of Niche Retailing Sdn Bhd, a subsidiary of YTL Corporation Berhad. She is also the Vice President of Retail Development at YTL Singapore Pte Ltd and Vice President of Leasing at YTL Starhill Global Property Management Pte. Ltd., harnessing her experience in the retail sphere to broaden the property scope by developing strategic and tactical leasing plans and introducing new retail concepts to drive optimal value to the malls. Ms Yeoh is currently a director of Star Hill Living.Com Sdn Bhd, Trendy Retailing Sdn Bhd, Syarikat Kemajuan Perumahan Negara Sdn Bhd and Oriental Place Sdn Bhd. She is also an Alternate Director to Dato' Yeoh Seok Kian at YTL Starhill Global Property Management Pte. Ltd.. Ms Yeoh holds a LLB (Honours) degree in Law from the London School of Economics & Political Science and qualified as a Barrister of England & Wales (Gray's Inn) in 2012.

Executive Officers of The REIT Manager

MR HO SING
CHIEF EXECUTIVE OFFICER

Mr Ho works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT. He works closely with other members of the Manager to ensure these strategies are implemented.

He is also responsible for the day-to-day operations of Starhill Global REIT.

He has over 29 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These include senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and GuocoLand Limited.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He completed the Stanford Executive Program at Stanford University in 2002.

MS ALICE CHEONG
CHIEF FINANCIAL OFFICER

Ms Cheong oversees the finance and accounting, as well as the investor relations and corporate communications functions. Ms Cheong has over 20 years of financial advisory, mergers and acquisitions, and corporate finance experience, with over 10 years in the real estate sector.

Prior to joining the Manager, she was a vice president in MEAG Pacific Star Asia Pte Ltd involved in real estate acquisitions in Asia. Ms Cheong had 9 years of investment banking experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore.

Ms Cheong graduated from Warwick University in the UK with a Bachelor of Science degree in Management Science. She is also a Chartered Financial Analyst (CFA Institute).

MR STEPHEN YEO
SENIOR VICE PRESIDENT
Finance & Accounting

Mr Yeo is responsible for assisting the Chief Financial Officer in the finance and accounting matters of Starhill Global REIT including financial reporting, taxation, treasury, corporate finance and capital management.

He has more than 20 years of experience in finance and accounting, statutory reporting, compliance and tax in Singapore and other regional countries. Prior to joining the Manager, he was the financial controller of Sunshine Holding Limited, a China-based real estate developer listed on the Mainboard of the SGX-ST. He was previously an audit manager with Deloitte & Touche.

Mr Yeo holds a Bachelor of Accountancy degree from Nanyang Technological University in Singapore. He is also a non-practising member of the Institute of Singapore Chartered Accountants.

MS CLARE KOH
SENIOR VICE PRESIDENT
Head of Investments

Ms Koh has more than 20 years of experience in corporate finance, advisory, and mergers and acquisitions (M&A). Ms Koh is responsible for the sourcing, structuring and execution of acquisitions and disposals for Starhill Global REIT. She was involved in Starhill Global REIT's IPO and its acquisitions in Japan, Australia and Malaysia, and its Japan disposals.

Prior to joining the Manager, she was with MEAG Pacific Star Asia Pte Ltd's investments team, and spent four years with HSBC investment bank in the execution of regional M&A and advisory transactions.

Ms Koh holds a Bachelor of Commerce degree from the University of Western Australia.

MS LIM KIM LOON
SENIOR VICE PRESIDENT
Asset Management

Ms Lim is responsible for the management of Starhill Global REIT's portfolio. She has more than 20 years of real estate experience in property and asset management. Prior to joining the Manager, Ms Lim was the Head of Asset Management at Lendlease (Asia) and spent 11 years with ARA Trust Management as part of Suntec REIT's asset management team. Ms Lim was also previously with CapitaLand Retail Management Pte Ltd, where she was responsible for the day-to-day operations of various retail malls.

Ms Lim graduated from the National University of Singapore with a Bachelor of Science (Honours), specialising in Estate Management.

MR JONATHAN KUAH
SENIOR VICE PRESIDENT
Head of Investor Relations & Corporate Planning

Mr Kuah is responsible for strategic communication with Unitholders, potential investors, analysts and media as well as corporate planning.

He has over 20 years of experience in the financial industry, including over 10 years in the real estate industry.

Prior to joining the Manager, he spent five years with CapitaLand Limited as Vice President of Investor Relations. Mr Kuah also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various securities firms. Mr Kuah holds a Bachelor of Science degree in Business Administration (Finance) from California State University, Long Beach, USA.

MS IVY SOH
SENIOR VICE PRESIDENT
Legal & Compliance and Joint Company Secretary

Ms Soh is responsible for the legal, compliance and corporate secretarial functions for Starhill Global REIT and the Manager. She has more than 20 years of experience in the legal industry, with a broad spectrum of experience in private practice and in-house counsel roles. Prior to joining the Manager, Ms Soh was with the Frasers Property Limited (FPL) group for more than 9 years, where she provided legal and compliance support to various business units within the FPL group, including the REIT managers. She was the Compliance Officer of Frasers Commercial Trust until its merger with Frasers Logistics & Industrial Trust in 2020. Before joining FPL, her main areas of legal practice were in fund management and corporate finance.

Ms Soh holds a Bachelor of Laws (Honours) degree from the National University of Singapore and is an Advocate and Solicitor of the Supreme Court of Singapore.

Property Highlights

Name	Address	Description	NLA (sq ft) (30 June 2023)	Title	Number of Tenants (30 June 2023)
Ngee Ann City Property	391/391B Orchard Road, Singapore 238874	Four strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City	Retail: 255,021[2] Office: 139,547	Leasehold estate of 69 years, expiring on 31 March 2072	59
Wisma Atria Property	435 Orchard Road, Singapore 238877	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria	Retail: 126,456 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	133
Myer Centre Adelaide	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre, with three office buildings and four basement levels of carpark	Retail: 527,922[3] Office: 97,959	Freehold	79
David Jones Building	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,093 (GLA)	Freehold	5
Plaza Arcade	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	36,933 (GLA)	Freehold	19
The Starhill	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	An integrated development with four lower floors of retail and three upper floors of hospitality use	333,289[10]	Freehold	1
Lot 10 Property	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	254,163[9][10]	Leasehold estate of 99 years, expiring on 29 July 2076	1
Ebisu Fort	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for retail and office use	18,816[9]	Freehold	6
Daikanyama[16]	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	NA	Freehold	NA
China Property	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	A four-storey plus mezzanine level retail building forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate, expiring on 27 December 2035	1

Notes:

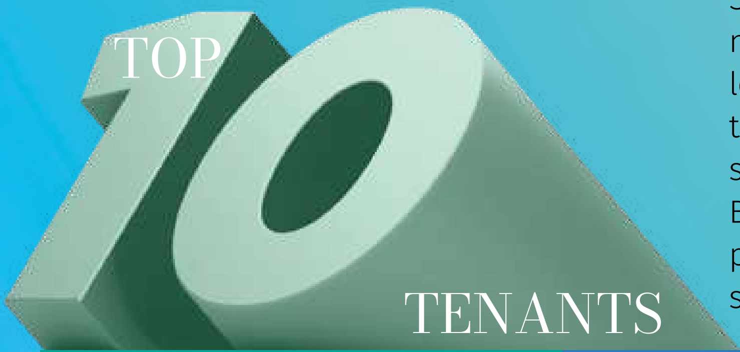
(1) Based on commenced leases as at the reporting date.
(2) Includes 225,969 sq ft of gross lettable area leased to Toshin on a master tenant basis.
(3) Excludes approximately 89,000 sq ft of unactivated area on level five of the retail centre.
(4) Myer Centre Adelaide was acquired on 18 May 2015. Based on the exchange rate of A$0.95:S$1.00 at acquisition.
(5) Based on exchange rate of A$1.11:S$1.00 as at 30 June 2023.
(6) David Jones Building was acquired on 20 January 2010. Based on the exchange rate of A$0.79:S$1.00 at acquisition.
(7) Plaza Arcade was acquired on 1 March 2013. Based on the exchange rate of A$0.79:S$1.00 at acquisition.
(8) Lot 10 Property and The Starhill were acquired on 28 June 2010. Based on the exchange rate of RM2.32:S$1.00 at acquisition.
(9) Largely retail with some office component.

Purchase Price (S$ million)	Valuation 30 June 2023 (S$ million)	Occupancy Rate		Major Tenants and Brands	Revenue		NPI	
		30 June 2023 (Actual)[1]	30 June 2022 (Actual)[1]		FY 2022/23 (S$ million)	FY 2021/22 (S$ million)	FY 2022/23 (S$ million)	FY 2021/22 (S$ million)
640.0	**1,130.4**	Retail: 98.5% Office: 99.0%	Retail: 98.5% Office: 92.6%	Toshin Development Singapore Pte. Ltd. (Toshin) (master tenant), DBS Treasures Centre	**64.3**	63.4	**52.5**	51.9
663.0	**827.8**	Retail: 95.8% Office: 100.0%	Retail: 97.6% Office: 94.5%	COACH, Tory Burch, TAG Heuer, Emperor Watch & Jewellery, Food Republic, Haidilao Hot Pot	**51.3**	49.9	**39.3**	37.1
303.1[4]	**202.1**[5]	Retail: 91.7% Office: 93.4%	Retail: 88.3% Office: 93.3%	Myer Pty Ltd (Myer), Technicolor Creative Studios Australia Pty Ltd, CDW Studios, Uniqlo Australia Pty Ltd (UNIQLO)	**27.4**	28.7	**16.2**	16.6
145.7[6]	**115.9**[5]	98.3%	98.5%	David Jones Pty Limited (David Jones), The Body Shop, Lorna Jane	**10.0**	11.6	**7.8**	9.3
61.0[7]	**39.5**[5]	81.7%	77.6%	Uniqlo Australia Pty Ltd (UNIQLO), Outback Red, Finns Espresso	**2.4**	2.5	**1.3**	1.3
271.3[8]	**259.8**[11]	100.0%	100.0%	Katagreen Development Sdn. Bhd. (Katagreen) (master tenant)	**18.2**	14.6	**17.7**	14.2
173.0[8]	**131.2**[11]	100.0%	100.0%	Katagreen (master tenant)	**10.6**	11.2	**10.2**	10.8
71.3[12]	**34.9**[13]	100.0%	100.0%	Wano KK, ILL Co., Ltd., GO-SEES Co., Ltd., Family Mart, Prime Three, Plug-In	**1.9**	2.1	**1.5**	1.6
22.8[12]	**NA**	NA	100.0%	NA	**0.4**[16]	0.9	**0.3**[16]	0.7
70.6[14]	**25.6**[15]	100.0%	100.0%	Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store (Markor)	**1.4**	1.6	**1.1**	1.2

Notes:

(10) Under a master tenancy agreement with Katagreen.
(11) Based on the exchange rate of RM3.44:S$1.00 as at 30 June 2023.
(12) Daikanyama was acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007. Based on the exchange rate of JPY79.97:S$1.00 at acquisition.
(13) Based on the exchange rate of JPY106.77:S$1.00 as at 30 June 2023.
(14) China Property was acquired on 28 August 2007. Based on the exchange rate of RMB4.96:S$1.00 at acquisition.
(15) Based on the exchange rate of RMB5.35:S$1.00 as at 30 June 2023.
(16) Included contribution from Daikanyama, until its divestment in January 2023.

Property Portfolio Summary

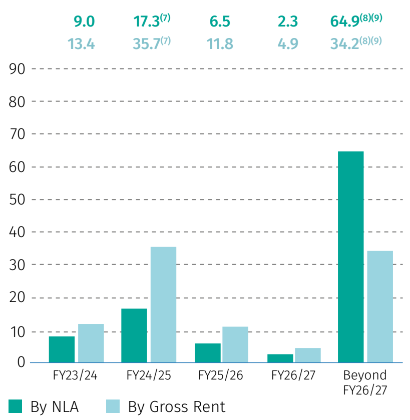


Starhill Global REIT's Portfolio comprises nine primarily mid- to high-end retail properties located in six key cities in five countries across the Asia-Pacific region. These properties are strategically located in good to prime locations. Backed by master and anchor leases, the portfolio has enjoyed strong occupancy rates since the REIT's listing in 2005.

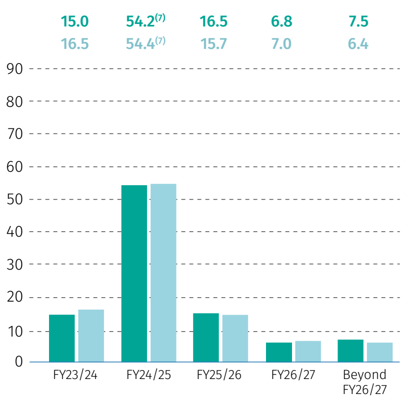
Tenant Name	Property	% of Total Portfolio Gross Rent[(1)(2)]
Toshin Development Singapore Pte. Ltd.	Ngee Ann City Property, Singapore	23.9
YTL Group[(3)]	Ngee Ann City Property & Wisma Atria Property, Singapore The Starhill & Lot 10 Property , Malaysia	15.3
Myer Pty Ltd	Myer Centre Adelaide, Australia	7.3
David Jones Pty Limited	David Jones Building, Australia	4.9
Food Republic Pte. Ltd.	Wisma Atria Property, Singapore	2.5
Coach Singapore Pte. Ltd.	Wisma Atria Property, Singapore	1.7
Uniqlo Australia Pty Ltd	Plaza Arcade & Myer Centre Adelaide, Australia	1.5
Tory Burch Singapore Pte Ltd	Wisma Atria Property, Singapore	1.4
Emperor Watch & Jewellery	Wisma Atria Property, Singapore	1.3
Technicolor Creative Studios Australia Pty Ltd	Myer Centre Adelaide, Australia	1.2

Weighted average lease term expiry (WALE) of 6.5[(4)(5)] and 4.3[(4)(5)] years (by NLA and gross rent respectively)

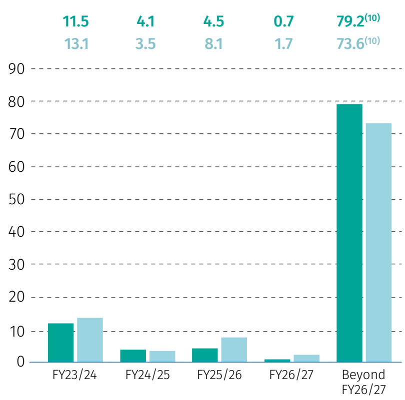
Portfolio Lease Expiry[(5)(6)]
(%)



Singapore Portfolio Lease Expiry[(5)(6)]
(%)



Australia Portfolio Lease Expiry[(5)(6)]
(%)



Notes:

(1) As at 30 June 2023.
(2) The total portfolio gross rent is based on the gross rent of all the properties.
(3) Consists of Katagreen Development Sdn. Bhd., YTL Singapore Pte. Ltd., YTL Starhill Global REIT Management Limited and YTL Starhill Global Property Management Pte. Ltd.
(4) Based on committed leases at 30 June 2023, including leases commencing after 30 June 2023. Based on the date of commencement of leases, portfolio WALE was 6.4 years by NLA and 4.1 years by gross rent.
(5) Excludes tenants' option to renew or pre-terminate.
(6) Based on committed leases as at reporting date.
(7) Includes the Toshin master lease.
(8) Includes master tenancy agreements for Malaysia Properties and the anchor leases in Australia.
(9) Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.
(10) Includes anchor leases with David Jones and Myer which expire in 2032.

Well-positioned Assets in Prime Locations

Starhill Global REIT's Portfolio comprises assets in iconic retail districts including Orchard Road in Singapore, Bukit Bintang in Malaysia, Rundle Mall in Adelaide and Murray Street Mall in Perth. The portfolio assets are also located close to key transportation nodes, making them accessible to both local shoppers and tourists.

Ongoing infrastructure developments in Singapore and Malaysia such as the Thomson-East Coast MRT Line ("TEL") and MRT Putrajaya Line will improve accessibility for commuters to the city, benefitting downtown malls. In November 2022, TEL Stage 3 was completed with 11 stations including Orchard MRT, providing faster access to commuters from the North-South Corridor to the city. Stages 4 and 5 which are slated for completion in 2024 and 2025 respectively will further extend the MRT line to the eastern region of Singapore. In Kuala Lumpur, Phase 1 and Phase 2 of the MRT Putrajaya Line began operation in June 2022 and March 2023 respectively, linking the Northwest Kuala Lumpur and its southern suburbs to Putrajaya. The MRT Putrajaya Line has two stations which are within 15 minutes' walk to The Starhill and Lot 10 Property or one station away from the Bukit Bintang MRT station by interchanging on the MRT Kajang Line. The next and final phase is the MRT3 Circle Line which is expected to complete by 2030.

Diversified Portfolio

The Portfolio is diversified across geographies. Its assets in Singapore, Australia and Malaysia are the top revenue contributors. Of the three geographies, Singapore is Starhill Global REIT's largest revenue contributor at 61.6% in FY 2022/23 while Australia and Malaysia contributed 21.2% and 15.3% of the Portfolio's revenue respectively in FY 2022/23. The balance of the Portfolio comprises assets in Japan and China, which accounted for the remaining 1.9% of revenue in FY 2022/23.

The Portfolio comprises primarily of retail assets which contributed 85.0% of the total revenue in FY 2022/23. The office towers are located next to our malls in Singapore and Adelaide and accounted for 15.0% of the total revenue in FY 2022/23. Besides bringing income diversification, the office towers provide regular shopper traffic to our malls.

Long Weighted Average Lease Expiry

Starhill Global REIT's Portfolio is characterised by its master and anchor leases which accounted for approximately 52.8% of the Portfolio's gross rent as at 30 June 2023. These master and anchor leases provide stable rental income, while providing potential upside with periodic rent review and built-in step-up rents. The Manager actively manages the remaining short to medium-term leases of the Portfolio.

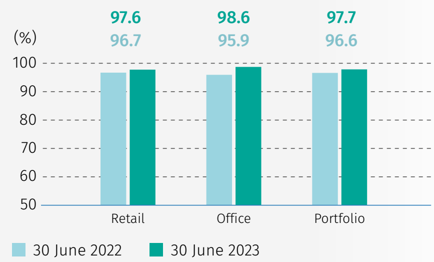
The major master and anchor tenants include Toshin Development Singapore Pte. Ltd. ("Toshin") for Ngee Ann City Property, Katagreen Development Sdn. Bhd. for the Malaysia Properties, Myer Pty Ltd ("Myer") for Myer Centre Adelaide and David Jones Pty Limited ("David Jones") for the David Jones Building. Please see the section on Operations Review for each property for further details. As at 30 June 2023, the top 10 tenants accounted for 61.0% of the Portfolio's gross rent. The top four tenants comprised master or anchor leases: Toshin, YTL Group, Myer and David Jones, accounting for 23.9%, 15.3%, 7.3% and 4.9% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

As a result of the long leases from the master and anchor tenants, the Portfolio has a long weighted average lease term expiry of 6.5[1][2][3][4] years and 4.3[1][2][3][4] years by NLA and gross rent respectively as at 30 June 2023. As at 30 June 2023, leases expiring in FY 2023/24[4][5] account for 9.0% and 13.4% of the Portfolio by NLA and gross rent respectively. The weighted average lease term expiry by gross rent for leases commenced in FY 2022/23 is 2.5[2][4][7] years. The proportion of gross rent attributed to these leases is approximately 13.5%[2][4][7] of the Portfolio's monthly gross rental income as at 30 June 2023, excluding retail turnover rent. The leases expiring in FY 2023/24 by gross rent for retail leases is 12.1%[1][2][5] whilst the leases expiring in FY 2023/24 by gross rent for office leases is 20.0%[2][5][6]. 35.7% of leases by gross rent will expire in FY 2024/25 mainly due to the expiry of the lease with Toshin in June 2025. The lease expiry profile is well spread for the balance of the leases excluding master and anchor tenants as the Manager adopts a proactive leasing strategy of forward renewals and active management of lease expiries. The Manager is actively engaging Toshin in preparation for the master lease expiry and is in the midst of evaluating options including master lease renewal or self operating model, with a focus on balancing optimal returns with income stability.

For the Singapore Properties, besides the Toshin master lease for the Ngee Ann City Property, revenue originated from retail leases in the Wisma Atria Property and the Ngee Ann City Property level five, as well as office leases which are generally contracted for a three-year period. Aside from the master leases and anchor leases, the Japan Property, specialty retail units in the David Jones Building and Plaza Arcade in Perth, as well as specialty stores at Myer Centre Adelaide in Adelaide generally have tenancies with three to five-year lease terms. The China Property has one anchor tenant, Markor, which is one of China's largest furniture retailers.

Resilient Portfolio Occupancy

Portfolio Committed Occupancy up 1.1 percentage points to 97.7%



Starhill Global REIT's Portfolio maintained a healthy occupancy rate of 96.8%[7] as at 30 June 2023 which outperformed the previous year's occupancy rate of 95.4%. The committed portfolio occupancy rate was 97.7%[5] as at 30 June 2023, being the highest occupancy achieved since 2015.

The retail portfolio occupancy of 96.6%[7] as at 30 June 2023 improved from 95.8% a year ago with the portfolio achieving a committed retail portfolio occupancy rate of 97.6%[5]. The Singapore Properties achieved full occupancy[5] on committed basis as at 30 June 2023.

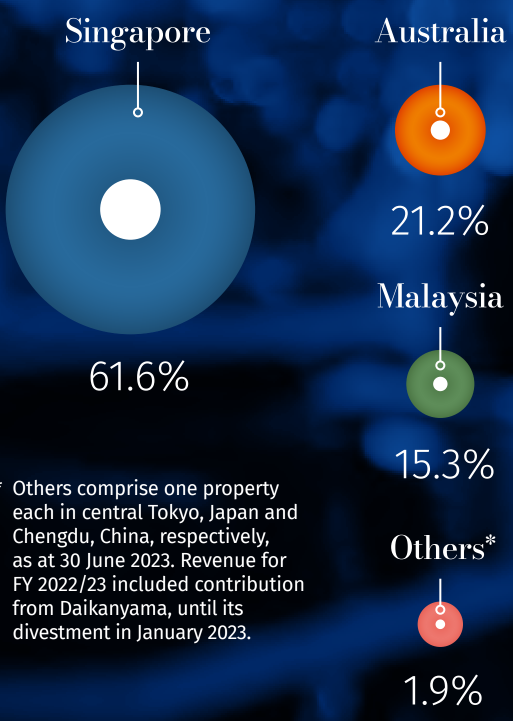
The office portfolio occupancy rose to 97.7%[7] as at 30 June 2023 from 93.4% a year ago, mainly due to the improvement in office occupancy for our Singapore assets. In Singapore, the office portfolio registered a higher occupancy of 99.4%[7] as at 30 June 2023, as compared to 93.4% as at 30 June 2022. On a committed basis, the occupancy for the total office portfolio increased to 98.6%[5] as at 30 June 2023.

Notes:

(1) Assuming that the option to renew for the third three-year term for the Lot 10 Property is exercised.
(2) Excludes tenants' option to renew or pre-terminate.
(3) Based on committed leases as at 30 June 2023, including leases commencing after 30 June 2023. Based on the date of commencement of leases, portfolio WALE was 6.4 years and 4.1 years by NLA and gross rent respectively.
(4) Portfolio lease expiry schedule includes all of SGREIT's properties.
(5) Based on committed leases as at reporting date.
(6) Comprises Wisma Atria, Ngee Ann City and Myer Centre Adelaide office properties only.
(7) Based on commenced leases as at reporting date.

Property Portfolio Summary

Gross Revenue
By Country
(For FY 2022/23)



* Others comprise one property each in central Tokyo, Japan and Chengdu, China, respectively, as at 30 June 2023. Revenue for FY 2022/23 included contribution from Daikanyama, until its divestment in January 2023.

Gross Revenue
By Retail and Office
(For FY 2022/23)

Retail	85.0%
Office	15.0%

Portfolio Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

Master Leases & Anchor Leases	52.8%
Office	16.5%
Food & Beverage	7.6%
Fashion	6.5%
Health & Beauty	5.2%
Shoes & Accessories	3.7%
Jewellery & Watches	3.5%
General Trade	2.0%
Services	1.4%
Others	0.8%

Building on our portfolio of quality assets, the Manager will continue to focus on maintaining a healthy occupancy.

Recovery in Shopper Traffic and Tenant Sales at the Wisma Atria Property

Shopper traffic and tenant sales continued to improve as Singapore lifted COVID-19 related border measures from 13 February 2023 and interior upgrading works (excluding the basement) at Wisma Atria Property were completed.

The recovery in tourist arrivals, improvement in consumer sentiment and the return of office workers benefitted downtown malls. In FY 2022/23, tenant sales and shopper traffic increased 17.1% and 23.3% y-o-y respectively with tenants sales for 4Q FY 2022/23 surpassing pre-COVID level.

Portfolio Tenure Profile

The portfolio comprises 56.6% of freehold and 43.4% of leasehold properties largely based on net lettable area. The freehold properties are The Starhill in Malaysia and all properties located in Australia and Japan. The weighted average unexpired leasehold remaining for the portfolio's leasehold properties is approximately 44 years.

Asset Enhancement Initiatives

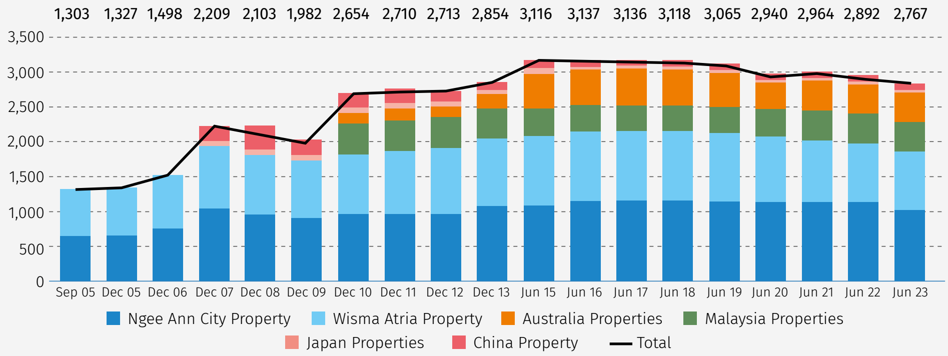
In order to optimise the value of our assets throughout their life cycle and to cater for tenants' and consumers' preferences in an evolving landscape, we continually upgrade our properties through asset enhancement initiatives. The rejuvenation of our assets is timely, allowing us to ride on the recovery of the retail sector from the relaxation of COVID-19 measures and opening of borders.

The interior upgrading works at Wisma Atria (excluding Basement 1) were completed in February 2023, with a launch party held on 27 April 2023. On the back of the rejuvenated mall, Wisma Atria achieved full occupancy on a committed basis as at 30 June 2023. The next phase of renovation for Wisma Atria will be at the high traffic basement level, and include modernising the interior, widening of MRT entrance portal, reconfiguring the central space with the introduction of a new hip artisan bakery cafe, as well as enhanced signages to create better awareness of our retail offerings. Estimated to cost S$3.5 million, this initiative has commenced in August 2023 and is targeted to complete in March 2024. The works will be carried out in various phases and will have minimal disruption to tenants and operations as works will be conducted at night.

At Myer Centre Adelaide, Phase One comprising of works on North, East and West façades was completed in December 2022. Phase Two works, which will provide a facelift to the South façade while enhancing shoppers' safety and building aesthetics, are ongoing and slated for completion by early 2024.

Portfolio Valuation

(S$ million)



Description	30 June 2023 (S$ million)	30 June 2022 (S$ million)	Change (S$ million)	Change (%)
Ngee Ann City Property	1,130.4	1,131.5	(1.1)	(0.1%)
Wisma Atria Property	827.8	837.6	(9.8)	(1.2%)
Australia Properties (1)	357.5	422.6	(65.1)	(15.4%)
Malaysia Properties (2)	391.0	420.7	(29.7)	(7.1%)
Japan Properties (3)	34.9	50.7(6)	(15.8)	(31.1%)
China Property (4)	25.6	29.3	(3.7)	(12.6%)
Total(5)	**2,767.2**	**2,892.4**(6)	**(125.2)**	**(4.3%)**
Total (excluding Daikanyama)	**2,767.2**	**2,878.6**	**(111.4)**	**(3.9%)**

Notes:

(1) Translated as at 30 June 2023 at A$1.11:S$1.00 (2022: A$1.04:S$1.00).

(2) Translated as at 30 June 2023 at RM3.44:S$1.00 (2022: RM3.17:S$1.00).

(3) Translated as at 30 June 2023 at JPY106.77:S$1.00 (2022: JPY97.96:S$1.00).

(4) Translated as at 30 June 2023 at RMB5.35:S$1.00 (2022: RMB4.81:S$1.00).

(5) As at 30 June 2023, the total investment properties, including the right-of-use assets, is approximately S$2,767.8 million (2022: S$2,893.3 million).

(6) Included Daikanyama which has been divested for a cash consideration of JPY1,877.7 million (or approximately S$18.9 million) in January 2023.

Portfolio Asset Valuation

Starhill Global REIT's investment properties have been assessed by independent valuers at S$2,767.2 million (excluding right-of-use assets) as at 30 June 2023 (2022: S$2,892.4 million).

The y-o-y movement was largely attributed to the downward revaluation of Australia Properties and Wisma Atria Property (Retail), divestment of Daikanyama, as well as net movement in foreign currencies.

As at 30 June 2023, the combined valuation of the Ngee Ann City Property and the Wisma Atria Property, which comprises approximately 70.8% of the portfolio value, decreased by 0.6% to S$1,958.2 million. The decrease in valuation for Wisma Atria Property (Retail) is mainly due to the increase in operating expenses and higher buyer's stamp duty for non-residential properties.

The office components for the Singapore Properties registered a marginal increase in valuation as at 30 June 2023.

The combined valuation of the Australia Properties was S$357.5 million (A$398.0 million), decreasing by S$65.1 million from that as at 30 June 2022 mainly due to the revaluation of the properties (cap rate expansion and softening of rents) as well as foreign currency movement. In terms of Australian dollar, the valuation has declined by A$43.5 million, seen across both Adelaide and Perth properties.

The Malaysia Properties were valued at S$391.0 million (RM1,347.0 million) as at 30 June 2023, reflecting a decrease of S$29.7 million compared to 30 June 2022 mainly due to weaker Malaysian Ringgit. Excluding the impact from foreign currency movement, the valuation of the Malaysia Properties grew by RM14.0 million compared to 30 June 2022, primarily driven by higher valuation for The Starhill due to higher term rents.

The Japan portfolio were valued at S$34.9 million (JPY3,730.0 million), a decrease of S$15.8 million from the previous valuation as at 30 June 2022 largely due to the divestment of Daikanyama in January 2023 and foreign currency movement. Excluding the impact of Daikanyama divestment, Ebisu Fort (the remaining Japan Property) registered an increase in value by 3.0% in local currency terms. The valuation of the China Property decreased by 12.6% compared to that as at 30 June 2022 mainly due to foreign currency movement and its shortening land tenure. As at 30 June 2023, the valuation of China Property was S$25.6 million (RMB137.0 million).

Singapore Properties

Centrally located in the prime stretch of the Orchard Road shopping belt, the properties have excellent connectivity to transportation hubs.

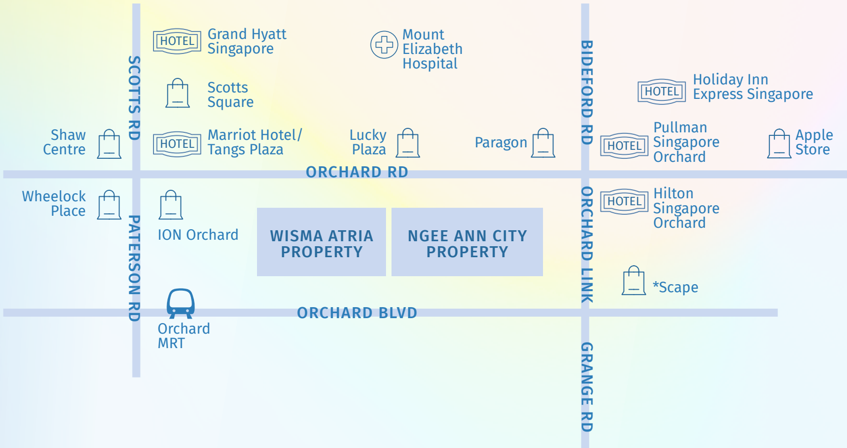
Starhill Global REIT's Singapore Properties are located in the heart of Orchard Road, one of the world's leading retail destinations. Patronised by tourists and locals, Orchard Road enjoys excellent islandwide connectivity.

Located at the heart of Orchard Road

The adjoining Ngee Ann City Property and Wisma Atria Property enjoy prime Orchard Road street frontage of 190 metres and house a wide offering of international luxury brands such as Chanel, Coach, Louis Vuitton, Rolex and Tory Burch.

Excellent Connectivity and Accessibility

Wisma Atria has direct basement access to Orchard MRT station, at the heart of the Orchard Road shopping belt. Connectivity is further enhanced with Orchard MRT station being an interchange station connecting the North-South and Thomson-East Coast lines with the completion of Stage 3 of the Thomson-East Coast Line in November 2022. Stages 4 and 5 which are slated for completion in 2024 and 2025 respectively will further extend the MRT line to the eastern region of Singapore.



Office Towers with a Prestigious Address

Office towers in Singapore are located adjacent to the retail podium of Ngee Ann City and Wisma Atria, providing constant shopper traffic to the malls. Due to their central location and close proximity to retail stores and boutiques along Orchard Road, the office towers attract tenants from the retail and services sector, medical and beauty establishments, including Bulgari, Burberry, Ermenegildo Zegna, L'Occitane, Longchamp, Tod's and Valentino. The Ngee Ann City and Wisma Atria office towers offer tenants a prestigious Orchard Road address and an array of amenities including food and beverage outlets, gyms, healthcare providers and shops within walking distance.

Ngee Ann City Property

Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include both the retail and office spaces.

Address:
391/391B Orchard Road,
Singapore 238874

Visit:
www.ngeeanncity.com.sg

Wisma Atria Property

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent the retail areas in the property (excluding the space owned by Isetan) and the office tower.

Address:
435 Orchard Road,
Singapore 238877

Visit:
www.wismaonline.com

Singapore Properties

Ngee Ann City Property

Iconic Mall in the Heart of Orchard Road

Located on the prime stretch of Orchard Road, Ngee Ann City is an iconic shopping destination and one of the largest malls along Orchard Road. It is accessible via a network of major roads and enjoys access to Orchard MRT station through the underground pedestrian linkway from Wisma Atria and other parts of Orchard Road through the underpasses. Apart from being one of the most popular shopping destinations among the affluent and discerning shoppers, youths and families, its exclusive retail, dining and lifestyle offerings make it a favourite destination among locals, tourists and business travellers.

The Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces in Tower B. Ngee Ann City comprises a podium with seven levels, including three basement levels comprising retail and car parking space. Its twin towers each host 18 levels of office space.

Home to International Luxury Retailers

The distinctive architecture of Ngee Ann City and its wide Orchard Road frontage make it one of the most prominent landmarks along Orchard Road. Housing the Takashimaya Shopping Centre, it boasts signature flagship stores from international luxury brands complete with popular fashion brands, unique concepts and lifestyle stores, a diverse selection of new-to-market brands as well as delectable dining options. Ngee Ann City's tenants include top luxury brands such as Berluti, Boss, Chanel, Goyard, Louis Vuitton and Piaget, as well as contemporary labels including lululemon, M.A.C. and Steve Madden.

Tenant Mix

For FY 2022/23, 77.2% of the Ngee Ann City Property's gross revenue was from retail tenants while 22.8% was from office tenants.

Retail Tenant Mix

The top contributors to the Ngee Ann City Property's retail gross rent are Toshin and DBS Bank. Toshin, being the master tenant, occupies all retail areas in the Ngee Ann City Property except level five. As at 30 June 2023, Toshin accounted for 88.0% of the gross rent of the Ngee Ann City Property (Retail).

Four strata lots representing 27.23% of the total share value in Ngee Ann City.

Tenure

69 YRS
Leasehold estate
(Expiring on 31 March 2072)

Number Of Tenants
(As at 30 June 2023)

59
(including a master tenant)

Purchase Price

S$640.0M

Market Valuation
(As at 30 June 2023)

S$1,130.4M

Total Net Lettable Area
(As at 30 June 2023)

394,568 SQ FT

Retail	Office
255,021 sq ft	139,547 sq ft

Occupancy Rate[(1)]
(As at 30 June 2023)

Retail	Office
98.5%	99.0%

(As at 30 June 2022)

Retail	Office
98.5%	92.6%

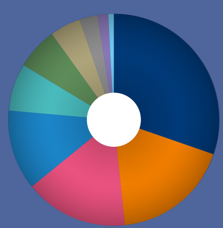
Retail & Office Mix
By Gross Revenue
(FY 2022/23)

Retail	Office
77.2%	22.8%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

Toshin (Master Tenant)	88.0%
Health & Beauty	9.0%
Services	2.5%
General Trade	0.5%

Office Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)



Retail	30.6%
Real Estate & Property Services	18.0%
Banking & Financial Services	15.8%
Beauty/Health	12.2%
Petroleum Related	7.4%
Consultancy/Services	6.2%
Medical	4.9%
Others	2.6%
Information Technology	1.6%
Trading	0.7%

Note:
(1) Based on commenced leases as at the reporting date.

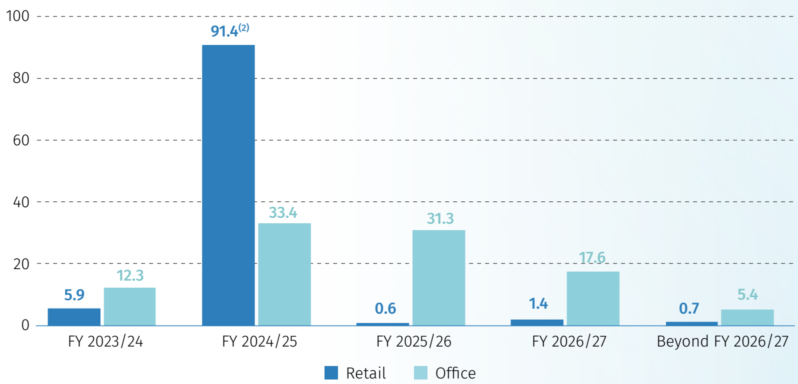
Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn wholly-owned by Takashimaya Company Limited, a listed entity on the Tokyo Stock Exchange. The Toshin master lease, which expires in June 2025, provides income stability. The Manager is actively engaging Toshin in preparation for the master lease expiry and is in the midst of evaluating options including master lease renewal or self-operating model, with a focus on balancing optimal returns with income stability.

The Manager actively manages and rejuvenates the Level five tenant mix with complementary offerings. Beauty and wellness tenants include Active Life Chiropractic, Caring Skin, London Weight Management and New York Skin Solutions.

Top 5 Tenants
based on committed gross rent[1]

1. Toshin Development Singapore Pte. Ltd.
2. The Great Room NA Pte. Ltd.
3. Cortina Group
4. United Overseas Bank Limited
5. BeautyOne Group

Lease Expiry Profile based on committed leases[1]
(%)



Notes:
(1) As at 30 June 2023, based on committed gross rental income and excludes gross turnover rent.
(2) Includes the Toshin master lease.

Singapore Properties

Wisma Atria Property

Strategically located along the prime stretch of Orchard Road between Ngee Ann City and ION Orchard, Wisma Atria has more than 100 metres of prime street frontage. The mall enjoys excellent connectivity and is directly linked to Orchard MRT station, Ngee Ann City and ION Orchard via underground pedestrian linkways.

Wisma Atria is a premier lifestyle mall which appeals to the aspirational fashion-savvy shoppers and has an established following among both locals and tourists. The popular mall showcases a wide selection of mid-to-high end international brands as well as homegrown favourite fashion and lifestyle stores with an exciting array of food and beverage options. It comprises a retail podium with four levels and one basement, three levels of car park and an office tower with 13 levels of office space.

Tenant Mix

With the completion of the interior upgrading works in February 2023, Wisma Atria has been given a refreshed makeover featuring an elevated and stylish mall. Complementing the rejuvenation, a refreshed tenant mix has been curated with new F&B options such as Ben's Cookies, Jamba Juice, Subway and Sushiro. Exciting new shopping options were also added, including Kaleido and Michael Trio.

For FY 2022/23, retail tenants contributed 79.4% of gross revenue of Wisma Atria Property while office tenants contributed 20.6%.

Attracting Shoppers to Wisma Atria

Various promotions and events were carried out during FY 2022/23 to encourage higher shopper traffic and boost tenant sales. This included the launch of the Wisma Atria Mobile App in January 2023 for members to earn e-rewards, participate in lucky draws, enjoy first-hand information on promotions and offset parking charges.

On 27 April 2023, to mark the official start of the brand new Wisma Atria experience and the new mall's app, Wisma Atria held a launch event at Wisma Atria Indoor Atrium, Level 1. The event showcased the exclusive Wearnes Harley-Davidson of Singapore X AMOS ANANDA motorcycle. The fashion show during the event

257 strata lots representing 74.23% of the total share value in Wisma Atria.

Tenure

99 YRS
Leasehold estate
(Expiring on 31 March 2061)

Number Of Tenants
(As at 30 June 2023)

133

Purchase Price

S$663.0M

Market Valuation
(As at 30 June 2023)

S$827.8M

Total Net Lettable Area
(As at 30 June 2023)

225,345 SQ FT

Retail	Office
126,456 sq ft	98,889 sq ft

Occupancy Rate[1]
(As at 30 June 2023)

Retail	Office
95.8%	100.0%

(As at 30 June 2022)

Retail	Office
97.6%	94.5%

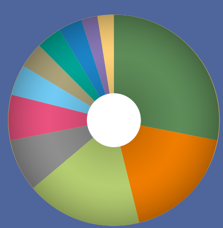
Retail & Office Mix
By Gross Revenue
(FY 2022/23)

Retail	Office
79.4%	20.6%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

Food & Beverage	29.3%
Fashion	26.4%
Shoes & Accessories	16.4%
Jewellery & Watches	13.9%
Health & Beauty	9.4%
General Trade	4.6%

Office Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

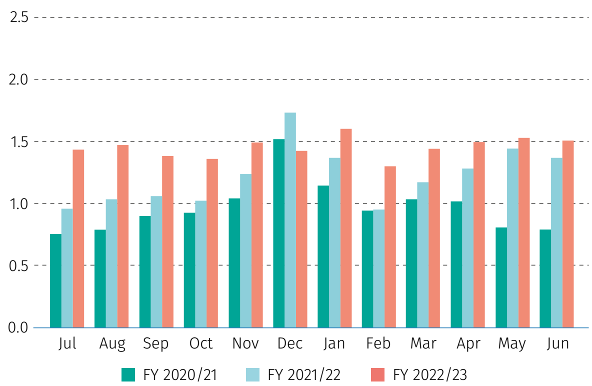


Medical	28.2%
Real Estate & Property Services	18.2%
Retail	17.7%
Others	7.9%
Banking & Financial Services	6.9%
Trading	4.8%
Consultancy/Services	3.9%
Government Related	3.8%
Beauty/Health	3.6%
Information Technology	2.6%
Aerospace	2.4%

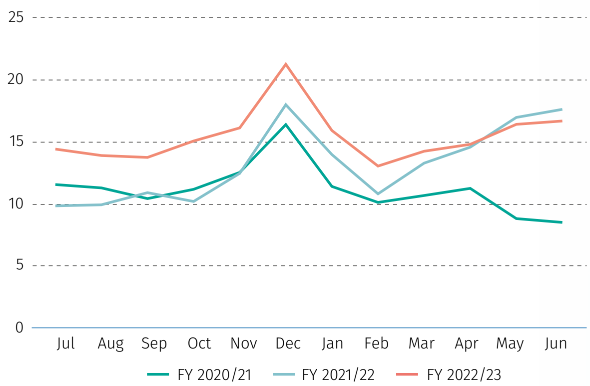
featured his capsule collection as well as accessories from various Wisma Atria tenants. Proceeds from the sale of the limited capsule collection were donated to Unlabelled Run charity.

Further, in April 2023, Tory Burch celebrated the launch of the T-Monogram pop-up at Wisma Atria with a star-studded affair, attended by Ms Tory Burch herself.

Wisma Atria Shopper Traffic
(million)



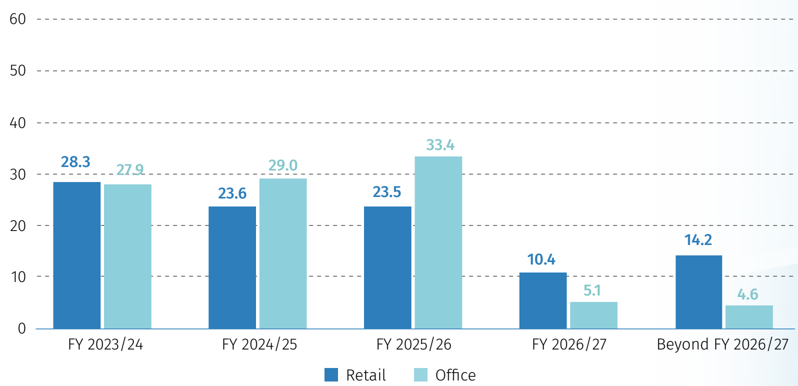
Wisma Atria Centre Sales
(S$ million)



Top 5 Tenants based on committed gross rent[2]

1. Food Republic Pte. Ltd.
2. Coach Singapore Pte. Ltd.
3. Tory Burch Singapore Pte. Ltd.
4. Emperor Watch & Jewellery (Singapore) Pte. Ltd.
5. Charles & Keith Group

Lease Expiry Profile based on committed leases[2]
(%)



Notes:

(1) Based on commenced leases as at the reporting date.

(2) As at 30 June 2023, based on committed gross rental income and excludes gross turnover rent.

Australia Properties

Our assets in Adelaide and Perth are strategically located along prime pedestrian streets in the city centres.

Myer Centre Adelaide (Artist impression, subject to change)

Myer Centre Adelaide, David Jones Building and Plaza Arcade are located in Rundle Mall in Adelaide as well as the Murray Street Mall and Hay Street Mall retail precincts in Perth respectively. The assets are within close proximity to the central business districts and transportation nodes. These generate constant shopper traffic flow to our properties and make them popular destinations for locals and tourists.

Adelaide

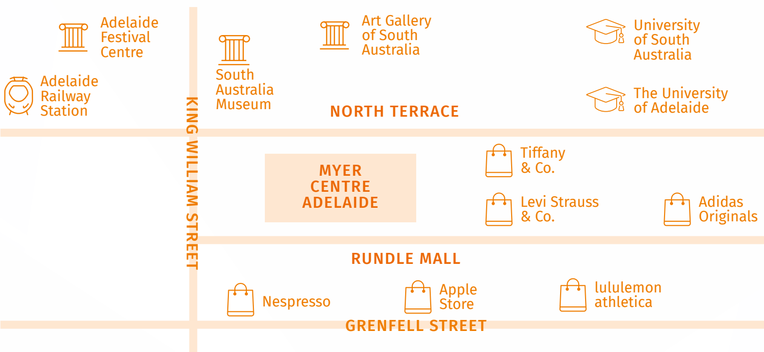
Myer Centre Adelaide is the largest shopping mall in the city centre, and Myer department store has been its anchor tenant since 1991. It is located on the prime retail stretch of Rundle Mall – the city's premier retail pedestrian street and in the heart of the central business district.

Rundle Mall – Adelaide's Prime Shopping Precinct

Being one of Australia's first pedestrian street malls, Rundle Mall is an icon in the city of Adelaide, and the precinct is a compelling retail destination. The retail strip houses over 700 retailers and 300 services[1]. Rundle Mall is located close to the Adelaide railway station and in close proximity to cultural highlights such as the Adelaide Oval, Adelaide Central Market and numerous galleries and museums. It is also near several universities and Royal Adelaide Hospital.

Note:
[1] www.rundlemall.com

ADELAIDE



Myer Centre Adelaide

Eight-storey retail centre, with three office buildings and four basement levels of car park.

Address:
14-38 Rundle Mall,
Adelaide, Australia

Visit:
www.myercentreadelaideshopping.com.au

Perth

A focus in Perth in recent years has been the regeneration and urban renewal of underutilised spaces within the city. Redevelopments have been undertaken within the key areas of Central Perth, Subiaco, Midland, Armadale and Scarborough to rejuvenate and attract people into the city[(2)].

Plans to revitalise Perth's CBD include the government's initiative of the A$1.69 billion Perth City Deal, which will provide improvements to infrastructure such as improved safety, better transport and connectivity, new university campus, investment in Perth's cultural attractions, supporting local jobs and businesses which will reinvigorate the CBD. As part of the Perth City Deal, the construction of Edith Cowan University's inner-city campus has received A$853 million[(3)] funding injection from the federal government, the Western Australia government and the university. The campus is expected to attract over 10,000 students and staff upon its completion in 2025[(4)].

David Jones Building and Plaza Arcade – In the Heart of Perth's City Centre

Situated in the heart of Perth's city centre, David Jones Building and Plaza Arcade are well-placed to capitalise on pedestrian traffic from the Perth Busport and train station as well as the William Street walkway link to the Perth Cultural Centre. Major redevelopments at Raine Square and Forrest Chase as well as upgrading works to Piccadilly Arcade have been completed. Other works in the city include the development of the Perth Hub and Nine the Esplanade, as well as redevelopment works planned at various sites around David Jones and Plaza Arcade, including Carillon City and a site bordered by Barrack Street, Hay Street and Murray Street. In addition, the City of Perth has set targets to almost double the city's residential population by 2036, further adding vibrancy to the retail scene in Perth's city.

David Jones Building

Four-storey heritage-listed building for retail use.

Address:
622-648 Hay Street Mall, Perth, Australia

Visit:
www.starhillglobalreit.com/david-jones-building.html

Plaza Arcade

A three-storey heritage-listed retail building located next to the David Jones Building.

Address:
650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia

Visit:
www.plazaarcade.com.au

Notes:
(2) DevelopmentWA website.
(3) Government of Western Australia website, Joint media statement – Groundbreaking moment for landmark ECU city campus.
(4) ECU City website.

Australia Properties

Myer Centre Adelaide

Largest Shopping Mall in Adelaide's City Centre

Myer Centre Adelaide is a prominent landmark and the largest shopping centre located in the heart of Adelaide's city centre. Popular with locals and tourists, the centre is located along Rundle Mall, the city's prime retail precinct. Myer Centre Adelaide is within walking distance to the Riverbank Entertainment Precinct, which includes the Adelaide Festival Centre and the Adelaide Oval multi-sports stadium, and in close proximity to hostels, art galleries, museums and a casino. The property is surrounded by offices in the city centre and is in close proximity to universities such as Flinders, University of Adelaide, University of South Australia and the Royal Adelaide Hospital. Anchored since 1991 by the Myer department store, the 527,922 sq ft[1] retail centre houses 59 other retail tenants.

Tenant Mix

The property comprises an eight-storey retail centre with four basement levels of car park, and an office component which includes a six-storey office tower above the retail centre and two heritage buildings.

The Myer department store occupies approximately 51.8% of Myer Centre Adelaide's NLA. It accounts for 61.2% of the gross rental contribution for Myer Centre Adelaide (Retail) as at 30 June 2023. It is also Starhill Global REIT's third largest tenant, contributing approximately 7.3% of portfolio gross rent as at 30 June 2023. Its long-term lease in the property, which expires in 2032, provides for an annual rent review.

The retail centre is also home to popular international retailers including Bed Bath N Table, Daiso, LUSH and UNIQLO as well as national labels such as Da Klinic, Lincraft, ToyWorld and W Cosmetics.

Complementing the retail offerings, Myer Centre Adelaide also offers a wide range of dining options with cafes and a lower-ground food court – the largest in Adelaide's city centre – serving fast food and international cuisines.

Eight-storey retail centre, with three office buildings and four basement levels of car park.

Tenure

Freehold

Number Of Tenants
(As at 30 June 2023)

79
(including an anchor tenant)

Purchase Price

S$303.1M

Market Valuation
(As at 30 June 2023)

S$202.1M

Retail & Office Mix
By Gross Revenue
(FY 2022/23)

Retail	Office
89.6%	10.4%

Total Net Lettable Area
(As at 30 June 2023)

625,881 SQ FT[1]

Retail	Office
527,922 sq ft	97,959 sq ft

Occupancy Rate[2]
(As at 30 June 2023)

Retail	Office
91.7%	93.4%

(As at 30 June 2022)

Retail	Office
88.3%	93.3%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

Trade	%
Myer (Anchor Tenant)	61.2%
Food & Beverage	9.6%
Fashion	8.0%
General Trade	6.7%
Jewellery & Watches	4.4%
Health & Beauty	4.2%
Others	3.3%
Services	1.7%
Shoes & Accessories	0.9%

Notes:
(1) Excludes approximately 89,000 sq ft of unactivated space on level five of the retail centre as at 30 June 2023.
(2) Based on commenced leases as at the reporting date.

Most of the remaining leases at the property incorporate annual upward-only rent reviews. As at 30 June 2023, the occupancy rate for Myer Centre Adelaide (Retail) was 91.7%[(1)].

UNIQLO opened its first South Australia store on 24 November 2022, after its successful opening in Plaza Arcade, Perth in 2018. The store spans approximately 10,500 sq ft of retail space near the south entrance of the mall.

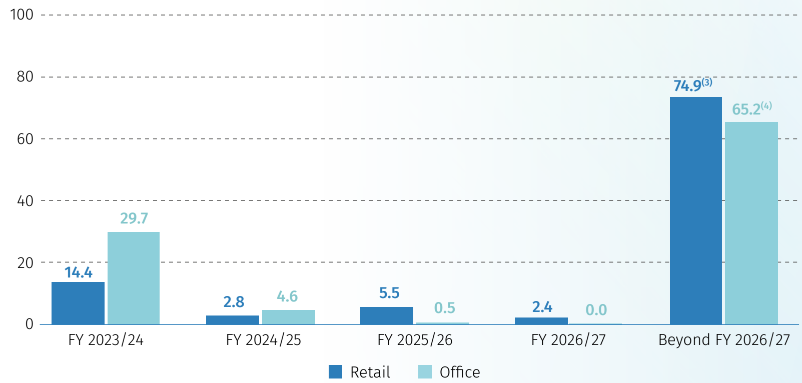
Featuring the brand's full line-up of LifeWear apparel for men, women, children and newborns, the much-awaited store opened to much fanfare, drawing a crowd of over 3,000 people on its opening day.

The office component of Myer Centre Adelaide includes Terrace Towers, a six-storey 81,117 sq ft office tower above the retail centre and two heritage buildings (Shell House and Goldsbrough House). The occupancy rate for Myer Centre Adelaide (Office) was 93.4%[(1)] as at 30 June 2023.

Top 5 Tenants
based on committed gross rent[(2)]

1. Myer Pty Ltd
2. Technicolour Creative Studios Australia Pty Ltd
3. Uniqlo Australia Pty Ltd
4. The Law Society of South Australia
5. Concept Design Workshop Pty Ltd

Lease Expiry Profile based on committed leases[(2)]
(%)



Notes:

(1) Based on commenced leases as at the reporting date.
(2) As at 30 June 2023, based on committed gross rental income and excludes gross turnover rent.
(3) Includes Myer and UNIQLO leases.
(4) Includes Technicolour Creative Studios lease.

Australia Properties

David Jones Building

Centrally located in Perth's prime retail stretch, the David Jones Building sits on a freehold site of approximately 71,473 sq ft in the Perth CBD in Australia. It enjoys dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city.

The property is a few minutes' walk from the Perth station and is also linked seamlessly to another major shopping centre via a covered walkway. The four-storey property, which has heritage listed components (including a building constructed circa 1910 that was formerly the Savoy Hotel), is anchored by the David Jones department store.

As at 30 June 2023, the property's occupancy was 98.3%[1]. David Jones Pty Limited occupies approximately 95.1% of the total gross lettable area and accounts for 91.8% of the gross rent for David Jones Building as at 30 June 2023. The long-term lease with David Jones provides for an upward-only rent review every three years and expires in June 2032. A rental uplift was secured in August 2023.

Besides David Jones, four specialty stores occupy a gross lettable area of about 8,206 sq ft and comprise international and national brands such as Lorna Jane, Superdry and The Body Shop.

Four-storey heritage-listed building for retail use.

Tenure

Freehold

Total Gross Lettable Area
(As at 30 June 2023)

259,093 SQ FT

Number Of Tenants
(As at 30 June 2023)

5
(including an anchor tenant)

Occupancy Rate[1]
(As at 30 June 2023)

Retail
98.3%

(As at 30 June 2022)

Retail
98.5%

Purchase Price

S$145.7M

Market Valuation
(As at 30 June 2023)

S$115.9M

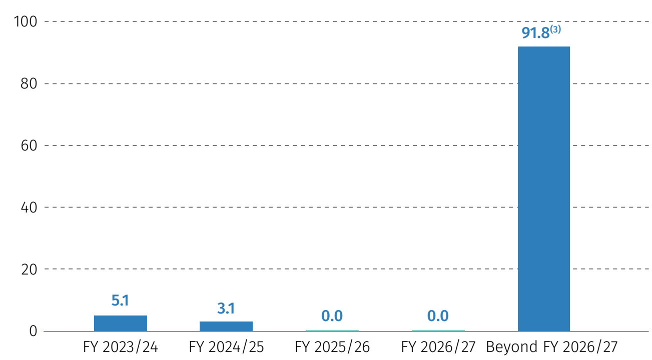
Retail Trade Mix
By Gross Rental Contribution (As at 30 June 2023)

David Jones (Anchor Tenant)	Fashion	Health & Beauty
91.8%	4.2%	4.0%

Top 5 Tenants
based on committed gross rent[2]

1. David Jones Pty Limited
2. The Body Shop Australia Pty Ltd
3. Lorna Jane Pty Ltd
4. deBurgh Holdings Pty Ltd
5. Brand Collective Pty Ltd

Lease Expiry Profile based on committed leases[2]
(%)



Notes:
(1) Based on commenced leases as at the reporting date.
(2) As at 30 June 2023, based on committed gross rental income and excludes gross turnover rent.
(3) Includes the David Jones lease.

Plaza Arcade

Located next to the David Jones Building, Plaza Arcade is in the heart of the city centre and sits on a freehold site of approximately 27,523 sq ft. The property is one of two main thoroughfares with entrances at both Hay and Murray Street Malls and comprises a three-storey heritage-listed retail building with 19 tenancies. The property has a GLA of approximately 36,933 sq ft and was 81.7%[1] occupied as at 30 June 2023.

Plaza Arcade is anchored by UNIQLO's first Perth store, which occupies a prominent frontage along Murray Street. The tenant mix of the asset is diversified, comprising fashion, food & beverage and services. Most leases at the property provide for rental upside from an annual upward-only rent review. This complements Perth city centre's revitalised retail offerings, which include a newly opened Sephora city store and the Forrest Chase and Raine Square redevelopments which have been completed.

Notes:
(1) Based on commenced leases as at the reporting date.
(2) As at 30 June 2023, based on committed gross rental income and excludes gross turnover rent.
(3) Includes the UNIQLO lease.

A three-storey heritage-listed retail building located next to the David Jones Building.

Tenure
Freehold

Total Gross Lettable Area
(As at 30 June 2023)
36,933 SQ FT

Number Of Tenants
(As at 30 June 2023)
19
(including an anchor tenant)

Occupancy Rate[1]
(As at 30 June 2023)
Retail
81.7%

(As at 30 June 2022)
Retail
77.6%

Purchase Price
S$61.0M

Market Valuation
(As at 30 June 2023)
S$39.5M

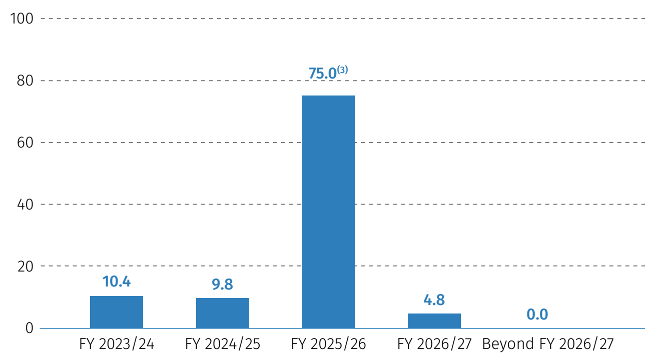
Retail Trade Mix
By Gross Rental Contribution (As at 30 June 2023)

UNIQLO (Anchor Tenant)	75.0%
Food & Beverage	7.7%
General Trade	7.0%
Services	6.7%
Fashion	3.6%

Top 5 Tenants
based on committed gross rent[2]

1. Uniqlo Australia Pty Ltd
2. Landed Pty Ltd
3. Ysadora Alexander
4. Conti Deli Pty Ltd
5. Hussen Sadiq Majid Ahmed Al-Khazaali

Lease Expiry Profile based on committed leases[2]
(%)



Malaysia Properties

The Starhill and Lot 10 Property are strategically located in the vibrant Bukit Bintang district, one of Kuala Lumpur's premier shopping districts and home to prestigious international hotels, prime office buildings and shopping complexes.

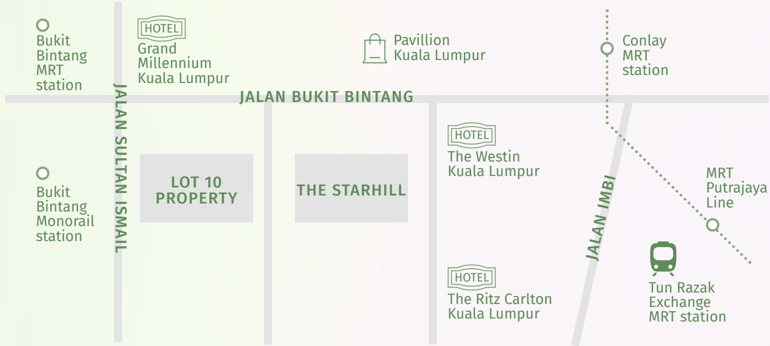
Located in the heart of Bukit Bintang

The Starhill and Lot 10 Property are strategically located in the heart of Bukit Bintang prime shopping stretch. Both properties are accessible by the Bukit Bintang Monorail station. The Bukit Bintang MRT station along the MRT Kajang Line has been operating for several years, connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city. An exit from the MRT station is located in front of the entrance of the Lot 10 Property, providing commuters greater accessibility to the mall and The Starhill. In addition, Phase 1 and 2 of the MRT Putrajaya Line began operations in June 2022 and March 2023 respectively, linking the Northwest Kuala Lumpur and its southern suburbs to Putrajaya. The MRT Putrajaya Line has two stations which are within 15 minutes' walk to The Starhill and Lot 10 Property or one station away from the MRT Bukit Bintang station by interchanging on the MRT Kajang Line. The next and final phase is the MRT3 Circle Line which is expected to complete by 2030[1].

Master Tenancy Agreements Provide Income Visibility

The Malaysia Properties are under master leases with Katagreen, an indirect wholly-owned subsidiary of YTL Corporation Berhad.

The tenure for the master tenancy agreements for the Malaysia Properties ("MTA") are approximately 19.5 years and nine years[2] for The Starhill and Lot 10 Property respectively from June 2019, providing income visibility and stability. The payment obligations of the master tenant under the MTAs is guaranteed by our sponsor YTL Corporation Berhad. In addition, the MTAs has built-in periodic rent step-ups which provide rental growth.



The Starhill

An integrated development with four lower floors of retail and three upper floors of hospitality use.

Address:
181 Jalan Bukit Bintang,
55100 Kuala Lumpur, Malaysia

Visit:
www.thestarhill.com.my

Lot 10 Property

137 strata parcels and two accessory parcels within the Lot 10 shopping centre.

Address:
50 Jalan Sultan Ismail, 50250
Kuala Lumpur, Malaysia

Visit:
lot10.com.my

The asset enhancement works completed in December 2021 as a condition to the MTA enhanced the appeal of The Starhill, amid an increase in retail supply in Kuala Lumpur.

Notes:

(1) Mass Rapid Transit Corporation Sdn Bhd.
(2) Under master lease with Katagreen, assuming that the option to renew is exercised for the third three-year term for the Lot 10 Property.

Malaysia Properties

The Starhill

Luxury Retail and Lifestyle Destination

The Starhill sits on a freehold site connected to two luxury hotels: JW Marriott Hotel Kuala Lumpur and The Ritz Carlton Kuala Lumpur. Envisioned as a luxury retail and lifestyle destination for shoppers, the iconic mall is located in the heart of Bukit Bintang shopping belt. Integrating hospitality into the retail experience, the mall has been repositioned as the “Home of the Tastemakers” where customers can shop, dine, and stay in a refined yet relaxed home-like setting that offers experiential retail in a cosy, intimate boutique atmosphere. Patronised by both locals and tourists, the mall appeals to a new generation of savvy and affluent shoppers with a discerning eye for style and taste. The Starhill features a premium tenant mix of international designer labels and luxury watch and jewellery brands. The popular Taiwanese lifestyle bookstore, Eslite Spectrum opened its first South-East Asia flagship store at The Starhill in December 2022 and occupies over 70,000 sq ft.

Asset Enhancement Works

The Starhill was officially re-launched in December 2021 after undergoing extensive asset enhancements works. Integrated above the four levels of retail experience are the three highest floors which have been converted from retail floors to house 162 luxury rooms – an extension of the iconic JW Marriott Kuala Lumpur. Together with the seamless connectivity to two world-class luxury hotels, The Ritz Carlton Kuala Lumpur and JW Marriott Hotel Kuala Lumpur, it brings the total to over 1,100 rooms linked to The Starhill. JW Marriott Hotel Kuala Lumpur is owned by YTL Hospitality REIT, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad.

Notable tenants and concepts include the flagship stores of Paul & Shark, Roberto Coin and Stefano Ricci, Rolex boutique and the Eslite Spectrum.

The Starhill also retained numerous brands that were previously tenants of the mall including Audemars Piguet, Bedat & Co, Davidoff, Louis Vuitton and Shiatzy Chen.

Following the asset enhancement works, The Starhill was transformed into an integrated development with four lower floors of retail and three upper floors for hospitality use.

Tenure
Freehold

Master Tenant
(As at 30 June 2023)
Katagreen
Lease expiry beyond FY 2026/27

Purchase Price
S$271.3M

Market Valuation
(As at 30 June 2023)
S$259.8M

Total Net Lettable Area
(As at 30 June 2023)
333,289 SQ FT

Occupancy Rate[1]

(As at 30 June 2023)

Retail/Hotel[2]
100%

(As at 30 June 2022)

Retail/Hotel[2]
100%

Notes:
(1) Based on commenced leases as at the reporting date.
(2) The Starhill has completed its asset enhancement works in December 2021 which converted the three upper floors into hospitality use — an extension of the adjoining JW Marriott Hotel Kuala Lumpur.

Lot 10 Property

A Lifestyle Destination for Young Urbanites
Strategically located in the heart of the vibrant Bukit Bintang, Kuala Lumpur's premier shopping district, Lot 10 Property is a lifestyle shopping mall featuring a wide range of fashion, dining and lifestyle offerings spread over seven floors of retail space. Home to Malaysia's first H&M store, JONETZ by DON DON DONKI and Lot 10 Hutong – Malaysia's first "Street Food Heritage Village", the mall appeals to the young and trendy urbanites.

Notable tenants in Lot 10 Property include Genki Sushi, The Coffee Bean & Tea Leaf, The Hour Glass, and the Yes Mobile flagship Store. The basement houses the Lot 10 Hutong, a heritage gourmet village which offers a gastronomic experience of local food in the heart of Bukit Bintang.

There are 137 strata parcels and two accessory parcels within the Lot 10 shopping centre. These strata parcels represent retail areas (excluding the space owned by Isetan).

Tenure
99 YRS
Leasehold estate
(Expiring on 29 July 2076)

Master Tenant
(As at 30 June 2023)
Katagreen
Lease expiry beyond FY 2026/27[1]

Purchase Price
S$173.0M

Market Valuation
(As at 30 June 2023)
S$131.2M

Total Net Lettable Area
(As at 30 June 2023)
254,163 SQ FT

Occupancy Rate[2]
(As at 30 June 2023)

Retail
100%

(As at 30 June 2022)

Retail
100%

Notes:
[1] Assuming that the option to renew for the third three-year term is exercised.
[2] Based on commenced leases as at the reporting date.

Japan and China Properties

Ebisu Fort

Strategically located in the prime area of Ebisu (Shibuya Ward), Ebisu Fort is a seven-storey building (with two basement levels), featuring convenience retail, golf school and services. As at 30 June 2023, the property is fully occupied.

Starhill Global REIT's portfolio was refined in January 2023 with the divestment of Daikanyama[1] at JPY1,877.7 million (approximately S$18.9 million), a 39.1% premium to its latest valuation and a yield of 2.77%. The sale marks the Group's sixth divestment in Japan and is part of an on-going strategy to divest non-core assets.

Having weighed the cost and benefits of earthquake insurance for the property, no specific earthquake insurance has been taken up, which is consistent with industry practice in Japan.

Ebisu Fort

Address:
1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan

Visit:
www.starhillglobalreit.com/ebisu-fort.html

China Property

The China Property is located in the vibrant city of Chengdu, the capital city of the Sichuan province. Chengdu is the third city in China with two airports, after Beijing and Shanghai.

Situated along the Second Ring Road, the China Property is in close proximity to prime residential estates and offices. The Nijiaqiao MRT station is located in front of the property and is easily accessible by major roads and public transport. Comprising four levels of retail space with a mezzanine floor, the China Property is tenanted to a sole tenant, Markor, which is one of the largest furniture retailers in China. The parent company is listed on the Shanghai Stock Exchange, with a market capitalisation of RMB4.8 billion (approximately S$0.9 billion[4]) as at 30 June 2023. The tenancy agreement incorporates a fixed rent with a periodic rental step-up.

Address:
19, 4th Section, Renminnan Road, Chengdu, Sichuan, China

Visit:
www.starhillglobalreit.com/china-property.html

Starhill Global REIT's Japan and China portfolio comprises one contemporary commercial building in prime Tokyo area and one single tenanted mall in Chengdu.


Ebisu Fort, Japan


China Property

	Ebisu Fort, Japan	China Property
Tenure	Freehold	Leasehold (Expiring on 27 December 2035)
Number Of Tenants / Tenant[3] (As at 30 June 2023)	6	Markor Lease expiring in FY 2026/27
Purchase Price	S$71.3M	S$70.6M
Market Valuation (As at 30 June 2023)	S$34.9M	S$25.6M
Total Net Lettable Area / Total Gross Floor Area (As at 30 June 2023)	18,816 SQ FT	100,854 SQ FT
Occupancy Rate[2] – Retail (As at 30 June 2023)	100%	100%
Occupancy Rate[2] – Retail (As at 30 June 2022)	100%	100%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 June 2023)

Others	31.2%
General Trade	29.2%
Services	25.2%
Health & Beauty	14.4%

Notes:
(1) Daikanyama was divested on 31 January 2023 to Matsuya Co., Ltd.. The open market value was derived using the discounted cash flow and income capitalisation methods.
(2) Based on commenced leases as at the reporting date.
(3) Under single tenancy agreement with Markor. Excludes tenant's option to pre-terminate.
(4) Based on exchange rate of RMB5.35:S$1.00 as at 30 June 2023.

Independent Market Overview

Singapore

ECONOMIC OVERVIEW

Macroeconomic Overview

Singapore's Gross Domestic Product (GDP) grew by 0.5%[(1)] y-o-y[(2)] in 2Q 2023, expanding the 0.4% growth in the preceding quarter. On a q-o-q[(3)] seasonally adjusted basis, the economy expanded by 0.1%, a reversal from the 0.4% contraction experienced in the previous quarter.

Global developments have impacted the rate of growth of Singapore's economy. Although the reopening of China's borders was faster than expected along with stronger than expected economic recovery, continued stress on China's property market and weakness of the industrial sector amid subdued external demand conditions are likely to have an impact on recovery. Other global headwinds such as the ongoing Russia-Ukraine conflict continues to disrupt the global supply of energy, food and other commodities, resulting in elevated inflation rates.

To curb inflation, the US Federal Reserve has raised interest rates 10 consecutive times since March 2022, with the latest series of rate hikes in February and July 2023 increasing interest rates by 100 basis point in 2023 thus far. Turmoil was also seen in the financial sector with the collapse of Silicon Valley Bank in March 2023, resulting in a week-long banking crisis. Outlook for the US and Eurozone remains weak amidst lagged effects of monetary tightening policies, with businesses anticipated to cut back on investments and discretionary spending by consumers. Given the above, along with the uncertainty of a potential resurgence of the COVID-19 pandemic, global economic growth is projected to slow down to 3.0%[(4)] in 2023 as compared to 3.5% growth in 2022.

In Singapore, the Monetary Authority of Singapore ("MAS") has tightened monetary policies five times since October 2021, but maintained the prevailing rate of currency appreciation in April 2023 as it anticipated GDP growth to be below trend in 2023. MAS also expects domestic economic slowdown could be deeper than anticipated as a result of intensifying risks to global growth.

However, the reopening of borders in 2022 has contributed to growth in some sectors in 2Q 2023. The Services Producing Industries experienced an overall growth of 2.6% y-o-y, with robust growth of 13.0% y-o-y experienced in the accommodation sector as a result of a strong recovery in international visitor arrivals, as well as the real estate sector, which grew 12.0% y-o-y. However, the finance & insurance sector contracted 1.7% y-o-y due to contractions in the banking and insurance segments. The Goods Producing Industries contracted 5.5% y-o-y, as the manufacturing sector contracted by 7.3% y-o-y in 2Q 2023 as a result of declining output across all clusters except the transport engineering cluster. The construction sector experienced a growth of 6.8% y-o-y, as both public and private sector construction output rose in the quarter.

Based on preliminary estimates[(5)], the overall unemployment rate was at 1.9% in 2Q 2023, 0.1 percentage points higher than the 1.8% recorded in 1Q 2023 and 0.2 percentage points lower than 2.1% in 2Q 2022.

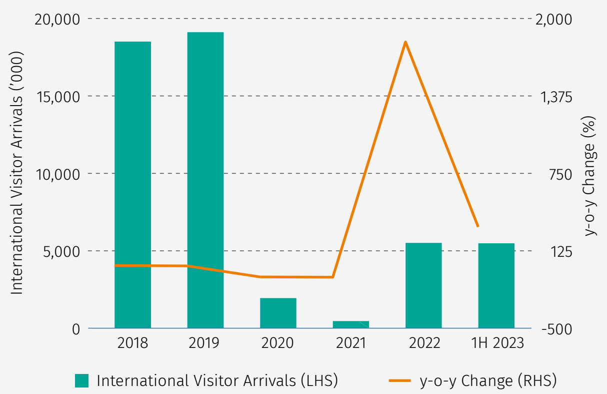
Overall, Ministry of Trade and Industry ("MTI") has narrowed its GDP growth forecast for 2023 to 0.5% to 1.5%, from 0.5% to 2.5% as at May 2023. This takes into account the performance of the Singapore economy amid weakness in the global economy, restrictive financial conditions as well as the electronics downcycle. However, there is positive growth outlook for the services sector, given the ongoing recovery in international air travel and inbound tourism, as well as resilient labour market conditions.

Singapore Tourism Arrivals

In 2022, Singapore's tourism sector displayed strong recovery amidst the gradual opening of the global economies. Although below pre-pandemic levels, Singapore's visitor arrival reached 6.3 million for the full year 2022. As global travel continued to pick up in 2023, Singapore remains cautiously optimistic on the recovery of its tourism industry. With a further increase in cross-border mobility in 1H 2023, visitor arrivals reached 6.3 million representing a 317.8% y-o-y[(6)] expansion over the same period last year, which is 99.6% of 2022's full year visitor arrivals, signalling a positive sign of recovery to pre-pandemic levels. However, CBRE noted that there is room for improvement, as 1H 2023 visitor arrival numbers were only 67.4% of the pre-pandemic level recorded in 1H 2019.

On the back of the growing popularity and influence of Environmental, Social and Governance ("ESG") among travellers, Singapore Tourism Board ("STB") has launched a Meetings, Incentives, Conventions and Exhibitions ("MICE") Sustainability Roadmap with a partnership with Singapore Association of Convention & Exhibition Organisers & Suppliers, which aims to position Singapore as one of the most sustainable MICE destinations in Asia Pacific.

Chart 1:
International Visitor Arrivals



Source: Singapore Tourism Board, CBRE, 2Q 2023

Notes:
(1) Source: Ministry of Trade and Industry (MTI).
(2) Year-on-Year.
(3) Quarter-on-Quarter.
(4) International Monetary Fund.
(5) Source: Ministry of Manpower (MOM).
(6) Source: Singapore Tourism Board (STB).

Independent Market Overview

Looking ahead, CBRE anticipates a stable increase in visitor arrivals in the coming months and a steady recovery of the hotel market in 2023. In line with this, STB forecasts that Singapore will expect 12 to 14 million visitors in 2023, with full tourism recovery expected by 2024. With the current developments around the world, CBRE remains cautiously optimistic on the tourism outlook and expects the level of visitor arrivals to reach pre-COVID levels in late 2023 to early 2024.

Retail Sales Index[7]

The total retail sales index (excluding motor vehicles) contracted by 2.6% y-o-y in June 2023. The decrease was largely contributed by decreases in sectors such as department stores (-13.7%), furniture & household equipment (-12.0%) and recreational goods (-7.1%). In contrast, the food & beverage services index in June 2023 grew by 1.6% y-o-y. Food caterers saw the strongest growth of 21.2% y-o-y as a result of higher demand for in-flight catering spurred by international travel. Fast food outlets and cafes as well as food courts and other eating places expanded by 4.1% and 0.3% y-o-y respectively, while restaurants contracted by 4.9% y-o-y.

With the relaxation of international borders, alongside domestic demand supported by a resilient labour market, the retail market was on the road to recovery in 2022, with the pickup in retail activity in certain sectors, shopper traffic and the return of tourist spending providing support. As such, trade types such as food & alcohol, computer & telecommunications equipment, and wearing apparel & footwear saw a y-o-y expansion of 14.8%, 10.7% and 4.5% respectively in June 2023.

Since the pandemic, online consumer shopping behaviours have altered, evident from the higher proportion of online retail sales (excluding motor vehicles) during the pandemic. While pre-COVID online sales in 2019 ranged between 5.7% and 8.7%[8] for retail sales, and between 7.3% and 10.2% for F&B sales, this proportion increased significantly with peaks of 26.3% in May 2020 during the "Circuit Breaker" and 48.2% in June 2021 for retail and F&B online sales respectively. The proportion of online retail (excluding motor vehicles) and F&B sales remain higher than at pre-COVID levels, at 14.3% and 23.4% respectively in June 2023. Overall, it is evident that retailers and F&B players have incorporated omnichannel strategies as part of the business framework, while F&B players have re-strategised their businesses to incorporate takeaways and deliveries as an essential part of their operations.

RETAIL MARKET OVERVIEW

Existing Supply

As at 2Q 2023, islandwide retail stock increased by 1.3% y-o-y to 67.6 million sq ft. Completions in the past 12 months include Grantral Mall @ Macpherson, The Woodleigh Mall and renovation works at Shaw Plaza Balestier in the Fringe Area submarket, Sengkang Grand Mall and Komo Shoppes in the Suburban submarket, as well as the completion of asset enhancement works at Wilkie Edge in the Rest of Central Region ("RCR") submarket[9]. In all, approximately 74.5% (50.4 million sq ft) of total retail stock is private stock as at 2Q 2023. Private retail stock in Orchard Road increased marginally by 0.9% y-o-y to 7.4 million sq ft, accounting for 10.9% of total islandwide stock as at 2Q 2023.

Future Supply

Between 2H 2023 and 2025, total new retail supply is expected to be 1.2 million sq ft with no new supply coming into Orchard Road during this period. The average annual completion of retail supply between full year 2023 and 2025 is approximately 0.6 million sq ft, which is in line with the historical 5-year annual average (2018 – 2022) completion of 0.6 million sq ft. By submarkets, the Outside Central Region ("OCR"), RCR and Fringe submarkets are the largest contributors to supply, accounting for 43.3%, 22.8% and 22.5% respectively from 2H 2023 to 2025.

The completion dates of certain projects have been rescheduled. The Linq which was originally scheduled for completion in 2023 was delayed to 2024 while the completion for T2 Airport was brought forward from 2024 to 2023. Overall, approximately 0.5 million sq ft of retail space is expected to be completed by end of 2023.

Demand and Vacancy

With the reopening of international borders and resumption of economic activities, retailers are cautiously optimistic about consumer discretionary spending and an eventual return of tourist spending. Leasing demand in 2Q 2023 was mainly driven by F&B operators, especially cafes. Fashion and beauty & health operators also increased their presence in the quarter.

In addition, the pandemic has significantly elevated consumers' retail expectations. In response, landlords have continued to seek ways to inject freshness and strong placemaking efforts to attract footfall like omnichannel-enabled fashion retailers, supermarkets with niche concepts, activity-based tenants and pop-up stores.

In 1H 2023, pop-up stores continued to be a popular concept in the retail scene as it serves as a testbed for retailers to experiment new concepts. Orchard Road has been home to a number of these pop-up stores in the past 12 months. For example, the YSL beauty #IAMLIBRE, Bottega Veneta and Chanel's Plaza Singapura Ephemeral Boutique pop-up stores were located along Orchard Road. Notable openings and expansions in Orchard Road in 1H 2023 included Le Matin Patisserie, Café Usagi, Aape by A Bathing Ape, Shujin and Avenue on 3. However, due to changing consumer preferences, intense competition and cost rationalisation, closures such as H&M in ION Orchard and Haus Athletics in OUE Downtown Gallery were observed 1H 2023.

In all, Orchard Road's vacancy had increased by 1.8 percentage points y-o-y, but fell by 0.4 percentage points q-o-q to 12.9% in 2Q 2023, which was likely attributed to the asset enhancement works at *Scape, rejuvenation of tenants at Cineleisure and the upcoming asset enhancement works at The Cathay. Meanwhile, the suburban market continued to see relatively limited availability in retail spaces, with vacancy decreasing by 2.2 percentage points on a y-o-y basis to 4.1%, although it remained flat on a q-o-q basis.

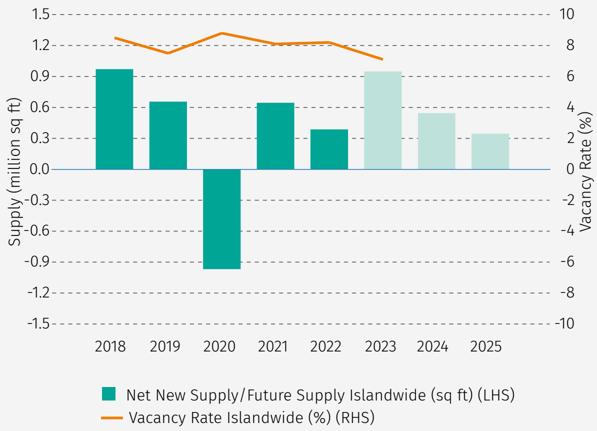
Notes:

(7) Retail Sales Index, (2017 = 100), In Chained Volume Terms, Monthly, Seasonally Adjusted.

(8) Online Retail Sales Proportion, Excluding Motor Vehicles (Out Of The Respective Industry's Total Sales, Monthly).

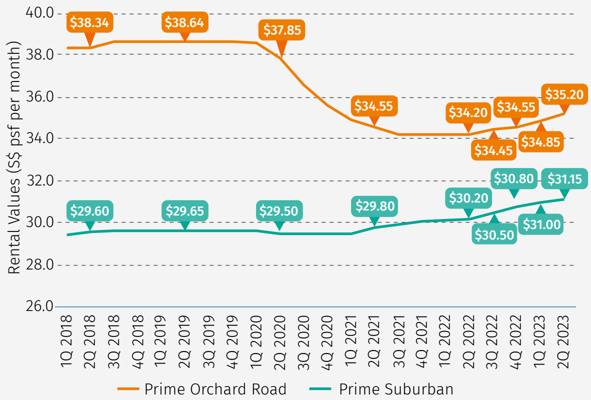
(9) CBRE does not track completions less than 20,000 sq ft.

Chart 2:
Islandwide Retail Supply and Vacancy[10]



Source: CBRE Singapore, 2Q 2023

Chart 3:
Prime Orchard Road and Prime Suburban Monthly Rental Values



Source: CBRE Singapore, 2Q 2023

Rental Values

Leasing activity remained robust in 2Q 2023, accentuated by the opening of new malls like The Woodleigh Mall and Komo Shoppes, amidst elevated inflation and global economic uncertainty. Rents continued to recover this quarter, with all submarkets recording a growth. As such, prime rents in Orchard Road, which have grown for the past four consecutive quarters, grew by 1.0% q-o-q and 2.9% y-o-y to S$35.20 psf/month. Moving in tandem, Suburban rents expanded by 0.5% q-o-q and 3.1% y-o-y to S$31.15 psf/month.

Retail Investment Market

Retail investment totalled S$5.6 billion between 3Q 2022 and 2Q 2023, representing an 87.6% increase in volume from the previous 12 months. The increase in investment transactions were mainly attributed to several large deals. This is underpinned by expectations of broad-based recovery in Singapore's economy with the easing of border restrictions and return of international travel.

Retail Market Outlook

While retail sales and the real estate market have shown signs of improvement over the past half a year, landlords are raising rents on the back of retailers' willingness to secure prime spaces, supported by the improved shopper traffic and retail sales. However, key challenges continue to remain. Retailers are currently facing manpower shortages, rising operating costs, an economic slowdown and another GST hike in 2024. Additionally, persistent inflation and high interest rates continue to weigh on market sentiments. However, strong market fundamentals, the recovery of tourism spending and the return of office workers are likely to support the retail sector. With increasing flight connectivity and capacity, tourist-dependent submarkets such as Orchard Road are likely to experience boosted retail sales, which will support further rental increases. While the average new retail supply between 2023 and 2025 remains in line with the historical 5-year annual average, there is no known supply coming into Orchard Road during this period. With all these factors in consideration, retailers remain cautiously optimistic and CBRE expects a gradual retail rent recovery after 2H 2023.

OFFICE MARKET OVERVIEW

Existing Supply

Islandwide office stock stood at 62.3 million sq ft as at 2Q 2023, increasing by 0.9% y-o-y. Core Central Business District ("CBD") office stock[11] totalled 31.6 million sq ft (or 50.8% of islandwide office stock), while Grade B islandwide office stock stood at 34.5 million sq ft (55.3%).

Future Supply

From 2H 2023 to 2025, total islandwide new office supply is projected at 3.4 million sq ft. Inclusive of the completions in 1H 2023, the average annual islandwide office supply between full year 2023 and 2025 is projected at 1.2 million sq ft. While this is slightly higher than the historical 5-year average annual completions of 1.1 million sq ft NLA between 2018 and 2022, it is below the historical ten-year average annual completion of 1.4 million sq ft NLA. The Core CBD accounted for 36.7% of the upcoming completions coming into the market, while the Fringe CBD and Decentralised markets account for the remaining 31.7% each, respectively.

Approximately 1.3 million sq ft will be completed in 2H 2023, with IOI Central Boulevard Towers and the office component of One Holland Village coming into the CBD Core and Decentralised market respectively. About 1.7 million sq ft of office space will come into the market in 2024, emanating from the expected completions of the Keppel South Central and 333 North Bridge Road in the Fringe CBD, and Labrador Tower and Paya Lebar Green in the Decentralised market. In 2025, the redevelopment of Shaw Towers in the Fringe CBD will be the only development slated for completion in that year, adding an estimated 0.4 million sq ft of NLA of office space to total stock.

Looking ahead, the CBD Incentive ("CBDI") Scheme and Strategic Development Incentive ("SDI") Scheme that are intended for urban renewal within the CBD, and strategic areas like Orchard Road will inject more vibrancy. However, the redevelopment of older office stock under these schemes into mixed-use developments will likely result in a reduction in office stock within these areas. Although there are two Government Land Sales ("GLS") sites with office sites available for application under the 2H 2023 programme, these sites are located in the Decentralised market, hence available office supply in the CBD is expected to continue to tighten.

Demand and Vacancy

With a tougher economic climate, some firms are recalibrating their office space requirements, which in some cases has led to the emergence of shadow space. However, overall leasing activity has remained healthy, with lease renewals and flight-to-quality relocations observed. Some flight-to-quality relocations have also been observed. The recent collapse

Notes:

(10) Net new supply between 2018 and 2022 as at 4Q of each year, vacancy between 2018 and 2022, 2024 and 2025 as at 4Q, 2023 as at 2Q.

(11) Includes Grade A Core and Grade B Core office stock.

Independent Market Overview

of Silicon Valley Bank and the takeover of Credit Suisse by UBS has also caused some uncertainties to the market. With muted demand from the tech sector and financial institutions, leasing demand was led by non-banking financial institutions, professional services, private wealth and asset management companies, flexible workplace operators and government agencies.

Net absorption from 3Q 2022 to 2Q 2023 in the Core CBD totalled 53,280 sq ft against a net new supply of -0.3 million sq ft over the same period. Vacancy therefore tightened by 1.2 percentage points y-o-y to 5.2% in 2Q 2023. On the other hand, net absorption in the Grade B islandwide submarket totalled 0.7 million sq ft, against a net new supply of 36,150 sq ft in the same period, resulting in a 2.0 percentage point y-o-y decrease in vacancy to 5.3%.

Rental Values

With flight-to-quality by occupiers alongside prevailing tight vacancies that has emboldened landlords to raise their rental expectations, Grade A Core CBD rents recorded a 0.4% q-o-q or 4.4% y-o-y growth to S$11.40 psf/month in 2Q 2023.

Grade A Core CBD rent is at its highest since 2018, recording a 2.2% increase from the pre-pandemic rents of S$11.55 psf/month in 4Q 2019. In addition, some demand has spilled over to other submarkets, contributing to broad-based recovery observed in Grade B Core CBD and islandwide markets. As such, Grade B Core CBD rents remained unchanged q-o-q but grew 4.9% y-o-y to S$8.55 psf/month in 2Q 2023. Similarly, islandwide rents remained unchanged q-o-q but grew 4.6% y-o-y to S$7.90 psf/month.

Rents and occupancies could come under pressure in the next few quarters. CBRE expects to see some resilience in Grade A Core CBD rents as vacancies remained tight, while matured Grade B assets may see some contraction in rents due to flight-to-quality. Overall, the sentiments in the office market is mixed but slow rental growth is expected in 2H 2023 on the back of tight vacancies and back to office movement.

Office Investment Market

Office investments totalled S$2.6 billion between 3Q 2022 and 2Q 2023, representing a 68.5% decrease from the previous 12 months. Investment volumes have decreased due to the large decline in deals on the lack of institutional grade asset sales.

Office Market Outlook

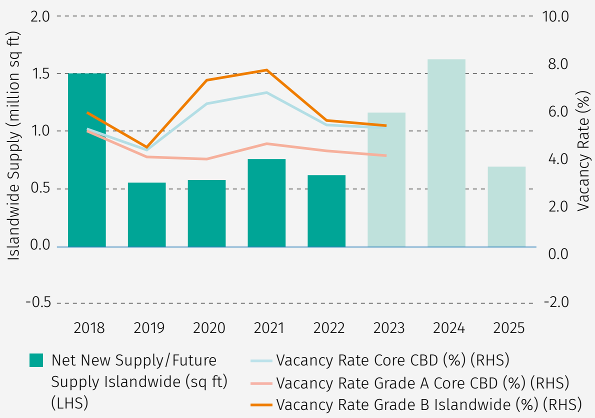
In view of high relocation cost for fit-out, companies are scaling back on relocation or expansion plans, and opting to instead reconfigure their existing office spaces while adopting a hybrid work model. Along with the incorporation of technology specifications, the increasing availability of agile space solutions, and amidst the weak global outlook due to tighter financial conditions, concerns have been raised over demand cooling for office space. However, CBRE expects cautious but positive demand as strong fundamentals will support headcount growth in sectors like non-banking financial institutions, professional services and fast-moving consumer goods.

While in the near term, rental growth is likely to remain subdued amid a weakening economy and the presence of shadow spaces. Looking ahead, while global uncertainties and cautiousness from occupiers could provide challenges to the office market by tempering leasing activities, vacancy rates remain low amidst the shrinking pool of high quality office spaces within the CBD. In addition, the absence of GLS sites with an allowable office use in the CBD, as well as the redevelopment of some stock under the CBDI and SDI schemes will likely cushion the influx of supply over the next few years. As such, Grade A Core CBD rents are positioned for long-term growth.

The Orchard Road micro market remains a unique market driven by demand that is different from the Grade A Core CBD and Decentralised markets. Retailers remain the major occupier of space in the Orchard Road office micro market, while aesthetics and banking, finance and asset management are also significant occupiers of space.

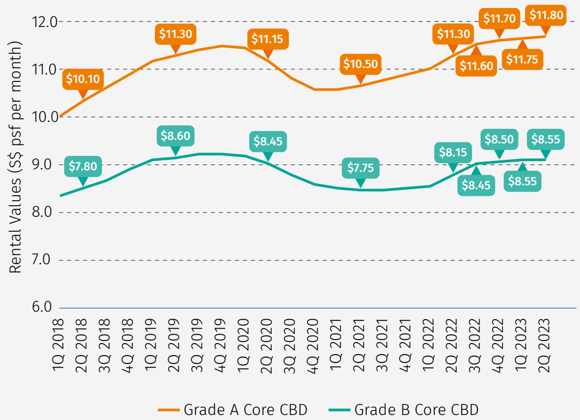
In addition, the redevelopment of Comcentre, which is expected to complete in 2028, will improve the broader quality of office supply in the Orchard Road micro market. As such, CBRE expect rental and demand levels to remain resilient.

Chart 4:
Islandwide Office Supply and Vacancy[12]



Source: CBRE Singapore, 2Q 2023

Chart 5:
Core CBD Monthly Rental Values



Source: CBRE Singapore, 2Q 2023

Note:
(12) Supply as at 4Q of each year, vacancy between 2018 and 2022, 2024 and 2025 as at 4Q, 2023 as at 2Q.

Australia

ECONOMIC OVERVIEW

Macroeconomic Overview

Australia's GDP grew 2.3%[13] y-o-y in 1Q 2023, driven by the return of strong population growth and strong demand/prices for Australia's key mining commodities such as iron ore and liquified natural gas. These have supported Australia's export market. Nonetheless, GDP growth in the quarter moderated from the average 3.7% y-o-y growth seen through 2022, as the rapid increase in interest rates by the Reserve Bank of Australia ("RBA") has slowed aggregate demand. Persistently high inflation in Australia has resulted in the RBA increasing the cash rate by 400 basis points since May 2022, most recently in June 2023 to 4.1%. The high interest rates and persistently high inflation rate remain a source of uncertainty for the outlook on consumer spending, particularly discretionary spending. With the rapid increase in interest rates since May 2022, the consensus is that the RBA is likely to pause interest rate hikes, with potentially one or two more interest rate increases in the near future.

Employment conditions in Australia continue to remain strong with the national unemployment rate sitting at a historically low level of 3.6% as of May 2023 compared with the 20-year average of 5.2%. With the return of international migration and rising interest rates, job vacancies in Australia have moderated 10% from their peak in May 2022. However, with a tight labour market, there remains significant job availabilities. As of May 2023, there were 431,600 job vacancies in Australia, almost double the pre-pandemic level reported in February 2020.

By geography, South Australia's ("SA") unemployment rate stood at 4.0% as of May 2023, down from the 4.6% in May 2022. While SA's unemployment rate is above the national unemployment rate, it sits below SA's 20-year average of 5.8%. The unemployment rate in Western Australia ("WA") stood at 3.7% as of May 2023, an increase from the 3.1% in May 2022, but below WA's 20-year average of 4.8%. The y-o-y increase in WA's unemployment rate was driven by the state's population as the total employed persons in WA increased by 18,400 y-o-y as of May 2023.

Australia Tourism Arrivals

Australia's international tourism market is still on the path of recovery from the COVID-19 pandemic and from the impact of Australia's strict border regulations implemented from March 2020 to late 2021. International visitor trips to Australia and international visitor spend in the 12 months leading up to March 2023 were 4.6 million and A$18.3 billion respectively. This represents an 815.4% and 476.7% y-o-y improvement compared to the 0.5 million and A$3.2 billion recorded in the precedent period in March 2022[14] respectively. While the international tourism market is on the path to recovery, activity remains below the pre-pandemic levels. Total international visitor trips in the year ended March 2023 and international visitor spend in Australia remained 42.3% and 35.9% below the levels recorded in the year ended March 2020 respectively.

Even with the opening of international borders, domestic travel continues to be popular and has helped sustain economic activity in the tourism sector. In SA, domestic visitors in April 2023 amounted to 697,000, up 2.6% y-o-y as compared to April 2022, but 11.7% below the pre-COVID levels in April 2019. Domestic visitor spending increased 19.5% y-o-y to A$672 million in April 2023 and up 36.6% from pre-COVID levels in April 2019.

Similarly in WA, domestic visitors increased 16.7% y-o-y to 1.1 million in April 2023, but was also up 9.1% from pre-COVID levels in April 2019. Domestic visitor spend in WA also increased 27.5% y-o-y to A$1.2 billion in the same period, and 38.9% above pre-COVID levels.

Retail Trade Growth

Australia's retail trade grew 2.3% y-o-y in June 2023, moderating from the 7.5% y-o-y growth in December 2022 and 12.6% y-o-y growth in June 2022. Rising interest rates and the increased cost of living in Australia have led to a moderation in retail trade growth, resulting in consumers being more cautious about their spending. Categories with strong performances include cafes, restaurants and takeaway food services (8.7% y-o-y increase in June 2023), which continues to benefit from consumers socialising post-pandemic as well as food retailing (5.9%).

However, other categories recorded negative growth. Household goods faced the most significant decline at 4.4% y-o-y in June 2023, alongside slower activity in the residential market. Spending in other discretionary categories such as department stores and clothing have also declined in June 2023. Retail trade in the department store category declined 2.2% y-o-y in June 2023, compared to 11.3% y-o-y growth in December 2022 and 17.5% y-o-y growth in June 2022. Retail trade in the clothing, footwear and personal accessories category had declined 1.5% y-o-y in June 2023, compared to 7.5% y-o-y growth in December 2022 and 27.7% y-o-y growth in June 2022.

Breaking down geographically, both SA and WA have seen a similar trend to the national market with retail trade growth moderating in recent months. In SA retail trade grew 5.4% y-o-y in June 2023 compared with 11.0% y-o-y growth in December 2022 and 10.2% y-o-y growth in June 2022. In WA retail trade also grew 5.4% y-o-y in June 2023 compared with 5.9% y-o-y growth in December 2022 and 10.3% y-o-y growth in June 2022.

ADELAIDE RETAIL MARKET OVERVIEW

Future Supply

60 King William Street, a mixed-use commercial building located in the CBD with 3,600 sq m of retail space was a significant completion in June 2023. Going forward, between 2H 2023 and 2025, approximately 84,800 sq m of new retail developments are expected to come into the market in Adelaide, with about 78.9% located outside the CBD.

There is a trend of retail components being a part of mixed-use developments going forward. Beyond the recent completion of 60 King William Street, a 3,065 sq m retail component in Adelaide Festival Plaza is undergoing construction and expected to complete in late 2023.

Looking into 2024, various large format retail developments outside of the CBD are expected, including 19-23 Seaford Road featuring 8,000 sq m of space now under construction.

Demand, Vacancy and Net Absorption

State management during the height of the COVID-19 pandemic kept retailers operating and consumer confidence intact. For instance, Adelaide CBD retail vacancy contracted 0.8 percentage points in 1H 2023 to 12.4% following a significant drop in 2H 2022. Centre retail drove the total drop in vacancy, contracting by 1.5 percentage points while strip and arcade retail remained stable in 1H 2023. Food retailers filled multiple vacancies in Rundle Place and Myer Centre Adelaide as office lunch time spend continues to recover in Adelaide CBD.

Notes:

(13) Australia Bureau of Statistics.

(14) Tourism Research of Australia.

Independent Market Overview

Demand for prime space on Rundle Mall still runs high, particularly for luxury retailers. In 1H 2023, Lululemon relocated within Rundle Mall to a larger and higher quality fit out. This highlights the 'flight-to-quality' and 'experiential retail' trend seen across the country. Additionally, off-market deals for space in Rundle Mall has increased, indicating a competitive leasing market for occupiers.

Retail Rents

Negotiations on incentives and rents in Adelaide are often influenced by a tenant's profile and locational leverage. Prime shopping malls in the CBD are tightly held, and as such, incentives have dropped to 12.5%, off a peak of 15.1% during COVID. Due to an influx of international tenant demand, rental growth has returned. Super prime net face rents increased 7.4% y-o-y in 2Q 2023 to A$3,275 psm/annum, prime and neighbourhood net face rents have remained unchanged at an average of A$1,933 psm/annum and A$482 psm/annum, respectively. Secondary rents have decreased 3.3% y-o-y as this grade struggles to compete with super prime and prime offerings. Net effective rents over the 12 months have increased by 3.1% for prime and 10.8% for super prime due to a decrease in tenants' incentives.

Adelaide Retail Investment Market

Retail sales activity in 1H 2023 has been muted given the rising interest rates have created uncertainty in investment markets. Most sales activity has recently been in the suburban markets, namely strip retail. In 1H 2023, investment transactions over A$5 million totalled A$39 million across five deals compared to A$459 million recorded in year ended December 2022.

Significant deals in 1H 2023 include the sale of an IGA on 610 Lower North East Road in the Eastern metro market for A$11 million at a 5.00% yield, as well as the sale of Malvern Village Shopping Centre in the central metro market for A$9 million.

Adelaide Retail Market Outlook

The current economic conditions with high interest rates and inflation in Australia will likely have an impact on consumer spending power in retail centres. Online shopping, which has tracked above 9.0% since April 2020 has been a threat to brick-and-mortar retail, with omnichannel retailing being a strategy of survival for many brands with a major retail presence. Customer experience is critical, thus assets with accessibility, sufficient parking areas, and extra amenity to retain visitation periods and appeal (e.g.: restaurants and cinemas) is expected to outperform lower-quality centres. Adelaide CBD retail remains in demand with tight vacancy. In particular, prime locations are preferred among retailers. Going forward, more secondary locations may therefore struggle. The presence of leading national and international brands in the prime CBD retail precinct, record low vacancy, the successful redevelopment of Rundle Mall Plaza, the opening of Rebel Sports and Dymocks in new spaces, refurbishments in Myer Centre Adelaide, as well as the future Market Square development, will likely contribute to the expansion and attractiveness of the Adelaide retail precincts within the city.

ADELAIDE OFFICE MARKET OVERVIEW

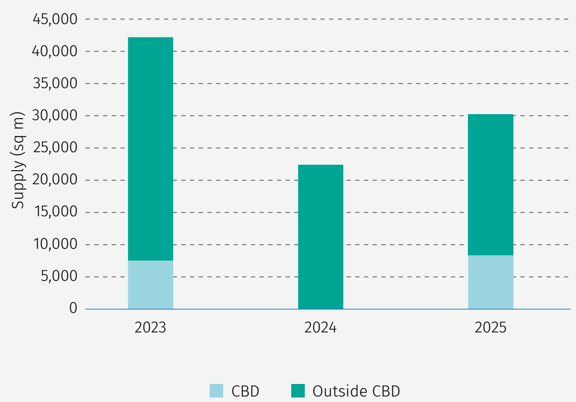
Existing Office Supply

Adelaide's office stock totalled 1.7 million sq m as at January 2023, of which about 87% is based in the CBD, with a vacancy of 16.1%. While the vacancy level has increased by 0.9 percentage points on a y-o-y basis to 11.0% in January 2023, it remains 3.2 percentage points below the peak of 14.2% in July 2020. This submarket attracts very consistent tenancy profiles namely in the financial, construction, and health/medical markets, and runs along Greenhill and Fullarton Roads. Whilst Adelaide's office supply has been supported by business expansion and consolidation, current economic conditions and construction costs have delayed project timelines and project feasibility.

Future Supply

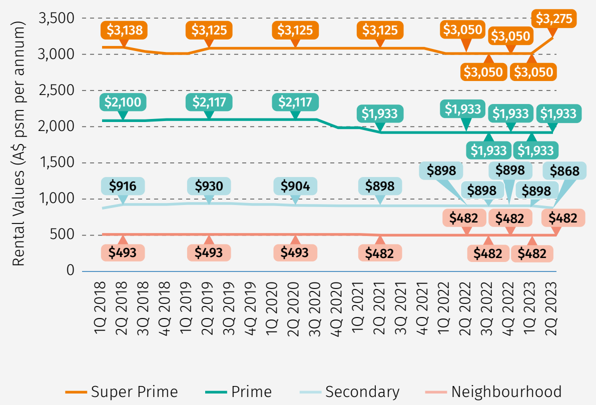
Taking into account the recent completion of 60 King William Street (40,000 sq m) in June 2023, approximately 123,800 sq m of office space is currently under construction and is expected to be completed between 2H 2023 and 2025. Major completions in this period include Festival Plaza (40,000 sq m) in the CBD and SAHMRI 2 and 185 Pirie Street (6,328 sq m) in the Fringe. Most of these have been leased through expansion and consolidation of existing tenants, as opposed to new market entrants. With tenant demand driving flight-to-quality, few supply options can meet demand outside of new developments. As such, owners are expected to start refurbishing their assets to meet this demand. It is anticipated that backfill spaces from existing assets will supply about 82,750 sq m of spaces in 2023, on the back of tenants moving out to take up spaces in newly completed assets.

Chart 6:
Adelaide Retail Supply Pipeline



Source: CBRE Australia Research, 2Q 2023

Chart 7:
Adelaide CBD Retail (super prime, prime and secondary) and Neighbourhood Shopping Centre Rents



Source: CBRE Australia Research, 2Q 2023

Demand, Vacancy and Net Absorption

Due to SA's minimal lockdowns and an ability to keep the CBD "open for business" since late 2020, the recovery of returning to work has been above national level. Property Council of Australia's February 2023 Office Occupancy results showed strong occupancy levels of 80% in Adelaide and 81% in Perth, well above the national average of 65%. Australia's two major cities, Sydney and Melbourne, are recovering well, but still showing weakness in occupancy compared to Adelaide at 61% and 47% respectively.

After recording net absorption of 20,780 sq m in the 12 months to July 2022, net absorption in the 12 months to January 2023 dropped off to approximately -1,810 sq m. This is partly due to increased economic uncertainty which has impacted tenant expansion decisions. This has also resulted in Adelaide's CBD vacancy rate increasing to 16.1% as of January 2023 (direct and sublease), from 14.5% in January 2022. This is partly attributable to the completion of 83 Pirie Street in 3Q 2022, adding 30,000 sq m of supply and 3,400 sq m of vacancy.

Rental Values

The Adelaide office market has experienced a supply headwind over the past 12 months, which has resulted in the market vacancy increasing by 1.6 percentage points between January 2022 and January 2023. Although net face rents have increased slightly, the increased vacancy has resulted in an increase in prime grade tenant incentives which have weighed on prime effective rent growth. In 2Q 2023 prime net face rents increased slightly by 0.7% y-o-y to A$462 psm/annum. Prime grade incentives rose 0.8 percentage points y-o-y to 35.2% in 2Q 2023 leading to prime effective rents decreasing by 0.5% y-o-y in 2Q 2023. Secondary grade net face rents increased by 0.8% y-o-y in 2Q 2023 to A$276 psm/annum. Secondary grade incentives dropped by 0.7 percentage points y-o-y to an average of 40.2% in 2Q 2023 leading to net effective rents increasing 2.0% y-o-y to A$165 psm/annum.

Adelaide Office Investment Market

Activity in 1H 2023 in the Adelaide office market comprised the sale of three office CBD assets for A$102 million. As of 2Q 2023 yields for prime grade assets averaged 6.9% (+0.9 percentage points y-o-y), whilst secondary yields averaged 8.8% (+0.6 percentage points y-o-y). Commercial debt costs have increased with the rising interest rates implemented by the RBA. The investment market is expected to continue to be impacted by the uncertainty of high interest rates. Office yields are expected to continue to soften further in 2023.

Adelaide Office Market Outlook

Adelaide is a market with a robust tenant pool and no stamp duty on commercial asset purchase, making it a viable tenant and investor market. Looking ahead, investment volumes are anticipated to remain slow, given the current financial market conditions and high interest rates. However, investment volumes are expected to improve in 2024 when interest rates stabilise. New stock to hit the market in 2023 will create potential challenges and opportunities for Gen1[15] assets which will face major backfill supply headwinds, with Gen2[16] and Gen3[17] assets well positioned given tenant demand for quality buildings. Overall, market vacancy is expected to increase given the supply coming to market over the next year.

PERTH RETAIL MARKET OVERVIEW

Future Supply

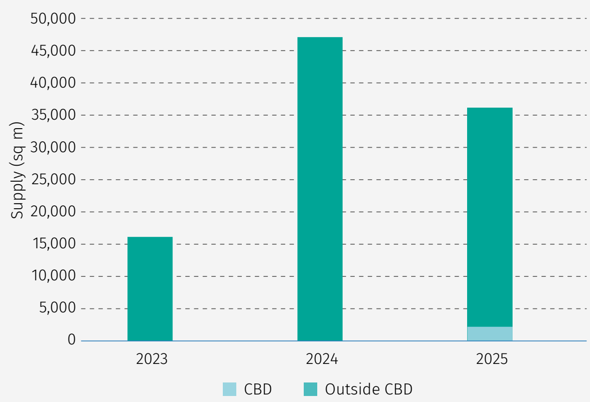
The retail supply pipeline for Perth as of 2Q 2023 stood at approximately 83,430 sq m between 2H 2023 and 2025. Challenges in the construction sector, including labour shortages and significantly higher construction costs in Perth, have continued to impact Perth's supply pipeline, leading to project delays and developments being placed on hold. The most notable project left in 2023 is the Yanchep Shopping Centre (6,900 sq m) which is expected to complete in late 2023. Looking to 2024, the retail supply is expected to total approximately 46,580 sq m all of which is outside the Perth CBD. Notable projects expected to complete in 2024 include Dayton Central Neighbourhood Centre (14,000 sq m), the extension of Kardinya Park Shopping Centre (13,000 sq m) and the construction of Stage 3 of The Saleyard; a large format retail centre at Clayton Street in Midland (6,810 sq m).

Retail Rents

Perth CBD retail rents stabilised over the 12 months ended June 2023. Super prime net face rents were stable y-o-y at A$2,730 psm/annum. Prime and secondary net face rents also held steady y-o-y to June 2023 at A$1,965 and A$602 psm/annum respectively. The rental stability over the past year has followed a period where the Perth CBD retail market experienced significant rental declines due to the onset of the COVID-19 pandemic and elevated vacancy.

Chart 8:

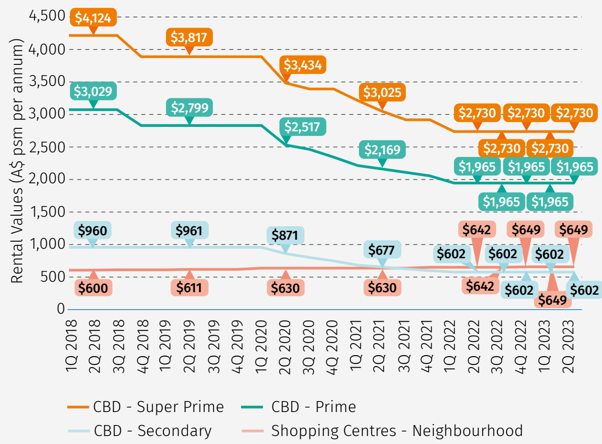
Perth Retail Supply Pipeline



Source: CBRE Australia Research, 2Q 2023

Chart 9:

Perth CBD Retail (super prime, prime and secondary) and Neighbourhood Shopping Centre Rents[18]



Source: CBRE Australia Research, 2Q 2023

Notes:

(15) Prime assets built before 2006.
(16) Prime asset built on or after 2006-2022.
(17) Prime assets completed in 2022 and/or under construction future supply.
(18) CBRE Australia Research, 2Q 2023. In the year ended June 2023, historical adjustments were made to market rents due to changes in the basket of properties.

Independent Market Overview

Retail rents in the Perth CBD may have reached their lows given the significant correction seen during the COVID-19 pandemic, and subsequent stability seen over the past year. However, there remains risks of continued rental declines, given retail vacancy in the Perth CBD remains high at 25.4%. In addition, the CBD retail market continues to face headwinds from working from home trends, as well as cost of living pressures faced by consumers, which will likely weigh on discretionary consumer spending.

Perth neighbourhood shopping centre rents did not decline during the COVID-19 pandemic, as they benefitted from the shift in foot traffic away from the CBD and towards suburban retail centres. Neighbourhood shopping centre net face rents in Perth increased marginally by 1.1% y-o-y to A$649 psm/annum in 2Q 2023.

Perth Retail Investment Market

Despite the rising interest rate headwinds, Perth's retail market experienced a period of strong investment activity in 2H 2022 with the sale of several sub regional and neighbourhood shopping centres. Total retail investment volumes across greater Perth amounted to A$712.8 million in 2022, above the 10-year average of A$594.9 million. The largest transactions completed in 2022 included Riverton Forum Shopping Centre (A$98.8 million), Southlands Boulevard Shopping Centre (A$92.5 million), Forest Lakes Shopping Centre (A$81.5 million), Carillion City in the Perth CBD (A$80.0 million) and Bull Creek Shopping Centre (A$78.0 million).

Retail transaction volumes in 1H 2023 have been more muted with only a 50% share of one major asset transacting in Perth. This asset being Rockingham Shopping Centre which IP Generation acquired a 50% share in March 2023 for A$180 million.

Perth Retail Market Outlook

Looking ahead over the next year, Perth's retail market is likely to face challenges as economic growth is forecast to slow down. In addition, consumers continue to face the heightened cost of living pressures, which will likely impact discretionary consumer spending the most. CBD retail vacancy in Perth has improved slightly from 26.1% in December 2022 to 25.4% in June 2023. However, this remains high and will be a continued headwind for the Perth CBD retail market, particularly the non-core retail locations.

On a positive note, the downward trend in CBD retail rents caused by the COVID-19 pandemic is likely to have stabilised with net face rents across Perth CBD holding steady since 1Q 2022. CBD retail rent growth, however, is unlikely in the near term due to the high retail vacancy and weakening economic/consumer spending outlook. Perth is attracting both international and interstate migration to WA, and population growth is a bright spot for Perth post pandemic, as housing is relatively more affordable compared to the eastern states of Australia. In the December 2022 quarter, Western Australia's population grew 2.3% y-o-y, the highest growth rate in the country.

Perth neighbourhood retail assets remain relatively well placed due to their low exposure to discretionary consumer spending and will likely continue to benefit from some foot traffic that has shifted away from the CBD as people continue to work from home one or two days per week.

Malaysia

ECONOMIC OVERVIEW

Macroeconomic Overview

The Malaysian economy expanded 5.6% y-o-y in 1Q 2023, continuing from 7.1% growth in 4Q 2022 and 8.7% growth for full year 2022. This is primarily due to higher domestic demand and private sector expenditure. On a q-o-q seasonally adjusted basis, the economy grew by 0.9%.

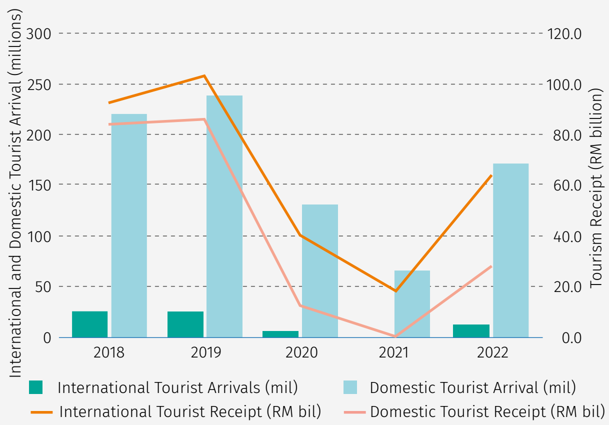
For 1Q 2023, labour supply remains forthcoming as the labour force participation increased by 0.3 percentage points q-o-q to 69.8%. The improving labour market condition, revised higher minimum wage, as well as the continued implementation of multi-year projects further support consumption and investment activity in the country.

Businesses have remained optimistic since the beginning of the year, with the business tendency indicator registering a growth of 3.6% q-o-q as of 1Q 2023. The services sector posted the most positive business outlook with a 11.4% growth q-o-q, with a promising business situation in the forthcoming six months. This is followed by the wholesale and retail trade sector, (+4.0% q-o-q as of 1Q 2023) with the sector expecting a brighter business outlook.

The inflation rate moderated from 3.7% y-o-y in March 2023 to 2.4% y-o-y in June 2023; the lowest rate of increase in the first six months of 2023, on the back of continued government price control measures and subsidies. However, restaurants & hotels (5.4% y-o-y) and food & non-alcoholic beverages (4.7% y-o-y) had the largest price increases in June 2022. While inflation has eased, upward concerns will still arise on the outlook.

Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. However, risks remain from further escalation of geopolitical conflicts, global inflation, a tight labour market and monetary policy, as well as heightened volatility in the financial markets.

Chart 10:
Tourist Receipt vs Tourist Arrival



Source: Ministry of Tourism Malaysia, Department of Statistics Malaysia, CBRE|WTW, 2Q 2023

Malaysia Tourism Arrivals

Following the full re-opening of the country's international borders on 1 April 2022, Malaysia registered about 10.1 million international tourist arrivals and RM28.2 billion in tourist receipts in 2022, an increase of 76.5% and 116.6% y-o-y respectively. As of 1Q 2023, about 4.5 million international tourist arrivals were recorded. In addition, domestic tourism also improved with a y-o-y growth of 1.6% to 171.6 million tourist arrivals and 2.5% to RM64.1 billion tourist receipts.

The resumption of international flights to Malaysia has positive impact on tourist arrivals. For the year 2023, the Tourism, Arts and Culture Ministry targets tourist arrivals to reach 16.1 million and more than RM49.2 million in tourism revenue. This will potentially bring an increase in retail footfall to Bukit Bintang, the established and premier shopping district in Kuala Lumpur.

Malaysia Retail Sales Growth

Retail Group Malaysia reported a growth of 13.8% y-o-y in retail sales as of 1Q 2023, backed by the Chinese New Year festival and school holidays. However, the Consumer Sentiment Index decreased by 0.8% y-o-y and 5.5% on a half-yearly basis to 99.2 points, due to concerns about rising living costs and future job prospects. Shoppers have returned to dining in and physical stores, with an increase in the purchase of non-essential goods. This marks the return of increased retailing activity in retail malls and the relevancy of physical stores.

Retail sub-sectors with the strongest y-o-y growth in sales performance in 1Q 2023 include fashion and fashion accessories (23.4%), department store (16.2%), pharmacy (15.3%) and mini market & convenience store (13.4%). Sales in the supermarket and hypermarket sub-sector (7.7% y-o-y growth in 1Q 2023) have returned to pre-COVID-19 levels. On the other hand, the sales in other specialty retail stores sub-sector, which includes retail types such as photo shop, gift store, optical store and fitness equipment store, had reduced by 1.9% y-o-y over the same period.

Broadly, the Malaysian retail industry in 2022 had been on the path to recovery to the levels in 2019. Going forward, while labour shortage and the rising prices of retail goods will likely present challenges, a moderate improvement in the retail market is expected.

Kuala Lumpur/Outside Kuala Lumpur Outlook

Kuala Lumpur remains a well-sought commercial centre, as well as a significant destination for both local and international tourists and consumers. The drivers for the market include local spending, and well-focused attraction spots targeting international tourism.

Outside Kuala Lumpur has benefitted from the growth in local catchment and retail supply, with noticeable retail trade expansions.

Overall, physical stores are maintaining their presence, while demand for spaces with multiple usage, such as fulfilment centres, goods collection points, and hubs for online have increased in recent times. However, higher living costs has contributed to cautious spending, and this may continue into 2H 2023.

KUALA LUMPUR AND KLANG VALLEY RETAIL MARKET OVERVIEW

Existing Supply (Kuala Lumpur and the rest of the Klang Valley ("OKL"))

Cumulative retail stock in Klang Valley stood at 64.0 million sq ft as of 2Q 2023, with 34.5 million sq ft (53.9% of total stock) in Kuala Lumpur and 29.5 million sq ft (46.1%) Outside Kuala Lumpur. Following the opening of Datum Jelatek, the Kuala Lumpur retail stock increased by about 0.3 million sq ft, while Outside Kuala Lumpur witnessed the expansion of the existing IOI City Mall and the new opening of KSL Esplanade Mall, increasing the retail supply by a total of 1.6 million sq ft over the past twelve months.

Future Supply

All of the approximately 3.6 million sq ft of retail supply expected to enter Klang Valley between 2H 2023 and 2025 will be in Kuala Lumpur. These malls are within integrated developments including Sapura Corporate HQ Retail (120,000 sq ft), 8 Conlay Lifestyle Quarter (188,000 sq ft), Warisan Merdeka Mall (900,000 sq ft) and The Exchange TRX Mall (1.3 million sq ft). Pavilion Damansara Heights (1.1 million sq ft) is expected to open in phases starting 2H 2023.

Since the opening of KSL Esplanade Mall in Klang and IOI City Mall Phase 2 in Putrajaya, no new supply is expected in Outside Kuala Lumpur.

Demand and Vacancy

The vacancy rate in Klang Valley increased by 1.0 percentage point y-o-y to 20.2% as of 2Q 2023. Kuala Lumpur and Outside Kuala Lumpur reported vacancy rates increases on a y-o-y basis by 0.3 percentage points and 1.5 percentage points to 19.5% and 20.8% respectively. Leasing activities have been improving with retailers' expansions and new market entrants, alongside tenancy renewals in prime and established retail malls. The average annual take-up of retail space in Kuala Lumpur within the last five years was about 340,000 sq ft, and about 370,000 sq ft in the last three years. Nonetheless, with the significant incoming supply in Kuala Lumpur of almost 3.6 million sq ft, the vacancy rate is expected to rise. However, some pre-leasing activities were observed such as a 50% pre-leasing rate in the upcoming The Exchange TRX Mall.

There were some market debuts by international brand in fashion & accessories, F&B and bookstore from Germany, Indonesia and Taiwan between 3Q 2022 and 2Q 2023. There have also been new F&B market entrants in tourist-focused malls and regional malls with large local consumer capacity. In addition, there were new market entrants in the fashion and bookstore retail trade in a newly refurbished mall. A significant trend observed is the expansion of concept stores combining electrical & electronic and services (e.g. SenQ concept store, first Apple premium partner Machines store, first Yes experience store). Such concept stores offer consumers better-personalised services and products.

Rental Values

As of 2022, majority of REIT-operated retail malls have reported improvement in terms of tenancy renewals and interest of tenant movements into the mall occupancy. Malaysia has entered the endemic phase, reviving businesses and consumers confidence albeit concerns on rising costs of business operation and living. The Kuala Lumpur retail market remains a tenant market while retail mall operators have offered shopping discounts and vouchers to attract and retain traffic.

Lease tenure remains commonly at a term of three years with renewal options. The average gross rental of prime Purpose-Built Retail across Klang Valley as at end-2022 stood at RM32.80 psf/month in Kuala Lumpur, and RM16.36 psf/month in Outside Kuala Lumpur. Going forward, sentiments are expected to remain positive although with slight challenges due to economic uncertainties and living costs.

Retail Investment Market

There were two major transactions completed over the past 12 months. In 2Q 2023, six Giant Hypermarkets in Klang Valley and Johor were acquired by Sunway REIT, for a total consideration of about RM500 million. The plans for the asset comprise asset enhancement plans and future

Independent Market Overview

transformation to Giant Malls. The other major transaction comprises the transfer of Pavilion Bukit Jalil from Regal Path Sdn Bhd, a wholly-owned subsidiary of Malton Bhd to MTrustee Bhd, the trustee of Pavilion REIT for RM2.2 billion, which was completed in 2Q 2023.

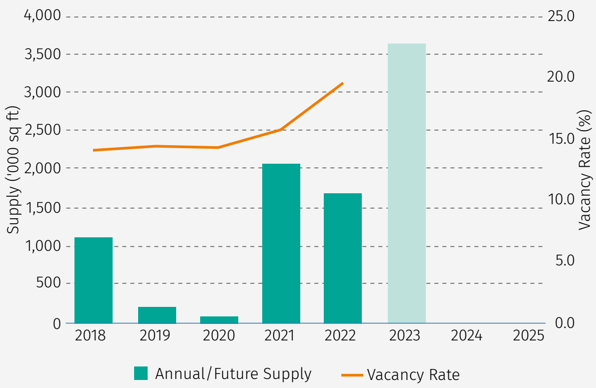
Retail Market Outlook

The retail sector has been tracking at pre-COVID levels since early 2023. Moderate improvement is expected alongside challenges on labour shortage and rising prices of retail goods, leading to cautious spending.

The upcoming supply will add pressure on occupancy and rental performance, which may also widen the gap between relevant and good-performing retail malls.

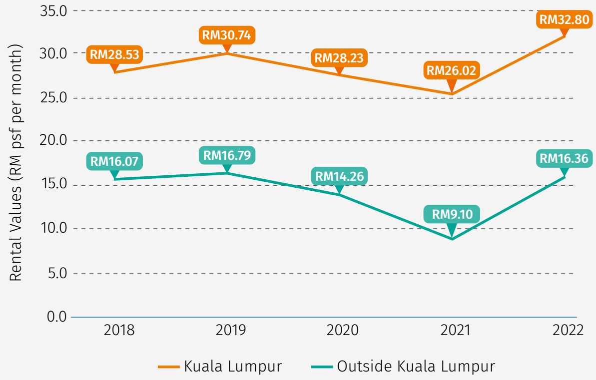
Moving forward, the retail market is expected to continue its recovery, backed by the healthy recovery of the tourism and business sectors.

Chart 11:
Annual Supply, Pipeline Supply and Vacancy in Kuala Lumpur



Source: CBRE|WTW Research, 2Q 2023

Chart 12:
Average Prime Rental in Prime Retail Malls



Source: REIT Annual Reports 2018-2022, CBRE | WTW, 2Q 2023
Note: Based on selected purpose-built retail malls in Kuala Lumpur and Outside Kuala Lumpur

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Heightened Market Volatility

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

You should note that the conclusions set out in this report are current as at the date outlined only. Where appropriate, we recommend that market conditions are monitored closely, as we continue to track how market participants respond to current events.

Financial Review

Group	FY 2022/23 (S$'000)	FY 2021/22 (S$'000)	Change (%)
Gross revenue	**187,772**	186,434	0.7%
Property expenses	**(39,933)**	(41,724)	(4.3%)
Net property income	**147,839**	144,710	2.2%
Non-property expenses	**(56,400)**	(56,670)	(0.5%)
Net income before tax	**91,439**	88,040	3.9%
Change in fair value of derivative instruments	**6,344**	19,953	(68.2%)
Foreign exchange loss	**(1,291)**	(2,358)	(45.3%)
Change in fair value of investment properties	**(65,511)**	(49,587)	32.1%
Gain on divestment of investment property	**4,812**	–	NM
Total return for the period before tax and distribution	**35,793**	56,048	(36.1%)
Income tax	**(3,770)**	(2,251)	67.5%
Total return for the period after tax, before distribution	**32,023**	53,797	(40.5%)
Less: Amount reserved for distribution to perpetual securities holders	**(3,850)**	(3,850)	–
Non-tax deductible items and other adjustments	**60,772**	39,832	52.6%
Income available for distribution	**88,945**	89,779	(0.9%)
Income to be distributed to Unitholders[1]	**85,608**	84,996	0.7%
DPU[1]	**3.80 cents**	3.80 cents	–
Total operating expenses[2]	**57,712**	59,922	(3.7%)
Net assets[3]	**1,749,125**	1,847,027	(5.3%)
Total operating expenses to net assets	**3.3%**	3.2%	NM

Notes:
(1) Approximately S$3.3 million (FY 2021/22: S$4.8 million) of income available for distribution for FY 2022/23 has been retained for working capital requirements.
(2) Total operating expenses comprise mainly property expenses, management fees and trust expenses, including fees and charges paid to the Manager and Trustee.
(3) Net assets as at 30 June 2023 and 30 June 2022 respectively.

Financial Review

Financial Performance

Group revenue of S$187.8 million in FY 2022/23 was 0.7% higher than the S$186.4 million achieved in FY 2021/22. NPI for the Group was S$147.8 million, representing an increase of 2.2% over FY 2021/22. The increase in NPI was mainly due to the completion of asset enhancement works at The Starhill, lower rental assistance and higher rental contributions from Singapore Properties, partially offset by the divestment of Daikanyama and net movement in foreign currencies.

Singapore Properties contributed 61.6% of total revenue, or S$115.6 million in FY 2022/23, 2.1% higher than in FY 2021/22. NPI for FY 2022/23 was S$91.7 million, 3.1% higher than in FY 2021/22, mainly due to the lower rental assistance, higher office occupancies and lower property tax in FY 2022/23, partially offset by lower rent at Wisma Atria Property (Retail).

Australia Properties contributed 21.2% of total revenue, or S$39.8 million in FY 2022/23, 7.1% lower than in FY 2021/22. NPI for FY 2022/23 was S$25.3 million, 7.1% lower than in FY 2021/22, mainly due to depreciation of A$ against S$ and lower rental contribution from David Jones Building, partially offset by higher rental contribution from Myer Centre Adelaide.

Malaysia Properties contributed 15.3% of total revenue, or S$28.8 million in FY 2022/23, 11.3% higher than in FY 2021/22. NPI for FY 2022/23 was S$27.9 million, 11.9% higher than in FY 2021/22. The increase in revenue and NPI was mainly due to the cessation of rental rebates following the completion of asset enhancement works at The Starhill in December 2021, partially offset by depreciation of RM against S$.

Japan and China Properties contributed 1.9% of total revenue, or S$3.7 million in FY 2022/23, 19.4% lower than in FY 2021/22. NPI for FY 2022/23 was $2.9 million, 18.7% lower than in FY 2021/22, mainly due to the divestment of Daikanyama, higher rental rebates provided for China Property, as well as depreciation of JPY and RMB against S$.

Non-property expenses were S$56.4 million in FY 2022/23, 0.5% lower than in FY 2021/22, mainly in line with the lower management fees incurred, as well as higher interest income on bank balances and fixed deposits, partially offset by higher finance costs for FY 2022/23. Finance expenses for FY 2022/23 were S$39.5 million, 4.4% higher than in FY 2021/22, mainly in line with increase in interest rates, which resulted in higher interest costs incurred on the existing borrowings and interest rate swaps.

The net gain in fair value of derivative instruments of S$6.3 million for FY 2022/23 represents mainly the change in the fair value of interest rate swaps entered into for the Group's borrowings and foreign exchange forward contracts.

The net foreign exchange loss for FY 2022/23 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts.

The net loss in fair value of investment properties of S$65.5 million for FY 2022/23 was mainly attributed to the downward revaluation of the Australia Properties (expansion of capitalisation rates and softening of rent) and Wisma Atria Property (Retail) (higher operating costs and stamp duty).

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Daikanyama divested in January 2023.

Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance in income tax expenses was mainly due to higher income tax for the Malaysia Properties, partially offset by lower net withholding tax for the Malaysia and Australia Properties in FY 2022/23.

Income available for distribution for FY 2022/23 after deducting amount reserved for distribution to perpetual securities holders was S$88.9 million, 0.9% lower than in FY 2021/22. The decrease in income available for distribution was mainly due to higher income taxes, lower management fees paid/payable in units and higher net finance costs, partially offset by higher NPI for FY 2022/23. The income to be distributed to Unitholders for FY 2022/23 was S$85.6 million, 0.7% higher than in FY 2021/22. Approximately S$3.3 million of income available for distribution for FY 2022/23 has been retained for working capital requirements. Total DPU for FY 2022/23 remained stable at 3.80 cents (FY 2021/22: 3.80 cents).

Assets And Liabilities

The Group's total assets as at 30 June 2023 were S$2,860.3 million, representing a decrease of S$137.1 million or 4.6%, compared to S$2,997.4 million as at 30 June 2022, mainly due to the decrease in investment properties, cash and cash equivalents, partially offset by the increase in derivative financial assets. The net increase in derivative financial instruments was mainly due to the increase in fair value of interest rate swaps in FY 2022/23. The Group's portfolio of nine prime properties across five countries was independently revalued at S$2,767.8 million (including right-of-use assets) as at 30 June 2023 (2022: S$2,893.3 million). The decrease of S$125.5 million or 4.3% was mainly due to the downward revaluation of the Australia Properties (expansion of capitalisation rates and softening of rent) and Wisma Atria Property (Retail) (higher operating costs and stamp duty) as at 30 June 2023, net movement in foreign currencies in relation to the overseas properties and divestment of Daikanyama in January 2023. The fair values of the properties include capital expenditure incurred mainly for Wisma Atria Property and Myer Centre Adelaide, straight-line rental adjustments, as well as other adjustments for FY 2022/23. The geographic breakdown of the portfolio by asset value as at 30 June 2023 was as follows: Singapore 70.8%, Malaysia 14.1%, Australia 12.9%, Japan 1.3%, and China 0.9%.

The Group's total liabilities as at 30 June 2023 were S$1,111.2 million, representing a decrease of S$39.2 million or 3.4%, compared to S$1,150.4 million as at 30 June 2022, mainly due to the decrease in borrowings, as well as trade and other payables. The net decrease in total borrowings was mainly due to the redemption of S$125 million MTN, prepayment of JPY1.89 billion (S$17.8 million) and A$63 million (S$56.6 million) borrowings, as well as net movement in foreign currencies. This was partially offset by the drawdown of S$125 million and A$63 million (S$56.6 million) term loan facilities, as well as net RCF drawdown of S$3 million as at 30 June 2023. As at 30 June 2023, the Group's gearing stands at 36.7%, while its interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months interest expenses is approximately 3.4 times and 3.1 times respectively.

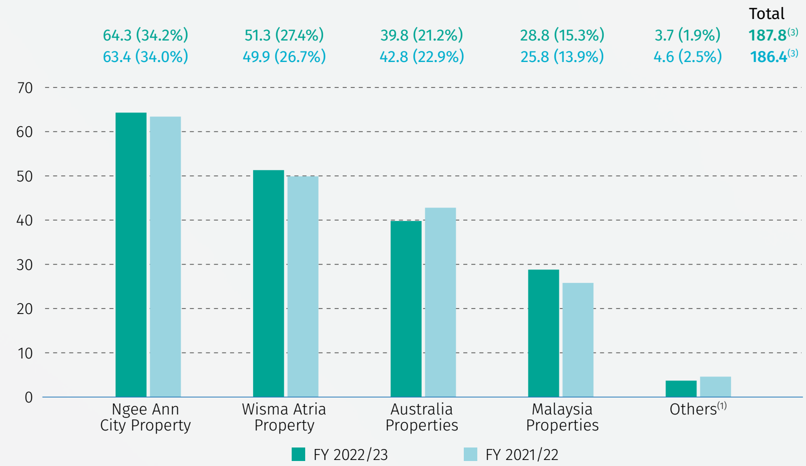
The Group's net asset value attributable to Unitholders as at 30 June 2023 was S$1,649.5 million (excluding perpetual securities holders' funds of S$99.6 million) (NAV per Unit of S$0.73), representing a decrease of S$97.9 million or 5.6%, compared to S$1,747.4 million (NAV per Unit of S$0.78) as at 30 June 2022.

Cash Flow

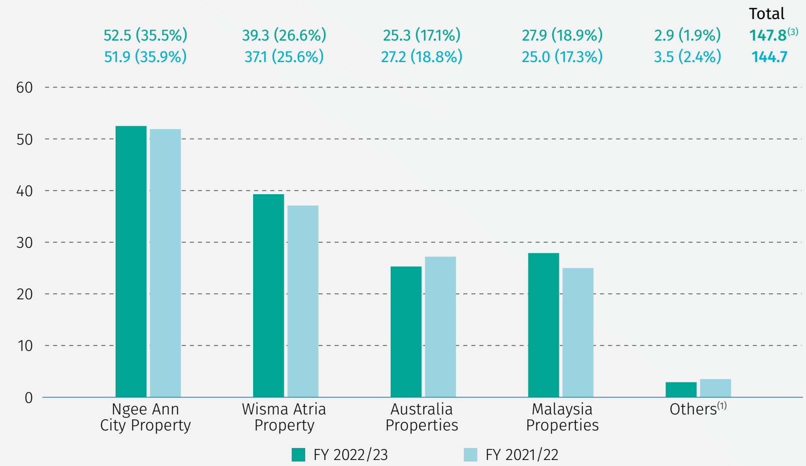
Total net cash outflow (excluding effects of exchange rate differences) for FY 2022/23 was S$12.2 million, largely comprising cash outflow from financing activities of S$138.0 million, partially offset by cash flows from operating activities of S$123.5 million and investing activities of S$2.3 million. Cash outflow from financing activities comprised mainly repayment of borrowings and related costs, as well as distributions paid to Unitholders and perpetual securities holders, partially offset by proceeds from borrowings. The cash flow from investing activities comprised mainly net proceeds on divestment of investment property, partially offset by capital expenditure paid in relation to Wisma Atria Property and Myer Centre Adelaide for FY 2022/23.

Financial Review

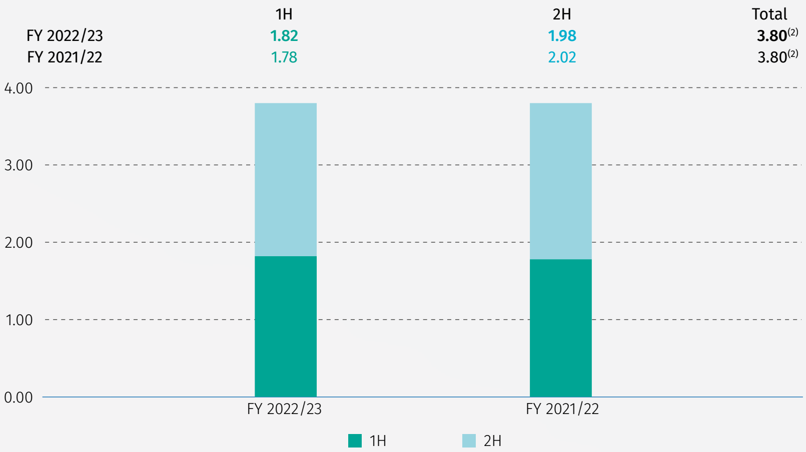
Gross Revenue
(S$ million)



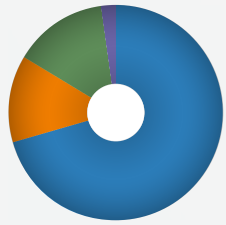
Net Property Income
(S$ million)



Distribution Per Unit
(cents)

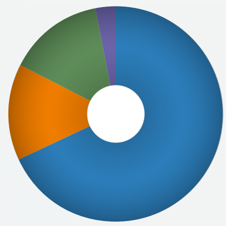


Asset Value By Country
As at 30 June 2023



Singapore	70.8%
Australia	12.9%
Malaysia	14.1%
Others[1]	2.2%

As at 30 June 2022



Singapore	68.1%
Australia	14.6%
Malaysia	14.5%
Others[1]	2.8%

Notes:

(1) Others comprise one property each in Tokyo, Japan and Chengdu, China, respectively, as at 30 June 2023 (2022: two properties in Tokyo, Japan and one property in Chengdu, China). Gross revenue and NPI for FY 2022/23 included contribution from Daikanyama, until its divestment in January 2023.

(2) The computation of DPU for FY 2022/23 was based on number of units entitled to distributions comprising (i) 2,249,480,125 units for 1H FY 2022/23, and (ii) issued and issuable units of 2,255,842,120 for 2H FY 2022/23 (FY 2021/22: (i) 2,232,571,530 for 1H FY 2021/22, and (ii) 2,240,421,241 for 2H FY 2021/22).

(3) Total does not add up due to rounding.

Capital Management

PRUDENT CAPITAL MANAGEMENT TO OPTIMISE UNITHOLDERS' RETURNS

Starhill Global REIT's main objective when managing capital is to be prudent and optimise Unitholders' returns through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy and this is continuously reviewed by the Manager.

In October 2022 and February 2023, the Group entered into bank facility agreements ranging from 5 to 5.5 years for unsecured term loan facility of S$50 million and S$75 million respectively. The facilities were fully drawn down in May 2023, where the proceeds were used to redeem the S$125 million unsecured medium term notes upon its maturity in May 2023.

In April 2023, the Group entered into a 5-year bank facility agreement for an unsecured term loan facility of A$63 million guaranteed by Starhill Global REIT trustee. The facility was fully drawn in June 2023 to refinance the existing outstanding A$63 million loan secured by David Jones Building in Perth, Australia. Following this, the mortgage on David Jones Building has been duly released.

In May 2023, the Group entered into a 5.25-year bank facility agreement for an unsecured revolving credit facility of S$50 million, which will be converted to an unsecured term loan facility on 31 March 2025. The facility will be used to finance the general corporate funding requirements of the Group.

In February 2023 and June 2023, the Group prepaid approximately JPY1.9 billion of borrowings financed mainly with the net proceeds from the divestment of Daikanyama.

As at 30 June 2023, Starhill Global REIT's outstanding debt stood at approximately S$1,049 million, and approximately S$2.5 billion (86%) of the Group's investment properties are unencumbered, which improved from S$2.3 billion (81%) as at 30 June 2022. As at 30 June 2023, the average debt maturity profile of Starhill Global REIT is approximately 3.4 years. The Group's gearing ratio remained stable at 36.7% as at 30 June 2023 and does not have any term debt refinancing requirements until September 2024. Additionally, the Group has sufficient undrawn long-term committed revolving credit facility lines, which can be drawn down to fund its working capital requirements. The Manager will continue to enhance its financial flexibility through prudent capital management.

Starhill Global REIT's current financial risk management policy is described in greater detail below.

INTEREST RATE RISK MANAGEMENT

In order to protect the Group's earnings from interest rate volatility and provide stability to Unitholders' returns, Starhill Global REIT hedges substantially its interest rate exposure within the short to medium term by using fixed rate debt and interest rate swaps.

As at 30 June 2023, Starhill Global REIT hedged about 84% of its debt by a combination of fixed rate debt and interest rate swaps. As at 30 June 2023, the weighted average interest rate was approximately 3.67% per annum, while the interest coverage ratio and adjusted interest coverage ratio (includes distribution on perpetual securities) based on trailing 12 months' interest expenses was 3.4 times and 3.1 times respectively. The Manager intends to continue to secure diversified funding sources from both financial institutions and capital markets when opportunities arise, and manage the replacement of its maturing interest rate swaps while keeping Starhill Global REIT's ongoing cost of debt competitive.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 30 June 2023, Starhill Global REIT is exposed to foreign exchange risk arising from its investments in Australia, Malaysia, Japan and China. The income generated from these investments and net assets are denominated in foreign currencies. In managing its currency risks associated with its foreign investments, Starhill Global REIT has adopted the following income and capital hedging strategies.

Income hedging

Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 62% of its revenue for the year ended 30 June 2023, while the remaining 38% of its revenue is from the overseas assets. Starhill Global REIT actively monitors the exchange rates and assesses hedging on a case-by-case basis. The impact of the volatility in its two major foreign currencies, namely the Australian dollar and Malaysian ringgit on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign currency exchange contracts.

Capital hedging

In managing the currency risks associated with the capital values of Starhill Global REIT's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible and cost efficient, to provide a natural currency hedge. As the investments in overseas assets are generally long-term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

Capital Management

Debt Gearing and Other Highlights

As at 30 June 2023 (S$ million)

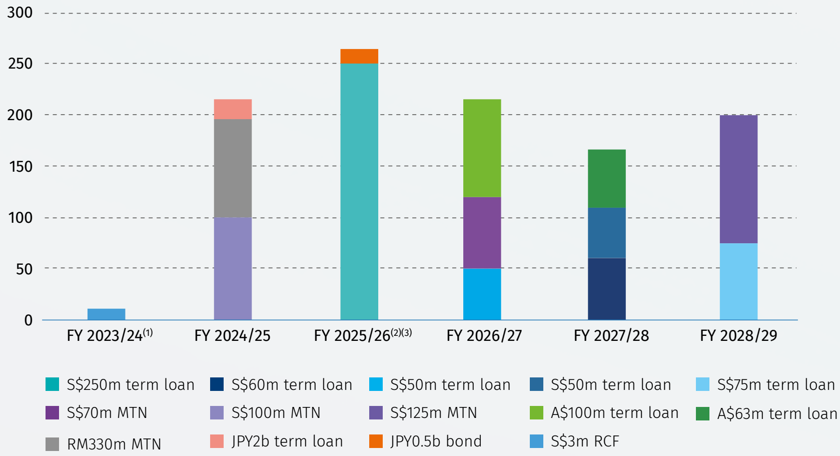
SGD term loans	S$485m
AUD term loans	S$146m
JPY term loan	S$19m
SGD RCF	S$3m
Singapore MTNs	S$295m
Malaysia MTN	S$96m
Japan bond	S$5m
Total Debt	**S$1,049m**
Perpetual securities[(1)]	S$100m
Gearing ratio[(2)]	36.7%
Fixed/hedged debt ratio[(3)]	84%
Unencumbered assets ratio	86%
Interest coverage ratio[(4)]	3.4x
Adjusted interest coverage ratio[(5)]	3.1x
Weighted average interest rate per annum[(6)]	3.67%
Starhill Global REIT corporate rating by Fitch Ratings	BBB[(7)]

Notes:

(1) Classified as equity instruments.
(2) Based on consolidated deposited property.
(3) Including interest rate swaps.
(4) Interest coverage ratio computed based on 12 months' trailing interest expenses as at 30 June 2023.
(5) The adjusted interest cover ratio takes into account the distribution on perpetual securities as at 30 June 2023.
(6) As at 30 June 2023. Includes interest rate swaps but excludes upfront costs.
(7) Affirmed by Fitch Ratings in February 2023, and subsequently placed on rating watch negative following the Myer arbitration announcement in March 2023.

Debt Maturity Profile

As at 30 June 2023 (S$ million)



Notes:

(1) Comprise short-term RCF outstanding as at 30 June 2023, which were drawn down mainly for working capital purposes and fully repaid in July 2023.
(2) Exclude S$100 million perpetual securities (classified as equity instruments) issued in December 2020 at a fixed rate of 3.85% per annum, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter.
(3) Peak debt maturity in FY 2025/26 represent approximately 24% of total debt and 9% of total assets as at 30 June 2023.

Risk Management

The Manager has put in place an enterprise risk management framework for Starhill Global REIT, comprising procedures and protocols to identify and initiate mitigation of enterprise risks which may arise in the management and operations of Starhill Global REIT, particularly in the areas of asset acquisitions, asset integration, financial risk management, and health and safety. To address each of these areas, the Manager has adopted policies and/or hired or designated staff with specific expertise in that area, and continues to assess the potential impact of risks which may arise and the necessary response or process to effectively mitigate those risks.

1. ASSET ACQUISITION PROCESS

Prior to any new acquisition, each of the key risks attributable to the acquisition or the subsequent management of the asset is assessed. Functional heads in the Manager are responsible for this process. The Board is made aware of all key risks considered and that these have been addressed or mitigated appropriately.

2. ASSET INTEGRATION PROCESS

Following every successful acquisition, it is imperative that each asset is quickly integrated into Starhill Global REIT's existing portfolio, from financial, operational and compliance perspectives. This process is activated before the closing of each acquisition, and completed as soon as practicable thereafter.

3. HEALTH AND SAFETY

Standard operating procedures for fire safety practices have been put in place and appropriate insurances for the properties are procured. Renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. In addition, the internal auditor reviews periodically the operating effectiveness of key controls over the fire safety arrangements of key assets. For more information on customer health and safety, please refer to page 80 of this Annual Report.

4. FINANCIAL RISK MANAGEMENT POLICY

Starhill Global REIT's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rates and foreign currency risks.

Where appropriate, the Manager may hedge against the volatility of interest rates, foreign currency net income and foreign currency investments. Starhill Global REIT has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and Starhill Global REIT's activities. The policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process.

For more information on financial risk management, please refer to pages 176 to 186 of this Annual Report.

5. BUSINESS CONTINUITY PLANNING

The Manager has developed a plan to address the impact and recovery of unforeseen disruptions or emergency circumstances to its business and operations. Key areas such as information technology, finance, regulatory compliance, vital record storage and recovery are addressed, to ensure smooth continuation of the Manager's and the Property Manager's essential business operations, in the event of a major disruption or contingency.

6. OPERATIONAL RISK SELF ASSESSMENT (ORSA)

The Manager has an ORSA protocol to ensure a regular review and assessment of the internal processes which have been implemented under the enterprise risk management framework. The Manager periodically conducts ORSA to assess the key risks and controls identified. This process also ensures that adequate resources are allocated to mitigate these risks.

7. RISK REPORTING

The Manager actively assesses and manages legal and compliance risks for Starhill Global REIT. Such risks may arise in each of the various jurisdictions Starhill Global REIT has assets located in, with the application of different laws and regulatory requirements, the enforceability of counterparty obligations and/or changes to applicable laws and regulations.

Quarterly reports are made to the Manager's Audit Committee (on an exceptions basis), and the Board is regularly updated on all such matters.

8. FRAUD RISKS

The Manager also has in place a Code of Business Ethics, Anti-Corruption Policy and Fraud Policy to guide the ethical conduct of its employees including guidelines on accepting gratuities and gifts, prevent and detect corruption and bribery and set the expectation for employees to act with honesty and integrity and to report all instances of suspected fraud. Any breach of these policies or code may result in disciplinary action including dismissal or termination of the employment contract. The Manager has established a whistleblowing policy for employees and any other persons to raise concerns and potential or actual improprieties in financial or other operational matters. The Manager conducted an independent review of its anti-corruption and business ethics processes during FY 2021/22.

Investors Relations and Communications

Starhill Global REIT keeps Unitholders and the financial community abreast of its latest developments and strategic direction through equitable, timely and effective communication. The Manager employs various communication channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments. The Manager actively engages investors and analysts through regular meetings, property tours and attending conferences throughout the year. In FY 2022/23, the Manager conducted 69 investor meetings in the financial year and participated in SGX DBS South Korea Conference.

As at 30 June 2023, Starhill Global REIT is covered by a total of six research firms. Starhill Global REIT is a component stock of FTSE All-Share ST Real Estate Investment Trusts Index, FTSE ST All-Share Real Estate Index, as well as at the FTSE EPRA Nareit Global Developed Index. The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It is committed to sharing accurate information with the investing public in a timely manner.

FY 2022/23 Investor Relations Activities

1Q | FY 2022/23 (1 July 2022 to 30 September 2022)

- Release of financial results for FY 2021/22
- Release of Annual Report for FY 2021/22
- Release of Sustainability Report for FY 2021/22

2Q | FY 2022/23 (1 October 2022 to 31 December 2022)

- Release of 1Q FY 2022/23 business updates
- Annual General Meeting

3Q | FY 2022/23 (1 January 2023 to 31 March 2023)

- Release of 1H FY 2022/23 financial results

4Q | FY 2022/23 (1 April 2023 to 30 June 2023)

- Release of 3Q FY 2022/23 business update

RESEARCH COVERAGE

- CGS-CIMB Research
- Daiwa Capital Markets Singapore
- DBS Group Research
- OCBC Investment Research
- RHB Securities Singapore
- UBS Global Research

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about Starhill Global REIT, please contact:

THE MANAGER

YTL Starhill Global REIT Management Limited
391B Orchard Road
#24-03 Ngee Ann City Tower B
Singapore 238874
Phone: +65 6835 8633
Fax: +65 6835 8644
Email: info@ytlstarhill.com
Website: www.starhillglobalreit.com

THE UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6438 8710
Website: www.boardroomlimited.com

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

UNITHOLDER DEPOSITORY

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
Phone: +65 6236 8888
Email: asksgx@sgx.com
Website: investors.sgx.com

Sustainability Report

Sustainability Report Contents

Contact

We welcome feedback, suggestions and questions from our stakeholders about this report. Please direct any questions or comments to:

Investor Relations and Corporate Communications
JONATHAN KUAH
YTL Starhill Global REIT Management Limited

391B Orchard Road, #24-03 Ngee Ann City
Tower B, Singapore 238874

Phone: +65 6835 8633
Fax: +65 6835 8644
Email: info@ytlstarhill.com

ABOUT THIS REPORT

This is the seventh annual sustainability report by Starhill Global Real Estate Investment Trust (SGREIT). The report covers the environmental, social and governance (ESG) performance of our operations from 1 July 2022 to 30 June 2023 (FY 2022/23) unless stated otherwise. This report forms part of SGREIT's FY 2022/23 Annual Report.

Reporting Standards

This report has been prepared in accordance with Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Rules (711A and 711B) – Sustainability Reporting. We have reported sustainability information in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards have been selected because of their focus on economic, environmental and social impacts. In addition, we have used the Sustainability Accounting Standards Board's (SASB) Real Estate Sector Standards because SASB Standards enable organisations to provide industry-based disclosures about sustainability-related risks and opportunities that could reasonably be expected to be financially material and hence of interest to investors. We also continue to highlight our alignment with the UN Sustainable Development Goals (SDGs) in the report.

This report includes an environmental risk management report based on the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations, in accordance with the Monetary Authority of Singapore's (MAS) Guidelines on Environmental Risk Management for Asset Managers (MAS ERM Guidelines).

Sustainability Report

Reporting Principles

The report content has been determined primarily by applying the GRI reporting principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability to provide high-quality sustainability reporting.

Scope and Boundary

The report provides an overview of SGREIT's ESG performance for its portfolio of properties in Singapore, Malaysia, Australia, Japan, and China. Energy and water consumption data are reported only for the common areas within SGREIT's properties, namely Wisma Atria Property, Myer Centre Adelaide, David Jones Building, Plaza Arcade, and Ebisu Fort, which are actively managed by the property managers, and where the Manager can monitor and influence the efficiency of utilities.

Waste data has been reported for both tenants and the common area for Wisma Atria and Myer Centre Adelaide. The waste data for Singapore encompasses the Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which SGREIT owns, and Isetan's own strata space.

The disclosures regarding Product Responsibility and Human Capital performance only refer to the Manager in Singapore. The workforce data relates to the employees of the Manager in Singapore.

Restatements

Scope 2 GHG emissions for Singapore for FY 2020/21 and FY 2021/22 have have been restated owing to revisions in the emission factor by the Energy Market Authority (EMA), Singapore. With the revised emission factor, the emission is slightly lower than reported earlier. The difference, however, is insignificant and not material. Furthermore, the environmental data for Myer Centre Adelaide in FY 2020/21 and FY 2021/22 for water consumption has been restated due to a new tenant that was allocated a portion of the common area, as well as electricity consumption data reported for FY 2021/22 being revised from the pro-rated consumption based on percentage of common area to actual consumption data.

External Assurance

The accuracy of the sustainability performance data presented in this report has been verified using internal sources. We have not sought independent external assurance on our sustainability reporting. In line with the recent updates to sustainability reporting disclosures by the SGX-ST, Starhill Global REIT has engaged PricewaterhouseCoopers Risk Services Pte Ltd to conduct an internal audit review of the Group's Sustainability Reporting process.

BOARD STATEMENT

The Board is committed to upholding high standards of governance, ethics, integrity, and sustainability. The Board determines SGREIT's material ESG factors, including climate-related risks and opportunities. In determining ESG priorities, the Board takes into account the concerns and interests of key stakeholders. The Board considers sustainability impacts, risks and opportunities in SGREIT's business decisions and strategy development. The Board oversees the management and monitoring of material ESG factors by seeking regular updates from the management. The Board also reviews and approves the sustainability reports.

The Board is committed to continuously enhancing the skills and knowledge of the directors about sustainability issues through participation in ESG training and expert briefings. All directors in office during FY 2022/23 have also completed the sustainability training courses mandated by the listing rules of the SGX-ST.

The Management is responsible for implementing and monitoring ESG strategy, programmes and initiatives. Working closely with the Management, the Board remains focused on driving long-term sustainable value for SGREIT's stakeholders.

This report provides a comprehensive overview of our portfolio properties' ESG performance during FY 2022/23. In line with our commitment to sustainability, we continue to use globally recognised reporting standards and frameworks that include GRI Standards, the TCFD Recommendations, SASB Real Estate Standards, and the UN SDGs to meet the diverse information needs of our stakeholders and investors.

The report is aligned with the MAS ERM Guidelines. These guidelines assist asset managers in assessing and managing potential environmental risks such as climate change, loss of biodiversity, pollution, and changes in land use. We combine the MAS ERM Guidelines and the TCFD Recommendations to evaluate and mitigate environmental risks throughout our current portfolio management processes. Our TCFD Report included in this report outlines our approach to assessing and managing climate-related risks and identifying opportunities within our operations.

We have established sustainability targets and timelines to encompass short-term goals to provide a more specific account of our significant ESG targets, metrics, and performance, further enhancing the transparency of our sustainability initiatives.

PERFORMANCE OVERVIEW

SUSTAINABILITY PERFORMANCE DATA

MATERIAL ESG FACTORS	MEASUREMENT UNIT	FY 2020/21	FY 2021/22	FY 2022/23
ENVIRONMENTAL[1][2]				
ENERGY[3]				
ELECTRICITY CONSUMPTION				
Total	MWh	8,290	8,209	8,085
Singapore - Wisma Atria Property	MWh	3,895	4,073	4,053
Australia	MWh	4,328	4,087	3,990
Japan	MWh	67	48	42
FUEL CONSUMPTION				
Total	GJ	29	0	0
Singapore - Wisma Atria Property	GJ	29	0	0
Australia	GJ	0	0	0
Japan	GJ	No data	No data	No data
ENERGY CONSUMPTION				
Total	GJ	29,873	29,552	29,107
Singapore - Wisma Atria Property	GJ	14,052	14,663	14,592
Australia	GJ	15,581	14,714	14,365
Japan	GJ	240	174	150
ENERGY (ELECTRICITY) INTENSITY				
Total	kWh/m^2	131	130	128
Singapore - Wisma Atria Property	kWh/m^2	202	211	210
Australia	kWh/m^2	101	95	93
Japan	kWh/m^2	76	55	47
GHG EMISSIONS[4][5]				
Scope 1 (Direct) Emissions				
Total	tonnes CO_2e	309	0	613
Singapore - Wisma Atria Property	tonnes CO_2e	309	0	613
Australia	tonnes CO_2e	0	0	0
Japan	tonnes CO_2e	No data	No data	No data
Scope 2 (Indirect) Emissions				
Total	tonnes CO_2e	3,153	3,131	3,086
Singapore - Wisma Atria Property	tonnes CO_2e	1,580	1,652	1,644
Australia	tonnes CO_2e	1,542	1,456	1,422
Japan	tonnes CO_2e	31	23	19
Total GHG Emissions				
Total	tonnes CO_2e	3,462	3,131	3,699
Singapore - Wisma Atria Property	tonnes CO_2e	1,889	1,652	2,257
Australia	tonnes CO_2e	1,542	1,456	1,422
Japan	tonnes CO_2e	31	23	19
GHG Intensity				
Total	$kgCO_2e/m^2$	55	50	59
Singapore - Wisma Atria Property	$kgCO_2e/m^2$	98	86	117
Australia	$kgCO_2e/m^2$	36	34	33
Japan	$kgCO_2e/m^2$	35	26	22
WATER[6]				
WATER WITHDRAWAL				
Total	ML	70	62	74
Singapore - Wisma Atria Property	ML	55	47	53
Australia	ML	15	15	21
Japan	ML	0.056	0.084	0.084
WATER INTENSITY				
Total	m^3/m^2	1.16	1.04	1.23
Singapore - Wisma Atria Property	m^3/m^2	2.84	2.43	2.77
Australia	m^3/m^2	0.37	0.38	0.51
Japan	m^3/m^2	0.06	0.10	0.10

Sustainability Report

SUSTAINABILITY PERFORMANCE DATA

MATERIAL ESG FACTORS	MEASUREMENT UNIT	FY 2020/21	FY 2021/22	FY 2022/23
ENVIRONMENTAL *(cont'd)*				
WASTE				
WASTE GENERATED (NON-HAZARDOUS)				
Total	metric tons	1,486	1,441	1,545
Singapore - Wisma Atria Property	metric tons	1,093	1,141	1,180
Australia - Myer Centre Adelaide	metric tons	393	300	364
Japan	metric tons	No data	No data	No data
WASTE RECYCLED				
Total	metric tons	115	131	173
Singapore - Wisma Atria Property	metric tons	26	45	64
Australia - Myer Centre Adelaide	metric tons	89	86	109
Japan	metric tons	No data	No data	No data
COMPLIANCE WITH ENVIRONMENTAL REGULATIONS				
Number of incidents of non-compliance	Number	0	0	0
SOCIAL				
OCCUPATIONAL HEALTH & SAFETY(7)				
FATALITIES				
Employee	Number	0	0	0
	Rate %	0	0	0
HIGH-CONSEQUENCES WORK-RELATED INJURIES (EXCLUDING FATALITIES)				
Employee	Number	0	0	0
	Rate %	0	0	0
NON-FATAL WORKPLACE INJURIES				
Employee	Number	0	0	0
	Rate %	0	0	0
OCCUPATIONAL DISEASE				
Employee	Number	0	0	0
NUMBER OF MAN-HOURS WORKED				
Employee	Number	64,120	61,360	63,440
PUBLIC, TENANTS & VISITORS SAFETY				
Number of incidents involving the public, tenants and visitors(1)	Number	0	0	1(8)
COMPLIANCE WITH HEALTH & SAFETY REGULATIONS				
Number of incidents of non-compliance	Number	0	0	0
EMPLOYEES (as at 30 June)(7)				
Permanent employees	Number	31	30	31
Temporary employees	Number	0	0	0
Fixed-term contract employees	Number	0	0	0
Full-time employees	Number	30	29	30
Part-time employees	Number	1	1	1
Rate of new hires	%	10	20	45
Employee turnover rate	%	6	23	42
Female employees	%	58	60	71
Female managers	%	64	58	70
Female Senior Management	%	25	50	56
Average training hours per employee (full-time)	Hrs	27.2	34.7	27.0

Notes:

(1) Scope of data reporting covers Wisma Atria Property (Singapore), Myer Centre Adelaide (Australia), David Jones Building (Australia), Plaza Arcade (Australia), and Ebisu Fort (Japan) for which the Manager has operational control. Numbers may not fully add up due to rounding.

(2) Scope 2 CO_2 emission data for FY 2020/21 and FY 2021/22 have been restated owing to a revision in Singapore emission factors by the Energy Market Authority Singapore. Furthermore, the environmental data for Myer Centre Adelaide (Australia) in FY 2020/21 and FY 2021/22 for water consumption has been restated due to a new tenant that was allocated a portion of common area, as well as electricity consumption data reported for FY 2021/22 being revised from the pro-rated consumption based on percentage of common area to actual consumption data.

(3) Energy refers to purchased electricity, and in FY 2020/21, fuel (diesel) consumption was added.

(4) Scope 1 (Direct) GHG emissions include fuel (diesel) and fugitive emissions from refrigerants. Scope 2 (Indirect) GHG emissions are derived from purchased electricity.

(5) GHG emissions calculations are based on the Greenhouse Gas (GHG) Protocol. Gases included in the calculation include CO_2, CH_4 and N_2O. Emission factors from IPCC 2006 and GWP values from the 2014 IPCC Fifth Assessment Report were used to derive Scope 1 emissions. Scope 2 emissions were calculated using the location-based method, with grid emission factors from the Singapore Energy Market Authority and the Australia Department of Industry, Science, Energy and Resources.

(6) All water withdrawal comes from a third-party water source. In Singapore, the water supply from the Public Utilities Board, comprises water from the local catchment, imported water (from neighbouring country's water catchment), reclaimed water (known as NEWater) and desalinated water. In Australia, water supply from SA Water and Water Corporation, which manages water services in Adelaide, South Australia, and Perth, Western Australia, respectively, comprises water from reservoirs, rivers, groundwater and seawater.

(7) For employees of the REIT Manager only.

(8) In FY 2022/23, an unfortunate slip and fall accident involving a shopper resulted in an injury at Wisma Atria.

SUSTAINABILITY POLICY

We are committed to sustainable operations and practices that contribute positively to the environment, people and the economy while safeguarding and enhancing value for our unitholders and stakeholders. Our sustainability management focuses on material ESG factors determined and approved by the Board. Managing environmental risks and opportunities is an essential component of our sustainability policy.

We have established targets and key performance indicators to implement our sustainability policy. We monitor our performance regularly and communicate our progress through transparent reporting.

Our sustainability policy applies to all aspects of our operations, including property acquisition, development, management, and disposal. We review our sustainability policy periodically or as required to ensure it remains relevant, effective, and aligned with our sustainability goals and objectives.

Sustainability Report

Our Sustainability Policy encompasses the following topics:

Energy
We are committed to optimising energy consumption across our property portfolio by investing in energy-efficient technologies, promoting renewable energy sources, and continuously monitoring and improving our energy performance.

GHG Emissions
Our commitment is to minimise our carbon footprint by setting and working towards ambitious GHG emission reduction targets. We will implement strategies to reduce emissions and ensure transparency through regular emissions reporting.

Climate Risk Management
We strive to integrate climate risk assessments into our investment decision-making processes and property management practices. We commit to adaptation and mitigation strategies to handle potential climate-related risks.

Water
We will strive to reduce our water footprint through efficient water management practices, including water-saving fixtures and technologies.

Waste
We are committed to minimising waste generation through reduction, reuse, and recycling initiatives. We will work to divert waste from landfills and aim to incorporate circular economy principles in our operations to enhance recycle and reuse where possible.

Biodiversity
We are committed to protecting and preserving biodiversity within our properties and considering biodiversity impact for new developments and acquisitions. We recognise the crucial role that biodiversity plays in maintaining the health and resilience of ecosystems and the well-being of communities. We incorporate biodiversity considerations into our decision-making processes and property management practices.

Employee Training
We are committed to the continuous learning and development of our employees. Training programmes are provided to enhance knowledge and skills, promote a culture of sustainability, and foster innovation.

Diversity and Inclusion
We value diversity and inclusion and are committed to promoting it in our workplace. Our policy is to ensure equal opportunities for all, irrespective of race, gender, age, religion, or disability.

Occupational Health and Safety
We are committed to providing a safe and healthy working environment for our employees and contractors. This includes regular risk assessments, training, and adhering to industry best practices and regulations. We have implemented an occupational health and safety management system. Contractors who carry out any activities on our properties are required to comply with the necessary health and safety regulations.

Human Rights
We are committed to upholding universally recognised human rights principles in our operations and interactions. Our policy prohibits discrimination, forced labour and child labour and promotes diversity, equality and inclusivity. We support freedom of association and right to collective bargaining in accordance with applicable local regulations. Our employees are not covered by a collective bargaining agreement. Our commitment to human rights is embedded in our workplace policies where applicable.

Customer Health and Safety
We are committed to ensuring a safe, secure, and healthy environment for our tenants, shoppers and visitors by maintaining our properties to high standards of structural safety, cleanliness, and functionality, complying with all applicable regulations.

Tenant Engagement
We are committed to maintaining open lines of communication with our tenants to share our sustainability objectives, gather feedback, and collaboratively work towards shared sustainability goals. Engaging our tenants is integral to our sustainability strategy. Our policy aims to foster a mutual understanding and shared responsibility for sustainable practices between us and our tenants.

Anti-Corruption
We uphold a zero-tolerance policy towards corruption. We are dedicated to maintaining the highest ethical standards and will ensure our business activities are conducted in a fair, transparent, and accountable manner.

Regulatory Compliance
We are committed to complying with all applicable laws and regulations where we operate. Our measures include staying updated on emerging regulations relevant to our portfolio.

STAKEHOLDERS

We prioritise engaging with our key stakeholders, who are directly impacted by our operations or have the potential to influence our business goals and objectives. Our stakeholders encompass tenants, investors, shoppers, employees, governments and regulators, suppliers, and contractors, as well as the local communities in which we operate. Actively engaging with these stakeholders on a regular basis helps us understand and address their concerns. Stakeholder dialogues also help us identify and prioritise actual and potential ESG impacts to develop preventive and mitigative responses. The frequency of engagement with various stakeholders is based on mutual needs. We conduct our stakeholder interactions in a respectful and trusted manner with due regard to human rights where relevant.

Please refer to the table below for an overview of our stakeholder engagement efforts.

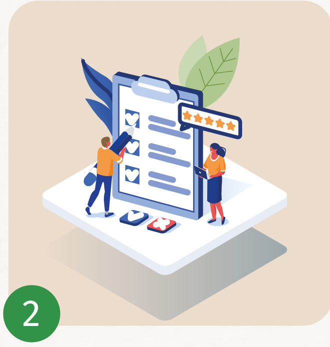
Stakeholders	Engagement Methods	Stakeholder Concerns	Our Engagement Approach
Tenants	· Joint promotional and strategic partnerships · Tenant satisfaction survey	· Create a conducive mall environment · Differentiated tenant mix · Stable shopper traffic	· Conduct annual tenant surveys to gather feedback · Use survey results to identify areas of improvement and implement appropriate follow-up actions
Investors	· Dedicated Investor Relations section on company website · Announcements on SGXNET · Annual General Meeting · Annual Report · Results briefings to analysts and investors · Meetings with investors and participation in roadshows and conferences · Mall tours upon request · Corporate video	· Access to high-quality real estate investment · Business performance and strategy · Risk management · Sustainable returns	· Provide accurate information to the investing public through timely communication
Shoppers	· Marketing and promotional programmes and events · Online engagement and social media · Wisma Atria App launched to enhance shoppers' experience	· Conducive mall environment · Differentiated tenant mix and refreshed offerings	· Improve shoppers' shopping experience in the mall through various promotional events and periodic rejuvenation of malls
Employees	· Regular department meetings · Annual performance appraisals · Team-building activities · Training courses and workshops · Employment incentives and benefits	· Communicating business strategy and developments · Performance recognition · Training and career development · Employee wellness	· Inclusive work environment · Provide opportunities for employees to develop skills and gain knowledge · Organise employee well-being activities
Governments and Regulators (e.g., SGX-ST, MAS)	· Meetings, feedback and correspondence	· Compliance with rules and regulations · Sustainability · Environmental risk management · Adopt best practices	· Implement policies and procedures to ensure regulatory compliance · Regularly monitor and review regulatory issues and performance · Annual Reports, Sustainability Reports · Regular reporting to MAS
Suppliers and Contractors	· Requests for Proposal · Meetings and visits	· Fair procurement policy and practices · Workplace safety · Timely payment	· Ensure compliance with government policies, rules and regulations
Community	· Corporate social responsibility (CSR) programme	· Environment · Support for social causes	· Ongoing CSR activities · Employees volunteering to support community programmes

Sustainability Report

Materiality Assessment Process

1

Identify
Identify significant ESG impacts of business operations and industry-specific issues

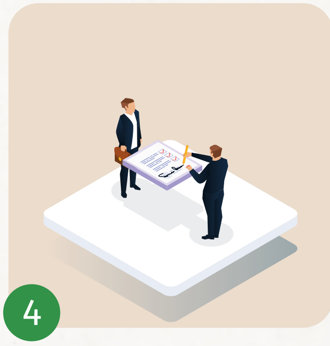


2

Assess
Evaluate the significance of ESG impacts based on the severity and likelihood, and refer to SASB industry standards for financial materiality

3

Prioritise
Prioritise ESG topics for reporting based on the significance of the impact, benchmarking, and stakeholders' views



4

Approve
Review and approval of material topics for reporting by Sustainability Management Council (SMC) and the Board

Membership of Associations

We actively engage with industry associations to stay abreast of the latest trends and address common challenges. Our member representations in strategic associations also provide valuable insights for our materiality assessment.

Our memberships include the following:

- REIT Association of Singapore
- SGListCos
- Orchard Road Business Association
- Bukit Bintang Kuala Lumpur City Centre (BBKLCC) Tourism Association

Engaging External Stakeholders

In addition to our active engagement with industry associations, we maintain regular communication with government agencies and regulators to ensure compliance and foster positive relationships. Notable entities we engage with include the Building and Construction Authority (BCA), MAS, SGX-ST and Urban Redevelopment Authority of Singapore (URA).

In Australia, the Centre Manager of Myer Centre Adelaide takes on the crucial role of being the main point of contact for the Adelaide City Council. Myer Centre Adelaide is also associated with the Rundle Mall Management Authority, which plays a significant role in promoting the vibrant Rundle Mall precinct.

We regularly engage with our tenants to understand and respond to their concerns and issues. Our periodic tenant survey is a key engagement tool to gather information about the matters important to our tenants.

MATERIALITY

Our sustainability report focuses on our performance on our most material ESG topics. Our materiality assessment refers to the four-step guidance provided in the GRI Standards, stakeholder insights, our peers' reporting and broad sustainability trends. We also consider SASB Standards for the Real Estate Sector to include industry-relevant material topics.

In FY 2022/23, we reviewed our material topics in consultation with internal stakeholders and determined that topics reported in FY 2021/22 Sustainability Report remain relevant for reporting this year.

Supporting the UN SDGs

We continue to align our material topics with relevant SDGs to reflect our contribution to sustainable development.

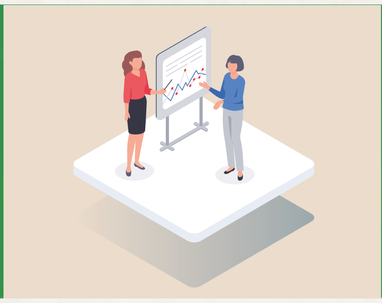
A summary of our material ESG topics, their boundaries, our management approach and associated SDGs is provided in the following table.

Material Topic	Impact Boundary	Management Approach	SDGs Supported
ENVIRONMENTAL			
Energy	Consumption in portfolio properties	Minimise energy consumption by implementing building energy efficiency measures	7
Water	Primarily for cleaning, sanitation and air-conditioning in portfolio properties	Save and conserve water by implementing building water efficiency measures	6
GHG Emissions and Climate Change	From purchased electricity and other energy sources	Reduce portfolio carbon emissions, assess and mitigate climate-related risks	13
SOCIAL			
Occupational Health and Safety	Property management, operations and maintenance involving employees and contractors	Assess safety and health risks and take preventive measures for risk mitigation aimed at having a zero-accident workplace	8
Training	Reflected in skills and knowledge of REIT Manager's employees	Promote a fair and inclusive workplace to nurture a high-performing workforce	4
Customer Health and Safety	Tenants, occupants and visitors at our portfolio properties	Promote safety, hygiene and cleanliness across our properties to offer a safe, clean and pleasant environment for tenants, occupants and visitors	8
Customer Privacy	Information management systems across our portfolio properties	Implement IT security and data protection measures to protect personal information	16
GOVERNANCE			
Anti-Corruption	REIT management and property management	Maintain a zero-tolerance approach against corruption, bribery, fraud and money laundering	16
Regulatory Compliance	REIT management and property management	Implement policies and procedures to ensure compliance with applicable regulations, including environmental, safety and health and socio-economic laws	

Sustainability Report

OUR ESG TARGETS AND PERFORMANCE

Our ESG Targets		FY 2022/23 Performance/Progress
Anti-Corruption	• No incidents of corruption	• No incidents of corruption
Customer Health and Safety	• Zero accidents involving severe injuries within our properties	• In FY 2022/23, an unfortunate slip and fall accident involving a shopper resulted in an injury at Wisma Atria
Customer Privacy	• Zero breaches of data protection and privacy laws	• No incidents of privacy or personal data breach
Green Certification	• Attain green certifications (including NABERS Energy rating) for at least 60% of portfolio by NLA by 2030 • Improve NABERS Energy rating for Myer Centre Adelaide (Retail) to at least 4 stars by FY 2025/26 • Attain GBI certification for Lot 10 Property by FY 2025/26 • Attain NABERS Water rating for Perth Properties by FY 2023/24 • Attain NABERS Water rating for Myer Centre Adelaide by FY 2024/25	• 50% of the portfolio by NLA attained green certifications • Attained Leadership in Energy and Environmental Design (LEED) Gold certification for our property in Chengdu, China • Myer Centre Adelaide (Office) attained 5 stars NABERS Energy rating during recertification • Myer Centre Adelaide (Retail) attained 3.5 stars NABERS Energy rating • Attained CASBEE (Rank S) certification for Ebisu Fort, Japan
Energy Conservation	• Reduce landlord's energy consumption for assets with operational control by 10% by FY 2030/31 from base year FY 2021/22 • Implement on-site renewable energy system in at least one asset by FY 2024/25	• Our target is to reduce electricity consumption at Wisma Atria Property by 15% by FY 2026/27 from base year FY 2016/17 • 7.8% reduction achieved over base year FY 2016/17 for Wisma Atria Property
Water Conservation	• Maintain water consumption within 5% of previous year's consumption at Wisma Atria Property	• Water consumption at Wisma Atria Property exceeded the targeted variance of 2% above the prior year due to improved business activities following the reopening of the economy and renovations in the prior period. However, consumption level was still below pre-COVID levels, showing progressive improvement
Waste Management	• To partner tenants and develop a general waste and recycling programme • To establish a food waste management system in the Wisma Atria Property by FY 2024/25	• Ongoing
Talent Management & Development	• Provide average 25.0 hours of training per employee	• 27.0 hours per employee achieved



EMBRACING THE MARKETPLACE

Our Approach

- Delivering profitable and sustainable business growth through effective compliance and risk management
- Operating our business responsibly with accountability
- Strengthening responsible stewardship of our assets, products and services

RESPONSIBLE BUSINESS AND SUSTAINABLE GROWTH

To achieve profitable and sustainable growth, we uphold high standards of governance, ethics, compliance, and risk management and ensure transparency and accountability in all our operations. We adhere to the Code of Corporate Governance 2018, which sets comprehensive policies and principles.

For more detailed information about our corporate governance, please refer to pages 101 to 124 of this Annual Report.

ESG Governance

Sustainability issues are integrated into our corporate governance and are central to our decision-making process. The Board holds overall responsibility and oversight over the management of sustainability issues and sustainability reporting. The Audit Committee has been tasked with overseeing sustainability issues, including climate-related risks and opportunities, and providing regular updates to the Board.

The Manager is responsible for implementing sustainability strategies approved by the Board. We have established a Sustainability Management Council (SMC) led by the Chief Executive Officer, which comprises a multi-disciplinary team. The SMC is responsible for implementing and monitoring sustainability strategies, including managing environmental risks and opportunities across our property portfolio. The SMC reports to the Audit Committee and assists the Board in identifying material ESG factors, including environmental and climate-related risks and opportunities related to our properties. Additionally, project teams support the SMC by collecting property-level ESG performance data for review by the Manager and the Board.

Risk Management

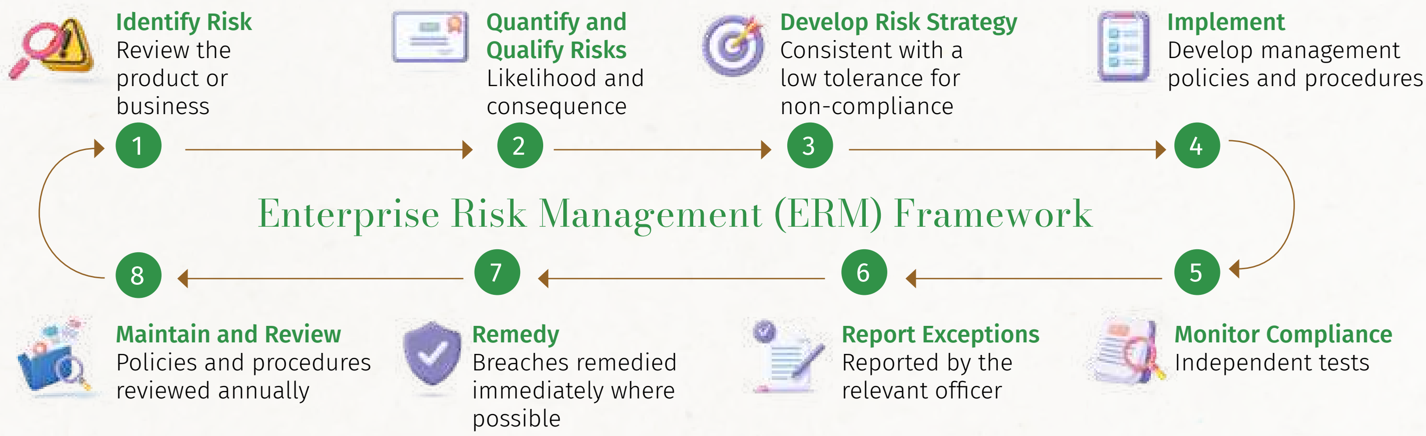
We prioritise risk management by regularly reviewing our significant risk exposure, covering operational, financial, business continuity, regulatory, and environmental sustainability risks. To address these risks, we have implemented a comprehensive Enterprise Risk Management (ERM) framework, supported by Board-approved policies. This framework enables us to identify and manage material risks that may arise in managing our company. Additionally, we have established an Operational Risk Self-Assessment (ORSA) to ensure that risks are assessed and reviewed on an annual basis.

For more information about our risk management, please refer to page 67 of this Annual Report.

Environmental Risk Management

In alignment with the MAS ERM Guidelines, we have implemented an Environmental Risk Management Framework to supplement our overall risk management framework. As part of the framework, we conducted a comprehensive climate scenario analysis to assess physical and transition risks to our portfolio properties. We continuously refine our approach and consider environmental risks, such as climate change, emissions, water, biodiversity, and changes in land use, in the management and enhancement of our existing assets, as well as in potential acquisitions and divestments.

Figure 1



Sustainability Report

Anti-Corruption

Maintaining a zero-tolerance policy against corruption, bribery, and fraud is of utmost importance to us. We have a clear anti-corruption policy that all employees are required to comply with. Annual compliance training is provided to our employees, covering topics such as anti-corruption and ethics, to reinforce ethical conduct in all business dealings. In FY 2022/23, the training included the following topics:

- Anti-Corruption
- Code of Conduct
- Conflict of Interests
- Related Party Transactions
- Personal Trading
- Gifts and Entertainment
- Whistleblowing
- Personal Data Protection
- Crisis Management and Data Breach Management Procedures

All employees, including the CEO, completed virtual compliance training in FY 2022/23. An independent review of our anti-corruption and business ethics processes was also conducted by the Manager in FY 2021/22.

We have established a whistleblowing policy to provide a secure channel for reporting potential or actual improprieties in financial and operational matters. Whistleblowers' identities are protected, unless revealing them becomes necessary for independent investigations. Complaints can be made verbally or in writing to **whistleblowing@ytlstarhill.com.**

For more details on whistleblowing, please refer to page 113 of this Annual Report.

Target and Performance

Our ongoing target is to have no incidents of corruption. There were no confirmed cases of corruption in the reported period.

Customer Health and Safety

The health and safety of our tenants, shoppers, and visitors are of paramount importance to us. To mitigate risk and handle emergencies, we have implemented standard operating procedures for safety and hygiene across all our properties. These procedures comply with local regulations and cover areas such as fire safety, first aid, safety training, emergency evacuation drills, and preventive maintenance of lifts and escalators.

Our properties are equipped with fire-fighting equipment, including fire hoses, fire extinguishers, illuminated exit signages, and fire alarms. We conduct periodic fire safety audits and hold fire and evacuation drills regularly to ensure preparedness.

In Australia, emergency procedures training is provided to all Myer Centre Adelaide CBRE staff, and external consultants conduct annual inspections of fire and emergency controls. In Malaysia, we collaborate with the Fire and Rescue Department of Malaysia to conduct mock fire drills. In Singapore, property management teams are trained in first aid, and ground staff at Wisma Atria are trained to respond promptly to incidents. Incidents involving business disruption, property loss, or loss of life are escalated to the Management team, and incident reports are submitted within 24 hours of their occurrence.

Target and Performance

Our ongoing target is to have zero accidents involving severe injuries within our properties. In FY 2022/23, an unfortunate slip and fall accident involving a shopper resulted in an injury at Wisma Atria. We have investigated the incident and strengthened our preventive measures.

Customer Privacy

Protecting the personal data of our employees and stakeholders is a priority for us. We have implemented a personal data protection policy in compliance with the Singapore Personal Data Protection Act (PDPA) 2012. Additionally, we comply with applicable national data protection and privacy laws in other jurisdictions where we operate. Our privacy policy provides clear guidelines for the collection, use, protection, and disclosure of individuals' personal data. Measures such as obtaining consent, encryption, and password protection are implemented to ensure the security of personal data.

Target and Performance

Our target is to have zero incidents of personal data breaches. During the reported period, no substantiated complaints regarding breaches of customer privacy were received.

Tenant Satisfaction

We actively engage with our tenants to improve their overall experience. We conduct annual tenant surveys for our Singapore Properties to gather feedback on various topics, including tenant management services, building security, and maintenance. The survey results help us identify areas for improvement and guide appropriate follow-up actions.

The results of the FY 2022/23 survey indicate consistently high levels of tenant satisfaction with a response rate of 51% out of a total of 187 tenants. The survey encompassed our retail and office tenants at Wisma Atria and Ngee Ann City in Singapore. Based on the survey findings, about 95% and 97% of the retail and office respondents respectively rated our services as satisfactory or above.

Unitholder Communications

Effective communication with all stakeholders, particularly unitholders, is essential for building trust and promoting transparency and accountability. We employ various communication channels, such as announcements on SGXNET, press releases, briefing sessions, investor presentations, conferences, annual reports, corporate videos, corporate websites, and emails, to disseminate necessary information on our financial and operational performance, business plans, and latest developments. All investor relations materials undergo vetting by the Manager to ensure accuracy, consistency, and compliance with policies.

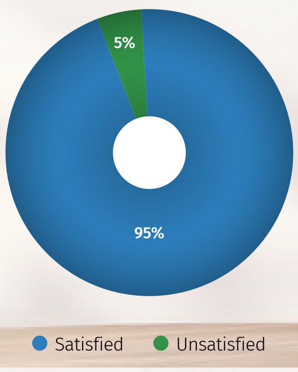
Supply Chain

Our supply chain encompasses property managers, and suppliers of goods and services. We require our major suppliers to comply with local government and legal requirements. When selecting major suppliers and service providers, we consider their reputation, reviews, references, and expertise in their respective fields to ensure consistent standards across our business units. Due diligence is conducted for complex engagements or those involving high financial risks to assess the financial standing and track record of the incumbents.

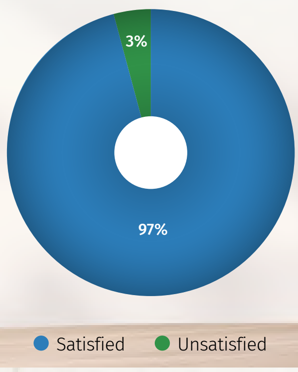
Regulatory Compliance

Compliance with applicable rules and regulations in all aspects of our operations is a fundamental commitment. We strive to adhere to legal requirements and regulations across our business units. There were no significant instances of non-compliance with laws and regulations during the reporting period resulting in fines or sanctions. We define significant non-compliance with laws and regulations as matters that have a material impact, financial or otherwise, on SGREIT and its stakeholders.

Retail Tenants



Office Tenants



Sustainability Report

ENVIRONMENTAL CONSERVATION

Our Approach

- Promoting energy efficiency in our properties to reduce GHG emissions
- Mitigating climate-related risks in our portfolio
- Improving water efficiency
- Managing waste responsibly

ENVIRONMENTAL RESPONSIBILITY

We are committed to minimising the environmental footprint of our properties and managing climate-related risks and opportunities to build climate-resilience into our portfolio. In line with our commitment, the Manager and Property Manager's offices in Singapore are re-certified by Project Eco-Office for an additional two years starting in July 2023 for their green credentials.

Our environmental measures include improving energy efficiency, reducing carbon emissions, and ensuring responsible water consumption and waste management across our properties. We regularly monitor, review and report energy, emissions, and water data for the properties within our operational control.

Green Certifications

We have set a target of attaining green certifications for at least 60% of our portfolio based on Net Lettable Area (NLA) by 2030. Currently, 50% of our portfolio by NLA or an equivalent of four out of nine properties has attained green certifications, ahead of our targeted date. This represents an increase from 21% of the portfolio with green certifications reported for FY 2021/22. In FY 2022/23, we completed the gap analysis for green certifications for the remaining portfolio. As part of our target, we are actively pursuing a higher National Australian Built Environment Rating System (NABERS) Energy rating for Myer Centre Adelaide (Retail) and Green Building Index (GBI) certification for Lot 10 Property by FY 2025/26.

In August 2022, we successfully obtained the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Rating (Rank S) for Ebisu Fort in Japan.

In May 2023, we secured a Leadership in Energy and Environmental Design (LEED) Gold certification for our property in Chengdu, China.

In Australia, we attained 5 stars NABERS Energy rating during recertification for Myer Centre Adelaide (Office) in October 2022, improving from a 4.5 stars NABERS Energy rating in the previous year. Additionally, we attained 3.5 stars NABERS Energy rating for Myer Centre Adelaide (Retail) in April 2023. Enhancement works have been planned to improve the NABERS Energy rating for Myer Centre Adelaide (Retail) to at least 4 stars by FY 2025/26. For both the retail and office components at Myer Centre Adelaide, we have completed the gap analysis and identified the necessary works required to obtain a NABERS Water rating by FY 2024/25. In addition, we target to obtain NABERS Water rating for our Perth Properties by FY 2023/24.

Certification	Description of Awards / Certification	Property	Year of Award
LEED Gold	LEED Rating is a globally recognised certification system that evaluates the sustainability and environmental performance of buildings.	Chengdu, China	2023
NABERS Energy Base Building – 3.5 stars rating	A national rating system that measures the environmental performance of Australian buildings, tenancies and homes.	Myer Centre Adelaide (Retail), Australia	2023
NABERS Energy Base Building – 5 stars rating	A national rating system that measures the environmental performance of Australian buildings, tenancies and homes.	Myer Centre Adelaide (Terrace Towers), Australia	2022
BCA Green Mark Platinum Award	A national initiative by the Building and Construction Authority (BCA) to shape a more environmentally friendly and sustainable built environment in Singapore.	Ngee Ann City, Singapore	2022
CASBEE Certification Rank S	A method for evaluating and rating the environmental performance of buildings and the built environment, which is recognised by Japan's Institute for Building Environment and Energy Conservation.	Ebisu Fort, Japan	2022

Energy Efficiency

Electricity continues to be the main source of energy utilised in SGREIT properties. Our approach is to continuously improve energy efficiency across our portfolio through upgrades, asset enhancements and green building or energy efficiency certifications.

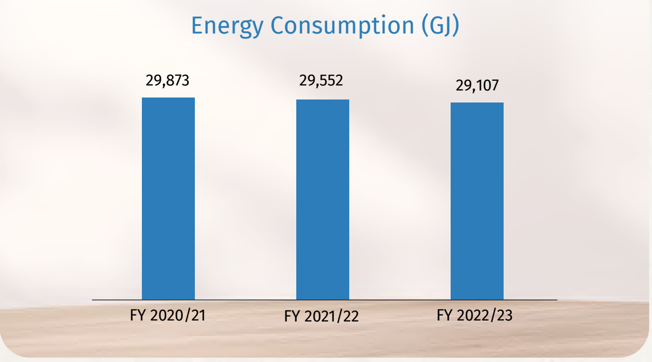
Targets and Performance

In Singapore, we have achieved a 7.8% reduction in energy consumption from the base year FY 2016/17. Our target, set in FY 2016/17, is to achieve a 15% reduction in energy consumption over 10 years for the Wisma Atria Property. This will now be superseded with a new target to reduce SGREIT's energy consumption for assets with operational control by 10% by FY 2030/31 from base year FY 2021/22.

In FY 2022/23, energy consumption amounted to 29,107 GJ for the properties for which the Manager has operational control. This represents a decrease of 1.5% y-o-y.

In FY 2022/23, we completed several energy efficiency initiatives in Wisma Atria to meet previously announced targets. These included upgrading of LED lights in common areas except basement and upgrading of bubble lifts during our recent interior upgrade works. A progressive implementation of green practices per fit-out guidelines with tenants at Wisma Atria Property is underway. In line with our target for the Ngee Ann City Property in FY 2022/23, we finalised a green lease template which will be implemented progressively for new leases for the office towers and Level 5 retail spaces.

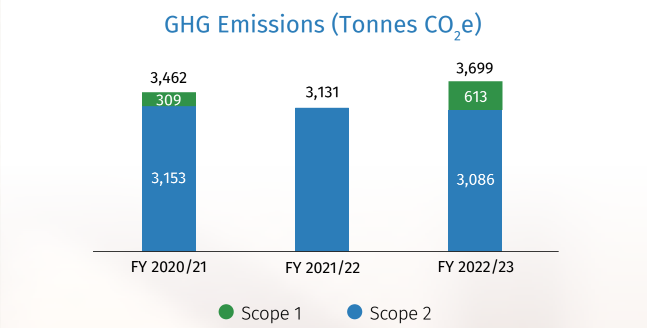
In Australia, an additional 20% of the lights were replaced in FY 2022/23 at Myer Centre Adelaide, adding on to the 30% completed in FY 2021/22, bringing the total to 50%. We continue to work towards replacing 100% conventional lighting for common areas with LED lights by 2025. In 2023, we implemented a fit-out guide for the Plaza Arcade/ David Jones Building to include sustainability features such as the use of only LED lighting systems.

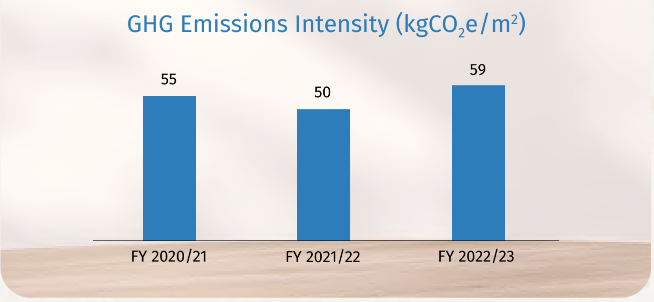


GHG Emissions

Greenhouse gas emissions at our properties result from the use of purchased electricity (Scope 2 emissions) and fuel & fugitive emissions from refrigerants (Scope 1 emissions). The total greenhouse gas emissions in FY 2022/23 amounted to 3,699 tonnes CO_2e, representing an increase of 18.1% from 3,131 tonnes CO_2e in the prior year, mainly due to the overhaul of one chiller at Wisma Atria Property which required the refill of refrigerant.

In FY 2022/23, our emissions intensity was 59 $kgCO_2e/m^2$ compared with 50 $kgCO_2e/m^2$ in FY 2021/22. Our properties in Singapore and Australia accounted for 61.0% and 38.4% of our total emissions, respectively. Our emissions are almost entirely attributed to the use of electricity in buildings.





Green Initiatives

To support the adoption of electric vehicles (EV), we are installing EV charging points across our properties. In FY 2022/23, six EV chargers were activated at Wisma Atria, bringing the aggregate number of EV chargers for the portfolio to 12 as at 30 June 2023. We also target to install 6 additional EV chargers in Wisma Atria by FY 2024/25.

Water Conservation

Our approach is to continuously enhance water efficiency in our properties in response to the growing concerns of water scarcity. We have conducted a comprehensive water risk analysis using the World Resources Institute's (WRI) Aqueduct tool for our property locations. Based on the analysis, we have identified Singapore, Adelaide, and Japan as areas that are expected to face "extremely high" water stress scores by 2030. We are implementing water efficiency and conservation measures to mitigate water stress risks.

To bolster the water resilience of our properties, we closely monitor and enhance our water conservation strategies. For instance, we have optimised the utilisation of high-grade reclaimed water, known as NEWater at Wisma Atria Property. This sustainable water source is now employed for various purposes, including cooling towers, fire protection systems such as sprinklers and wet risers, taps for air handling unit rooms, the bin centre, and ad-hoc cleaning such as façade cleaning. In the reporting year, NEWater accounted for 42% of the total water usage in the Wisma Atria Property.

Sustainability Report

In Singapore, we adopt Water Efficiency Management Plans (WEMPs) to comprehensively understand water consumption in our buildings and identify opportunities for reducing water usage and enhancing efficiency. The water saving features at Wisma Atria are approved by the Public Utilities Board's (PUB) Water Efficiency Labelling Scheme (WELS). Furthermore, in line with PUB's regulations, private water meters have been installed in critical areas to detect potential leaks early and monitor water consumption. As a result of our ongoing efforts, our properties in Singapore have obtained Water Efficient Building Certification from PUB, Singapore's national water agency.

At the Myer Centre Adelaide, we have incorporated water-saving taps and waterless urinals to minimise water usage.

Our Lot 10 Property in Malaysia is equipped with a rainwater harvesting system installed on the rooftops. This system efficiently collects rainwater, which is subsequently reused to irrigate and nurture the plants within the buildings.

Targets and Performance

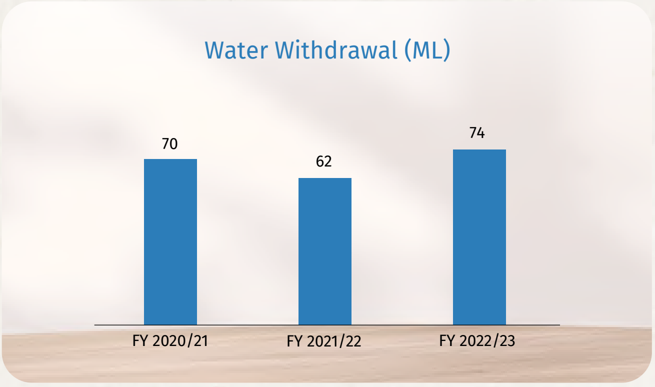
In FY 2022/23, total water withdrawal was 74 megalitre compared with 62 megalitre in the prior year. There was an overall increase in water consumption for properties we have operational control of by 18.8%, due to the improved business activities since the lifting of measures and border restrictions. In addition, the toilets at Wisma Atria were closed for renovation as part of our asset enhancement and façade cleaning was halted in the prior period resulting in a temporary reduction in water use. However, consumption level for FY 2022/23 was 31.3% below pre-COVID level in FY 2018/19, showing progressive improvement.

In Wisma Atria, 82% of internal fittings have been replaced with 3-tick water efficient fittings such as taps, urinals etc. The remaining 18%, consisting of office flushing system and pantries' taps, will be done in conjunction with the future BCA Green Mark certification process. In FY 2022/23, we maintained PUB water efficiency certification for Wisma Atria. We have exceeded the targeted variance of 2% for water consumption y-o-y due to the reasons set out above. Our new targets for FY 2023/24 are to maintain PUB water efficiency certification and limit the consumption of water at Wisma Atria Property within 5% y-o-y.

At the Myer Centre Adelaide mall, we installed water-saving taps and reduced water temperatures in the toilets. In FY 2022/23, we completed the gap analysis for NABERS Water rating for the property. Our target is to obtain NABERS Water rating for Myer Centre Adelaide by FY 2024/25.

For Plaza Arcade and David Jones Building, we have completed the gap analysis for NABERS Water rating. Our target is to achieve NABERS Water rating for both buildings by FY 2023/24.

We also continued our engagement with tenants in Singapore and Australia to encourage water conservation in FY 2022/23, through posters and circulars.



Waste Management

At our properties, waste generation primarily stems from our tenants. Therefore, we actively collaborate with our tenants to promote waste reduction and recycling practices. By fostering a culture of responsible waste management, we aim to minimise the environmental impact of our operations.

To ensure the proper disposal of waste at our Singapore properties, we engage licensed contractors who are well-versed in waste management practices. These contractors are responsible for collecting and safely disposing of the waste in compliance with local regulations.

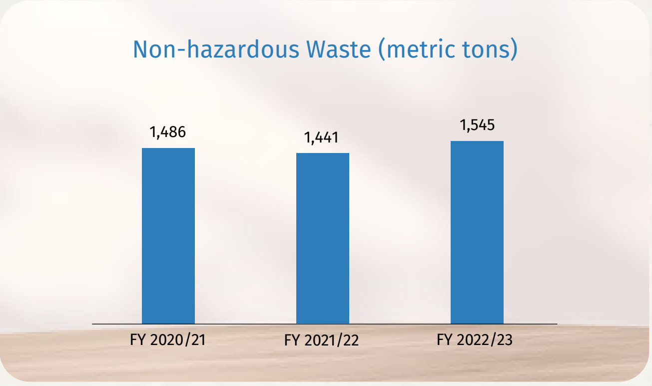
Targets and Performance

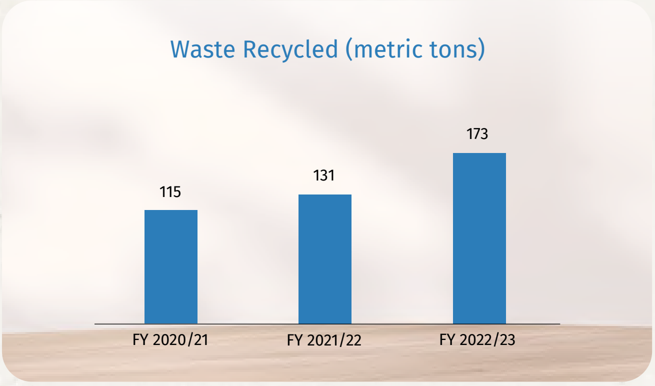
In FY 2022/23, we started establishing a food waste management system in the Wisma Atria Property, with a target to complete the process by FY 2024/25.

Our ongoing targets include tenant engagement and education via circulars and posters to encourage recycling of paper, plastic and carton waste. We have engaged our tenants through posters and circulars to remind them to recycle waste where possible.

In FY 2022/23, we collected 1,545 metric tonnes of waste from our Singapore and Australia Properties. A total of 173 metric tonnes of waste was recycled, up from 131 metric tonnes in FY 2021/22. We manage an ongoing e-waste collection campaign in Singapore to collect e-waste (electrical or electronic equipment) from our tenants in Wisma Atria. For many years, e-waste from around the world has been ending up in landfills, where toxic chemicals from the components leak out into the environment. Since the launch of our e-waste collection campaign in FY 2018/19, we have collected a total of 3,285kg. In FY 2022/23, we collected 764kg of e-waste for recycling.

In Australia, waste from Plaza Arcade and David Jones Building is collected by the City of Perth. We continue to support the recycling efforts by the City of Perth by facilitating the placement of recycling bins at Plaza Arcade. Waste generated at Myer Centre Adelaide is collected for recycling by our waste removal contractor, Veolia Environment Services SA, which collects, sorts and delivers the waste to the respective facilities for recycling.





Promoting Recycling Initiatives

In order to foster a culture of recycling among our tenants and employees, we have implemented measures to facilitate the recycling process. At the Wisma Atria office building and the bin centre, we have provided dedicated recycling bins to encourage responsible waste disposal.

In Malaysia, we have taken steps to encourage the public to recycle various items, including pre-owned clothes, handbags, belts, linen, and soft toys. As part of this initiative, we have collaborated with Kloth Care Fabric Recycling Movement by Kloth Malaysia Sdn. Bhd., a sustainable fashion brand based in Malaysia. At Lot 10 Property, recycling bins have been strategically placed to facilitate the collection drive. This endeavour aims to reduce the amount of clothing waste that ends up in landfills and extends the lifespan of these items. Through innovative recycling processes, such as repurposing old fabrics, we contribute to the betterment of underserved communities by donating clothing items and utilising materials for various purposes, including clothing and industrial wiring cloth.

Biodiversity

We are committed to minimising the negative impact on biodiversity (e.g. loss of natural habitats and wildlife) from our operations. Our current assets are located in prime urban areas where our operations do not affect biodiversity.

Climate Change

CO_2 emissions from buildings operations have reached an all-time high of around 10 $GtCO_2$, around a 5 per cent increase from 2020 and 2 per cent higher than the previous peak in 2019, according to the 2022 Global Status Report for Buildings and Construction, an annual study by the UNEP-hosted Global Alliance for Buildings and Construction. The report states that buildings represented around 37 per cent of global CO_2 emissions in 2021, when including estimated CO_2 emissions from producing buildings materials of around 3.6 $GtCO_2$ (i.e., concrete, steel, aluminium, glass, and bricks).

The Global Buildings Climate Tracker indicates that the buildings and construction sector remains off track to achieve decarbonisation by 2050. According to the International Energy Agency's IEA Net Zero Emissions by 2050 Scenario, emissions would need to fall by over 98 per cent from 2020 levels to be aligned with reaching net zero carbon emissions by 2050.

We are committed to effectively manage climate-related risks and opportunities within our portfolio, and we are developing a comprehensive strategy to ensure our relevance in a net-zero world. Our approach is guided by the MAS ERM Guidelines and the TCFD Recommendations, which provide valuable frameworks for our actions. To learn more about our progress, please refer to the TCFD Report provided below.

TCFD REPORT

We have adopted the TCFD framework to report on our portfolio's climate-related risks and opportunities. TCFD disclosures play a crucial role in helping investors and financial stakeholders assess an organisation's readiness for a low-emissions economy.

Our TCFD report is structured into four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. In preparing our report, we have adhered to the guidance provided by TCFD as well as the MAS ERM Guidelines.

GOVERNANCE

Board Oversight

The Board holds responsibility for the sustainability strategy, including the management of climate-related risks and opportunities, material ESG issues, targets, performance, and reporting. Regular reviews of the REIT's ESG performance, including climate-related environmental risks and opportunities, are conducted by the Board.

To ensure effective oversight of ESG issues, the Board has delegated responsibility to the Audit Committee.

Sustainability Report

The Audit Committee reviews and provides recommendations to the Board on environmental risk management frameworks and policies, the Board's statement in the sustainability report, the sustainability report itself, and reports received from internal and external (where available) reviews or assurance processes.

The Board has approved SGREIT's Environmental Risk Management Framework that guides our climate strategy for existing assets and future acquisitions. This framework complements the Enterprise Risk Management Framework, enabling the Board to take a comprehensive approach to risk management. The Board also assesses climate-related physical risks, transition risks, opportunities, and endorses initiatives, targets, and metrics. Environmental risk management performance is evaluated as part of the annual assessment of the Board's overall performance.

Management Responsibility

The Manager, under the guidance of the Board, is responsible for managing sustainability issues, including climate-related strategies, risk management, performance metrics, and reporting. The Manager implements climate-related initiatives as part of the overall sustainability strategy and provides regular updates to the Board.

The Manager's responsibilities include developing and implementing the Environmental Risk Management Framework and policies for managing climate-related environmental risks within the asset portfolio. When reviewing the REIT's business strategy and portfolio construction, climate-related risks and opportunities, along with other material ESG factors, are taken into consideration. The Manager ensures that senior management, including investment and asset portfolio managers, possess the necessary expertise and resources to manage climate-related environmental risks.

The Sustainability Management Council (SMC), chaired by the CEO, monitors the implementation, reviews progress, and provides updates to the Board. A comprehensive climate scenario analysis for all assets in the portfolio has been performed by the Manager to identify climate-related risks and opportunities.

For further details on our ESG governance, please refer to page 79.

STRATEGY

The Board and the Manager are committed to delivering sustainable value to unitholders and other stakeholders, recognising that climate risks can potentially impact the long-term value of assets.

Our strategy involves assessing potential physical and transition risks arising from climate change scenarios and implementing appropriate mitigation measures. Key objectives include continuously improving energy and water efficiencies across our properties and reducing greenhouse gas emissions. Additionally, we aim to take adaptive measures, where feasible, to address physical risks associated with extreme weather events such as flooding.

The following outlines our climate strategy over time:

Short-Term (less than 5 years): In the near term, our strategy focuses on enhancing energy and water efficiency across our assets to minimise environmental impact. Measures such as ongoing retrofitting and upgrading work are being implemented to reduce energy and water consumption.

While some of our properties are leased to master tenants where operational control lies outside the Manager's purview, we are actively engaging with tenants to raise awareness and explore collaborative opportunities to drive energy efficiency and water conservation. For instance, our plan is to progressively include green clauses in lease agreements to foster mutually beneficial environmental partnerships with tenants.

To monitor progress against key climate metrics, we have developed ESG monitoring tools for our portfolio management teams. Furthermore, our investment team has adopted an ESG screening framework to guide due diligence for new acquisitions.

Mid-Term (5-10 years): Our mid-term plans involve pursuing relevant green certifications for the properties within our portfolio. We aim to progressively increase the proportion of certified green properties to meet the growing demand for sustainable office and retail spaces.

Long-Term (more than 10 years): Our long-term ambition is to develop a low-emission, climate-resilient portfolio of properties that ensures sustainable value creation for unitholders. As our understanding of climate-related risks and opportunities evolves, we will continuously assess and quantify the potential financial and strategic impacts of climate change on our portfolio, significant capital expenditures, and new investments.

RISK MANAGEMENT

Identifying and managing risks, including environmental risks, is fundamental to our business and safeguarding the interests and value of our unitholders.

The Board oversees overall risk management through an Enterprise Risk Management Framework. Complementing this framework is the Environmental Risk Management Framework aligned with the TCFD Recommendations and the MAS guidelines for environmental risk management. Climate risk assessments in line with the TCFD recommendations have been conducted for our assets in Singapore, Malaysia, Australia, Japan, and China. These assessments aim to identify, measure, and manage climate risks to our assets and support SGREIT's comprehensive risk management approach.

Our climate scenario analysis considers global temperature rise scenarios of up to 2°C and 4°C. These scenarios align with the Representative Concentration Pathways (RCPs) published by the Intergovernmental Panel on Climate Change (IPCC), which represent potential future emissions and greenhouse gas concentrations up to the year 2100. Our analysis includes the 2°C scenario based on IPCC's RCP2.6 to assess transition risks and opportunities, and the 4°C scenario based on IPCC's RCP8.5 to assess physical risks.

Our scenario analysis covered all our assets in Singapore, Malaysia, Australia, Japan, and China. A summary of the results, including assessments of physical and transition risks and climate-related opportunities, is provided in the following sections.

CLIMATE RISK MONITORING

After conducting our initial comprehensive scenario analysis in FY 2021/22 to evaluate climate-related risks to our portfolio, we have maintained ongoing observation of weather patterns in markets where our assets are located. This ongoing monitoring allows us to update our assessment of climate physical risks and implement necessary mitigation or adaptation measures. In FY 2022/23, all five countries in which we operate witnessed extreme weather events. While our assets remained unaffected, we remain diligent in closely monitoring the weather. Here is a summary of noteworthy weather events in FY 2022/23 across the five countries where our assets are located:

Singapore

In 2022, Singapore experienced its sixth highest level of precipitation since 1980, with an average annual rainfall of 3012 mm, according to a report by the Meteorological Service Singapore (MSS). This amount is approximately 19% higher than the average recorded between 1991 and 2020. Throughout most months, the rainfall surpassed the usual levels, particularly in October 2022, which had the highest October precipitation in the past forty years. Despite the significant amount of rainfall, Singapore's average annual temperature in 2022 ranked as the tenth highest since temperature records began in 1929, on par with five other years.

Malaysia

In 2022, Malaysia incurred losses of RM622.4 million due to floods, with Terengganu and Kelantan accounting for nearly 60% of the damages, according to media reports. Heavy rains led to towns being flooded, forcing over 72,000 people to evacuate. These losses were significantly lower compared to the RM6.1 billion losses suffered in 2021, attributed to rare "one-in-100-year" rainfall. Floods occur annually in Malaysia during the north-east monsoon from November to March.

In April 2023, the Malaysian Meteorological Department issued heatwave alerts in several states, with the highest temperature reaching 38.4°C in Negeri Sembilan state on 22 April. Although some temperature peaks were unprecedented, heatwaves have become more frequent in Malaysia, partly due to global climate change.

Australia

In 2022, Australia experienced a prolonged period of heavy rainfall, known as the 'big wet', due to its third consecutive La Niña year. Media reports suggested that this triple-dip La Niña event was exceptionally rare, occurring only four times since 1900 and being the first in 22 years. As a result, Sydney witnessed its wettest year on record since 1859. Notable events included the Southeast Queensland and NSW floods from February to March, the Victoria, NSW, and Tasmanian floods in October, as well as various storms and flooding occurrences in different regions such as the Hunter and Greater Sydney in June, central west NSW in November and December, and the Murray-Marling Basin, Northern Territory, and northwestern Australia in December.

Japan

Japan has witnessed a series of extreme weather events in FY 2022/23, according to media reports. In March 2023, temperatures in Osaka reached a record-breaking 25°C while Tottori experienced its highest temperature in 140 years, hitting 25.8°C. Last year, over 200 temperature records were shattered across the country, leading to a near-capacity energy grid and the hospitalisation of more than 71,000 people due to heatstroke, resulting in 80 fatalities. To combat the heatstroke threat, a new proposed law suggests designating specific air-conditioned buildings, such as libraries, as shelters – a novel concept on the national level. Climate change has also increased the likelihood of flooding and landslides, as seen in incidents like the partial submergence of bullet trains and the destruction of homes, highways, tunnels, and dams during Typhoon Hagibis in 2019. Heavy rainfall in July and August of 2022 caused widespread flooding, impacting four rivers and damaging numerous houses. In total, 132 rivers, including non-first-class rivers, were flooded. While Japan has a history of preparing for natural disasters such as earthquakes, tsunamis, and typhoons, adapting infrastructure to the changing weather conditions caused by climate change remains a crucial challenge.

China

In 2022, China experienced extreme weather events ranging from heat waves, droughts, typhoons, heavy rains to cold waves breaking previous records. The National Meteorological Centre (NMC) issued its first heat wave red warning since 1961, marking China's most severe heat wave. Lasting from 13 June to 30 August 2022, this 79-day eastern China heat wave was unprecedented. By August, China faced record-high temperatures and the lowest Yangtze levels since 1961. Jiangsu, Hubei, Sichuan battled droughts, curtailing water for agriculture and commerce. Metro stations in Sichuan province's capital city Chengdu dimmed their lights to save electricity. In nearby Chongqing city, authorities ordered factories to suspend operations for seven days to conserve electricity. On 13 August 2022, the NMC issued its first red heat wave warning since the system's establishment. During the event, 1,692 stations (70% of China's total) reported over 35°C, second-highest since 1961, causing health, agriculture, and power issues. On 18 August 2022, NMC and the National Climate Centre (NCC) jointly issued the first drought warning since 2013. The drought affected an estimated 800,000 hectares across six provinces, intensifying Chongqing's forest fires.

The Pearl River Basin suffered heavy rainfall events from 21 May to 21 June, reaching 1,616 mm in certain Guangxi regions, exceeding the norm by 53%, second highest since 1961. Over 45 rivers breached warning levels, leading to urban and rural flooding in Guangdong and Guangxi causing significant disruptions to transport and agriculture. Typhoon Muifa, the 12th of 2022, caused landfall in Zhejiang, Shanghai, Shandong, and Liaoning four times from 14 to 16 September, breaking a record for northernmost typhoon landfall since 1949. Muifa, coupled with cold air, triggered strong winds in Shanghai, Zhejiang, and some coastal areas. In the first week of October, a cold wave hit central, east China, dropping temperatures by 20°C+. This was followed by a cold wave that brought rain, snow, strong winds, over 14°C drop in 55% of China's area from 30 November to 1 December 2022.

Overall, the climate state in China was generally worse than normal in 2022, characterised by warm and dry conditions.

Sustainability Report

Climate-related Risks

Physical Risks

Physical risks are location-specific and result from the direct effects of climate change on business operations, workforce, markets, infrastructure, raw materials, and assets. When evaluating business risks, we consider both the locations of existing and future assets.

Acute Physical Risks: These risks manifest as increased severity in extreme weather events such as tropical cyclones, storms, droughts, river floods, flash floods, and wildfires.

Chronic Physical Risks: These risks arise from longer-term shifts in precipitation, temperature, and increased variability in weather patterns, such as sea-level rise, heat stress, and precipitation stress. The escalating frequency of extreme weather events can diminish the value of assets located in high climate risk areas.

Transition Risks

A transition to a lower-carbon economy may introduce risks associated with policy, legal, technological, and market changes. Transition risks include policy actions aimed at emissions reduction, carbon taxation, water restrictions, land-use regulations, shifts in market demand, and reputational concerns.

Policy and Legal Risks: Government actions to reduce emissions and facilitate the transition to a low-carbon economy, along with support for climate adaptation, may present policy and legal risks. Additionally, tighter energy efficiency standards for existing retail and commercial buildings could increase investment costs due to retrofitting requirements.

Technology Risk: As new technologies emerge, carbon-intensive technologies may become obsolete. Technology risk refers to the development of innovative low-carbon and energy-efficient technologies that could impact the competitiveness of businesses that fail to adapt.

Market Risk: The supply and demand dynamics for low-carbon products and services can introduce market risks. In the real estate sector, there is a growing preference for green buildings, which may reduce the demand for carbon-intensive real estate assets and lower rental yields.

Reputation Risk: Increasingly, communities and customers expect businesses to contribute to achieving a net-zero economy. Failure to meet these expectations can result in reputation risks.

At SGREIT, the Board and the Manager are committed to identifying and monitoring these diverse environmental risks to develop future mitigation strategies and ensure the adaptability of our business activities.

Climate-related Risks			
Risk Type	**Risk Description**	**Potential Financial Impact**	**Our Measures**
Physical Risk			
Change in mean precipitation and extreme rainfall Increased severity of extreme weather events such as cyclones and floods	• Increase in mean precipitation at all locations except Australia. Australia is projected to become drier. • Increase in extreme rainfall at all locations, leading to more intense and frequent riverine and flash floods, storm surges, and landslides.	• Increase in maintenance, repair and recovery costs due to damage to buildings and infrastructure. • Properties located at low-lying areas or close proximity to the river or coastline may face greater impact related to storm surge and flooding. • Revenue loss from disruptions to building operations.	• Flood control measures in place for assets with high flooding risk, such as Ngee Ann City and Wisma Atria.

Climate-related Risks			
Risk Type	**Risk Description**	**Potential Financial Impact**	**Our Measures**
Physical Risk			
Increase in mean temperature and extreme heat	• Increase in annual mean temperature and the number of extreme hot days (more warm days and warm nights) at all locations. • Locations that regularly experience high maximum temperature such as Singapore, Malaysia are projected to experience a transition to chronic heat stress. • Effects of heatwaves and heat stress are further compounded by the urban heat island phenomenon in cities.	• Increase in cost due to higher energy usage for cooling and increased water consumption due to warmer temperatures. • Reduced heating cost in winters to our properties (e.g., in Australia).	• Initial financial impact analysis conducted and presented to the Board. • Ongoing measures to increase water efficiency implemented. • Tenant engagement to encourage water conservation.
Other extreme weather events	• An increasing trend in droughts, bushfires and large hail is projected in Australia.	• Increase in cost due to increased water consumption. • Increase in maintenance, repair and recovery costs due to damage to buildings and infrastructure.	• Myer Centre Adelaide is located within the bushfire safer places list compiled by the South Australian Country Fire Service. • Perth Properties are outside of bushfire prone areas.
Rising sea levels	• Global sea levels are rising and the risk of coastal flooding during high tides and surges would be most severe for properties located near the coastline.	• None of the properties are at high risk of physical damage in the event of a rise in sea levels, given the location of the current properties.	• Monitor the potential changes.
Water Stress	• Reduction in rainfall coupled with prolonged drought put the availability of reliable and cost-competitive fresh water supply and wastewater treatment services at risk.	• Increase in water consumption due to warmer temperature for cooling, landscape etc. leading to higher cost. • Higher cost of water. • Cost of water treatment for reuse or recycling.	• Explore the use of alternate sources of water where possible, such as the use of NEWater in Wisma Atria for cooling towers, fire protection systems, taps for AHU rooms, the bin centre and ad-hoc cleaning such as façade cleaning.
Transition Risk			
Policy and Legal	• Increased pricing of GHG emissions. • Carbon tax imposition.	• Increased operating costs. • Higher tax expenses due to carbon tax.	• Reduce building emissions through energy efficiency and green building design.
	• New energy efficiency regulations.	• Capital expenditure on retrofitting or asset enhancement initiatives. • Potential loss of rental income if an asset's energy efficiency is below the legal requirement. • Lower yields due to reduced rentals from buildings with higher emissions.	• Asset enhancement initiatives to improve energy efficiency. • Obtain energy performance certifications.

Sustainability Report

Climate-related Risks			
Risk Type	**Risk Description**	**Potential Financial Impact**	**Our Measures**
Transition Risk			
Policy and Legal	• Enhanced emissions-reporting rules.	• Higher compliance costs.	• Adopted TCFD Recommendations, SASB Standards and GRI Standards for climate and emissions reporting.
	• Stricter water efficiency regulations.	• Cost of improving water efficiency in buildings in water-stress areas.	• Continued upgrading of water fixtures to increase efficiency.
Technology	• Substitution of existing equipment with lower emission options.	• Write offs and early retirement of existing equipment and system.	• Continued monitoring and upgrading of existing equipment and systems.
	• Cost of transitioning to lower emissions technology.	• Cost of deploying new technology.	
Market	• Changing customer behaviour. • Reduced occupancy rates in high emission buildings as tenants move to green buildings. • Increased demand for climate-related risk disclosures by tenants, investors, lenders, and insurance providers.	• Reduced demand for commercial real estate not certified to green building standards. • Increased operating cost owing to higher energy and water costs. • Repricing of assets resulting in lower valuation. • Asset valuation affected by low ESG ratings. • Higher insurance cost.	• SGREIT targets to attain green certifications for 60% of its portfolio by NLA by the year 2030.
Reputation	• Shifts in customer preferences. • Increased stakeholders' concern or negative stakeholders' feedback.	• Reduced revenue from decreased demand for real estate with high emissions or in climate risk zones. • Reduced availability of capital.	• SGREIT continues to engage its stakeholders on green matters and work towards enhancing its portfolio.

Climate-related Opportunities			
Type	**Opportunities**	**Potential Financial Impact**	**Our Measures**
Resource Efficiency	• Increased demand for low energy buildings. • Reduced water usage and consumption. • Green finance availability.	• Increased value of highly rated energy efficient buildings. • Reduced operating cost. • Rental premium. • Enhanced asset valuation. • Lower energy bills for tenants. • Lower cost if a carbon tax is imposed. • Lower cost of capital (e.g., green financing).	• SGREIT targets to attain green certifications for 60% of its portfolio by NLA by the year 2030.

Climate-related Opportunities			
Type	**Opportunities**	**Potential Financial Impact**	**Our Measures**
Energy Source	• Preference for buildings powered with renewable energy. • Use of energy efficiency government grants. • Additional revenue source from on-site solar PV installations. • Enhanced asset valuation • Rental premium. • Green finance availability.	• Reduced operating cost through carbon tax saving. • Reduced exposure to fossil energy price fluctuations. • Increased capital availability. • Enhanced reputation due to green portfolio.	• SGREIT targets to attain green certifications for 60% of its portfolio by NLA by the year 2030.
Products and Services	• More demand for green buildings. • Green finance availability.	• Rental premium. • Enhanced asset valuation. • Lower energy bills for tenants. • Lower interest cost on green loans. • Increased revenue through demand for green buildings. • Higher competitiveness resulting in increased revenues.	• SGREIT targets to attain green certifications for 60% of its portfolio by NLA by the year 2030.
Resilience	• Greater demand for climate-resilient buildings (e.g., green certifications). • Use of renewable energy and energy efficiency programmes.	• Increased market valuation of green buildings.	• SGREIT targets to attain green certifications for 60% of its portfolio by NLA by the year 2030.

METRICS AND TARGETS

To report on various environmental indicators such as energy, emissions, and water, we adhere to the GRI Standards and SASB Real Estate Standards and metrics in line with the TCFD recommendations. These metrics will enable us to monitor and report our advancements in effectively managing climate-related risks and seizing opportunities.

The reported metrics and targets cover only the common areas within the Wisma Atria Property (Singapore), Myer Centre Adelaide, David Jones Building and Plaza Arcade (Australia), and Ebisu Fort (Japan), for which the Manager has operational control.

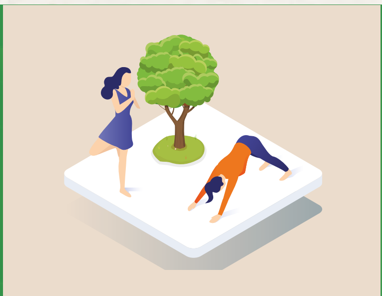
Please refer to pages 78 to 85 for our ESG targets and the SASB Index at the end of this report for additional reporting on climate metrics.

Climate-related Metrics		
Risks	**Metrics**	**FY 2022/23**
Physical risk	• Percentage of portfolio exposed to high risk of flooding (by floor area)(1)(2)	24.5%
	• Percentage of portfolio located in high or extremely high baseline water stress area (by floor area)(2)	57.7%
Products and services	• Percentage of portfolio with a green building certification (by floor area)(2)	1.5%(3)
	• Percentage of portfolio with an energy rating (by floor area)(2)	56.3%

Notes:

(1) Based on publicly available climate data as at 30 June 2022. For Australia, the analysis was inconclusive due to the absence of detailed data.
(2) Floor area is calculated as an aggregate of Net Lettable Area and common area.
(3) CASBEE certification for Ebisu Fort, Japan was obtained in August 2022.

Sustainability Report



EMPOWERING OUR PEOPLE

Our Approach

- Fostering fair and equitable workplace conditions
- Creating a well-balanced workplace that is healthy and safe
- Caring for our employees through active engagement
- Nurturing human capital through learning and development

At SGREIT, our employees are the cornerstone of our organisation. Their skills, knowledge, experience, passion, commitment, and perspectives enable us to deliver value for our unitholders and stakeholders.

We firmly believe in empowering and nurturing our workforce, enabling them to use their full potential and flourish in their careers with us. Our human resource policies foster a culture of fairness, inclusivity, and safety within our organisation. We strive to create a work environment where every individual feels valued, respected, and heard. By embracing a people-centric business philosophy, we have made Fulfilment for our people and Teamwork the bedrock of our organisational values.

We recognise that our employees' well-being and professional growth are integral to our collective success. We invest in their development through training programmes, mentorship initiatives, and career advancement opportunities. We foster a supportive workplace culture that encourages teamwork, open communication, and collaboration across all levels of the organisation.

Employees

As at 30 June 2023, the Manager has 31 employees[(1)], all located in Singapore, holding permanent positions and no temporary employees. We have only one part-time employee for the reported period. In the reported period, we did not have workers who are not our employees but whose work is controlled by us.

In FY 2022/23, we hired 14 new employees that included 12 female employees. Employee turnover in FY 2022/23 was higher than expected due to the post-COVID tightening of labour market. We have reviewed our retention strategies and continue to monitor our retention rates for improvement.

Diversity and Inclusion

Our policies promote diversity and inclusion in our offices. We consider workforce diversity a strength in managing our portfolio in culturally diverse markets.

In terms of gender diversity, women make up 71% of our employees and hold 70% of managerial roles. Women's share in senior management roles is 56%. New hiring in FY 2022/23 comprised 86% female employees.

Fair Employment

We are committed to fair employment, fostering a diverse and inclusive workplace that values and respects every individual's unique contribution and talent. The REIT Manager is a signatory of the Employers' Pledge of Fair Employment Practices, committing to abide by the Tripartite Guidelines on Fair Employment Practices (TGFEP). These guidelines are administered by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), an organisation established in 2006 by tripartite partners: the Ministry of Manpower, the National Trades Union Congress, and the Singapore National Employers Federation. The primary objective of TAFEP is to advocate for fair, responsible, and progressive employment practices across the nation.

As a pledged signatory, our human resource policies are designed to recruit and select employees on the basis of merit such as skills, experience or ability to perform the job, and regardless of age, race, gender, religion, marital status, family responsibilities, or disability.

Note:
(1) SGREIT is managed by YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore.

Employee Well-being

Employee well-being is one of our foremost priorities in our workplace. We are committed to cultivating a supportive and harmonious work environment. Our workplace policies promote the mental, physical, and emotional health of employees. Our measures include ongoing programmes that support work-life balance, bonding and teamwork.

In FY 2022/23, we invited guest speakers to share with our employees on Estate Planning 101 – Wills, LPA and Estate Planning to promote awareness and learning. We organised Zumba workout and provided complimentary gym and pool passes for employees to lead an active and healthier lifestyle. The leather crafting workshop was also held to encourage team building and interaction as the staff learn how to work and craft together a leather card holder to keep as a memento. To celebrate Chinese New Year and Christmas, events such as luncheons and lion dance were organised for the staff to foster team bonding.

As we navigate through the ever-evolving world of post-pandemic, the company embraces the hybrid working model as this provides flexibility to employees while maintaining a level of physical presence at the workplace. Empowering employees to work with autonomy around their responsibilities and preferences provides a significant advantage as it leads to improved work-life balance and job satisfaction.

An employee survey was conducted in FY 2022/23, to obtain feedback on various aspects of the overall work experience including corporate values, the work environment, training and development and flexible work arrangements. The results of the survey will be used to guide future policy enhancements and improve employee engagement.

Parental Leave

All eligible female and male employees in Singapore are entitled to government-paid maternity and paternity leave. Other employee benefits include medical insurance, birthday leave, wedding vouchers, childbirth vouchers and service awards.

Talent Management and Development

We firmly believe that continuous organisational development plays a crucial role in enhancing productivity, fostering personal and professional growth, and ensuring employee satisfaction. We are committed to investing in the learning and development of our staff. Equipping our employees with updated skills and knowledge to keep pace with evolving technologies and work methodologies is essential across various positions, as it allows us to future-proof our workforce. To support our employees in their professional journeys, we provide a wide range of training opportunities, workshops, and seminars covering management, technical skills, communication, leadership, and other relevant topics aligned with their respective roles.

In FY 2022/23, the average training hours per employee was 27.0 hours, meeting our targeted 75.0 hours of average training hours per employee over a three-year block, and 25.0 hours of training per employee in a year. The annual target for FY 2023/24 remains at 25.0 hours of training per employee.

Sustainability Report

Performance Management

We have established a fair and objective performance management system to help us assess employee performance fairly. The annual appraisal process helps measure performance against established objectives, recognise employee achievements, identify areas for development and establish realistic goals for the following review period. In the reported period, 100% of employees participated in the performance appraisal.

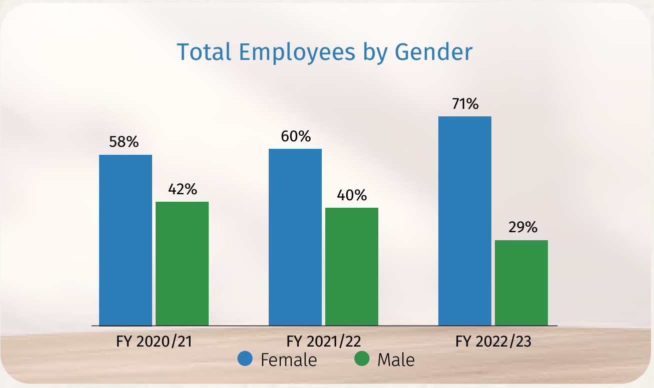
Occupational Health and Safety

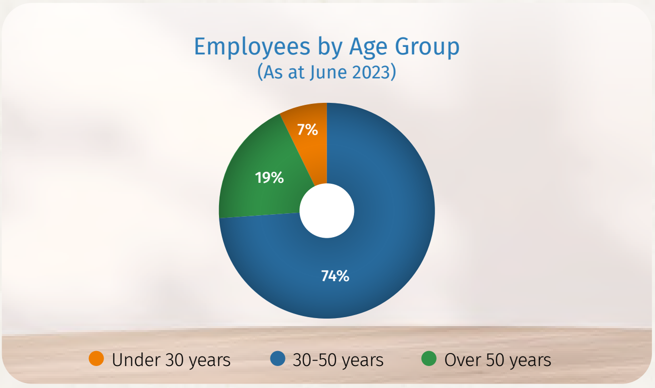
We foster a robust safety culture among our employees and contractors engaged in diverse services within our premises. Our occupational health and safety management approach aims to ensure the health, safety, and well-being of our employees and stakeholders. Our policies, procedures, and protocols are designed to identify, assess, and control workplace hazards, and to comply with relevant laws and regulations. We have taken measures to create a culture of safety within the organisation by promoting hazard prevention, risk reduction, and continuous improvement. It includes regular monitoring, reporting, and evaluation of safety performance, as well as providing appropriate training and resources to employees to enable them to work safely. We require our contractors to implement procedures to proactively identify and address safety and health hazards by taking preventive and mitigative measures. We also ensure our employees receive the necessary health and safety training.

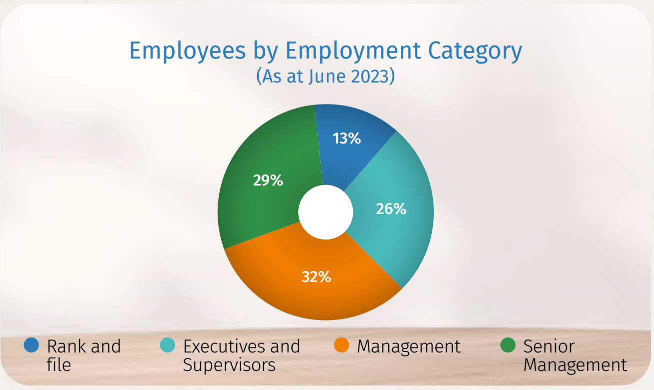
In FY 2022/23, we organised fire safety awareness and drills for our occupants. In line with local building safety regulations, we also undertake regular inspections for safety, health and hygiene. We require external contractors to abide by safety-related rules while performing work on our properties.

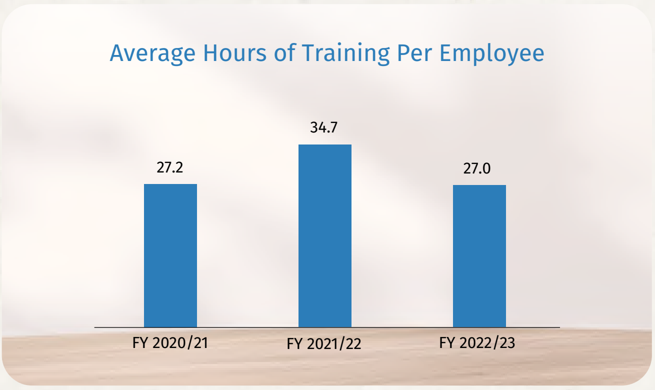
The Property Manager has obtained a BizSAFE Level 3 Certification by the Workplace Safety and Health Council, Singapore, for its workplace safety measures. Valid till September 2024, BizSAFE Level 3 recognises that a company has put in place systems to manage workplace risks and complies with WSH (Risk Management) Regulations.

Our target is to have zero accidents at our workplaces. There were no incidents of fatal accidents, severe workplace injury or occupational diseases among our employees or onsite contractors in the reported period. Total man-hours worked amounted to 63,440 hours.









Note:

(1) SGREIT is managed by YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore.

Employees by Employment Category and Gender

	June 2021		June 2022		June 2023	
	Male	Female	Male	Female	Male	Female
Rank and file	0%	100%	0%	100%	0%	100%
Executives and Supervisors	40%	60%	43%	57%	25%	75%
Management	36%	64%	42%	58%	30%	70%
Senior Management	75%	25%	50%	50%	44%	56%

Employees by Employment Category and Age Group

	June 2021			June 2022			June 2023		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Rank and file	25%	50%	25%	33%	33%	34%	0%	50%	50%
Executives and Supervisors	20%	80%	0%	14%	86%	0%	25%	75%	0%
Management	7%	93%	0%	8%	92%	0%	0%	100%	0%
Senior Management	0%	50%	50%	0%	50%	50%	0%	56%	44%

New Hires

	FY 2020/21		FY 2021/22		FY 2022/23	
by Gender	No.	Rate	No.	Rate	No.	Rate
Male	1	8%	3	25%	2	22%
Female	2	11%	3	17%	12	55%
Overall	3	10%	6	20%	14	45%
by Age Group	No.	Rate	No.	Rate	No.	Rate
Under 30 years	0	0%	0	0%	2	100%
30-50 years	2	9%	6	27%	8	35%
Over 50 years	1	20%	0	0%	4	67%

Employee Turnover

	FY 2020/21		FY 2021/22		FY 2022/23	
by Gender	No.	Rate	No.	Rate	No.	Rate
Male	0	0%	4	33%	5	56%
Female	2	11%	3	17%	8	36%
Overall	2	6%	7	23%	13	42%
by Age Group	No.	Rate	No.	Rate	No.	Rate
Under 30 years	0	0%	0	0%	1	50%
30-50 years	2	9%	5	23%	9	39%
Over 50 years	0	0%	2	40%	3	50%

Average Hours of Training per Employee by Employment Category and Gender

	FY 2020/21		FY 2021/22		FY 2022/23	
	Male	Female	Male	Female	Male	Female
Rank and file	0.0	7.7	0.0	37.0	0.0	21.5
Executives & Supervisors	25.0	44.6	22.2	48.9	25.3	15.4
Management	31.7	24.1	33.0	36.3	31.0	26.4
Senior Management	22.9	56.0	33.8	28.5	50.8	30.0
Average Training Hours per Employee	26.9	27.4	30.3	37.5	37.0	23.3

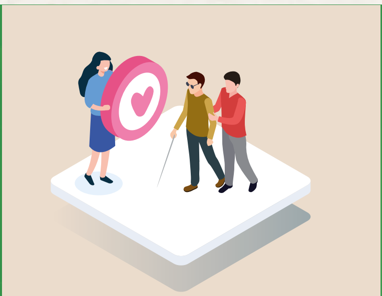
Anti-Corruption Training

	FY 2022/23
Number of employees that received anti-corruption training	28
% employees that received anti-corruption training	100%

Parental Leave & Childcare Leave

	FY 2020/21			FY 2021/22			FY 2022/23		
Parental Leave	Male	Female	Total	Male	Female	Total	Male	Female	Total
A Total number of employees who were entitled to parental leave, by gender	1	1	2	1	2	3	0	0	0
B Total number of employees who took parental leave, by gender	1	1	2	0	1	1	0	0	0
C Total number of employees who returned to work after parental leave ended, by gender	1	1	2	0	1	1	0	0	0
D Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender	No employees took parental leave in FY 2019/20			1	0	1	0	1	1
E i) Return to work rate	100%	100%	100%	NA	100%	100%	NA	NA	NA
ii) Retention rate	No employees took parental leave in FY 2019/20			100%	0%	50%	NA	100%	100%
Childcare leave	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees who took childcare leave	5	7	12	3	4	7	1	5	6

Sustainability Report



ENRICHING OUR COMMUNITIES

Our Approach

- We strive to positively impact and enrich the lives of people in the communities where we operate. We engage with local communities regularly through a variety of programmes and initiatives.

A summary of our community engagement initiatives in FY 2022/23 is presented below.

SINGAPORE

Christmas 2022 Design

Wisma Atria and ITE College Central collaborated once again for the Christmas 2022 décor design at the mall. The winning design was displayed at Wisma Atria's outdoor space, and the top 18 students received cash and gift voucher rewards.

Partnering with Community Chest

Wisma Atria partnered with Community Chest for the 'Christmas on a Great Street' Celebrations 2022 and displayed the event poster on its digital in-mall screens from November to December 2022.

Food Charity

In December 2022, Wisma Atria made a donation of S$10,000 worth of canned drinks to Food From The Heart, a Singaporean food charity.

World Water Day

To show support for PUB's Singapore World Water Day's (SWWD) City Turns Blue initiative, Wisma Atria illuminated its outdoor staircase lights in blue throughout March 2023.

Say YES To Waste Less Campaign

In support of the National Environment Agency's (NEA) 'Say YES To Waste Less Campaign', Wisma Atria launched a CNY 2023 campaign. As part of this campaign, the mall distributed Limited Edition Recyclable Tote Bags, which were collaboratively designed with students from the Visual Merchandising course at ITE College Central, School of Design & Media. Shoppers could redeem the bag with a minimum spend of S$88 in the mall. The campaign ran from January to February 2023.

Green for Prosperity Campaign

Wisma Atria supported Geneco's #GreenforProsperity Campaign by placing red packet donation boxes at the Level 1 Concierge Counter and Level 2 Office Lobby from February to April 2023. The boxes collected used and excess red packets, which will be repurposed as part of a green initiative.

The Earth Hour 2023

Wisma Atria participated in Earth Hour 2023 in March 2023 by switching off all non-essential façade lights for one hour.

Fashion Show in Support of Charity

In celebration of the new Wisma Atria experience, a launch event and fashion show took place in April 2023. The event showcased the exclusive Wearnes Harley-Davidson of Singapore X AMOS ANANDA capsule collection. The sales proceeds from this limited-edition collection were donated to a charitable organisation, Unlabelled Run.

MALAYSIA

Floral Art Workshop

Flawer.studio and Bungkus hosted an exclusive floral art workshop at The Starhill. Titled "Flawer Press Wrapping Bouquet with Upcycling Plastic", the workshop aimed to enhance floral artistry while promoting sustainability in hands-on crafting using recycled and upcycled materials while minimising waste and inspiring environmentally conscious minds.

AUSTRALIA

Collaboration with Salvation Army

Myer Centre Adelaide collaborated with the Salvation Army for Christmas, providing a gift-wrapping service in exchange for a gold coin donation. Customers had the opportunity to donate at the gift-wrapping desk for the event.

GRI CONTENT INDEX

Statement use: Starhill Global REIT has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.
GRI 1 Used: GRI 1: Foundation 2021.
Applicable GRI Sector Standard(s): Not applicable as a GRI Sector standard is not available for our industry.

GRI Standard	Disclosures	Page No./Location
GRI 2: General Disclosures 2021		
ORGANISATIONAL DETAILS AND REPORTING PRACTICES		
GRI 2-1	Organisational details	1, 12, 14-15, 28-29
GRI 2-2	Entities included in the organisation's sustainability reporting	70
GRI 2-3	Reporting period, frequency and contact point	69-70, 99
GRI 2-4	Restatements of information	70
GRI 2-5	External assurance	70
ACTIVITIES AND WORKERS		
GRI 2-6	Activities, value chain and other business relationships	1, 12, 14-15, 81
GRI 2-7	Employees	95
GRI 2-8	Workers who are not employees	92
GOVERNANCE		
GRI 2-9	Governance structure and composition	104-105
GRI 2-10	Nomination and selection of the highest governance body	107-108
GRI 2-11	Chair of the highest governance body	107
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	79, 85
GRI 2-13	Delegation of responsibility for managing impacts	79, 85-86
GRI 2-14	Role of the highest governance body in sustainability reporting	70, 79
GRI 2-15	Conflicts of interest	117
GRI 2-16	Communication of critical concerns	112-113
GRI 2-17	Collective knowledge of the highest governance body	23-25
GRI 2-18	Evaluation of the performance of the highest governance body	108-109
GRI 2-19	Remuneration policies	109-111
GRI 2-20	Process to determine remuneration	109-111
GRI 2-21	Annual total compensation ratio	Not reported due to confidentiality constraints
STRATEGIES, POLICIES AND PRACTICES		
GRI 2-22	Statement on sustainable development strategy	21, 70
GRI 2-23	Policy commitments	73-74
GRI 2-24	Embedding policy commitments	73-74
GRI 2-25	Processes to remediate negative impacts	76, 79
GRI 2-26	Mechanisms for seeking advice and raising concerns	112-113

GRI Standard	Disclosures	Page No./Location
STRATEGIES, POLICIES AND PRACTICES		
GRI 2-27	Compliance with laws and regulations	81
GRI 2-28	Membership associations	76
STAKEHOLDER ENGAGEMENT		
GRI 2-29	Approach to stakeholder engagement	75, 116
GRI 2-30	Collective bargaining agreements	74
MATERIAL TOPICS		
GRI 3-1	Process to determine material topics	76-77
GRI 3-2	List of material topics	76-77
ECONOMIC TOPICS		
ANTI-CORRUPTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 80
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	80, 95
	205-3 Confirmed incidents of corruption and actions taken	80
ENVIRONMENTAL TOPICS		
ENERGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	77
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	71, 83
	302-3 Energy intensity	71
WATER		
GRI 3: Material Topics 2021	3-3 Management of material topics	77
Management Approach Disclosures 2018	303-1 Interactions with water as a shared resource	83-84
	303-2 Management of water discharge-related impacts	No effluent discharge
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	71, 83-89
EMISSIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	77
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	71, 83
	305-2 Energy indirect (Scope 2) GHG emissions	71, 83
	305-4 GHG emission intensity	71, 83

Sustainability Report

GRI Standard	Disclosures	Page No./Location
SOCIAL TOPICS		
EMPLOYMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	92
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	72, 95
	401-3 Parental leave	95
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 94
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	94
	403-2 Hazard identification, risk assessment, and incident investigation	94
	403-3 Occupational health services	94
	403-4 Worker participation, consultation, and communication on occupational health and safety	94
	403-5 Worker training on occupational health and safety	94
	403-6 Promotion of worker health	94
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	94
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	94
	403-9 Work-related injuries	72

GRI Standard	Disclosures	Page No./Location
TRAINING AND EDUCATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 93
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	72, 94, 95
	404-3 Percentage of employees receiving regular performance and career development reviews	94
DIVERSITY AND EQUAL OPPORTUNITIES		
GRI 3: Material Topics 2021	3-3 Management of material topics	92
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	94-95, 106
CUSTOMER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 78, 80
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	78, 80
CUSTOMER PRIVACY		
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 78, 80
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	78, 80

SASB Index

Real Estate Sustainability Accounting Standard[1][4]

Topic	SASB Code	Accounting Metric	Unit of Measure	FY 2021/22	FY 2022/23
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	36.1%	36.1%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Gigajoules (GJ), Percentage (%)	(1) 29,552 (2) 100% (3) 0%	(1) 29,107 (2) 100% (3) 0%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	98.9%	98.5%
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	(1) 5.2% (2) 5.2%[3]	(1) 56.3% (2) 56.3%[3]
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	Pg 82	
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	(1) 34.4% (2) 22.4%	(1) 34.4% (2) 22.4%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m^3), Percentage (%)	(1) 62 (2) 24.4%	(1) 74 (2) 27.6%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	89.4%	118.8%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Pg 84	
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (sq ft)	Not reported	Not reported
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Percentage (%) by floor area	Not reported	Not reported
	IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	n/a	Not reported	Not reported
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector[2]	Square feet (sq ft)	461,102	461,102
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	Pg 88 - 91	

Sustainability Report

SASB Index (cont'd)

Real Estate Sustainability Accounting Standard[(1)(4)]

Activity Metric	SASB Code	Unit of Measure	Property Subsector	FY 2021/22	FY 2022/23
Number of assets, by property subsector	IF-RE-000.A	Number	Shopping Centre (N761)	5	5
Leasable floor area, by property subsector	IF-RE-000.B	Square feet (sq ft)	Shopping Centre (N761)	1,164,450	1,166,068
Percentage of indirectly managed assets, by property subsector	IF-RE-000.C	Percentage (%) by floor area	Shopping Centre (N761)	0%	0%
Average occupancy rate, by property subsector	IF-RE-000.D	Percentage (%)	Shopping Centre (N761)	92.4%	94.3%

Notes:

(1) Reported data refers to the following five properties that we have covered in this report: Wisma Atria Property (Singapore), Myer Centre Adelaide (Australia), David Jones Building (Australia), Plaza Arcade (Australia) and Ebisu Fort (Japan).

(2) Properties exposed to high risk of flooding are determined based on flood-prone areas and flood hazard maps that are publicly available for third-party review or consultation.

(3) Refers to NABERS Energy rating in Australia.

(4) Reported data includes floor area under the office subsector.

TCFD Disclosures

The following table indicates our progress toward TCFD-recommended reporting.

Code	TCFD Recommendations	Page Number(s)
GOVERNANCE		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	70, 79, 85-86
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	70, 79, 86
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	86, 88-91
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	86, 88-91
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	86-87
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	79, 86-87
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	79, 86-87
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	79, 86-87
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	75-78, 91, 99-100
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	71, 83
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	78

Corporate Governance

MANAGER OF STARHILL GLOBAL REIT

YTL Starhill Global REIT Management Limited was appointed the Manager of Starhill Global REIT in accordance with the terms of the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended, supplemented or restated from time to time) ("**Trust Deed**").

The Manager of Starhill Global REIT has general power of management over the assets of Starhill Global REIT. The primary role of the Manager is to set the strategic direction of Starhill Global REIT and to make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT ("**Trustee**"), on acquisitions, divestments and enhancement of the assets of Starhill Global REIT, in accordance with its stated business strategy and the terms of the Trust Deed. Other important functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Starhill Global REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for Starhill Global REIT at arm's length;

2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions (the purpose of these plans is to manage the performance of Starhill Global REIT's assets);

3. ensuring compliance with applicable laws and regulations and the Trust Deed;

4. attending to all communications with Unitholders; and

5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager and not by Starhill Global REIT.

The Trust Deed provides *inter alia* for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the Monetary Authority of Singapore ("**MAS**") to conduct REIT management activities under the Securities and Futures Act 2001 ("**SFA**").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders, and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2018 ("**Code**", last amended on 11 January 2023) in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. The Manager has complied with the principles and provisions of the Code in all material aspects. Where there are differences, an explanation has been provided in that section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Code of Collective Investment Schemes ("**CIS Code**") (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore are complied with, and that the Manager's obligations in the Trust Deed are honoured.

Corporate Governance

(A) BOARD MATTERS

1. The Board's Conduct of Affairs

Principle 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Board of Directors of the Manager ("**Board**") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives, providing leadership and setting strategic objectives for the management team of the Manager ("**Management**"), which is led by the Chief Executive Officer ("**CEO**"). In turn, Management is responsible for executing the strategic objectives and day-to-day operations of the Manager and is held accountable to the Board for its performance.

The Board oversees the achievement of all goals such as Starhill Global REIT's DPU targets and other long-term targets that the Board sets for Management so as to deliver long-term sustainable returns to Unitholders. All Board members participate in matters relating to amongst others, corporate governance, business operations and risk management, financial performance and compliance with requirements in the listing rules of the SGX-ST, the CIS Code (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and other applicable rules and regulations.

The Board has adopted a set of internal controls with approval limits for capital expenditure, investments and divestments, bank borrowings and bank signatories, amongst others and this is clearly communicated to Management in writing. Some matters that specifically require Board approval include the issue of new Units in Starhill Global REIT, income distributions and other returns to Unitholders, acquisitions and divestments. Apart from these matters which the Board has specifically reserved authority, the Board approves transactions exceeding certain threshold limits, while delegating authority for matters below those limits to Management so as to facilitate operational efficiency.

The Board has also established a system of internal controls and an enterprise risk management framework. The application of the policies and protocol under the framework is further described on page 67.

Each Director is a fiduciary and must act honestly and objectively in the best interests of Unitholders. In furtherance of this principle, the Board has adopted a code of conduct and ethics ("**Board Charter**") by which all Directors must comply. This sets the appropriate tone from the top and desired organisational culture and ensures proper accountability within the Manager.

The Board Charter holds Directors to high standards of ethical conduct. This includes requiring Directors not to allow themselves to be placed in a position of real or apparent conflict of interest. In the event a Director faces a real or apparent conflict of interest, he/she must disclose this to the Board and recuse himself/herself from meetings and abstain from voting on decisions involving the matter. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of the Unitholders. The Manager has also adopted guidelines, details of which are set out on pages 116 to 117, for related party transactions and dealing with conflicts of interests.

Directors must also perform their duties with due care, skill and diligence and must ensure that they possess the relevant knowledge to do so. This includes having a good understanding of their directorship duties (including their roles as Executive, Non-Executive and Independent Directors), the business of Starhill Global REIT and the environment in which it operates.

A Director with multiple board representations is expected to ensure sufficient time and attention is given to the affairs of the Manager and Starhill Global REIT. A Director must attend and actively participate in all meetings of the Board or Board Committees (if applicable) unless their attendance is impractical. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary and thus should not be prescriptive. A sufficient safeguard is to require each Director to confirm his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his/her other listed company board representations and other principal commitments.

In addition, in cases where the Director(s) have multiple listed board representations, the Board conducts an annual review to ensure that they are able to and have been devoting sufficient time and attention to discharge their responsibilities adequately. Each Director confirmed his/her ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his/her other listed company board representations and other principal commitments. Notwithstanding that some of the Directors have multiple listed board representations, the Board is satisfied that every Director is able to and has been adequately carrying out his/her duties as a Director of the Manager.

Directors' Development

Directors are provided with opportunities to develop and maintain their skills and knowledge to ensure that they are able to perform their duties to the best of their abilities. The Manager bears the full costs of training and development.

The Manager has in place an orientation programme aimed at familiarising new Directors with their directorship duties, the business activities and strategic directions of Starhill Global REIT, the corporate governance and risk management structure and practices, as well as their disclosure obligations as Directors. Newly appointed Directors are briefed on their roles and responsibilities as Directors of the Manager, and of the business activities and strategic directions of Starhill Global REIT. Directors who have no prior experience as a Director of an issuer listed on SGX-ST will be provided training on the roles and responsibilities of a Director of a listed issuer in accordance with the listing rules of the SGX-ST. No new Directors were appointed during FY 2022/23, but new Directors appointed during FY 2023/24 who have no prior experience will undergo the requisite training within one year from the date of appointment.

Upon appointment, Directors also receive a formal letter of appointment setting out the Director's duties, obligations and responsibilities, together with the Trust Deed and latest annual report of Starhill Global REIT and are acquainted with Key Management Personnel ("**KMP**") who have authority and are responsible for executing the strategic objectives and day-to-day operations of the Manager.

During their appointment, Directors are provided access to programmes, courses and seminars including those organised by the Singapore Institute of Directors ("**SID**"). All Directors in office during FY 2022/23 have attended the sustainability training courses prescribed under listing rules of the SGX-ST. Changes to regulations, policies, accounting standards and other relevant matters and their implications are also monitored closely. Where those changes have a significant impact on Starhill Global REIT and its obligations of continuing disclosure, the Directors will be briefed during Board meetings or by the circulation of Board papers so as to ensure that the Directors are up to date on all matters which may affect the performance of their duties.

The NRC (as defined below) and the Board have reviewed the current training and professional development programmes in place for all Directors and are satisfied that they are adequate.

Board Committees

In the discharge of its functions, the Board is supported by an Audit Committee ("**AC**") that provides independent oversight of Management and which also serves to ensure that there are appropriate checks and balances. With effect from 1 August 2021, the Nominating and Remuneration Committee ("**NRC**") was established and will be responsible to make recommendations to the Board on the nomination, appointment/re-appointment of Directors and members of the Board Committees, as well as remuneration matters of the Directors and executive officers, that have been undertaken by the Board before 1 August 2021. All Board Committees have clear written terms of reference setting out its composition, authorities and duties including reporting back to the Board. The names of the committee members, their terms of reference, any delegation of the Board's authority to make decisions and their duties and responsibilities are set out on pages 107 to 114.

Meetings of the Board and Board Committees

Board meetings are scheduled and held at least once every quarter. In addition to scheduled meetings, the Board and Board Committees may also hold ad hoc meetings wherever required. If physical meetings cannot be held, the Constitution of the Manager permits the Board and Board Committee meetings to be held by way of teleconference and video conference and decisions may also be made by way of a written resolution.

Directors attend and actively participate in Board and Board Committee meetings. Prior to Board and Board Committee meetings and on an ongoing basis, Management provides Directors with complete, adequate and timely information so as to enable them to make informed decisions to discharge their duties and responsibilities. Board and Board Committee papers and agenda are provided to each Director in advance of Board and Board Committee meetings so that Directors can review and consider the matters being tabled beforehand. The management accounts of Starhill Global REIT are also provided to the Board on a quarterly basis to enable the Board to keep abreast of Starhill Global REIT's financial performance. In addition, as and when any significant matter arises, Management promptly brings these matters to the Board's attention and provides the Board with the relevant financial information.

Corporate Governance

In the year under review, the number of Board, AC and NRC meetings and AGM held and attended by each Board member is as follows:

	Board	Audit Committee	Nominating & Remuneration Committee	AGM
	No. of meetings held in FY 2022/23: 5	No. of meetings held in FY 2022/23: 4	No. of meetings held in FY 2022/23: 2	No. of meetings held in FY 2022/23: 1
	Attended	Attended	Attended	Attended
Tan Sri (Sir) Francis Yeoh	5	NA	2	1
Mr Ho Sing	5	NA	NA	1
Dato' Yeoh Seok Kian	5	NA	2	1
Mr Tan Bong Lin	5	4	2	1
Mr Ching Yew Chye	4	4	2	1
Mr Tan Woon Hum	5	4	2	1

During Board meetings, Management provides the Board with regular updates on financial results, market and business developments and business and operational information. The Board also reviews and approves the release of Starhill Global REIT's financial results. The Board may also meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board will generally review matters which have an impact on the business risks and management of liability of Starhill Global REIT, and acts on comments and recommendations from the auditors of Starhill Global REIT.

Where necessary, senior members of Management participate in Board and Board Committee meetings to provide additional insights and to respond to any queries from Directors. Directors have separate and independent access to senior members of Management and the company secretary at all times. Directors also have access to independent professional advice (legal, financial or otherwise) where appropriate or necessary, with the cost borne by the Manager or Starhill Global REIT, as appropriate.

The company secretary of the Manager will render necessary assistance to Directors and will ensure that the Board and Board Committee procedures are followed and that applicable laws and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flow between the Board and the Board Committees, and between Management and Non-Executive Directors and advising the Board and Board Committees on all governance matters. The company secretary also attends all Board and Board Committee meetings of the Manager to take minutes, which record the key issues discussed and decisions made thereon. The appointment and removal of the company secretary is a Board reserved matter.

2. Board Composition and Guidance

Principle 2:
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

The composition of the Board and the Board Committees as at 30 June 2023 (and including new appointments made in July and August 2023) is set out below:

Name of Director	Board	Audit Committee	Nominating & Remuneration Committee
Tan Sri (Sir) Francis Yeoh	Non-Executive Chairman (Non-Independent)	–	Member
Mr Ho Sing	Executive Director & Chief Executive Officer (Non-Independent)	–	–
Dato' Yeoh Seok Kian *(Alternate Director: Ms Yeoh Pei Nee)*[1]	Non-Executive Director (Non-Independent)	–	Member
Mr Tan Bong Lin	Lead Independent Director (Non-Executive) (Independent)	Chairman	Member

Name of Director	Board	Audit Committee	Nominating & Remuneration Committee
Mr Ching Yew Chye	Non-Executive Director (Independent)	Member	Member
Mr Tan Woon Hum	Non-Executive Director (Independent)	Member	Chairman
Ms Ho Gek Sim Grace(2)	Non-Executive Director (Independent)	Member	Member

Notes:
(1) Ms Yeoh Pei Nee was appointed on 1 July 2023.
(2) Ms Ho Gek Sim Grace was appointed on 1 August 2023.

The Board is satisfied that there is a strong independent element on the Board that allows it to make decisions in the best interests of the Unitholders notwithstanding Independent Directors do not make up a majority of the Board prior to 1 August 2023. This is because the Board comprised six members, three of whom were Independent Directors. This means that to attain a majority for any resolution to be passed, the approval of at least one of the Independent Directors would first have to be obtained.

In addition, Mr Tan Bong Lin has been appointed as the Lead Independent Director. He has, among others, the discretion to hold meetings with the other two Independent Directors (without the presence of Management) as he deems appropriate or necessary and provide feedback to the Chairman. More importantly, he also has the duty to provide leadership to the other Directors in situations where the Chairman faces any real or apparent conflict of interest. Independent Directors also hold meetings with the auditors regularly without the presence of Management.

Following the appointment of Ms Ho Gek Sim Grace on 1 August 2023, the Board consists of a majority of Independent Directors.

The Board assesses annually and as and when circumstances require, the independence of each Director in accordance with the requirements of the Code and accompanying Practice Guidance, the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCBR**"), and the listing manual of the SGX-ST. A Director is considered to be independent if he/she:

1. is independent in conduct, character and judgment;

2. has no relationship with the Manager, its related corporations, its substantial shareholders being shareholders who have interests in voting shares with 5.0% or more of the total votes attached to all voting shares, Starhill Global REIT's substantial Unitholders being Unitholders who have interests in voting Units with 5.0% or more of the total votes attached to all voting Units of Starhill Global REIT, or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgment in the best interests of the Unitholders;

3. is independent from any management and business relationship with the Manager and Starhill Global REIT;

4. is not a substantial shareholder of the Manager, or a substantial Unitholder;

5. has not served on the Board for a continuous period of nine years or longer;

6. is not employed by the Manager, any of its related corporations, or the Trustee for the current or any of the past three financial years; and

7. does not have an immediate family member who is employed or has been employed by the Manager, any of its related corporations, or the Trustee for the past three financial years.

Mr Ching Yew Chye has disclosed that he is the Independent Non-Executive Chairman of United Overseas Bank (Malaysia) Berhad ("**UOB Malaysia**"). There are ordinary course of business foreign currency exchange transactions between the Group and UOB Malaysia and banking facilities between the Group and United Overseas Bank Limited. Despite the foregoing, the NRC and the Board have assessed Mr Ching's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded, given that Mr Ching is not an Executive but the Independent Chairman of UOB Malaysia, he was not involved in its day-to-day management, and will recuse himself from any issues and/or matters arising from the Group's transactions with UOB Malaysia.

Mr Tan Woon Hum has disclosed that he is a partner of M/s Shook Lin & Bok LLP ("**SLB**"), which may provide services to the Trustee from time to time. As there were no legal fees paid to SLB by Starhill Global REIT in FY 2021/22 and FY 2022/23, and Mr Tan will not be personally involved in legal services to be provided by SLB for Starhill Global REIT, the NRC and the Board have assessed Mr Tan Woon Hum's independence and have taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

Corporate Governance

Mr Tan Bong Lin was previously an Independent Non-Executive Director of APAC Realty Limited ("**APAC Realty**") prior to his retirement from the Board of Directors of APAC Realty in April 2023. APAC Realty provides real estate brokerage services, franchise arrangements, and training, valuation and other ancillary services. The aggregate amount of fees paid to APAC Realty for leasing agency services and training courses in FY 2021/22 and FY 2022/23 is insignificant, and is also not substantial, relative to the revenue of APAC Realty, and the total amount of leasing agency fees paid by Starhill Global REIT. Mr Tan's directorship in APAC Realty was Non-Executive in nature and he was not involved in its day-to-day management. Based on the above, the NRC and the Board have assessed Mr Tan Bong Lin's independence and have taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

As such, none of the Independent Directors have any relationships which are likely to affect his independent business judgment and ability to act in the best interests of all Unitholders as a whole.

Board Diversity

The Board has, on the recommendation of the NRC, formally adopted a Board Diversity Policy. The Board's policy is to embrace diversity so as to ensure that the Board consistently comprises experienced and well qualified Directors who possess an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as independence, age and gender to avoid groupthink and foster constructive debate. This allows Management to benefit from the diverse and objective perspectives on issues that are brought before the Board with a healthy exchange of ideas and views between the Board and Management.

Consistent with the Board's policy to embrace diversity, the composition of the Board (including the selection of candidates for new appointments as part of the Board's renewal process) is determined in accordance with the following principles:

1. the Board should comprise Directors with a broad range of commercial experience, including expertise in fund management and experience in all facets of the property or real estate industry;
2. at least one Board member should be of female gender; and
3. at least half of the Board should comprise Independent Directors.

While the Board was composed Directors of the same gender, prior to 1 August 2023, gender diversity among KMP ensures that alternative and constructive views are provided to the Board during the decision-making process. Please refer to pages 26 to 27. In order to advance gender diversity, the NRC has agreed to the following:

(a) if external search consultants are used to search for candidates for Board appointments, they will be required to field female candidates;

(b) when seeking to identify a new Director for appointment to the Board, the NRC will consider female candidates; and

(c) a target is set for at least one female Director to be appointed to the Board by FY 2023/24.

In relation to the above plans, external search consultants, including the SID and board diversity organisations such as the Council for Board Diversity, have been engaged to propose female candidates for appointment to the Board, and recommendations from contacts and industry professionals have also been sought. A female candidate, Ms Ho Gek Sim Grace, was identified as a potential Board member and she has been appointed as a Non-Executive and Independent Director on 1 August 2023, in line with the Manager's target for a female Director to be appointed by FY 2023/24.

As part of succession planning for the Board, Ms Yeoh Pei Nee[(1)] has been appointed as Alternate Director to Dato' Yeoh Seok Kian. The appointment of Ms Yeoh Pei Nee will also enhance the age and gender diversity of the Board.

The profiles of the Directors are set out on pages 23 to 25.

The size of the Board and core competencies of its members in various fields of accounting, finance, business management and legal, together with their relevant industry knowledge and strategic planning experience, effectively serve Starhill Global REIT and the Manager. In terms of age diversity, half of the Directors (including the Alternate Director) are 65 and below and half are above 65 following the appointments of Ms Yeoh Pei Nee on 1 July 2023 and Ms Ho Gek Sim Grace on 1 August 2023. The NRC and the Board are of the view that its current composition comprises persons who, as a group, provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as independence and age and that the current Board size is appropriate, taking into consideration

Note:
[(1)] Appointed as Alternate Director to Dato' Yeoh Seok Kian on 1 July 2023.

the scale, nature and scope of Starhill Global REIT's operations. The composition of the Board is also reviewed regularly to ensure that it has the appropriate mix of expertise and experience.

The Non-Executive Directors participate in setting and developing strategies and goals for Management and reviewing and assessing Management's performance.

The Independent Directors led by Mr Tan Bong Lin meet regularly without the presence of Management. Mr Tan Bong Lin provides feedback to the Board where appropriate enabling Management to benefit from the Independent Directors' external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with Management through a healthy exchange of ideas and views to help shape the strategic process.

3. Chairman and Chief Executive Officer

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman and CEO are held by separate persons in order to maintain an effective segregation of duties so as to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman, Tan Sri (Sir) Francis Yeoh, and the CEO, Mr Ho Sing, are not immediate family members.

The clear separation of the roles and responsibilities between the Chairman and the CEO are set out in writing. The Chairman facilitates active Board discussion on matters concerning the business of Starhill Global REIT and ensures that the Board satisfactorily oversees and evaluates the implementation of Starhill Global REIT's strategy, policies, business plans and Board decisions. In addition, the Chairman ensures that the members of the Board receive complete, adequate and timely information, facilitates the effective contribution of the Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance. The CEO works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for executing the day-to-day operations of Starhill Global REIT.

As Mr Tan Bong Lin has been appointed as Lead Independent Director, he has the discretion to hold meetings with the other Independent Directors (without the presence of Management) as he deems necessary and he will provide feedback to the Non-Executive Chairman, where appropriate. He also has the duty to provide leadership in situations where the Chairman faces any real or apparent conflict of interest. The Lead Independent Director is also available to shareholders of the Manager and Unitholders where they have concerns and for which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate.

4. Board Membership

Principle 4:

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NRC makes recommendations to the Board on matters relating to:

1. the review of succession plans for Directors including the appointment or replacement of the Chairman, the CEO and the Chief Financial Officer ("**CFO**");
2. the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
3. the review of training and professional development programmes for the Board and its Directors; and
4. the appointment of Directors (including alternate Directors, if any).

The NRC comprises five members, out of whom a majority are Independent Directors. The members of the NRC as at 30 June 2023 are Mr Tan Woon Hum (Chairman), Tan Sri (Sir) Francis Yeoh, Dato' Yeoh Seok Kian, Mr Tan Bong Lin and Mr Ching Yew Chye.

Unitholders were given the right to endorse the appointment of the Directors of the Manager by way of ordinary resolution passed at the AGMs of Unitholders pursuant to an undertaking given by YTL Corporation Berhad to the Trustee dated 21 August 2020 ("**Undertaking**"). Succession of Directors is therefore carried out when a Director indicates his desire to retire or resign or when the Director's appointment has not been endorsed or re-endorsed (whichever applicable) by the Unitholders at the relevant AGM. As the appointments of Mr Ching Yew Chye and Mr Tan Woon Hum were last endorsed by Unitholders on 28 October 2020 and the Undertaking requires the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Starhill Global REIT after the relevant general meeting at which such Director's appointment was last endorsed, the Manager is seeking the re-endorsement of the appointments of Mr Ching Yew Chye and Mr Tan Woon Hum at the AGM to be held in 2023.

Pursuant to the Undertaking, the Manager is also seeking the endorsement of the appointment of Ms Ho Gek Sim Grace and Ms Yeoh Pei Nee at the AGM to be held in 2023, as they were newly appointed after the last AGM in 2022. Pursuant to Rule 720(6) of the listing manual of the SGX-ST, information relating to the Directors and the Alternate Director to be re-endorsed or endorsed (as the case may be) is provided on pages 120 to 124.

Corporate Governance

All Board appointments are approved by the Board and selection and appointment is based on merit. The NRC will make recommendations to the Board on these matters. The criteria used by the Manager to identify and evaluate potential new Directors include:

1. integrity;

2. relevant expertise (sector and functional) and the degree to which his or her skill set complements the skill set of the other Board members;

3. reputation and standing in the market;

4. in the case of prospective Independent Directors, independence based on the criteria in the Code, the SFLCBR and the listing manual of the SGX-ST;

5. the fit and proper criteria issued by MAS;

6. at least one Board member should be of female gender; and

7. the Director should have adequate time to discharge his duties.

Any Director may source for and nominate new Directors to be appointed by the Board, through their extensive network and contacts. If necessary, the Board or NRC may seek advice from the SID or external search consultants. Prior to the appointment of Ms Ho Gek Sim Grace, new potential female Directors were sourced through contacts and recommendations, including recommendations from external search consultants, the SID, the Council for Board Diversity, contacts from Directors, and recommendations from relevant industry professionals.

No new Directors or alternate Directors were appointed during FY 2022/23. Ms Ho Gek Sim Grace was appointed on 1 August 2023. As part of succession planning for the Board, Ms Yeoh Pei Nee has been appointed on 1 July 2023 as Alternate Director to Dato' Yeoh Seok Kian. To ensure that Alternate Directors are familiar with the business and operations of the Company and Starhill Global REIT:

(i) the appointment of Alternate Directors will be approved by the NRC and the Board;

(ii) board papers will be provided to Alternate Directors;

(iii) Alternate Directors will be invited to attend meetings even when the appointing Director is present; and

(iv) currently, Alternate Directors are only contemplated for non-independent Directors.

The independence of the Independent Directors is assessed by the NRC on an annual basis and as and when circumstances require. Directors are also required to report to the Board any addition to or change in their other appointments, their relationships with the Manager, its related corporations, its substantial shareholders, substantial Unitholders or the Manager's officers, if any, or any other change in circumstances which may affect their independence or judgment and ability to act in the interests of all Unitholders as a whole. In the event the NRC, determines that such Directors are independent notwithstanding the existence of such relationships, the Manager will disclose the relationships and its reasons in the Annual Report.

The NRC ensures that new Directors are aware of their duties and obligations (1. "The Board's Conduct of Affairs") and decides if a Director is able to and has been adequately carrying out his or her duties (5. "Board Performance"). The listed company Directorships and principal commitments of each Director are disclosed on pages 23 to 25.

5. Board Performance

Principle 5:
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Manager believes that the performance of the Manager and the Board, is reflected in the long-term success of Starhill Global REIT. Reviews of Board performance are conducted once a year. Directors are required to complete a questionnaire evaluating the Board and the Board Committees. The NRC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and the contributions by each individual Director to the Board's effectiveness.

The questionnaire covers objective performance criteria for the evaluation of the Board as a whole, the Board Committees and the contribution by the Chairman and each individual Director in areas such as Board composition, access to information, Board processes, risk management, Board training and development, understanding of the business, strategic planning and any specific areas where improvements may be made. The company secretary compiles Directors' responses to the questionnaire into a consolidated report and the NRC will evaluate and discuss the results of the annual Board performance review with a view towards improving the effectiveness of the Board. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2022/23. No external facilitators have been engaged.

In conducting the review of the performance of the Board, the Board Committees and each Director, the Manager believes that contributions from each Director go beyond his attendance at Board and committee meetings. Contributions by an individual Board member take other forms, which includes providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of a formal environment of Board or Board Committee meetings.

(B) REMUNERATION MATTERS

1. Procedures for Developing Remuneration Policies

Principle 6:
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

2. Level and Mix of Remuneration

Principle 7:
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

3. Disclosure on Remuneration

Principle 8:
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Following the establishment of the NRC with effect from 1 August 2021, the NRC supports the Board in the remuneration matters of the Manager in accordance with the NRC's terms of reference. The NRC's terms of reference, among other matters, set out the scope and authority in performing the functions of a remuneration committee. This includes, the NRC reviewing and making recommendations to the Board on the remuneration policy of the Manager for the Board and employees of the Manager including the specific packages for each Director, the CEO and the CFO, the total bonus amount payable to all employees and the corporate performance targets for payment of bonus and other aspects of remuneration of the CEO and the CFO including termination terms to ensure they are fair. Such matters will also require approval by at least a majority of the Independent Directors. The CEO recuses himself from Board deliberations relating to his remuneration. Directors' fees are subject to approval by the Board of Directors and the shareholders of the Manager. Each Director abstains from voting in respect of the fees payable to their respective selves.

The Board or NRC seeks expert advice on remuneration and governance matters from external consultants, where necessary. The Board or NRC will ensure that existing relationships between the group and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the external remuneration consultants.

During FY 2022/23, the Manager engaged Korn Ferry as remuneration consultant. The remuneration consultant has confirmed that it does not have any relationship with the Manager, its controlling shareholders and/or its related entities which would affect its independence and objectivity. The remuneration of Directors and staff of the Manager is paid by the Manager from the fees it receives from Starhill Global REIT and not by Starhill Global REIT itself.

To support the business growth and aspirations, the Manager is committed to strengthen its leadership capability and organisational effectiveness through talent management. It ensures that a significant and appropriate proportion of the Executive Director's and KMP's remuneration is structured by linking total compensation directly to the achievement of organisational and individual performance goals, while giving consideration to the equitability and market competitiveness of its remuneration practices so as to align performance-based remuneration with the interests of Unitholders and other stakeholders and promote the long-term success of Starhill Global REIT.

In determining the mix of different forms of remuneration for the KMP, the NRC and the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between fixed and performance-related components.

Total remuneration comprises the following components:

- fixed remuneration comprises base salary, Central Provident Fund contributions, Annual Wage Supplement and benefits and allowances;

- variable bonus payments, paid wholly in cash, incentivise and reward individuals for their performance, efforts and achievement. The payment of variable bonus is subject to achievement of Starhill Global REIT's DPU, the Manager's profit after tax targets and other long-term targets approved by the Board, with substantial emphasis on the performance of Starhill Global REIT to align employee interests with the interests of Unitholders. In approving the variable bonus for FY 2022/23, the NRC and the Board had taken into account the extent to which the performance targets such as the achievement of key sustainability targets have been met, and is of the view that remuneration is aligned to performance during FY 2022/23; and

Corporate Governance

- a long-term deferred bonus scheme, awarded wholly in cash, is put in place to retain selected management executives and talent who are key in the business operations. The scheme focuses on strengthening its organisational capability and leadership core, with the objective of encouraging loyalty and ensuring that decisions are taken with a long-term view in mind.

No share/unit option schemes or share/unit schemes have been implemented. The NRC and the Board have reviewed the remuneration components above and are satisfied that there is reasonable mitigation of any potential misalignment of interests, taking into account: (i) the NRC's and the Board's discretion (including the requirement for approval by not less than a majority of Independent Directors) to determine whether the remuneration payable is in line with the remuneration policy; (ii) the substantial emphasis placed on the performance of Starhill Global REIT; and (iii) the absence of any remuneration payment in the form of shares or interest in the controlling Unitholder or its related entities.

The remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent, and their responsibilities. For FY 2022/23, remuneration of Non-Executive Directors comprised entirely of Directors' fees payable in cash. The Directors' fees take into account industry practices and norms on remuneration. Each Director is paid a basic fee and the Chairman of the Board, AC and NRC are paid a higher fee in view of the greater responsibility carried by that office. The CEO does not receive Directors' fees as he receives employee remuneration from the Manager. Each Director will be remunerated based on their level of responsibilities on the Board, the AC and NRC, in accordance with the following framework for FY 2022/23:

Fee Structure		Fees (per annum)
Board of Directors	Non-Executive Chairman	S$105,000
	Non-Executive Director	S$66,150
Audit Committee	Chairman and Lead Independent Director	S$10,500
	Member	S$5,250
Nominating and Remuneration Committee	Chairman	S$2,600
	Member	S$1,300

The total amount of Directors' fees (gross before netting off withholding tax) payable to the Non-Executive Directors for FY 2022/23 are as follows:

Name of Director	FY 2022/23
Tan Sri (Sir) Francis Yeoh	S$106,300
Dato' Yeoh Seok Kian	S$67,450
Mr Tan Bong Lin	S$77,950
Mr Ching Yew Chye	S$72,700
Mr Tan Woon Hum	S$74,000

The Manager is cognisant of the requirement to disclose (i) the CEO's remuneration, (ii) the remuneration of at least the top five KMP (who are not the CEO or Directors), in bands no wider than S$250,000 and (iii) the aggregate total remuneration paid to the top five KMP. The NRC and the Board have assessed and decided against the disclosure of (i) the remuneration of the CEO in exact quantum and (ii) the remuneration of at least its top five KMP (who are not the CEO or Directors) on a named basis, whether in exact quantum or in bands of S$250,000 because it is not in the Manager's best interest to do so, taking into account, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the presence of highly competitive conditions for talent in the industry, which is relatively small, the importance of ensuring stability and continuity of business operations of Starhill Global REIT with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent on a long-term basis. The Manager is making available, however, the CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the top five KMP (excluding the CEO) together with a breakdown of their respective remuneration components in percentage terms, in the table below. The Manager is of the view that its disclosure is consistent with the intent of Principle 8 of the Code and provides sufficient information and transparency to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation.

Remuneration	Salary and employer's CPF (%)	Bonus and other benefits, including employer's CPF (%)	Total (%)
CEO			
Mr Ho Sing	70%	30%	100%
Remuneration band for CEO: Above S$1,000,000 to S$1,250,000			
Key Management Personnel (excluding CEO)			
Ms Alice Cheong	71%	29%	100%
Mr Stephen Yeo			
Ms Clare Koh			
Mr Jonathan Kuah			
Ms Lim Kim Loon			
Aggregate of total remuneration for key management personnel (excluding CEO): S$2,119,157			

As such, the Manager adopts a remuneration philosophy that is directed towards the attraction, retention and motivation of competent employees, key talents and the Directors to provide good stewardship of the Manager and KMP to successfully manage Starhill Global REIT for the long term.

There was no employee of the Manager who was a substantial shareholder of the Manager, a substantial Unitholder or are immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial Unitholder and whose remuneration exceeds S$100,000 during FY 2022/23. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

(C) ACCOUNTABILITY AND AUDIT

1. Risk Management and Internal Controls

Principle 9:
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Effective risk management is a fundamental part of Starhill Global REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value and it is the responsibility of the Board to determine the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation.

In furtherance of this objective, Management has in place an enterprise risk management ("**ERM**") framework and policies, which have been approved by the Board, that provide a structured approach to identifying and managing the material risks that could arise in the course of managing Starhill Global REIT. The ERM framework and policies are monitored and reviewed by the Board as and when appropriate, and major developments and significant revisions to the ERM framework or policies will be submitted to the Board for approval. An independent consultant also reviews the ERM framework and the identified risks and control activities, and provides a report to the Board once every two years. Material risks at both the Manager and Starhill Global REIT levels are managed through this ERM framework. Application of the policies and protocol under the ERM framework in respect of Starhill Global REIT assets and operations is further described on page 67.

The Manager has also put in place a system of internal controls, compliance procedures and processes to safeguard Starhill Global REIT's assets and Unitholders' interests, manage risks and ensure compliance with high standards of corporate governance.

The AC has been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by Management with respect to the business operations of the Manager, Starhill Global REIT and the assets of Starhill Global REIT. Financial risk management is exercised in accordance with a robust policy. The AC and the Board, with the assistance of the internal and external auditors, review the adequacy and effectiveness of Starhill Global REIT's system of risk management and internal controls that address material risks, including material financial, operational, compliance and information technology risks. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviewed the measures taken by Management on the recommendations made by the internal and external auditors.

The Board has received assurance from the CEO and CFO of the Manager that the financial records of Starhill Global REIT have been properly maintained and the consolidated financial statements give a true and fair view of Starhill Global REIT's operations and finances.

Corporate Governance

In addition, the Board has also received assurance from the CEO and other KMP who are responsible for various aspects of risk management and internal controls that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2023 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, and the assurance from the CEO and CFO of the Manager, the Board with the concurrence of the AC is of the opinion that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2023 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The CEO and the CFO of the Manager have obtained similar assurances from the function heads of the Manager. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC for FY 2022/23.

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute assurance that Starhill Global REIT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

2. Audit Committee

Principle 10:
The Board has an Audit Committee which discharges its duties objectively.

The AC is established by the Board from among the Directors of the Manager and currently comprises entirely of Independent Directors. The members of the AC as at 30 June 2023 are Mr Tan Bong Lin (Chairman), Mr Ching Yew Chye and Mr Tan Woon Hum. The members of the AC, collectively, have recent and relevant accounting and financial management expertise or experience and are qualified to discharge the AC's responsibilities. No former partner or Director of the Manager's existing auditing firm or audit corporation is a member of the AC within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or Director of the auditing corporation, or for as long as he has any financial interest in the auditing firm or auditing corporation.

The AC assists the Board in overseeing the ERM framework and any matters of significance affecting financial reporting and internal controls of Starhill Global REIT.

The terms of reference for the AC include:

1. reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of Starhill Global REIT and any announcements relating to Starhill Global REIT's financial performance;
2. reviewing at least annually the adequacy and effectiveness of the Manager's internal controls and risk management systems;
3. reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
4. monitoring the procedures in place to ensure compliance with applicable legislation, the listing manual of the SGX-ST and the Property Funds Appendix;
5. reviewing and making recommendations to the Board in relation to the financial statements and the audit report;
6. monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the relevant regulations;
7. making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of such auditors;
8. ensuring that the internal audit function is adequately resourced through outsourcing the appointment to a reputable firm where appropriate and approving their appointment, removal and remuneration;
9. reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the outsourced internal audit function and ensuring that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management; and
10. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Manager has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the Manager on misconduct or wrongdoing relating to Starhill Global REIT, the Manager and its officers. The AC is responsible for ensuring the implementation, regular review and updating of the Manager's whistleblowing policy. The policy is in place to ensure that employees of the Manager and any other persons such as the vendors are provided with well-defined and accessible channels to report on potential or actual improprieties in financial or other operational matters as well as serious wrongdoings or malpractice, and breach of business conduct and ethics, in confidence, and for the independent investigation of any reports by employees and any other persons and appropriate followup action. Reports may be made to the compliance officer and to the Chairman of the AC via email at whistleblowing@ytlstarhill.com. All reports are made or marked "Strictly Private & Confidential" and will be received and dealt with in strictest confidence. The whistleblowing policy objects to and does not tolerate nor condone any retaliatory action taken against the whistleblower who acts in good faith and without malice. To protect the whistleblower against any detrimental or unfair treatment, the Manager may institute disciplinary action or assist the whistleblower who is an employee in taking a legal action, against any employee or person found to have taken such retaliatory action. However, the Manager does not condone frivolous, mischievous or malicious allegations. The AC has absolute discretion to determine how the whistleblowing report should be dealt with or resolved (including without limitation, whether details of the report need to be disclosed to the Board or other parties). The AC may, *inter alia*, conduct its own investigation or review; engage any third parties to take remedial action, to commence or conduct further investigations or review as deemed appropriate; or take any other action as the AC may determine in the best interests of the Manager and the Group.

The AC is responsible for the nomination of external auditors and internal auditors, and reviewing the adequacy and effectiveness of existing audits in respect of cost, scope and performance. The AC meets with the internal auditor at least once a year and with the external auditor at least once every quarter without the presence of Management, to discuss any matters which the AC or the auditors believe should be discussed privately without the presence of Management.

The AC has appointed PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**") to perform the internal audit functions. The internal auditor subscribes to, and is guided by the International Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("**IIA**") and its standards are aligned with the standards set by the IIA. For FY 2022/23, the AC has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was independent, effective, adequately resourced and has appropriate standing within Starhill Global REIT and the Manager. As the engagement of PwC has expired at the end of FY 2022/23, the AC has appointed Deloitte and Touche Enterprise Risk Services Pte Ltd ("**Deloitte**") to provide internal audit services to Starhill Global REIT for a 3-year cycle from FY 2023/24 onwards. Deloitte also subscribes to, and is guided by the IIA, and its standards are aligned with the standards set by the IIA.

The internal auditor reviews internal controls to ensure they address related risks, and reports directly to the AC. Management is responsible for addressing issues identified by the internal auditor. The internal auditor will also audit and report on the appropriateness and effectiveness of processes for the management of interested person transactions at least once a year. The internal auditor has unrestricted access to the AC, and access to the Manager's and Starhill Global REIT's documents, records, properties and personnel, where relevant to their work.

The Trustee has a right to review internal audit reports so as to ascertain that the Property Funds Appendix has been complied with and the AC is authorised to investigate any matters within its terms of reference. The AC has unfettered access to and cooperation from Management and to reasonable resources to enable it to discharge its functions. The AC has also reviewed all non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid and payable to the external auditor for FY 2022/23 and the breakdown into audit fees and non-audit fees are set out on page 171. Pursuant to Rule 1207(6)(c) of the listing manual of the SGX-ST, the Manager confirms that Starhill Global REIT has complied with Rules 712 and 715 of the listing manual in relation to the appointment of the external auditor.

During FY 2022/23, the AC performed independent reviews of the financial statements of Starhill Global REIT before the announcement of Starhill Global REIT's financial results, including key areas of management judgment.

The AC also reviewed and approved both the internal auditor's and the external auditor's audit plans of Starhill Global REIT for FY 2022/23. The audit findings and recommendations put up by the internal auditor and the external auditor were reported and discussed at the AC meetings.

The AC meets at least once every quarter. A total of four AC meetings were held in FY 2022/23.

Corporate Governance

As part of its oversight role over financial reporting, the AC has reviewed the following key audit matter identified by the external auditor:

Significant matter	How the AC reviewed the matter and what decisions were made
Valuation of investment properties	The AC reviewed the outcomes of the annual external valuation process and discussed the details of the valuation of Starhill Global REIT's investment properties with the Management and the external auditor. The AC had a robust discussion with Management and the professional valuers to review the methodology, bases and assumptions used in arriving at the valuation of the Singapore, Australia and Malaysia investment properties (the "**Key Investment Properties**"). The work performed by the external auditor was considered by the AC, including their assessment of the appropriateness of the valuation methodologies and assumptions applied in the valuation of the Key Investment Properties. No significant matter came to the attention of the AC in the course of the review. Please refer to pages 153 to 154 of the Annual Report for further details. The AC is satisfied with the valuation process, methodologies used and valuation of the Key Investment Properties.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

1. Shareholder Rights and Conduct of General Meetings

Principle 11:
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

2. Engagement with Shareholders

Principle 12:
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

For FY 2022/23, the Manager provided Unitholders with half-year and annual financial statements as well as first and third quarter business updates. The Board, with the support of Management, is responsible for providing a balanced and informed assessment of Starhill Global REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. Financial reports and other material information are disseminated to Unitholders through announcements to SGX-ST via SGXNET, Starhill Global REIT's website and where applicable, press releases, of the performance, position and prospects of Starhill Global REIT.

All Unitholders can access the electronic copy of the Starhill Global REIT Annual Report which is published via SGXNET as well as Starhill Global REIT's website. Prior to an Annual General Meeting ("**AGM**"), all Unitholders will receive a notice of AGM and an accompanying request form containing instructions on accessing the Annual Report online with the option of receiving a printed version. As and when an Extraordinary General Meeting of the Unitholders is to be held, each Unitholder is sent (where possible, electronically) a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. Unitholders are invited to attend these meetings to put forward any questions they may have on the matters on the agenda. Proxy forms containing voting rules and procedures are provided to Unitholders. During the meeting, Unitholders are also briefed on the detailed voting procedures and to ensure transparency, the Manager conducts electronic poll voting and all votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each poll. An independent scrutineer is also appointed to validate the vote tabulation procedures. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET.

Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings are also announced on SGXNET. The Manager is in full support of Unitholder participation at AGMs. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than two proxies to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it.

All members of the Board, representatives of the Trustee, the Manager's senior management and the external auditor of Starhill Global REIT are in attendance at such general meetings. All Directors attended the general meetings held during their tenure in FY 2022/23. Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings or about the conduct of audit and the preparation and content of the auditors' report. Resolutions put to the general meeting are separate unless they are interdependent and linked so as to form one significant proposal, and the reasons and material implications are explained in the notice of meeting. Minutes of general meetings record the key issues discussed and decisions made thereon including any substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting and the response from the Board and Management. Minutes of general meetings and responses to relevant and substantial questions from Unitholders were published on SGXNET and made available on Starhill Global REIT's website. As all Unitholders are entitled to receive these Minutes, the Manager believes that this is consistent with the intent to treat all Unitholders fairly and equitably.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Due to the then COVID-19 situation in Singapore, the AGM held for FY 2021/22 was convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 (Temporary Measures) Order 2020**"). Alternative arrangements relating to attendance at the AGM held for FY 2021/22 were made, including:

1. arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream;
2. submission of questions in advance of, or (in the case of the AGM in 2022) live at the AGM;
3. addressing of substantial and relevant questions prior to or (in the case of the AGM in 2022) live at the AGM; and
4. voting (i) live at the AGM in 2022 by the Unitholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy at the AGM.

With the revocation of the COVID-19 (Temporary Measures) Order 2020 on 1 July 2023, the upcoming AGM for FY 2022/23 will be held as a physical meeting.

The Manager's current distribution policy is to distribute at least 90% of Starhill Global REIT's taxable income to its Unitholders or any other minimum level to qualify for tax transparency, as allowed by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has in place a dedicated team performing the investor relations function and has developed an investor relations policy ("**Communications Policy**"), the cornerstone of which is delivery of timely and full disclosure of all material information relating to Starhill Global REIT by way of announcements via SGXNET in the first instance and then including the announcements on Starhill Global REIT's website at www.starhillglobalreit.com. The Communications Policy sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions. Unitholders are welcome to engage the Manager beyond general meetings by contacting the Investor Relations and Corporate Communications department, whose contact details are set out on Starhill Global REIT's website at www.starhillglobalreit.com. This allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. Where there is inadvertent disclosure of material information made to a select group, the Manager will make the same disclosure publicly to all others as promptly as possible, where appropriate or necessary. More details on the Manager's investor relations activities and efforts are set out on page 68.

Starhill Global REIT's website contains recent announcements, press releases, presentations, and past and current reports to Unitholders. The website also provides visitors with the option of signing up for a free email alert service on public materials released by the Manager in relation to Starhill Global REIT.

The Manager also participates in investor conferences locally and overseas as part of its efforts to cultivate and maintain regular contact with investors and analysts and to build interest in and strengthen the branding of Starhill Global REIT.

Corporate Governance

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

1. Engagement with Stakeholders

Principle 13:
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall strategy to ensure that the best interests of the Unitholders are served. In line with this approach, the Manager's key areas of focus in relation to the management of stakeholder relationships include sustainability and environmental and social responsibility in the business and operations of Starhill Global REIT.

The Manager has arrangements in place to identify and engage with its material stakeholder groups to gather feedback and engage with its material stakeholder groups on issues of sustainability and environmental and social responsibility that are significant and material to them. This includes maintaining Starhill Global REIT's website at www.starhillglobalreit.com, which facilitates communication and engagement with various stakeholders. The Board has considered and reviewed sustainability issues in the environment, social and governance aspects of the business of Starhill Global REIT. More information on the material sustainability issues of Starhill Global REIT are set out on pages 69 to 100.

(F) ADDITIONAL INFORMATION

1. Dealing with Related Party Transactions

(i) Review procedures for related party transactions
The Manager has established internal control procedures to ensure that transactions involving the Trustee, as trustee for Starhill Global REIT, and any Interested Person or Interested Party as defined in the listing manual of the SGX-ST and the Property Funds Appendix respectively ("**Related Party Transactions**") are undertaken on normal commercial terms and will not be prejudicial to the interests of Starhill Global REIT or the Unitholders. As a general rule, the Manager would have to demonstrate to the AC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures are followed:

1. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review by the AC;

2. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for Starhill Global REIT, with third parties which are unrelated to the Manager; and

3. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review and prior approval of the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the listing manual of the SGX-ST and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning Starhill Global REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager or Starhill Global REIT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Starhill Global REIT or Unitholders and are in accordance with all applicable requirements of the Property Funds Appendix and/or the listing manual of the SGX-ST relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Starhill Global REIT. If the Trustee is to sign any contract with a related party of the Manager or Starhill Global REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the listing manual of the SGX-ST relating to interested person transactions as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to real estate investment trusts.

(ii) Internal control procedures

The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by Starhill Global REIT. The Manager has incorporated into its internal audit plan a review of all Related Party Transactions entered into by Starhill Global REIT.

The AC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The AC periodically reviews all Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the listing manual of the SGX-ST and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the AC. If a member of the AC or any Director has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The Manager discloses in Starhill Global REIT's Annual Report the aggregate value of Related Party Transactions (equal to or exceeding S$100,000 each in value) entered into during the relevant financial year.

2. Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest issues which may arise in managing Starhill Global REIT:

1. the Manager will not manage any other real estate investment trust which invests in the same type of properties as Starhill Global REIT;

2. executive officers will be employed by the Manager or measures will be put in place to mitigate any potential conflict;

3. all resolutions in writing of the Directors of the Manager in relation to matters concerning Starhill Global REIT must be approved by a majority of the Directors, including at least one Independent Director;

4. at least half of the Board shall comprise Independent Directors;

5. all Related Party Transactions must be reviewed by the AC and/or approved by a majority of the AC in accordance with the materiality thresholds and procedures outlined above. If a member of the AC has an interest in a transaction, he/she will abstain from voting;

6. Directors disclose promptly all interests in a transaction or proposed transaction;

7. in respect of matters in which a Director of the Manager or his/her Associates (as defined in the listing manual of the SGX-ST) have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Manager and must exclude such interested Director; and

8. the Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates have a material interest.

The Directors of the Manager are under a fiduciary duty to Starhill Global REIT to act in its best interests in relation to decisions affecting Starhill Global REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its Independent Directors) have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

3. Dealing in Starhill Global REIT Units

Each Director of the Manager is required to give notice to the Manager of his/her acquisition of units or of changes in the number of Units which he/she holds or in which he/she has an interest, within two business days after such acquisition or changes in interest. All dealings in units by Directors of the Manager are announced via SGXNET.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units during the following periods:

1. a one-month period preceding the announcement of the half year and full year financial statements;

Corporate Governance

2. a two-week period preceding the announcement of Starhill Global REIT's business updates for the first and third quarters; or

3. any period when there exists any matter which constitutes non-public price-sensitive information in relation to the securities of Starhill Global REIT.

The Directors and employees of the Manager are advised not to deal in the Units on short-term considerations. In addition, the Manager will announce via SGXNET the particulars of its holdings in the Units and any changes thereto within one business day after the date on which it acquires or disposes of any Units, as the case may be. The Manager will also not deal in the Units during the period commencing one month before the public announcement of Starhill Global REIT's annual and half-year financial results and two weeks before the public announcement of Starhill Global REIT's business updates for the first and third quarter, and ending on the date of announcement of the relevant results.

4. Fees Payable to the Manager

The Manager is entitled to the following fees:

(i) Base Fee

The Base Fee covers the operational and administrative expenses incurred by the Manager in executing its responsibilities to manage Starhill Global REIT's portfolio. The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) as defined on page 138 ("**Base Fee**") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Manager may opt to receive the Base Fee in respect of its properties in cash or Units or a combination of cash and Units (as it may determine). The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of Units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

(ii) Performance Fee

The Manager is entitled to a performance fee ("**Performance Fee**") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are reinvested in the Trust) of the Units (expressed as the "**Trust Index**") in any Financial Year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming reinvestment of all distributions) of a benchmark index ("**Benchmark Index**"). The Performance Fee is calculated in two tiers as follows:

1. A Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust; and

2. A Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust.

The Performance Fee, whether payable in any combination of cash and Units or solely in cash or Units, will be payable annually in arrears within 30 days after the last day of each financial year. Please refer to pages 138 to 139 for further details on the Performance Fee.

The Performance Fee is based on accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the Units, such that where the accumulated return for the Trust Index exceeds the total return of the Benchmark Index, the Manager will be paid a Performance Fee. The interests of the Manager are therefore aligned with the interests of the Unitholders as the Performance Fee would be commensurate with the value that the Manager delivers to Unitholders in the form of such accumulated return. In addition, the Manager has to ensure that the Trust Index outperforms the Benchmark Index. This motivates and incentivises the Manager to grow the accumulated return to Unitholders and outperform the Benchmark Index on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives, disciplined investments and prudent capital and risk management. By pegging performance fee to accumulated return, the Manager will not take on excessive short-term risks that will affect returns to Unitholders.

(iii) Acquisition Fee

The Manager is entitled to an Acquisition Fee as set out in clause 15.2 of the Trust Deed. This is earned by the Manager upon completion of an acquisition. The fee seeks to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet Starhill Global REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man-hours spent in evaluating the transactions.

The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of Starhill Global REIT.

The Acquisition Fee is calculated at 1.0% of the value of the real estate acquired and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager shall elect). The Acquisition Fee is payable to the Manager 14 days after the completion of the relevant acquisition. Please refer to page 139.

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of Units which shall not be sold within one year from the date of issuance. This motivates the Manager to ensure that any acquisitions from interested parties perform and contribute to Unitholders' returns.

(iv) Divestment Fee

The Manager is entitled to a Divestment Fee as set out in clause 15.3 of the Trust Deed. This is earned by the Manager upon completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and to recycle capital and optimise Starhill Global REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, sourcing for buyers, due diligence efforts and man-hours spent in the course of the transactions.

In accordance to clause 15.3 of the Trust Deed, the Divestment Fee is calculated at 0.5% of the value of the real estate divested and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect).

The Divestment Fee is payable as soon as practicable after the completion of the relevant divestment. Please refer to page 139.

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager shall be in the form of Units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

(v) Development Management Fee

The Manager is entitled to charge a development management fee equivalent to 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager on behalf of Starhill Global REIT (the "**Development Management Fee**"), as set out in Clause 15.6 of the Trust Deed. In addition, when the estimated total project costs are greater than S$200.0 million, the Trustee and the Independent Directors of the Manager will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

A Development Management Fee is chargeable for all development projects undertaken by the Manager on behalf of Starhill Global REIT which include the redevelopment of an existing property. However, the Manager will not receive a Development Management Fee for activities involving refurbishment, retrofitting and renovations.

The Manager believes that having the ability to execute a development strategy when an attractive opportunity arises is beneficial to Unitholders as development projects can potentially provide significant returns to augment the income derived from the acquisitions and thus also contribute to improving the net asset value of Starhill Global REIT's portfolio, as the case may be, and provide growing distributions to Unitholders. Unlike outright acquisitions of completed income-producing properties, the process of property development is more complex as it requires a longer gestation period and involves the management and supervision of significant construction activity. The services rendered for a development project are significantly more than the services rendered for an acquisition.

The Development Management Fee shall be payable in the form of cash and/or Units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project cost is finalised.

Development management may at times contain certain aspects of project management. In order to ensure that there is no double-payment of fees for the same services provided, where Development Management Fees are payable to the Manager, there will not be any additional project management fees payable to the project manager and vice-versa. Please refer to pages 139 to 140.

Corporate Governance

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Mr Ching Yew Chye	Mr Tan Woon Hum
Date of Appointment	1 November 2016	1 August 2017
Age	70	53
Country of principal residence	Malaysia	Singapore
Date of last endorsement of appointment	28 October 2020	28 October 2020
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Nominating and Remuneration Committee and the Board have approved Mr Ching's appointment based on an assessment of his qualification, experience and independence and is satisfied that he will be able to contribute to the Company and Starhill Global REIT.	The Nominating and Remuneration Committee and the Board have approved Mr Tan's appointment based on an assessment of his qualification, experience and independence and is satisfied that he will be able to contribute to the Company and Starhill Global REIT.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director, Member of Audit Committee and Member of Nominating and Remuneration Committee	Non-Executive and Independent Director, Chairman of Nominating and Remuneration Committee and Member of Audit Committee
Professional qualifications	Bachelor of Science (Honours) degree in Computer Science, University of London, UK	National University of Singapore, LLB (Honours) Degree in 1995 Admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996 MBA (Finance), University of Leicester in 2000
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Mr Ching is currently an Independent Non-Executive Director of Genting Plantations Berhad, Chairman of United Overseas Bank (Malaysia) Berhad (redesignated on 16 June 2023), and the Independent Non-Executive Chairman of AIA General Berhad. He is a seasoned management and information technology professional. In 1982, he joined Accenture PLC, a global management consulting, technology services and outsourcing company. From 1997 until his retirement in 2007, he assumed various regional senior management roles in Accenture, including Managing Partner of the Financial Services Industry Group-Asia, Geographic Council Chairman-Asia and Managing Partner for South Asia Region. He was a member of the Accenture Global Executive Committee from 2001 to 2004 and served on several committees/task forces to craft Accenture's global strategy. He was also an Independent Non-Executive Director of AIA Berhad from November 2015 to May 2017 and an Independent Non-Executive Chairman of AIA Berhad from May 2017 to June 2023.	Mr Tan is currently a partner of Shook Lin & Bok LLP, a Singapore law firm and has been with the firm since December 2003. He has been in private practice since 1996, specialising in trust, asset and wealth management, and has been involved in numerous S-REIT IPOs, post-IPO acquisitions, equity fund raising exercises, debt financing and securitisation locally and globally. Mr Tan is currently serving as a Non-Executive Independent Director of UTI International (Singapore) Private Limited, a licensed fund manager dealing in Indian equities and bonds. He previously served as a Non-Executive Independent Director of Yong Xin International Holdings Limited, UBI Capital Singapore Pte Ltd, Ezion Holdings Limited and AP Oil International Limited.
Shareholding interest in the listed issuer and its subsidiaries?	No	No
Shareholding Details	N.A.	N.A.
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	HSBC Bank Malaysia Berhad (resigned 30 October 2015) Petronas Chemicals Group Berhad (August 2010 to April 2019: Independent Non-Executive Director, Chairman of Board Nomination & Remuneration Committee, member of Board Audit Committee) AIA Berhad (November 2015 to May 2017: Independent Non-Executive Director; May 2017 to June 2023: Independent Non-Executive Chairman)	Yong Xin International Holdings Ltd (June 2007 to December 2015) AP Oil International Limited (31 January 2006 to 27 April 2021: Independent Non-Executive Director) Ezion Holdings Limited (March 2007 to February 2022: Independent Non-Executive Director)

	Mr Ching Yew Chye	Mr Tan Woon Hum
Present	Genting Plantations Berhad (Independent Non-Executive Director, member of Board Audit Committee) AIA General Berhad (Independent Non-Executive Chairman) United Overseas Bank (Malaysia) Berhad (Independent Board Chairman)	UTI International (Singapore) Private Limited, Independent Non-Executive Director
Any prior experience as a director of an issuer listed on the Exchange?	Yes YTL Starhill Global REIT Management Limited	Yes YTL Starhill Global REIT Management Limited Ezion Holdings Limited AP Oil International Limited Yong Xin International Holdings Limited

Corporate Governance

	Ms Ho Gek Sim Grace	Ms Yeoh Pei Nee
Date of Appointment	1 August 2023	1 July 2023
Age	53	34
Country of principal residence	Singapore	Singapore
Date of last endorsement of appointment	Not applicable	Not applicable
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Nominating and Remuneration Committee and the Board have approved Ms Ho's appointment as an independent director based on an assessment of her qualification and experience and is satisfied that Ms Ho will be able to contribute to the Company and Starhill Global REIT. Her appointment will enhance the diversity and independent elements of the Board.	The Nominating and Remuneration Committee and the Board have approved Ms Yeoh's appointment as a Non-Executive Alternate Director based on an assessment of her qualification and experience and is satisfied that Ms Yeoh will be able to contribute to the Company and Starhill Global REIT. The appointment will also enhance the age and gender diversity of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Non-Executive Alternate Director to Director Dato' Yeoh Seok Kian
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director, Member of the Audit Committee and Member of the Nominating and Remuneration Committee	Non-Executive Alternate Director to Director Dato' Yeoh Seok Kian on the Board of Directors and on the Nominating and Remuneration Committee
Professional qualifications	BSc (Biochemistry & Microbiology) from The National University of Singapore in 1991 MBA (Finance & Marketing) from The Australian Graduate School of Management, University of New South Wales (Sydney, Australia) in 1996	LLB (Hons) in Law Bar Professional Training Course – Barrister (Gray's Inn)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	Yes Daughter of Non-Executive Director Dato' Yeoh Seok Kian and niece of Chairman Tan Sri (Sir) Francis Yeoh Granddaughter of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, a substantial Unitholder of Starhill Global REIT
Conflict of interest (including any competing business)	No	Please refer to Ms Yeoh's working experience and principal commitments as listed below in entities within the YTL Corporation Berhad group. YTL Corporation Berhad is a substantial unitholder of Starhill Global REIT. Should any conflict arise, Ms Yeoh will abstain from voting on the matter.
Working experience and occupation(s) during the past 10 years	Ms Ho is currently the Chief Executive Officer of Super Grains Pte Ltd and UPGRAIN Foods Pte Ltd. She is also an Advisor at SWAT Mobility Pte Ltd (Global). Prior to these, Ms Ho was a President at SWAT Mobility Pte Ltd (Global), the Chief of Staff (APAC) and Area Vice President (ASEAN) of Commvault Systems (Singapore) Pte Ltd. She was also the Chief Marketing & Communications Officer, and Strategy Leader (Asean) of IBM Global Services Pte Ltd (Asean), the Chief Commercial Officer & Managing Director (Group Sales) of Singapore Post Limited (Global), Head of Marketing & Managing Director of SAP Asia Pte Ltd (Asia Pacific & Japan), Country President (Singapore) & Head of Solutions Sales (Apac & Japan) of Motorola Solutions (Asia Pacific & Japan) and an Advisor at 8VI Holdings Limited.	Ms Yeoh has valuable and relevant experience in the retail division of YTL Corporation Berhad's subsidiaries in Malaysia and has overseen the development of luxury brands within YTL Corporation Berhad group's portfolio, as Executive Director of Niche Retailing Sdn Bhd, a subsidiary of YTL Corporation Berhad. She is also the Vice President of Retail Development at YTL Singapore and Vice President of Leasing at YTL Starhill Global Property Management Pte Ltd, harnessing her experience in the retail sphere to broaden the property scope by developing strategic and tactical leasing plans and introducing new retail concepts to drive optimal value to the malls.
Shareholding interest in the listed issuer and its subsidiaries?	No	No
Shareholding Details	N.A.	N.A.
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	8VI Holdings Limited (November 2020 to August 2022: Advisor) NTUC Income Digital & Technology Committee (January 2020 to December 2022: Advisory member) SWAT Mobility Pte Ltd (November 2019 to March 2022: President) NTUC Link Pte Ltd (April 2019 to December 2019: Advisory Panel) IBM Global Services Pte Ltd (February 2017 to March 2019: Chief Marketing & Communications Officer, and Strategy Leader (ASEAN)) NTUC Link Pte Ltd Board (July 2016 to March 2019: Independent Director)	Nil
Present	Super Grains Pte Ltd and UPGRAIN Foods Pte Ltd (Chief Executive Officer) MTQ Corporation Ltd (Independent Director) SWAT Mobility Pte Ltd (Advisor) National Library Board of Singapore Digital Services and Customer Experience Committee (Advisory member) SQL View (S) Pte Ltd (Independent Director)	Director of Niche Retailing Sdn Bhd Vice President of Retail Development of YTL Singapore Pte Ltd Director of Star Hill Living.Com Sdn Bhd Director of Trendy Retailing Sdn Bhd Director of Syarikat Kemajuan Perumahan Negara Sdn Bhd Alternate Director and Vice President of Leasing of YTL Starhill Global Property Management Pte Ltd
Any prior experience as a director of an issuer listed on the Exchange?	Yes Independent director of MTQ Corporation Ltd since 26 October 2022	No Ms Yeoh will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

	Mr Ching Yew Chye	Mr Tan Woon Hum	Ms Ho Gek Sim Grace	Ms Yeoh Pei Nee
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) Or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes Mr Tan was an Independent Non-Executive Director of Ezion Holdings Limited from 21 March 2007 to 21 February 2022. The Singapore High Court granted the winding up application in relation to Ezion Holdings Limited in HC/CWU 21/2022 for the said company to be placed into liquidation on 18 February 2022.	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-				

Corporate Governance

	Mr Ching Yew Chye	Mr Tan Woon Hum	Ms Ho Gek Sim Grace	Ms Yeoh Pei Nee
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

Financials

FINANCIAL STATEMENTS

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of YTL Starhill Global REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2005, as supplemented by a first supplemental deed dated 20 April 2006, an amended and restated deed dated 8 August 2007, a second amended and restated deed dated 10 December 2007, a second supplemental deed dated 22 April 2010, a third supplemental deed dated 7 June 2010, a fourth supplemental deed dated 17 March 2014, a third amending and restating deed dated 4 August 2016, a fifth supplemental deed dated 27 October 2017, a sixth supplemental deed dated 29 October 2019 and a seventh supplemental deed dated 28 October 2020 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year ended 30 June 2023 covered by these financial statements, set out on pages 131 to 188 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
28 August 2023

Statement by the Manager

In the opinion of the board of directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 131 to 188, comprising the balance sheets and statements of movements in unitholders' funds of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), the statement of total return, distribution statement, investment properties portfolio statement, and cash flow statement of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to give a true and fair view of the financial position of the Group and the Trust as at 30 June 2023, the movements in unitholders' funds of the Group and the Trust, and the total return, distributable income and cash flows of the Group for the year ended 30 June 2023 in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
YTL Starhill Global REIT Management Limited

Ho Sing
Director

Singapore
28 August 2023

Independent Auditors' Report

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

Report on the financial statements

Opinion
We have audited the financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheet and investment properties portfolio statement of the Group and the balance sheet of the Trust as at 30 June 2023, the statement of total return, distribution statement, statement of movements in unitholders' funds, and the cash flow statement of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 131 to 188.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and the statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and financial position of the Trust as at 30 June 2023, and the total return, distributable income and movements in unitholders' funds, and the cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion
We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:
As at 30 June 2023, the Group's investment properties portfolio comprises nine properties which amounted to $2,768 million (2022: $2,893 million) representing 97% (2022: 97%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques which include the capitalisation and discounted cash flow approaches.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation and discount rates i.e. a change in the assumptions may have a significant impact to the valuation.

Our response:
We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We also assessed the competency, capability and objectivity of these valuers.

We obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties. We considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the external valuers and challenged the key assumptions applied, including capitalisation and discount rates, by comparing them to market comparables, historical data and available industry data.

We have also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and the fair values.

Our findings:
The Group has a formalised process for appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers. The Group has also assessed the valuers' independence in carrying out their work.

The valuation methodologies used are comparable to methods used in the prior year and those used for similar property types, and the key assumptions applied are within the reasonable range of available market data as at the date of valuation. The disclosures in the financial statements relating to the assumptions included by the external valuers in their valuation reports are appropriate.

Other information
YTL Starhill Global REIT Management Limited, the Manager of the Trust ("the Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements
The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tan Chun Wei (Chen Junwei).

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 August 2023

Balance Sheets

As at 30 June 2023

	Note	Group		Trust	
		2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current assets					
Investment properties	4	**2,767,811**	2,893,294	**1,958,705**	1,969,955
Plant and equipment	5	**3**	14	**2**	13
Interests in subsidiaries	6	**–**	–	**617,056**	667,224
Derivative financial instruments	7	**20,026**	15,163	**20,026**	14,426
		2,787,840	2,908,471	**2,595,789**	2,651,618
Current assets					
Derivative financial instruments	7	**350**	436	**79**	391
Trade and other receivables	8	**3,799**	2,855	**1,087**	2,865
Cash and cash equivalents	9	**68,302**	85,663	**20,673**	33,820
		72,451	88,954	**21,839**	37,076
Total assets		**2,860,291**	2,997,425	**2,617,628**	2,688,694
Non-current liabilities					
Trade and other payables	10	**21,714**	21,413	**18,694**	17,382
Derivative financial instruments	7	**131**	–	**131**	–
Deferred tax liabilities	11	**6,115**	6,844	**–**	–
Borrowings	12	**1,041,975**	955,962	**885,428**	784,932
Lease liabilities	13	**275**	580	**218**	500
		1,070,210	984,799	**904,471**	802,814
Current liabilities					
Trade and other payables	10	**37,362**	38,894	**26,578**	26,522
Derivative financial instruments	7	**17**	213	**17**	199
Income tax payable		**297**	1,163	**–**	–
Borrowings	12	**2,990**	124,974	**2,990**	124,974
Lease liabilities	13	**290**	355	**287**	355
		40,956	165,599	**29,872**	152,050
Total liabilities		**1,111,166**	1,150,398	**934,343**	954,864
Net assets		**1,749,125**	1,847,027	**1,683,285**	1,733,830
Represented by:					
Unitholders' funds	14	**1,649,506**	1,747,408	**1,583,666**	1,634,211
Perpetual securities holders' funds	15	**99,619**	99,619	**99,619**	99,619
Units in issue ('000)	16	**2,254,288**	2,239,028	**2,254,288**	2,239,028
Net asset value per unit ($) based on:					
– Units issued and issuable at the end of the year		**0.73**	0.78	**0.70**	0.73

The accompanying notes form an integral part of these financial statements.

Statement of Total Return

Year ended 30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000
Gross revenue	17	**187,772**	186,434
Property operating expenses	18	**(39,933)**	(41,724)
Net property income		**147,839**	144,710
Interest income from fixed deposits and bank balances		**1,707**	387
Management fees	19	**(14,816)**	(15,288)
Performance fees	19	**–**	–
Trust expenses	20	**(3,790)**	(3,920)
Finance expenses	21	**(39,501)**	(37,849)
		91,439	88,040
Change in fair value of derivative instruments		**6,344**	19,953
Foreign exchange loss		**(1,291)**	(2,358)
Change in fair value of investment properties	4	**(65,511)**	(49,587)
Gain on divestment of investment property[1]		**4,812**	–
Total return for the year before tax and distribution		**35,793**	56,048
Income tax	22	**(3,770)**	(2,251)
Total return for the year after tax, before distribution		**32,023**	53,797
Less: Amount reserved for distribution to perpetual securities holders		**(3,850)**	(3,850)
Non-tax deductible items and other adjustments		**60,772**	39,832
Income available for distribution		**88,945**	89,779
Earnings per unit (cents)			
Basic	23	**1.25**	2.24
Diluted	23	**1.25**	2.24

Note:
(1) Represent the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Daikanyama divested in January 2023.

The accompanying notes form an integral part of these financial statements.

Distribution Statement

Year ended 30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000
Income available for distribution at the beginning of the year		**94,723**	90,587
Total return after tax, before distribution		**32,023**	53,797
Less: Amount reserved for distribution to perpetual securities holders		**(3,850)**	(3,850)
Net tax and other adjustments (Note A below)		**60,772**	39,832
Income available for distribution		**183,668**	180,366
Distributions during the year:			
Unitholders			
Distribution of 2.02 cents (2021: 2.07 cents) per unit for the period 1 January to 30 June 2022		**(45,257)**	(45,903)
Distribution of 1.82 cents (2021: 1.78 cents) per unit for the period 1 July to 31 December 2022		**(40,940)**	(39,740)
		(86,197)	(85,643)
Income available for distribution at the end of the year		**97,471**	94,723
Number of units issued and issuable ('000)	16	**2,255,842**	2,240,431
Distribution per unit for the year (cents)		**3.80**	3.80

Note A – Net tax and other adjustments

Non-tax deductible/(chargeable) items and other adjustments:		
– Management fees paid/payable in units	**3,196**	5,664
– Finance costs	**725**	831
– Sinking fund contribution	**1,598**	1,549
– Depreciation	**10**	14
– Change in fair value of derivative instruments	**(6,344)**	(19,621)
– Change in fair value of investment properties	**65,511**	49,587
– Deferred tax	**(32)**	63
– Foreign exchange loss	**1,907**	2,484
– Other items[1]	**(5,799)**	(739)
Net tax and other adjustments	**60,772**	39,832

Note:

[1] Include the reversal of gain on divestment of Daikanyama in January 2023.

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds

Year ended 30 June 2023

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unitholders' funds at the beginning of the year	**1,747,408**	1,790,478	**1,634,211**	1,645,798
Operations				
Change in unitholders' funds resulting from operations, before distributions	**32,023**	53,797	**32,837**	60,835
Amount reserved for distribution to perpetual securities holders	**(3,850)**	(3,850)	**(3,850)**	(3,850)
Increase in unitholders' funds resulting from operations	**28,173**	49,947	**28,987**	56,985
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	**(41,164)**	(13,096)	**–**	–
Transfer of translation differences from total return arising from hedge accounting[(1)]	**9,014**	12,550	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(14,393)**	(23,899)	**–**	–
Net loss recognised directly in unitholders' funds	**(46,543)**	(24,445)	**–**	–
Hedging reserve				
Changes in fair value of cash flow hedges[(2)]	**(1,910)**	3,128	**(1,910)**	3,128
Unitholders' transactions				
Management fees paid in units	**2,407**	4,850	**2,407**	4,850
Management fees payable in units	**789**	814	**789**	814
Distribution reinvestment plan[(3)]	**5,379**	8,279	**5,379**	8,279
Distributions to unitholders	**(86,197)**	(85,643)	**(86,197)**	(85,643)
Decrease in unitholders' funds resulting from unitholders' transactions	**(77,622)**	(71,700)	**(77,622)**	(71,700)
Unitholders' funds at the end of the year	**1,649,506**	1,747,408	**1,583,666**	1,634,211
Perpetual securities holders' funds				
Balance at the beginning of the year	**99,619**	99,619	**99,619**	99,619
Total return attributable to perpetual securities holders	**3,850**	3,850	**3,850**	3,850
Distribution to perpetual securities holders	**(3,850)**	(3,850)	**(3,850)**	(3,850)
Balance at the end of the year	**99,619**	99,619	**99,619**	99,619

Notes:

(1) The Group designated its JPY and AUD loans as net investment hedges for part of its Japan and Australia operations. Correspondingly, the foreign currency differences on the JPY and AUD loans were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan and Australia operations.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group and the Trust.

(3) Represent 9,348,290 units (2022: 13,808,677 units issued in September 2021 and March 2022) issued in September 2022 and March 2023 as part payment of distribution for 1 January to 30 June 2022 and 1 July to 31 December 2022 (2022: 1 January to 30 June 2021 and 1 July to 31 December 2021) through distribution reinvestment plan.

The accompanying notes form an integral part of these financial statements.

Investment Properties Portfolio Statement

As at 30 June 2023

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate[12]	At valuation		Percentage of unitholders' funds	
						2023 %	2023 $'000	2022 $'000	2023 %	2022 %
Group										
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	49 years	391/391B Orchard Road, Singapore 238874	Retail/ Office	**98.5/99.0**	**1,130,400[5]**	1,131,500	**68.5**	64.8
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	38 years	435 Orchard Road, Singapore 238877	Retail/ Office	**95.8/100.0**	**827,800[5]**	837,600	**50.2**	47.9
Myer Centre Adelaide[1]	Freehold	–	–	14-38 Rundle Mall, Adelaide, Australia	Retail/ Office	**91.7/93.4**	**202,095[6]**	239,262	**12.3**	13.7
David Jones Building[1]	Freehold	–	–	622-648 Hay Street Mall, Perth, Australia	Retail	**98.3**	**115,868[7]**	136,858	**7.0**	7.8
Plaza Arcade[1]	Freehold	–	–	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	**81.7**	**39,521[7]**	46,417	**2.4**	2.7
The Starhill[2]	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/ Hotel[11]	**100.0**	**259,818[8]**	278,044	**15.8**	15.9
Lot 10 Property[2]	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	53 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/ Office	**100.0**	**131,216[8]**	142,651	**8.0**	8.2
Ebisu Fort[3]	Freehold	–	–	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**34,935[9]**	36,953	**2.1**	2.1
Daikanyama[3]	Freehold	–	–	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	NA	**NA**	**–**	13,781	**–**	0.8
China Property[4]	Leasehold	Leasehold estate expiring on 27 December 2035	12 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	**100.0**	**25,593[10]**	29,293	**1.5**	1.6
Investment properties – fair value							**2,767,246**	2,892,359	**167.8**	165.5
Investment properties – right-of-use assets							**565**	935	**0.1**	0.1
Total investment properties							**2,767,811**	2,893,294	**167.9**	165.6
Other assets and liabilities (net)							**(1,018,686)**	(1,046,267)	**(61.8)**	(59.9)
Net assets							**1,749,125**	1,847,027	**106.1**	105.7
Perpetual securities holders' funds							**(99,619)**	(99,619)	**(6.1)**	(5.7)
Unitholders' funds							**1,649,506**	1,747,408	**100.0**	100.0

Notes:

(1) David Jones Building, Plaza Arcade and Myer Centre Adelaide (the "Australia Properties") were acquired on 20 January 2010, 1 March 2013 and 18 May 2015 respectively.
(2) The Starhill and Lot 10 Property (the "Malaysia Properties") were acquired on 28 June 2010.
(3) The Japan portfolio comprise one property (2022: two) as at 30 June 2023. Daikanyama was divested on 31 January 2023. Ebisu Fort was acquired on 30 May 2007.
(4) China Property was acquired on 28 August 2007.
(5) The valuation of the Trust's Ngee Ann City Property (27.23% strata title interest in total share value of Ngee Ann City) and Wisma Atria Property (74.23% strata title interest in total share value of Wisma Atria) were based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2023.
(6) Based on the valuation performed by Jones Lang LaSalle Advisory Services Pty Ltd as at 30 June 2023 and translated at the exchange rate of A$1.11 : $1.00 (2022: A$1.04 : $1.00).
(7) Based on the valuation performed by CIVAS (WA) Pty Limited as at 30 June 2023 and translated at the exchange rate of A$1.11 : $1.00 (2022: A$1.04 : $1.00).
(8) Based on the valuation performed by IVPS Property Consultant Sdn Bhd as at 30 June 2023 and translated at the exchange rate of RM3.44 : $1.00 (2022: RM3.17 : $1.00).
(9) Based on the valuation performed by CBRE K.K. as at 30 June 2023 and translated at the exchange rate of JPY106.77 : $1.00 (2022: JPY97.96 : $1.00).
(10) Based on the valuation performed by Cushman & Wakefield Limited as at 30 June 2023 and translated at the exchange rate of RMB5.35 : $1.00 (2022: RMB4.81 : $1.00).
(11) The Starhill has completed asset enhancement works in December 2021 to convert it into an integrated development comprising retail and hotel elements.
(12) Based on commenced leases as at 30 June 2023.

The Manager believes that the above independent valuers have appropriate professional qualifications and experience in the location and category of the Group's investment properties being valued. Full valuations of the above properties were performed as at year-end.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

Year ended 30 June 2023

	Group	
	2023 $'000	2022 $'000
Cash flows from operating activities		
Total return for the year before tax and distribution	**35,793**	56,048
Adjustments for:		
Finance income	**(1,707)**	(387)
Depreciation	**10**	22
Management fees paid/payable in units	**3,196**	5,664
Finance expenses	**39,501**	37,849
Change in fair value of derivative instruments	**(6,344)**	(19,953)
Gain on divestment of investment property	**(4,812)**	–
Foreign exchange loss	**1,291**	2,358
Change in fair value of investment properties	**65,511**	49,587
Operating income before working capital changes	**132,439**	131,188
Trade and other receivables	**(2,678)**	(1,335)
Trade and other payables	**(551)**	(2,422)
Income tax paid	**(5,668)**	(3,146)
Net cash from operating activities	**123,542**	124,285
Cash flows from investing activities		
Net proceeds on divestment of investment property[1]	**18,442**	–
Capital expenditure on investment properties	**(17,830)**	(20,073)
Purchase of plant and equipment	**–**	(6)
Interest received on deposits	**1,673**	372
Net cash from/(used in) investing activities	**2,285**	(19,707)
Cash flows from financing activities		
Borrowing costs paid	**(38,121)**	(36,533)
Proceeds from borrowings	**232,587**	235,000
Repayment of borrowings	**(247,384)**	(240,000)
Payment of lease liabilities	**(392)**	(412)
Distributions paid to unitholders	**(80,818)**	(77,364)
Distributions paid to perpetual securities holders	**(3,850)**	(3,850)
Net cash used in financing activities	**(137,978)**	(123,159)
Net decrease in cash and cash equivalents	**(12,151)**	(18,581)
Cash and cash equivalents at the beginning of the year	**85,663**	108,323
Effects of exchange rate differences on cash	**(5,210)**	(4,079)
Cash and cash equivalents at the end of the year	**68,302**	85,663

Note:

[1] Net cash inflows on divestment of Daikanyama representing the sale proceeds of approximately $18.9 million, net of directly attributable costs during the year ended 30 June 2023.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 28 August 2023.

1. GENERAL

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Starhill Global REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

The Trust has entered into several significant service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property management fees and leasing commission

YTL Starhill Global Property Management Pte. Ltd. (the "Property Manager") is entitled to receive a fee of 3.0% per annum of gross revenue of the Wisma Atria Property and Ngee Ann City Property ("Singapore Properties") (excluding GST) for the provision of property management, lease management as well as marketing and marketing co-ordination services. The Property Manager's fee is to be paid on a monthly basis in arrears.

The Property Manager is also entitled to receive leasing commission at the rates set out below when it secures a tenant or a tenancy renewal:

(i) one month's base rental for securing a tenancy of three years or more;

(ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;

(iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;

(iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;

(v) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and

(vi) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.

Property management fees also include fees payable mainly to third party property managers of the Australia Properties and Japan portfolio.

Notes to the Financial Statements

(b) Management fees

Management fees include fees payable to the Manager, third party asset manager of the Japan portfolio, as well as servicer of the Malaysia Properties.

Under the Trust Deed, the Manager is entitled to receive a base fee and a performance fee as follows:

Base fee

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders.

The Value of Trust Property means:

(i) the value of all authorised investments of the Group other than real estate related assets;

(ii) the value of real estate related assets of any entity held by the Group if such holding is less than 30.0% of the equity of such entity; and

(iii) where the Group invests in 30.0% or more of a real estate related asset of any entity, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, the Group's proportionate interest in the value of the underlying real estate of the entity issuing the equity which comprises the real estate related asset.

The Manager may opt to receive the Base Fee in respect of its properties in cash or units or a combination of cash and units (as it may determine).

The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

Performance fee

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units (expressed as the "Trust Index") in any financial year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index.

The Performance Fee is calculated in two tiers as follows:

- a Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust; and

- a Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index shall be referred to as outperformance.

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears. If a trigger event occurs in any financial year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether structured in cash or in the form of units) to which it might otherwise have been entitled for that financial year in cash, which shall be calculated, as if the end of the financial year was the date of occurrence of the trigger event, in accordance with Clause 15.1.4 of the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

The management fees (Base Fee and Performance Fee, including any accrued Performance Fee which has been carried forward from previous financial years but excluding any acquisition fee or divestment fee) to be paid to the Manager in respect of a financial year, whether in cash or in units or a combination of cash and units, is capped at an amount equivalent to 0.8% per annum of the Value of the Trust Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future financial years. If, at the end of a financial year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that financial year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the benchmark index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

(c) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of 1.0% of the value of the real estate acquired. For any acquisition made by the Group in Singapore, any payment to third party agents or brokers in connection with the acquisition shall be borne by the Manager, and not additionally out of the Group. For any acquisition made by the Group outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.

The Manager is entitled to receive a divestment fee of 0.5% of the value of the real estate divested. For any divestment made by the Group in Singapore, any payment to third party agents or brokers in connection with the divestment shall be borne by the Manager, and not additionally out of the Group. For any divestment made outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge a divestment fee of 0.5% of the sale price.

(d) Development management fee

Under the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs (excluding GST) incurred in development projects undertaken and managed by the Manager on behalf of the Group ("Development Management Fee").

In addition, when the estimated total project costs are greater than $200 million, the Trustee and the independent directors of the Manager (the "Independent Directors"), will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

Notes to the Financial Statements

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

The Development Management Fee shall be payable in the form of cash and/or units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project costs is finalised.

(e) Trustee's fee

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders. The Trustee's fee is payable out of the deposited property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is less than 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 4 – valuation of investment properties.

2.5 Adoption of new/revised FRS

The Group has adopted the new standards and amendments which became effective for financial year beginning on 1 July 2022, including the following:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The adoption of these new standards and amendments do not have a significant effect on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group and the Trust to all periods in these financial statements and have been applied consistently by Group entities, except as explained in Note 2.5.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss in the statement of total return.

Notes to the Financial Statements

Subsidiaries

Subsidiaries are entities controlled by the Group and include entities that are created to accomplish a narrow and well defined objective such as the execution of a specific transaction where the substance of the relationship is that the Group controls the entity. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Interests in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transactions. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss in the statement of total return except for the differences arising on the translation of a financial liability designated as a hedge of the net investment in foreign operation (see below).

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to profit or loss in the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in profit or loss in the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

Hedge of a net investment in foreign operation

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss in the statement of total return as part of the gain or loss on disposal.

3.3 Plant and equipment

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment, and is recognised in profit or loss in the statement of total return.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss in the statement of total return as incurred.

Depreciation

Depreciation of plant and equipment is recognised in profit or loss in the statement of total return on a straight-line basis over their estimated useful lives of two to five years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition, and subsequently at fair value with any changes therein recognised in profit or loss in the statement of total return. Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code ("Property Fund Appendix") issued by MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Notes to the Financial Statements

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

3.5 Intangible asset

Goodwill

Goodwill and bargain purchase may arise upon the acquisition of subsidiaries.

Goodwill represent the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss in the statement of total return.

Goodwill arising on the acquisition of subsidiaries (if any) is presented in intangible asset. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment.

3.6 Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets into the following measurement category: amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

A financial asset at amortised cost, which is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Non-derivative financial liabilities

Financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise borrowings, trade and other payables, and lease liabilities.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss in the statement of total return.

Certain derivatives and non-derivative financial instruments can be designated as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, documentation of the risk management objective and strategy for undertaking the hedge is required, including the economic relationship between the hedged item and the hedging instrument, and whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Notes to the Financial Statements

Cash flow hedges

The Group designates certain interest rate derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve within equity. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss in the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the statement of total return during the same period.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss in the statement of total return.

3.7 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Group are deducted directly against unitholders' funds.

3.8 Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the perpetual securities are classified as equity.

Any distributions made are directly debited from equity. Expenses directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset under its investment properties, and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein recognised in profit or loss in the statement of total return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Notes to the Financial Statements

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Simplified approach

The Group applies the simplified approach to provide loss allowances for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when a tenant or a counterparty is unable to settle its financial and contractual obligations to the Group in full, as and when they fall due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the tenant or counterparty;
- a breach of contract such as a default by the tenant or counterparty; or
- it is probable that the tenant or counterparty will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Notes to the Financial Statements

3.11 Employee benefits

Short-term employee benefit obligations, including contributions to defined contribution pension plans, if any, are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss in the statement of total return.

A liability is recognised for the amount expected to be paid under short-term cash bonus where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised in profit or loss in the statement of total return on the date that the Trust's right to receive payment is established.

3.13 Finance income and finance expenses

Finance income comprises mainly interest income on funds invested. Interest income is recognised in profit or loss in the statement of total return, using the effective interest method.

Finance expenses comprises mainly interest expense on borrowings and lease liabilities, and amortisation of loan acquisition expenses. All borrowing costs are recognised in profit or loss in the statement of total return using the effective interest method.

3.14 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Property operating expenses comprise mainly property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, marketing expenses, administrative expenses, impairment loss on trade receivables as well as property management fees and leasing commission which are based on the applicable formula stipulated in Note 1(a).

Management fees

Management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is described in Note 1(e).

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss in the statement of total return except to the extent that it relates to a business combination, or items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred as well as current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling dated 20 May 2005 ("Tax Ruling") on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to unitholders that are made out of the taxable income of the Trust. However, where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual unitholders or foreign funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for such distributions.

A qualifying unitholder is a unitholder who is:

(i) a Singapore-incorporated company which is a tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; or

(v) a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

Notes to the Financial Statements

A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

A foreign fund is one who is a non-resident fund that qualifies for tax exemption under the Income Tax Act for income tax purposes and:

(i) who does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units are not obtained from that operation.

The Trust is exempt from Singapore income tax under Section 13(12) of the Income Tax Act on the following income:

(i) dividends;

(ii) interest on shareholder's loans; and

(iii) foreign-sourced trust distribution

payable by its subsidiaries out of underlying rental income derived from the overseas investment properties. This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The Trust's distribution policy is to distribute at least 90% of its annual taxable income to its unitholders or any other minimum level as allowed under the tax ruling issued by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

For any remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as retained taxable income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

The above Tax Ruling does not apply to gains from sale of real properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. INVESTMENT PROPERTIES

	Group $'000	Trust $'000
At 1 July 2021	2,964,648	2,008,704
Additions, straight-line rental and other adjustments	22,216	7,062
Change in fair value of investment properties	(49,587)	(45,811)
Translation differences	(43,983)	–
At 30 June 2022	2,893,294	1,969,955
At 1 July 2022	2,893,294	1,969,955
Additions, straight-line rental and other adjustments	19,624	10,238
Divestment	(13,630)	–
Change in fair value of investment properties(1)	(65,511)	(21,488)
Translation differences	(65,966)	–
At 30 June 2023	**2,767,811**	**1,958,705**

(1) Represent fair value adjustments on the investment properties including right-of-use assets as at 30 June 2023, following the property revaluation exercise in June 2023.

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and experience in the location and category of property being valued. The Group has a framework with respect to the measurement of fair values of its investment properties, which is regularly reviewed by the Manager.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. Due to the unknown future impact that the rising interest rate environment might have on the real estate market, the valuation of the Group's investment properties might change more significantly than during standard market conditions.

The valuers have used valuation techniques which include the capitalisation and discounted cash flow approaches, in arriving at the fair value at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

As at 30 June 2023, investment properties with a carrying value of approximately $391.0 million (2022: $557.6 million) are mortgaged to secure credit facilities for the Group.

Fair value hierarchy

The Group's and the Trust's investment properties of approximately $2,767.2 million (2022: $2,892.4 million) and $1,958.2 million (2022: $1,969.1 million) respectively (excluding the carrying amount of lease liabilities of approximately $0.6 million and $0.5 million respectively) as at 30 June 2023 are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy.

Notes to the Financial Statements

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2023:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.40% to 7.00% (2022: from 3.60% to 7.00%) • Discount rates from 3.20% to 7.50% (2022: from 3.40% to 8.25%)	The estimated fair value would increase if capitalisation rates and discount rates decrease.

Key unobservable inputs correspond to:

- Capitalisation rates largely derived from comparable transactions.
- Discount rates, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

5. PLANT AND EQUIPMENT

	Group	Trust
	$'000	$'000
Cost:		
At 1 July 2021	928	828
Addition	6	6
At 30 June 2022	934	834
Translation differences	(10)	–
At 30 June 2023	**924**	**834**
Accumulated depreciation:		
At 1 July 2021	(899)	(807)
Depreciation charge	(22)	(14)
Translation differences	1	–
At 30 June 2022	(920)	(821)
Depreciation charge	(10)	(10)
Translation and other differences	9	(1)
At 30 June 2023	**(921)**	**(832)**
Carrying amount:		
At 1 July 2021	29	21
At 30 June 2022	14	13
At 30 June 2023	**3**	**2**

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2023 $'000	2022 $'000
Equity investments at cost	**620,563**	578,078
Less: allowance for impairment loss	**(135,400)**	(102,400)
	485,163	475,678
Loans to subsidiaries	**189,706**	249,359
Less: allowance for impairment loss	**(57,813)**	(57,813)
	131,893	191,546
	617,056	667,224

Loans to subsidiaries are unsecured and include an interest-free portion of approximately $8.3 million (2022: $8.5 million). Loans to subsidiaries are measured at amortised cost, where the carrying amounts approximate their fair values and the settlement of these amounts is neither planned nor likely to occur in the foreseeable future.

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the carrying amount of the Trust's interests in subsidiaries. The recoverable amount was estimated based on the fair value of the subsidiaries' net assets as at the reporting date, which is classified in Level 3 of the fair value hierarchy. The impairment on the net carrying amount of the loans to subsidiaries has been measured on the 12-month expected credit loss basis.

The movement in the allowance for impairment loss in respect of interests in the subsidiaries was as follows:

	Trust	
	2023 $'000	2022 $'000
At 1 July	**(160,213)**	(201,400)
Impairment loss (recognised)/reversed	**(33,000)**	32,000
Utilised	**–**	9,187
At 30 June	**(193,213)**	(160,213)

Notes to the Financial Statements

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest 2023 %	Effective interest 2022 %
Starhill Global REIT Japan SPC One Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT Japan SPC Two Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT MTN Pte Ltd[1]	Singapore	**100**	100
SG REIT (M) Pte Ltd[1]	Singapore	**100**	100
SG REIT (WA) Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT One TMK[2]	Japan	**100**	100
Starhill Global ML K.K.[3]	Japan	**100**	100
Top Sure Investment Limited[2]	Hong Kong	**100**	100
Chengdu Xin Hong Management Co., Ltd[2]	China	**100**	100
SG REIT (WA) Trust[4]	Australia	**100**	100
SG REIT (WA) Sub-Trust1[4]	Australia	**100**	100
SG REIT (SA) Sub-Trust2[4]	Australia	**100**	100
Ara Bintang Berhad[4]	Malaysia	**100**	100

(1) Audited by KPMG LLP
(2) Audited by other auditors
(3) Not required to be audited by the laws of the country of incorporation
(4) Audited by other member firms of KPMG International

7. DERIVATIVE FINANCIAL INSTRUMENTS

	2023 Contract notional amount $'000	2023 Fair value $'000	2022 Contract notional amount $'000	2022 Fair value $'000
Group				
Non-current assets				
Interest rate swaps	**387,900**	**20,026**	323,600	15,163
Current assets				
Interest rate swaps	**56,600**	**102**	–	–
Foreign exchange forwards	**8,700**	**248**	10,400	436
	65,300	**350**	10,400	436
	453,200	**20,376**	334,000	15,599
Non-current liabilities				
Interest rate swaps	**25,000**	**131**	–	–
Current liabilities				
Interest rate swaps	**–**	**–**	200,000	199
Foreign exchange forwards	**4,800**	**17**	1,900	14
	4,800	**17**	201,900	213
	29,800	**148**	201,900	213

	2023		2022	
	Contract notional amount $'000	Fair value $'000	Contract notional amount $'000	Fair value $'000
Trust				
Non-current assets				
Interest rate swaps	**387,900**	**20,026**	263,300	14,426
Current assets				
Foreign exchange forwards	**4,000**	**79**	8,400	391
	391,900	**20,105**	271,700	14,817
Non-current liabilities				
Interest rate swaps	**25,000**	**131**	–	–
Current liabilities				
Interest rate swaps	**–**	**–**	200,000	199
Foreign exchange forwards	**4,800**	**17**	–	–
	4,800	**17**	200,000	199
	29,800	**148**	200,000	199

The Group has entered into various derivative transactions under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the balance sheet as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. Upon the occurrence of a termination event resulting in the set-off of related derivatives in the balance sheet as at 30 June 2023, the impact would be approximately $0.1 million (2022: $0.1 million) decrease in both derivative assets and liabilities of the Group and the Trust.

The Group's derivative financial assets and liabilities are not subject to an election for netting of payments under the enforceable master netting arrangements. The Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The net fair value of the derivative financial instruments represent 1.23% (2022: 0.88%) and 1.26% (2022: 0.89%) of the Group's and the Trust's unitholders' funds as at 30 June 2023. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 12.

Notes to the Financial Statements

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current				
Trade receivables	**596**	690	**–**	575
Deposits	**97**	119	**97**	119
Other receivables[(1)]	**2,363**	1,343	**670**	1,854
	3,056	2,152	**767**	2,548
Prepayments	**743**	703	**320**	317
	3,799	2,855	**1,087**	2,865

(1) Include notes receivable of approximately $0.8 million relating to bank acceptance drafts for settlement of outstanding rental arrears of China Property as at 30 June 2023.

Concentration of credit risk relating to trade receivables is limited due to the Group's and the Trust's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's and the Trust's investment properties, where applicable. As at 30 June 2023, the Group and the Trust have security deposits of approximately $26.4 million (2022: $26.8 million) and $23.3 million (2022: $23.1 million) respectively.

There is no impairment loss arising from the Group's and the Trust's deposits and other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are interest income receivable from its subsidiaries of approximately $0.1 million (2022: $1.2 million) as at 30 June 2023.

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was:

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Singapore	**689**	1,328	**767**	2,548
Australia	**869**	353	**–**	–
Malaysia	**602**	340	**–**	–
Others	**896**	131	**–**	–
	3,056	2,152	**767**	2,548

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross	Impairment losses	Gross	Impairment losses
	2023 $'000	2023 $'000	2022 $'000	2022 $'000
Group				
Not past due	**595**	**(165)**	686	(304)
Past due 0 – 30 days	**137**	**(29)**	244	(64)
Past due 31 – 120 days	**167**	**(109)**	275	(193)
More than 120 days	**16**	**(16)**	470	(424)
	915	**(319)**	1,675	(985)
Trust				
Not past due	**147**	**(147)**	266	–
Past due 0 – 30 days	**28**	**(28)**	180	–
Past due 31 – 120 days	**10**	**(10)**	82	–
More than 120 days	**–**	**–**	374	(327)
	185	**(185)**	902	(327)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 July	**(985)**	(1,994)	**(327)**	(845)
Impairment loss (recognised)/reversed	**(128)**	349	**(256)**	488
Utilised	**750**	602	**398**	30
Translation differences	**44**	58	**–**	–
At 30 June	**(319)**	(985)	**(185)**	(327)

The Group's and the Trust's historical experience in the collection of trade receivables falls largely within the recorded allowances. Due to these factors and evaluations performed, the Manager believes that, apart from the above, no additional significant credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as at 30 June 2023. These trade receivables are covered by security deposits, bank/corporate guarantees and allowance for impairment.

Notes to the Financial Statements

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash at bank and in hand	**39,304**	57,751	**11,665**	28,820
Fixed deposits with financial institutions	**28,998**	27,912	**9,008**	5,000
	68,302	85,663	**20,673**	33,820

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current				
Security deposits(1)	**20,173**	19,849	**17,895**	16,713
Deferred income	**1,541**	1,564	**799**	669
	21,714	21,413	**18,694**	17,382
Current				
Trade payables	**2,630**	5,587	**1,639**	2,083
Accrued expenses	**8,512**	9,518	**3,630**	4,303
Amounts due to:				
– the Manager(2)	**1,933**	1,918	**1,933**	1,918
– the Property Manager(2)	**720**	548	**720**	548
– the Trustee(2)	**74**	77	**74**	77
Interest payable	**3,926**	2,970	**3,721**	2,745
Security deposits(1)	**6,217**	6,970	**5,452**	6,394
Deferred income	**407**	287	**337**	184
Others(3)	**12,943**	11,019	**9,072**	8,270
	37,362	38,894	**26,578**	26,522
	59,076	60,307	**45,272**	43,904

(1) Represent cash deposits received from tenants to secure leases of the Group's and the Trust's investment properties.
(2) The amounts due to the Manager, Property Manager and Trustee are mainly trade in nature, unsecured and interest free.
(3) Comprise mainly (i) rental receipts collected in advance; (ii) provision for rental rebates; and (iii) other taxes payable to the various tax authorities.

The Group's and the Trust's exposure to liquidity and currency risks related to trade and other payables are disclosed in Notes 12 and 25.

11. DEFERRED TAX LIABILITIES

	Group	
	2023 $'000	2022 $'000
Deferred tax liabilities[1]	**6,115**	6,844

(1) Relate to the China Property and has been estimated on the basis of an asset sale at the current book value.

Movement in deferred tax liabilities of the Group (prior to offsetting of balances) during the year was as follows:

	At 1 July	Recognised in statement of total return (Note 22)	Translation differences	At 30 June
	$'000	$'000	$'000	$'000
Group				
2023				
Deferred tax liabilities				
Investment properties	**6,844**	**(32)**	**(697)**	**6,115**
2022				
Deferred tax liabilities				
Investment properties	6,795	63	(14)	6,844

12. BORROWINGS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current				
Secured borrowings	**95,799**	164,442	**–**	–
Unsecured borrowings	**949,709**	795,396	**888,552**	788,475
Unamortised loan acquisition expenses	**(3,533)**	(3,876)	**(3,124)**	(3,543)
	1,041,975	955,962	**885,428**	784,932
Current				
Unsecured borrowings	**3,000**	125,000	**3,000**	125,000
Unamortised loan acquisition expenses	**(10)**	(26)	**(10)**	(26)
	2,990	124,974	**2,990**	124,974
Total borrowings (net of borrowing costs)	**1,044,965**	1,080,936	**888,418**	909,906

The contractual terms of the Group's and the Trust's borrowings, which are measured at amortised cost are disclosed below. The Group's and the Trust's exposure to interest rate, currency and liquidity risks, is disclosed in Note 25.

Notes to the Financial Statements

Reconciliation of liabilities arising from financing activities

	Borrowings	Interest payable	Lease liabilities	Net derivative financial (assets)/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 July 2022	1,080,936	2,970	935	(15,386)	1,069,455
Changes from financing cash flows					
Borrowing costs (paid)/received	(870)	(41,678)	–	4,427	(38,121)
Proceeds from borrowings	232,587	–	–	–	232,587
Repayment of borrowings	(247,384)	–	–	–	(247,384)
Payment of lease liabilities	–	–	(392)	–	(392)
Total changes from financing cash flows	(15,667)	(41,678)	(392)	4,427	(53,310)
Other changes					
Effects of exchange rate differences	(21,514)	–	–	41	(21,473)
Change in fair value of derivative instruments	–	–	–	(4,434)	(4,434)
Amortisation of loan acquisition expenses	1,210	–	–	–	1,210
Finance expenses	–	42,634	24	(4,876)	37,782
Others	–	–	(2)	–	(2)
Total other changes	(20,304)	42,634	22	(9,269)	13,083
Balance at 30 June 2023	**1,044,965**	**3,926**	**565**	**(20,228)**	**1,029,228**
At 1 July 2021	1,105,353	1,902	798	8,419	1,116,472
Changes from financing cash flows					
Borrowing costs paid	(980)	(27,548)	–	(8,005)	(36,533)
Proceeds from borrowings	235,000	–	–	–	235,000
Repayment of borrowings	(240,000)	–	–	–	(240,000)
Payment of lease liabilities	–	–	(412)	–	(412)
Total changes from financing cash flows	(5,980)	(27,548)	(412)	(8,005)	(41,945)
Other changes					
Effects of exchange rate differences	(19,889)	–	–	(67)	(19,956)
Change in fair value of derivative instruments	–	–	–	(23,081)	(23,081)
Amortisation of loan acquisition expenses	1,452	–	–	–	1,452
Finance expenses	–	28,616	38	7,348	36,002
Others	–	–	511	–	511
Total other changes	(18,437)	28,616	549	(15,800)	(5,072)
Balance at 30 June 2022	1,080,936	2,970	935	(15,386)	1,069,455

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

	Currency	Nominal interest rate per annum	Year of maturity	Carrying amount
		%		$'000
2023				
Group				
JPY term loan facility[1]	JPY	0.73	2024	**18,732**
SGD term loan facilities[1]	SGD	2.99 – 5.17	2026, 2027 & 2028	**485,000**
SGD revolving credit facilities[1] [2]	SGD	2.76 – 4.98	2023, 2024, 2025, 2026 & 2028	**3,000**
A$ term loan facilities[1]	A$	2.82 – 6.26	2026 & 2028	**146,406**
Singapore MTNs[3]	SGD	2.23 – 3.15	2025, 2026 & 2028	**295,000**
Japan bond[4]	JPY	0.60 – 0.62	2025	**4,571**
Malaysia MTN[6]	RM	5.50	2024	**95,799**
				1,048,508
Trust				
JPY term loan facility[1]	JPY	0.73	2024	**18,732**
SGD term loan facilities[1]	SGD	2.99 – 5.17	2026, 2027 & 2028	**485,000**
SGD revolving credit facilities[1] [2]	SGD	2.76 – 4.98	2023, 2024, 2025, 2026 & 2028	**3,000**
A$ term loan facility[1]	A$	2.82 – 5.69	2026	**89,820**
Intercompany loans[3]	SGD	2.23 – 3.15	2025, 2026 & 2028	**295,000**
				891,552
2022				
Group				
JPY term loan facility[1]	JPY	0.69 – 0.73	2024	37,770
SGD term loan facilities[1]	SGD	1.20 – 3.23	2026 & 2027	360,000
SGD revolving credit facilities[1] [2]	SGD	–	2023, 2024, 2025 & 2026	–
A$ term loan facility[1]	A$	1.81 – 2.82	2026	95,705
Singapore MTNs[3]	SGD	2.23 – 3.40	2023, 2025, 2026 & 2028	420,000
Japan bond[4]	JPY	0.61 – 0.62	2025	6,921
Australia loan[5]	A$	1.72 – 1.93	2023	60,294
Malaysia MTN[6]	RM	5.50	2024	104,148
				1,084,838
Trust				
JPY term loan facility[1]	JPY	0.69 – 0.73	2024	37,770
SGD term loan facilities[1]	SGD	1.20 – 3.23	2026 & 2027	360,000
SGD revolving credit facilities[1] [2]	SGD	–	2023, 2024, 2025 & 2026	–
A$ term loan facility[1]	A$	1.81 – 2.82	2026	95,705
Intercompany loans[3]	SGD	2.23 – 3.40	2023, 2025, 2026 & 2028	420,000
				913,475

Notes to the Financial Statements

(1) As at 30 June 2023, the Group has in place the following unsecured facilities:

(i) 5-year unsecured loan facilities with a club of various banks, comprising (a) outstanding term loans of $250 million (maturing in February 2026) (2022: $250 million) and (b) $200 million committed revolving credit facilities (maturing in February 2026) (2022: $200 million). There is no amount outstanding on these revolving credit facilities as at the reporting date;

(ii) 5.5-year unsecured term loan facility of $60 million (maturing in September 2027);

(iii) 5-year unsecured term loan facility of $50 million (maturing in June 2027);

(iv) 5-year unsecured term loan facility of JPY2.0 billion ($18.7 million) (maturing in September 2024) (2022: JPY3.7 billion ($37.8 million));

(v) 5.5-year unsecured term loan facility of A$100 million ($89.8 million) (maturing in November 2026) (2022: A$100 million ($95.7 million));

(vi) 5-year and 5.5-year unsecured term loan facility of $50 million and $75 million (maturing in May and November 2028) respectively drawn in May 2023; and

(vii) 5-year unsecured term loan facility of A$63 million ($56.6 million) (maturing in June 2028) drawn in June 2023.

The interest rate on the above unsecured S$ and A$ loan facilities was partially hedged via interest rate swaps as at 30 June 2023.

(2) The Group has in place various unsecured and committed revolving credit facilities of $190 million (maturing between October 2023 and August 2028) (2022: $140 million), of which $3 million is outstanding as at 30 June 2023.

(3) As at 30 June 2023, the Group has outstanding unsecured 10-year medium term notes ("MTN") of $70 million (maturing in October 2026) (2022: $195 million) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears issued under its $2 billion multicurrency MTN programme originally established in 2008.

In addition, as at 30 June 2023, the Group has outstanding MTN of $225 million (2022: $225 million) issued under its $2 billion multicurrency debt issuance programme established in 2020, comprising:

(i) $100 million unsecured 5-year Singapore MTN (maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrears; and

(ii) $125 million unsecured 7-year Singapore MTN (maturing in September 2028) which bear a fixed rate interest of 2.23% per annum payable semi-annually in arrears.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms.

(4) The Group has JPY488 million ($4.6 million) (2022: JPY678 million ($6.9 million)) of Japan bond outstanding as at 30 June 2023 and maturing in August 2025. The bondholders of the Japan bond have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

(5) In June 2023, the Group has drawn down on the 5-year A$63 million unsecured term loan facility (see note (1) (vii) above) to refinance its existing outstanding A$63 million loan (2022: A$63 million ($60.3 million)), secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. Following this, the mortgage on David Jones Building has been duly released.

(6) The Group has outstanding unrated 5-year fixed-rate senior medium term notes ("Senior MTN") of RM330 million ($95.8 million) as at 30 June 2023 (2022: RM330 million ($104.1 million)). The Senior MTN bear a fixed coupon rate of 5.50% per annum and have an expected maturity in September 2024 and legal maturity in March 2026. The notes are secured, *inter alia*, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

The contractual maturities by type of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, were as follows:

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 1 to 5 years $'000	Cash flows: After 5 years $'000
Group						
2023						
Non-derivative financial liabilities						
JPY term loan facility	12	**18,732**	**(18,906)**	**(139)**	**(18,767)**	**–**
SGD term loan facilities	12	**485,000**	**(574,562)**	**(24,455)**	**(473,220)**	**(76,887)**
SGD revolving credit facilities	12	**3,000**	**(3,005)**	**(3,005)**	**–**	**–**
A$ term loan facilities	12	**146,406**	**(183,627)**	**(9,115)**	**(174,512)**	**–**
Singapore MTNs	12	**295,000**	**(324,369)**	**(8,158)**	**(189,806)**	**(126,405)**
Japan bond	12	**4,571**	**(4,635)**	**(29)**	**(4,606)**	**–**
Malaysia MTN	12	**95,799**	**(102,381)**	**(5,283)**	**(97,098)**	**–**
Trade and other payables	10	**49,817**	**(51,900)**	**(29,729)**	**(20,658)**	**(1,513)**
Lease liabilities	13	**565**	**(603)**	**(307)**	**(249)**	**(47)**
		1,098,890	**(1,263,988)**	**(80,220)**	**(978,916)**	**(204,852)**
Derivative financial liabilities						
Interest rate swaps	7	**131**	**–**	**–**	**–**	**–**
– inflow		**–**	**4,559**	**830**	**3,312**	**417**
– outflow		**–**	**(4,718)**	**(859)**	**(3,427)**	**(432)**
Foreign exchange forwards	7	**17**	**–**	**–**	**–**	**–**
– inflow		**–**	**4,787**	**4,787**	**–**	**–**
– outflow		**–**	**(4,822)**	**(4,822)**	**–**	**–**
		148	**(194)**	**(64)**	**(115)**	**(15)**
		1,099,038	**(1,264,182)**	**(80,284)**	**(979,031)**	**(204,867)**
2022						
Non-derivative financial liabilities						
JPY term loan facility	12	37,770	(38,401)	(280)	(38,121)	–
SGD term loan facilities	12	360,000	(392,742)	(8,463)	(323,953)	(60,326)
A$ term loan facility	12	95,705	(111,242)	(3,458)	(107,784)	–
Singapore MTNs	12	420,000	(461,747)	(137,386)	(195,168)	(129,193)
Japan bond	12	6,921	(7,062)	(43)	(7,019)	–
Australia loan	12	60,294	(62,592)	(2,118)	(60,474)	–
Malaysia MTN	12	104,148	(117,064)	(5,728)	(111,336)	–
Trade and other payables	10	52,606	(54,988)	(32,827)	(20,793)	(1,368)
Lease liabilities	13	935	(989)	(391)	(545)	(53)
		1,138,379	(1,246,827)	(190,694)	(865,193)	(190,940)
Derivative financial liabilities						
Interest rate swaps	7	199	–	–	–	–
– inflow		–	950	950	–	–
– outflow		–	(1,150)	(1,150)	–	–
Foreign exchange forwards	7	14	–	–	–	–
– inflow		–	1,880	1,880	–	–
– outflow		–	(1,895)	(1,895)	–	–
		213	(215)	(215)	–	–
		1,138,592	(1,247,042)	(190,909)	(865,193)	(190,940)

Notes to the Financial Statements

	Note	Carrying amount	Contractual cash flows	Cash flows Within 1 year	Within 1 to 5 years	After 5 years
		$'000	$'000	$'000	$'000	$'000
Trust						
2023						
Non-derivative financial liabilities						
JPY term loan facility	12	**18,732**	**(18,906)**	**(139)**	**(18,767)**	**–**
SGD term loan facilities	12	**485,000**	**(574,562)**	**(24,455)**	**(473,220)**	**(76,887)**
SGD revolving credit facilities	12	**3,000**	**(3,005)**	**(3,005)**	**–**	**–**
A$ term loan facility	12	**89,820**	**(109,194)**	**(5,540)**	**(103,654)**	**–**
Intercompany loans	12	**295,000**	**(324,369)**	**(8,158)**	**(189,806)**	**(126,405)**
Trade and other payables	10	**38,034**	**(39,372)**	**(20,223)**	**(18,894)**	**(255)**
Lease liabilities	13	**505**	**(522)**	**(298)**	**(224)**	**–**
		930,091	**(1,069,930)**	**(61,818)**	**(804,565)**	**(203,547)**
Derivative financial liabilities						
Interest rate swaps	7	**131**	**–**	**–**	**–**	**–**
– inflow		**–**	**4,559**	**830**	**3,312**	**417**
– outflow		**–**	**(4,718)**	**(859)**	**(3,427)**	**(432)**
Foreign exchange forwards	7	**17**	**–**	**–**	**–**	**–**
– inflow		**–**	**4,787**	**4,787**	**–**	**–**
– outflow		**–**	**(4,822)**	**(4,822)**	**–**	**–**
		148	**(194)**	**(64)**	**(115)**	**(15)**
		930,239	**(1,070,124)**	**(61,882)**	**(804,680)**	**(203,562)**
2022						
Non-derivative financial liabilities						
JPY term loan facility	12	37,770	(38,401)	(280)	(38,121)	–
SGD term loan facilities	12	360,000	(392,742)	(8,463)	(323,953)	(60,326)
A$ term loan facility	12	95,705	(111,242)	(3,458)	(107,784)	–
Intercompany loans	12	420,000	(461,747)	(137,386)	(195,168)	(129,193)
Trade and other payables	10	38,092	(39,557)	(21,449)	(18,108)	–
Lease liabilities	13	855	(893)	(376)	(517)	–
		952,422	(1,044,582)	(171,412)	(683,651)	(189,519)
Derivative financial liabilities						
Interest rate swaps	7	199	–	–	–	–
– inflow		–	950	950	–	–
– outflow		–	(1,150)	(1,150)	–	–
		199	(200)	(200)	–	–
		952,621	(1,044,782)	(171,612)	(683,651)	(189,519)

The maturity analyses show the undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their contractual maturity.

13. LEASES INCLUDING LEASE LIABILITIES

(i) Leases as lessee

The Group recognised its existing operating lease arrangements as right-of-use assets of $0.6 million as at 30 June 2023 (2022: $0.9 million) as presented within investment properties (Note 4), with the corresponding lease liabilities recorded in the balance sheet.

Amounts recognised in profit or loss in the statement of total return

	2023 $'000	2022 $'000
Leases under FRS 116		
Interest expense on lease liabilities	**24**	38
Change in fair value of right-of-use assets	**368**	374

Amounts recognised in statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases	**392**	412

(ii) Leases as lessor

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group $'000	Trust $'000
2023		
Within one year	**162,888**	**103,963**
One to two years	**130,477**	**75,930**
Two to three years	**60,043**	**17,993**
Three to four years	**40,995**	**2,327**
Four to five years	**39,147**	**1,080**
More than five years	**279,983**	**755**
Total	**713,533**	**202,048**
2022		
Within one year	169,253	107,043
One to two years	147,229	89,354
Two to three years	118,698	63,267
Three to four years	50,463	8,194
Four to five years	39,272	543
More than five years	331,448	22
Total	856,363	268,423

Notes to the Financial Statements

14. UNITHOLDERS' FUNDS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net assets attributable to unitholders[1]	**1,778,438**	1,827,887	**1,582,448**	1,631,083
Hedging reserve[2]	**1,218**	3,128	**1,218**	3,128
Foreign currency translation reserve[3]	**(130,150)**	(83,607)	**–**	–
	1,649,506	1,747,408	**1,583,666**	1,634,211

(1) Included in the net assets attributable to unitholders is approximately $2.8 million retained to satisfy certain legal reserve requirements in China.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group and the Trust.

(3) Comprise (i) the foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; (ii) the transfer of translation differences arising from hedge accounting; and (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

15. PERPETUAL SECURITIES HOLDERS' FUNDS

The Trust issued $100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum in December 2020, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and is non-cumulative. Accordingly, the perpetual securities are classified as equity. The expenses relating to the issue of the perpetual securities were deducted against the proceeds from the issue.

These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the holders of ordinary units in the Trust, but junior to the claims of all other present and future creditors of the Trust.

If the Trust does not pay any scheduled distribution on the perpetual securities, the Trust shall not declare or pay any distribution or other payment to the unitholders, or make redemption, reduction, cancellation, buy-back or acquisition of units.

16. UNITS IN ISSUE

	Group and Trust	
	2023 No. of units '000	2022 No. of units '000
At 1 July	**2,239,028**	2,214,204
Issue of units:		
• Management fees paid in units (base fee)(1)	**5,912**	11,015
• Distribution reinvestment plan(2)	**9,348**	13,809
At 30 June	**2,254,288**	2,239,028
Units to be issued:		
• Management fees payable in units (base fee)(3)	**1,554**	1,403
Total issued and issuable units at 30 June	**2,255,842**	2,240,431

(1) During the year ended 30 June 2023, the Trust issued 5,912,608 (2022: 11,015,078) units at the issue price ranging from $0.5009 to $0.5837 (2022: $0.5972 to $0.6519) per unit, as partial satisfaction of the above base management fees to the Manager.

(2) During the year ended 30 June 2023, the Trust issued 9,348,290 (2022: 13,808,677) units at the issue price ranging from $0.5661 to $0.5802 (2022: $0.5926 to $0.6109) per unit pursuant to the distribution reinvestment plan.

(3) An estimated 1,553,816 (2022: 1,403,211) units are issuable by the Trust to the Manager as at 30 June 2023, as partial satisfaction of the base management fees for the period from 1 April to 30 June 2023 (2022: 1 April to 30 June 2022).

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Attend all unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or of the unitholders representing not less than 10% of the issued units) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;

- Receive income and other distributions attributable to the units held; and

- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him.

The restrictions of a unitholder include the following:

- A unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and

- A unitholder has no right to request the Trust to redeem his units while the units are listed on SGX-ST.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any units in the Trust. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Notes to the Financial Statements

17. GROSS REVENUE

	Group	
	2023 $'000	2022 $'000
Property rental income	**182,024**	181,052
Turnover rental income	**3,242**	2,323
Other income	**2,506**	3,059
	187,772	186,434

18. PROPERTY OPERATING EXPENSES

	Group	
	2023 $'000	2022 $'000
Maintenance and sinking fund contributions	**6,710**	6,479
Property management fees	**5,275**	5,406
Property tax	**16,304**	18,313
Depreciation expense	**10**	22
Leasing and upkeep expenses	**9,104**	9,148
Marketing expenses	**1,213**	1,276
Impairment loss recognised on/(reversal of) trade receivables	**128**	(349)
Administrative expenses	**1,189**	1,429
	39,933	41,724

19. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan portfolio and fees payable to the servicer of the Malaysia Properties, which is a wholly-owned subsidiary of the Manager. Base Fee paid/payable to the Manager for the year ended 30 June 2023 amounted to approximately $13,894,000 (2022: $14,278,000). Approximately $87,000 (2022: $125,000) and $835,000 (2022: $885,000) were paid/payable to the asset manager of the Japan portfolio and servicer of the Malaysia Properties for the year ended 30 June 2023 respectively. The Manager has elected for the years ended 30 June 2023 and 30 June 2022 to receive part of the Manager's base management fees in units.

No performance fee was earned by the Manager for the years ended 30 June 2023 and 30 June 2022. The performance of the Trust Index was approximately 105% and 115% below the Benchmark Index as at 30 June 2023 and 30 June 2022 respectively.

20. TRUST EXPENSES

	Group	
	2023 $'000	2022 $'000
Auditors' remuneration	**316**	335
Trustee's fees	**453**	465
Others[1]	**3,021**	3,120
	3,790	3,920

[1] Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately $78,000 (2022: $121,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately $182,000 (2022: $187,000) for the year ended 30 June 2023.

21. FINANCE EXPENSES

	Group	
	2023 $'000	2022 $'000
Interest costs	**38,267**	36,359
Amortisation of borrowing costs	**1,210**	1,452
Interest expense on lease liabilities	**24**	38
	39,501	37,849

Notes to the Financial Statements

22. INCOME TAX

	Group	
	2023 $'000	2022 $'000
Current tax		
Current year	**3,802**	2,188
Deferred tax		
(Reversal)/Origination of temporary differences	**(32)**	63
	3,770	2,251
Total return before tax and distribution	**35,793**	56,048
Income tax using Singapore tax rate of 17% (2022: 17%)	**6,085**	9,528
Net effect of different tax rates in other countries	**3,198**	930
Withholding tax	**2,596**	2,529
Income not subject to tax	**(10,301)**	(9,424)
Non-deductible and other items	**14,387**	10,611
Tax transparency	**(12,195)**	(11,923)
	3,770	2,251

23. EARNINGS PER UNIT

	Group	
	2023 $'000	2022 $'000
Earnings attributable to unitholders(1)	**28,173**	49,947
Basic earnings per unit (cents)(2)	**1.25**	2.24
Earnings per unit on a fully diluted basis (cents)(3)	**1.25**	2.24

(1) Net of amount reserved for distribution to perpetual securities holders.

(2) In computing the basic earnings per unit for the year ended 30 June 2023, the earnings attributable to unitholders and the weighted average number of units of 2,247,771,382 (2022: 2,229,003,487) during the year ended 30 June 2023 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,247,767,125 (2022: 2,228,999,643); and (ii) estimated units issuable for the settlement of unpaid base management fees.

(3) In computing the diluted earnings per unit for the year ended 30 June 2023, the weighted average number of units in issue of 2,247,767,125 (2022: 2,228,999,643) during the year ended 30 June 2023 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,553,816 (2022: 1,403,211) units for the settlement of unpaid base management fees.

24. OPERATING SEGMENTS

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the senior management of the Manager, which is the Group's Chief Operating Decision Maker ("CODM") on a regular basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

All of the Group's reportable segments are investment properties located in Singapore, Adelaide and Perth-Australia, Kuala Lumpur-Malaysia, and others (consisting of one property each in Tokyo, Japan and Chengdu, China, respectively, as at 30 June 2023 (2022: two properties in Tokyo, Japan and one property in Chengdu, China)). The segments are as follows:

- Ngee Ann City Property
- Wisma Atria Property
- Australia Properties
- Malaysia Properties
- Other Properties

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, non-property expenses, finance expenses and income tax expense.

Performance is measured based on the net property income of each operating segment, which is the gross revenue less property operating expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment net property income is used to measure performance as such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no transactions between reportable segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below.

Notes to the Financial Statements

	Ngee Ann City Property (Singapore)		Wisma Atria Property (Singapore)	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group				
Revenue and expenses				
External revenue	**64,269**	63,368	**51,307**	49,857
Depreciation of plant and equipment	**–**	–	**10**	14
Reportable segment net property income	**52,476**	51,885	**39,263**	37,106
Other material non-cash items:				
Change in fair value of investment properties	**(870)**	1,346	**(20,618)**	(47,157)
Unallocated items:				
Finance income				
Non-property expenses				
Finance expenses				
Change in fair value of derivative instruments				
Foreign exchange loss				
Total return for the year before tax				
Income tax				
Total return for the year				
Assets and liabilities				
Reportable segment assets	**1,130,911**	1,131,964	**828,735**	839,593
Unallocated assets				
Total assets				
Reportable segment liabilities	**(20,343)**	(19,794)	**(18,804)**	(18,896)
Unallocated liabilities				
Total liabilities				
Other segmental information				
Capital expenditure	**–**	5	**10,402**	6,050
Non-current assets[1]	**1,130,400**	1,131,500	**828,307**	838,468

[1] Exclude derivative financial instruments.

Australia Properties (Australia)		Malaysia Properties (Malaysia)		Other Properties (Japan/China)		Total	
2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
39,751	42,802	**28,763**	25,837	**3,682**	4,570	**187,772**	186,434
–	–	**–**	–	**–**	8	**10**	22
25,310	27,240	**27,940**	24,973	**2,850**	3,506	**147,839**	144,710
(46,754)	(1,549)	**2,451**	(1,963)	**280**	(264)	**(65,511)**	(49,587)
						1,707	387
						(13,794)	(19,208)
						(39,501)	(37,849)
						6,344	19,953
						(1,291)	(2,358)
						35,793	56,048
						(3,770)	(2,251)
						32,023	53,797
358,677	423,222	**391,730**	421,083	**61,490**	80,245	**2,771,543**	2,896,107
						88,748	101,318
						2,860,291	2,997,425
(7,505)	(6,980)	**(2,480)**	(5,275)	**(3,878)**	(4,312)	**(53,010)**	(55,257)
						(1,058,156)	(1,095,141)
						(1,111,166)	(1,150,398)
7,276	8,813	**–**	5,045	**152**	166	**17,830**	20,079
357,484	422,537	**391,034**	420,695	**60,589**	80,108	**2,767,814**	2,893,308

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Ngee Ann City Property and Wisma Atria Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of The Starhill and Lot 10 Property), and others (consisting of one property each in Tokyo, Japan and Chengdu, China, respectively, as at 30 June 2023 (2022: two properties in Tokyo, Japan and one property in Chengdu, China)). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

The four largest tenants located at Ngee Ann City Property, Malaysia Properties (including some office leases at Singapore Properties), Myer Centre Adelaide and David Jones Building accounted for approximately 23.9%, 15.3%, 7.3% and 4.9% (2022: 23.7%, 15.7%, 7.5% and 5.2%) of the Group's gross rent as at 30 June 2023 respectively.

25. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective when managing capital is to be prudent and optimise unitholders' return through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. As at 30 June 2023, the Group's gearing ratio is 36.7% (2022: 36.2%) and the interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months' interest expenses is 3.4 times (2022: 3.4 times) and 3.1 times (2022: 3.1 times) (which takes into account the distribution attributable to perpetual securities holders) respectively, which were computed per the guidelines prescribed under the Property Fund Appendix issued by MAS.

There were no changes in the Group's approach to capital management during the current year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest costs, foreign currency net income and foreign currency investments.

The Group has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial risk management policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

The carrying amount of financial assets represent the Group's and the Trust's respective maximum exposure to credit risk, before taking into account any collateral held. The maximum exposure to credit risk by type of financial assets at the reporting date was:

		Group		Trust	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Derivative financial instruments	7	**20,376**	15,599	**20,105**	14,817
Trade and other receivables	8	**3,056**	2,152	**767**	2,548
Cash and cash equivalents	9	**68,302**	85,663	**20,673**	33,820
		91,734	103,414	**41,545**	51,185

The Group has established credit procedures for its tenants, obtains security deposits and/or bank/corporate guarantees (where applicable), and monitors their balances on an ongoing basis. Where applicable, credit evaluations are performed by the Group before lease agreements are entered into with tenants.

The tenant profile of the Group is generally well-diversified, except for four (2022: four) largest tenants (Note 24), which accounted for approximately 51.4% (2022: 52.1%) of the Group's gross rent as at 30 June 2023.

The Group and the Trust held cash and cash equivalents of approximately $68.3 million and $20.7 million respectively as at 30 June 2023 (2022: $85.7 million and $33.8 million respectively), as well as derivative financial instruments (Note 7), largely with financial institutions which are regulated. Given these banks' sound credit ratings of between BBB+ to AA- or its equivalent issued by international rating agencies, the Group does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. As at 30 June 2023, the Group has undrawn long-term committed revolving credit facilities of up to $300 million (2022: $340 million), as well as cash and cash equivalents of approximately $68.3 million (2022: $85.7 million).

In addition, the Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian dollar ("A$"), Malaysian ringgit ("RM"), Chinese renminbi ("RMB") and Japanese yen ("JPY").

Notes to the Financial Statements

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments at the reporting date are as follows:

	A$	RM	RMB	JPY	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2023					
Net balance sheet exposure	**241,290**	**300,617**	**27,445**	**18,264**	**587,616**
2022					
Net balance sheet exposure	300,237	318,952	30,754	12,289	662,232

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its financial instruments at the reporting date are as follows:

	A$	RM	RMB	JPY	Total
	$'000	$'000	$'000	$'000	$'000
Trust					
2023					
Net balance sheet exposure	**(78,800)**	**–**	**–**	**(16,491)**	**(95,291)**
2022					
Net balance sheet exposure	(82,493)	–	–	(36,900)	(119,393)

Income hedging

Approximately 62% (2022: 61%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2023. The Group has used a combination of local currency denominated loans and short-term foreign exchange forward contracts to partially hedge its overseas net income.

The Group continues to proactively monitor the exchange rates and may use foreign exchange forward contracts or other suitable financial derivatives to hedge the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

In managing the currency risks associated with the capital values of the Group's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible and cost efficient, to provide a natural currency hedge. As the investments in overseas assets are generally long-term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

Net investment hedges in Japan and Australia

As at 30 June 2023, the Group's investment in its Japan and Australia subsidiaries are partially hedged by the Trust's JPY2 billion ($18.7 million) (2022: JPY3.7 billion ($37.8 million)) term loan and A$100 million ($89.8 million) (2022: A$100 million ($95.7 million)) term loan which mitigate the foreign currency risk arising from the subsidiaries' net assets. These loans are designated as net investment hedges.

The Group determines the existence of an economic relationship between the above hedging instruments and hedged items based on the currency and amount. The Group has assessed the effectiveness of the above hedging relationships at the reporting date by comparing changes in the carrying amount of the loans that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operations due to movements in the exchange rate.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	Trust
	$'000	$'000
2023		
A$	**(24,129)**	**7,880**
RM	**(30,062)**	**–**
RMB	**(2,744)**	**–**
JPY	**(1,826)**	**1,649**
Financial derivatives		
– A$	**888**	**888**
– RM	**462**	**–**
2022		
A$	(30,024)	8,249
RM	(31,895)	–
RMB	(3,075)	–
JPY	(1,229)	3,690
Financial derivatives		
– A$	838	838
– RM	395	–

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

Interest rate risk

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group hedges a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

The Group has hedged approximately 84% (2022: 93%) of its borrowings as at 30 June 2023 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.67% (2022: 3.18%) per annum as at 30 June 2023.

As at 30 June 2023, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by the use of interest rate swaps, with a notional amount of $350 million (2022: $350 million) and A$133 million (2022: A$103 million), whereby it receives a variable rate equal to the Singapore overnight rate average (SORA) and Australia bank bill swap bid rate (BBSY) on the notional amount and pays a fixed interest rate ranging from 0.65% to 3.46% (2022: 0.65% to 2.35%) per annum.

Hedge accounting – cash flow hedges

As at 30 June 2023, the Group's cash flows associated with its $485 million and A$100 million term loans were partially hedged by interest rate swaps with notional amount of $350 million (maturing in 2026-2028 and a fixed interest rate ranging from 0.65% to 3.43% per annum) and A$70 million (maturing in 2026 and a fixed interest rate ranging from 1.02% to 3.46% per annum), which mitigate the interest rate risks. These interest rate swaps are designated as cash flow hedges. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main sources of ineffectiveness are the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and any differences in repricing dates between the swaps and the borrowings.

The amounts relating to items designated as hedging instrument and hedge ineffectiveness were as follows.

	Notional amount $'000	Carrying amount		Line item in the balance sheet where the hedging instrument is included	Hedging reserve $'000	Changes in the fair value of the hedging instrument used for calculating hedge ineffectiveness and recognised in unitholders' funds $'000	Hedge ineffectiveness recognised in the statement of total return $'000
		Assets $'000	Liabilities $'000				
Group and Trust							
2023							
Interest rate swaps	**412,900**	**20,026**	**131**	Derivative financial instruments	**1,218**	**(1,910)**	**–**
2022							
Interest rate swaps	38,300	4,192	–	Derivative financial instruments	3,128	3,128	–

Sensitivity analysis

A change of 1% in interest rate at the reporting date would increase/(decrease) unitholders' funds and total return by the amounts shown below, arising mainly as a result of lower/higher interest expense on variable rate borrowings that are not hedged by interest rate swaps, and changes in fair value of the interest rate derivatives. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Unitholders' funds		Total return	
	1% increase $'000	1% decrease $'000	1% increase $'000	1% decrease $'000
Group				
2023				
Variable rate instruments	**–**	**–**	**(2,215)**	**2,172**
Financial derivatives	**14,104**	**(13,819)**	**–**	**–**
	14,104	**(13,819)**	**(2,215)**	**2,172**
2022				
Variable rate instruments	–	–	(1,730)	1,401
Financial derivatives	1,181	(1,619)	8,922	(9,051)
	1,181	(1,619)	7,192	(7,650)
Trust				
2023				
Variable rate instruments	**–**	**–**	**(1,649)**	**1,649**
Financial derivatives	**14,104**	**(13,819)**	**–**	**–**
	14,104	**(13,819)**	**(1,649)**	**1,649**
2022				
Variable rate instruments	–	–	(1,661)	1,397
Financial derivatives	1,181	(1,619)	8,337	(8,460)
	1,181	(1,619)	6,676	(7,063)

Notes to the Financial Statements

Measurement of fair values

Financial derivatives

The fair values of financial derivatives are estimated based on banks' quotes. These quotes are largely tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market rates for a similar instrument at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings, trade and other payables, and lease liabilities.

Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is not included below.

	Note	Carrying amount			Fair value		
		Fair value – hedging instrument and others $'000	Amortised cost $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group							
2023							
Financial assets measured at fair value							
Derivative financial instruments	7	**20,376**	**–**	**–**	**–**	**20,376**	**–**
Financial assets not measured at fair value							
Trade and other receivables	8	**–**	**3,056**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**–**	**68,302**	**–**	**–**	**–**	**–**
		–	**71,358**	**–**			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(148)**	**–**	**–**	**–**	**(148)**	**–**
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	**–**	**–**	**(23,427)**	**–**	**–**	**–**
Security deposits	10	**–**	**–**	**(26,390)**	**–**	**(26,201)**	**–**
Borrowings (excluding medium term notes)	12	**–**	**–**	**(654,674)**	**–**	**(654,695)**	**–**
Medium term notes	12	**–**	**–**	**(390,291)**	**–**	**(353,232)**	**–**
Lease liabilities	13	**–**	**–**	**(565)**	**–**	**–**	**–**
		–	**–**	**(1,095,347)**			

(1) Excluding security deposits, deferred income and other items.

Notes to the Financial Statements

	Note	Carrying amount – Fair value – hedging instrument and others $'000	Carrying amount – Amortised cost $'000	Carrying amount – Other financial liabilities $'000	Fair value – Level 1 $'000	Fair value – Level 2 $'000	Fair value – Level 3 $'000
Group							
2022							
Financial assets measured at fair value							
Derivative financial instruments	7	15,599	–	–	–	15,599	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	2,152	–	–	–	–
Cash and cash equivalents	9	–	85,663	–	–	–	–
		–	87,815	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(213)	–	–	–	(213)	–
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	–	–	(25,787)	–	–	–
Security deposits	10	–	–	(26,819)	–	(26,812)	–
Borrowings (excluding medium term notes)	12	–	–	(557,534)	–	(557,617)	–
Medium term notes	12	–	–	(523,402)	–	(506,103)	–
Lease liabilities	13	–	–	(935)	–	–	–
		–	–	(1,134,477)			

(1) Excluding security deposits, deferred income and other items.

	Note	Carrying amount: Fair value – hedging instrument and others $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
Trust							
2023							
Financial assets measured at fair value							
Derivative financial instruments	7	**20,105**	**–**	**–**	**–**	**20,105**	**–**
Financial assets not measured at fair value							
Trade and other receivables	8	**–**	**767**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**–**	**20,673**	**–**	**–**	**–**	**–**
		–	**21,440**	**–**			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(148)**	**–**	**–**	**–**	**(148)**	**–**
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	**–**	**–**	**(14,687)**	**–**	**–**	**–**
Security deposits	10	**–**	**–**	**(23,347)**	**–**	**(23,212)**	**–**
Borrowings (excluding medium term notes)	12	**–**	**–**	**(593,891)**	**–**	**(593,912)**	**–**
Medium term notes	12	**–**	**–**	**(294,527)**	**–**	**(257,516)**	**–**
Lease liabilities	13	**–**	**–**	**(505)**	**–**	**–**	**–**
		–	**–**	**(926,957)**			

(1) Excluding security deposits, deferred income and other items.

Notes to the Financial Statements

		Carrying amount			Fair value		
	Note	Fair value – hedging instrument and others $'000	Amortised cost $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Trust							
2022							
Financial assets measured at fair value							
Derivative financial instruments	7	14,817	–	–	–	14,817	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	2,548	–	–	–	–
Cash and cash equivalents	9	–	33,820	–	–	–	–
		–	36,368	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(199)	–	–	–	(199)	–
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	–	–	(14,985)	–	–	–
Security deposits	10	–	–	(23,107)	–	(23,152)	–
Borrowings (excluding medium term notes)	12	–	–	(490,584)	–	(490,667)	–
Medium term notes	12	–	–	(419,322)	–	(402,285)	–
Lease liabilities	13	–	–	(855)	–	–	–
		–	–	(948,853)			

(1) Excluding security deposits, deferred income and other items.

26. COMMITMENTS AND CONTINGENCIES

Capital commitments (contracted but not provided) as at 30 June 2023 comprise of approximately $9.0 million (2022: $11.0 million) capital expenditure, professional fees, interior upgrading works and asset enhancement works for the Group's investment properties.

As announced by the Manager on 23 March 2023, The Trust Company (Australia) Limited as trustee of SG REIT (SA) Sub-Trust2 received a notice of arbitration regarding the alleged breach of an existing lease to Myer Pty Ltd at Myer Centre Adelaide (the "Myer Lease"), where the tenant claims unspecified damages and seeks a declaration to be entitled to terminate the Myer Lease. Myer Centre Adelaide's valuation of $202.1 million accounted for approximately 7.3% of the Group's total portfolio valuation as at 30 June 2023. The Myer Lease (annual revenue of approximately $13.5 million) contributed approximately 7.2% and 9.1% of the Group's total portfolio revenue and net property income respectively for the year ended 30 June 2023. The arbitration claim is at an early stage and the Group will provide further updates as and when there are any material developments.

27. RELATED PARTIES

During the financial year, other than related party information shown elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group	
	2023 $'000	2022 $'000
Property rental income from the Manager and Property Manager	**1,001**	816
Property rental income from related parties of the Manager	**29,529**	26,593
Leasing commission fees paid to the Property Manager	**(978)**	(829)
Property management fees paid to the Property Manager	**(3,468)**	(3,385)
Management fees paid to the Manager	**(13,894)**	(14,278)
Trustee fees paid to the Trustee	**(453)**	(465)
Reimbursements paid to the Property Manager	**(730)**	(685)
Costs of the asset enhancement works paid to related party of the Manager	**–**	(4,721)
Servicer fees paid to a wholly-owned subsidiary of the Manager	**(835)**	(885)
Divestment fee paid to the Manager	**(95)**	–

28. SUBSEQUENT EVENT

Subsequent to the year ended 30 June 2023, the Manager declared a distribution of 1.98 cents per unit in respect of the period from 1 January 2023 to 30 June 2023, which is payable on 29 August 2023.

29. FINANCIAL RATIOS

	Group	
	2023 %	2022 %
Ratio of expenses to weighted average net assets(1)	**1.02**	1.02
Portfolio turnover rate(2)	**1.04**	–

(1) The ratios are computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and exclude property related expenses, finance expenses and the performance component of the Manager's fees.

(2) The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net assets.

Notes to the Financial Statements

30. NEW ACCOUNTING STANDARDS AND AMENDMENTS NOT YET ADOPTED

A number of new standards and amendments to standards that have been issued at the reporting date but are not yet effective for the year ended 30 June 2023 have not been applied in preparing these financial statements. The adoption of these following new standards and amendments to standards are not expected to have a significant impact on the Group's financial statements.

- FRS 117 *Insurance Contracts* and Amendments to FRS 117: *Insurance Contracts*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*

Statistics of Unitholders

As at 24 August 2023

ISSUED AND FULLY PAID UNITS

Number of issued and fully paid Units	2,255,820,673
Voting rights	One vote per Unit
Number/Percentage of treasury Units	Nil
Number/Percentage of subsidiary holdings	Nil
Market capitalisation	S$1,082,793,923 (based on closing price of S$0.480 per Unit on 24 August 2023)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	95	0.61	3,630	0.00
100 – 1,000	705	4.51	549,597	0.02
1,001 – 10,000	7,544	48.27	43,763,931	1.94
10,001 – 1,000,000	7,229	46.25	384,967,553	17.07
1,000,001 and above	57	0.36	1,826,535,962	80.97
Total	**15,630**	**100.00**	**2,255,820,673**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	14,897	95.31	2,215,200,870	98.20
Malaysia	570	3.65	34,560,703	1.53
Others	163	1.04	6,059,100	0.27
Total	**15,630**	**100.00**	**2,255,820,673**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	RAFFLES NOMINEES (PTE.) LIMITED	880,085,015	39.01
2	CITIBANK NOMINEES SINGAPORE PTE LTD	327,907,552	14.54
3	DBS NOMINEES (PRIVATE) LIMITED	196,544,389	8.71
4	HSBC (SINGAPORE) NOMINEES PTE LTD	74,972,978	3.32
5	DBSN SERVICES PTE. LTD.	63,964,908	2.84
6	YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED	57,354,795	2.54
7	OCBC SECURITIES PRIVATE LIMITED	30,983,506	1.37
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	21,193,363	0.94
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	19,716,743	0.87
10	MAYBANK SECURITIES PTE. LTD.	11,503,615	0.51
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	11,186,270	0.50
12	PHILLIP SECURITIES PTE LTD	10,872,185	0.48
13	IFAST FINANCIAL PTE. LTD.	7,935,593	0.35
14	SOON LI HENG CIVIL ENGINEERING PTE LTD	7,300,994	0.32
15	ABN AMRO CLEARING BANK N.V.	6,841,048	0.30
16	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	6,415,097	0.28
17	KGI SECURITIES (SINGAPORE) PTE. LTD.	6,092,369	0.27
18	UOB KAY HIAN PRIVATE LIMITED	5,533,064	0.25
19	SOH PENG SEAH	5,000,000	0.22
20	DB NOMINEES (SINGAPORE) PTE LTD	4,837,355	0.21
Total		**1,756,240,839**	**77.83**

Statistics of Unitholders

As at 24 August 2023

SUBSTANTIAL UNITHOLDINGS

(As at 24 August 2023)

Name	Direct Interest		Deemed Interest		Total No. of Units	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Starhill Global REIT Investments Limited	539,840,000[2]	23.93	–	–	539,840,000	23.93
YTL Cayman Limited	18,000,000[3]	0.80	597,194,795[4]	26.47	615,194,795	27.27
YTL Corporation Berhad	210,195,189[5]	9.32	643,180,963[6]	28.51	853,376,152	37.83
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	853,376,152[7]	37.83	853,376,152	37.83
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	853,376,152[7]	37.83	853,376,152	37.83
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	853,376,152[7]	37.83	853,376,152	37.83
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	–	–	853,376,152[7]	37.83	853,376,152	37.83

Notes:

(1) The percentage interest is based on total issued Units of 2,255,820,673 as at 24 August 2023.
(2) This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte.) Limited.
(3) This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte.) Limited.
(4) Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and 57,354,795 Units held by YTL Starhill Global REIT Management Limited ("YSGRM").
(5) This relates to 210,195,189 Units held through nominee, Raffles Nominees (Pte.) Limited.
(6) Deemed interest in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 57,354,795 Units held by YSGRM and 27,986,168 Units held by Business & Budget Hotels (Penang) Sdn Bhd ("BBHP").
(7) Deemed interest in 210,195,189 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 57,354,795 Units held by YSGRM and 27,986,168 Units held by BBHP.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

(As at 21 July 2023)

Name of Director	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
Tan Sri (Sir) Francis Yeoh	–	–	–	–
Ho Sing	150,000	–[2]	–	–
Dato' Yeoh Seok Kian	–	–	–	–
Tan Bong Lin	–	–	–	–
Ching Yew Chye	–	–	–	–
Tan Woon Hum	–	–	–	–
Yeoh Pei Nee[3]	–	–	–	–

Notes:

(1) The percentage interest is based on total issued Units of 2,254,288,304 as at 21 July 2023.
(2) Less than 0.01%.
(3) Alternate Director to Dato' Yeoh Seok Kian.

FREE FLOAT

Under Rule 723 of the listing manual of SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on information made available to the Manager as at 24 August 2023, approximately 62% of the Units were held in the hands of the public. Rule 723 of the listing manual of the SGX-ST has accordingly been complied with.

Additional Information

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000[7] and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
Trustee fees[1]		453	–
YTL Corporation Berhad and its subsidiaries and/or associates	Direct and deemed interest in 37.83% of Units in Starhill Global REIT and indirect holder of all the shares of the Manager, and its subsidiaries and/or associates		
Management fees[1][2] and reimbursements[5]		13,913	–
Property management fees and reimbursements[3]		5,176	–
Managing agent and ancillary service fees[4]		2,133	–
Servicer fees[1]		835	–
Divestment fee[1][6]		95	–
Total		**22,605**	**–**

Notes:

(1) The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) are deemed to have been specifically approved by Unitholders upon subscription of Units and are therefore not subject to Rules 905 and 906 of the SGX-ST listing manual to the extent that there is no subsequent change to the fees (or the basis of determining the fees) charged under the trust deed, which will adversely affect Starhill Global REIT. In addition, the entry into the Servicer Agreement dated 6 May 2010 in relation to the acquisition of The Starhill and Lot 10 Property was approved by Unitholders at the extraordinary general meeting held on 4 June 2010 and the servicer fees payable thereunder will not be subject to Rules 905 and 906 of the SGX-ST listing manual, to the extent that there is no subsequent change to the rates for such fees.

(2) The Manager has elected to receive, in respect of the year ended 30 June 2023, part of its base management fees in the form of units with the balance in cash. Details are as follows:

For Period	Issue Date	Units Issued	Issue Price* S$	Total Value S$'000
Base Management Fee				
1 July 2022 to 30 September 2022	28-Oct-22	1,622,128	0.5009	813
1 October 2022 to 31 December 2022	30-Jan-23	1,411,399	0.5687	802
1 January 2023 to 31 March 2023	27-Apr-23	1,485,246	0.5333	792
1 April 2023 to 30 June 2023	28-Jul-23	1,532,369	0.5144	789
		6,051,142		**3,196**

* Based on the volume weighted average price for a Unit for all trades in the ordinary course of trading on the SGX-ST for the last ten trading days immediately preceding the date of issue of the Units to the Manager.

(3) The total estimated fees and charges payable under the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 25 June 2020) for the extended term of five years from 20 September 2020 was aggregated for purposes of Rules 905 and 906 of the SGX-ST listing manual during the year ended 30 June 2020 and accordingly, such fees and charges will not be subject to aggregation in subsequent financial years, to the extent that there is no subsequent change to the rates and/or basis of determining such fees and charges.

(4) Relates to the total contract sum entered into during the year ended 30 June 2023 in relation to the common property of Wisma Atria.

(5) Relates to the non-deal road show expenses of approximately S$19,000 paid to the Manager during the year ended 30 June 2023.

(6) Relates to the fee paid to the Manager based on 0.5% of the sale price of the divestment of Daikanyama during the year ended 30 June 2023, details of which are contained in the Manager's announcements dated 30 December 2022 and 31 January 2023.

(7) Save for the divestment fee.

Glossary

A

AGM
Annual General Meeting

Australia Properties
Myer Centre Adelaide, David Jones Building and Plaza Arcade

B

Benchmark Index
Provided by FTSE International Limited. Comprises all the REITs contained in the FTSE All Cap Singapore universe

Board
Board of Directors of the Manager

C

CASBEE
Comprehensive Assessment System for Built Efficiency Environment

CBD
Central Business District

CDP
The Central Depository (Pte) Limited

CEO
Chief Executive Officer

CFO
Chief Financial Officer

China Property
A four-level retail building (plus a mezzanine floor) forming part of a mixed use commercial development in Chengdu, China

CIS Code
Code on Collective Investment Scheme issued by MAS pursuant to section 321 of the Securities and Futures Act (Cap. 289)

CPF
Central Provident Fund

COVID-19
An infectious disease caused by a coronavirus which spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes

D

David Jones
David Jones Pty Limited

David Jones Building
A four-level property known as David Jones Building which includes a heritage-listed building that was formerly known as Savoy Hotel

DPU
Distribution Per Unit

DRP
Distribution Reinvestment Plan

E

EGM
Extraordinary general meeting

F

F&B
Food and beverage

Fitch Ratings
Fitch, Ratings Inc.

FTSE
FTSE International Limited

FY
Financial year

FY 2018/19 or FY 18/19
Period of 12 months from 1 July 2018 to 30 June 2019

FY 2019/20 or FY 19/20
Period of 12 months from 1 July 2019 to 30 June 2020

FY 2020/21 or FY 20/21
Period of 12 months from 1 July 2020 to 30 June 2021

FY 2021/22 or FY 21/22
Period of 12 months from 1 July 2021 to 30 June 2022

FY 2022/23 or FY 22/23
Period of 12 months from 1 July 2022 to 30 June 2023

FY 2023/24 or FY 23/24
Period of 12 months from 1 July 2023 to 30 June 2024

G

GBI
Green Building Index

GDP
Gross domestic product

GFA
Gross floor area

GLA
Gross lettable area

Group or SGREIT Group
Starhill Global REIT and its subsidiaries

GST
Goods and services tax

I

IPO
Initial public offering

IRAS
Inland Revenue Authority of Singapore

Isetan
Isetan (Singapore) Limited or Isetan of Japan Sdn. Bhd.

J

Japan Property
Ebisu Fort

K

Katagreen
Katagreen Development Sdn. Bhd.

L

LEED
Leadership in Energy and Environmental Design

Lot 10 Property
137 strata parcels and two accessory parcels within Lot 10 shopping centre

M

Malaysia Properties
The Starhill and Lot 10 Property

Manager
YTL Starhill Global REIT Management Limited

Markor
Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store

MAS
Monetary Authority of Singapore

MRT
Mass Rapid Transit

MTAs
The master tenancy agreements for Malaysia Properties

MTN
Medium term notes

Myer
Myer Pty Ltd

Myer Centre Adelaide or MCA
An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings

N

NA
Not applicable

NABERS
National Australian Built Environment Rating System

NAV
Net asset value attributable to Unitholders

Ngee Ann City
The building known as 'Ngee Ann City' comprising a commercial complex with 18 levels of office space in the twin office tower blocks (Towers A and B) and a seven-storey podium with three basement levels comprising retail and car parking space

Ngee Ann City Property
Four strata lots in Ngee Ann City located on:
a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block;
b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and
c) Whole of Level 21 to Level 24 of Tower B (office)

NLA
Net lettable area

NM
Not meaningful

NPI
Net property income

P

Perth Properties
David Jones Building and Plaza Arcade

Plaza Arcade
A three-storey heritage-listed retail building known as Plaza Arcade located next to David Jones Building

pm
Per month

Portfolio
Singapore Properties, Australia Properties, Malaysia Properties, Japan and China Properties

Property Funds Appendix
Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts

Property Manager
YTL Starhill Global Property Management Pte. Ltd.

psf
Per square foot

psfpm
Per square foot per month

Q

q-o-q
Quarter-on-quarter

R

RCF
Revolving credit facility

REIT
Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust

S

S-REITs
Singapore Real Estate Investment Trusts

SGX-ST
Singapore Exchange Securities Trading Limited

Singapore Properties
Ngee Ann City Property and Wisma Atria Property

SME
Small and medium-sized enterprises

sq ft
Square feet

sq m or m²
Square metre

Starhill Global REIT, SGREIT or SGR
Starhill Global Real Estate Investment Trust

T

The Starhill
An integrated development with four lower floors of retail and three upper floors for hospitality use as an extension of the adjoining JW Mariott Hotel Kuala Lumpur

Toshin
Toshin Development Singapore Pte. Ltd.

Trustee
Unless the context otherwise requires, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT

U

Unit
A unit representing an undivided interest in Starhill Global REIT. Where the context so requires, the definition includes a Unit of a class of Units

Unitholders
The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units

UNIQLO
Uniqlo Australia Pty ltd

W

Wisma Atria
The building known as 'Wisma Atria' comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office block

Wisma Atria Property
257 strata lots in Wisma Atria

Y

y-o-y
Year-on-year

YTL Corp
YTL Corporation Berhad

YTL Group
YTL Corp and its subsidiaries

OTHERS

A$ or AUD
Australian dollars, the official currency of Australia

JPY or Yen
Japanese yen, the official currency of Japan

RM or Ringgit
Malaysian ringgit, the official currency of Malaysia

RMB or Renminbi
Chinese renminbi, the official currency of China

S$, SGD and cents
Singapore dollars and cents, the official currency of Singapore

1Q, 2Q, 3Q, 4Q
Where applicable, refers to the periods from 1 July to 30 September; 1 October to 31 December; 1 January to 31 March; and 1 April to 30 June

1H, 2H
Where applicable, refers to the periods from 1 July to 31 December; and 1 January to 30 June

All values are expressed in Singapore currency unless otherwise stated.

Corporate Directory

MANAGER
YTL Starhill Global REIT
Management Limited
391B Orchard Road
#24-03 Ngee Ann City Tower B
Singapore 238874
Phone : +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

DIRECTORS
Tan Sri (Sir) Francis Yeoh
(Non-Executive Chairman)

Mr Ho Sing
(CEO & Executive Director)

Dato' Yeoh Seok Kian
(Non-Executive Director)
(Alternate Director:
Ms Yeoh Pei Nee)[1]

Mr Tan Bong Lin
(Lead Independent Director)

Mr Ching Yew Chye
(Independent Director)

Mr Tan Woon Hum
(Independent Director)

Ms Ho Gek Sim Grace
(Independent Director)[2]

AUDIT COMMITTEE
Mr Tan Bong Lin
(Chairman)

Mr Ching Yew Chye
(Member)

Mr Tan Woon Hum
(Member)

Ms Ho Gek Sim Grace
(Member)[2]

NOMINATING AND RENUMERATION COMMITTEE
Mr Tan Woon Hum
(Chairman)

Tan Sri (Sir) Francis Yeoh
(Member)

Dato' Yeoh Seok Kian
(Member)

Mr Tan Bong Lin
(Member)

Mr Ching Yew Chye
(Member)

Ms Ho Gek Sim Grace
(Member)[2]

JOINT COMPANY SECRETARIES
Ms Soh Hui Ling, Ivy[3]

Mr Lam Chee Kin

Mr Abdul Jabbar bin Karam Din

TRUSTEE
Registered Address
HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #48-01
Singapore 018983

Correspondence Address
HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #45-01
Singapore 018983
Phone: +65 6658 6667

UNIT REGISTRAR
Boardroom Corporate & Advisory
Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone : +65 6536 5355
Fax : +65 6438 8710

AUDITORS
KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
Phone : +65 6213 3388

Partner in charge:
Mr Tan Chun Wei (Chen Junwei)
(With effect from FY 2020/21)

SGX CODE
Starhill Gbl

WEBSITE
www.starhillglobalreit.com

Notes:
(1) Ms Yeoh Pei Nee was appointed as Alternate Director to Dato' Yeoh Seok Kian on 1 July 2023.
(2) Ms Ho Gek Sim Grace was appointed as Independent Non-Executive Director, Member of the Audit Committee and Member of the Nominating and Remuneration Committee on 1 August 2023.
(3) Ms Soh Hui Ling, Ivy was appointed as Joint Company Secretary on 1 July 2023.

Notice of Annual General Meeting

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders ("**Unitholders**") of Starhill Global Real Estate Investment Trust ("**SGR**") will be held at 333 Orchard Road, Hilton Singapore Orchard, Grand Ballroom, Level 6, Orchard Wing, Singapore 238867, on **Friday, 27 October 2023 at 11.00 a.m. (Singapore Time)** to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of SGR (the "**Trustee**"), the Statement by YTL Starhill Global REIT Management Limited, as manager of SGR (the "**Manager**") and the Audited Financial Statements of SGR for the financial year ended 30 June 2023 and the Auditors' Report thereon. *(Ordinary Resolution 1)*

2. To re-appoint Messrs KPMG LLP as the Auditors of SGR and to hold office until the conclusion of the next AGM of SGR, and to authorise the Manager to fix their remuneration. *(Ordinary Resolution 2)*

3. To endorse or re-endorse (as the case may be) the appointments of the following directors of the Manager (the "**Directors**") pursuant to the undertaking dated 21 August 2020 provided by YTL Corporation Berhad to the Trustee:

   (a) Mr Ching Yew Chye; *(Ordinary Resolution 3)*

   (b) Mr Tan Woon Hum; *(Ordinary Resolution 4)*

   (c) Ms Ho Gek Sim Grace; and *(Ordinary Resolution 5)*

   (d) Ms Yeoh Pei Nee (as Alternate Director to Dato' Yeoh Seok Kian). *(Ordinary Resolution 6)*

(Please see Explanatory Note 1)

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 7)*

   (a) (i) issue units in SGR ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

Notice of Annual General Meeting

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting SGR (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 2)

5. That: *(Ordinary Resolution 8)*

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of SGR not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of SGR is held;

(ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

Notice of Annual General Meeting

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the market repurchase(s) are made or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase(s);

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units in the case of both market repurchase and an off-market repurchase; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of SGR to give effect to the transactions contemplated and/or authorised by this Resolution.

(Please see Explanatory Note 3)

BY ORDER OF THE BOARD
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
22 September 2023

Explanatory Notes:

1. *Ordinary Resolutions 3 to 6*

YTL Corporation Berhad had on 21 August 2020 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to include in the agenda for the annual general meeting of Unitholders to be held in 2020, the resolutions to endorse the appointment of each person who is a Director;

- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third annual general meeting of SGR after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;

- (where a person is appointed as Director at any time either to fill a vacancy or as an addition to the existing board of Directors) to procure the Manager to seek Unitholders' endorsement for his/her appointment as a Director at the next annual general meeting of SGR immediately following his/her appointment; and

- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of SGR where the endorsement or re-endorsement (as the case may be) for his/her appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict YTL Corporation Berhad or the Manager from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- YTL Corporation Berhad remains as the holding company (as defined in the Companies Act 1967) of the Manager; and

- YTL Starhill Global REIT Management Limited remains as the manager of SGR.

The appointments of Mr Ching Yew Chye and Mr Tan Woon Hum were last endorsed by Unitholders on 28 October 2020 and the Manager is seeking the re-endorsement of the appointments of Mr Ching Yew Chye and Mr Tan Woon Hum at the AGM to be held in 2023.

In accordance with the terms of the Undertaking which requires each newly appointed Director of the Manager to be endorsed by Unitholders at the next annual general meeting of SGR immediately following his/her appointment, the Manager is seeking the endorsement of the appointments of Ms Ho Gek Sim Grace and Ms Yeoh Pei Nee at the AGM to be held on 27 October 2023. Ms Ho Gek Sim Grace was appointed on 1 August 2023 as an Independent Director of the Manager and member of the Audit Committee and the Nominating and Remuneration Committee. Ms Yeoh Pei Nee was appointed on 1 July 2023 as Alternate Director to Dato' Yeoh Seok Kian, who is a Non-Executive Director of the Manager and member of the Nominating and Remuneration Committee.

Notice of Annual General Meeting

Detailed information on the Directors can be found in the "Board of Directors" section of SGR's Annual Report FY 2022/23. (a) Mr Ching Yew Chye will, upon re-endorsement, continue to serve as Independent Director and member of the Audit Committee and the Nominating and Renumeration Committee; (b) Mr Tan Woon Hum will, upon re-endorsement, continue to serve as Independent Director, Chairman of the Nominating and Renumeration Committee and member of the Audit Committee; (c) Ms Ho Gek Sim Grace will, upon endorsement, continue to serve as Independent Director and member of the Audit Committee and the Nominating and Remuneration Committee; and (d) Ms Yeoh Pei Nee will, upon endorsement, serve as Alternate Director to Dato' Yeoh Seok Kian.

The details of all current directorships in other listed companies and other principal commitments of the abovementioned directors are set out in pages 24 to 25 and pages 120 to 122 of SGR's Annual Report FY 2022/23.

2. *Ordinary Resolution 7*

Ordinary Resolution 7 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

Ordinary Resolution 7 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 7 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fundraising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

3. *Ordinary Resolution 8*

Ordinary Resolution 8 above, if passed, will empower the Manager from the date of this AGM of SGR until (i) the date on which the next annual general meeting of SGR is held, (ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of SGR not exceeding in aggregate 2.5% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Letter to Unitholders dated 22 September 2023, unless such authority is revoked or varied by the Unitholders in a general meeting.

Important Notice:

1. Printed copies of this Notice will be sent to Unitholders by post and electronic means via publication on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

   The Annual General Meeting ("**AGM**") will be held in a **wholly physical format** at the AGM venue set out above and there will be **no option to participate virtually**. Unitholders, including CPF and SRS investors, and (where applicable) their duly appointed proxy(ies) will be able to attend the AGM in person. They will first need to register personally at the registration counters outside the AGM venue on the day of the event, and should bring along their NRIC/passport to enable SGR's Unit Registrar to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the physical meeting. Unitholders and/or their proxy(ies) are advised to arrive early to facilitate the registration process and exercise social responsibility and not to attend the AGM if they are feeling unwell.

2. Unitholders can vote at the AGM themselves or through their duly appointed proxy(ies). Upon their registration at the AGM venue, Unitholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies), will be provided with a handheld device for electronic voting at the physical meeting.

   A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he or she specifies in the Proxy Form (as defined below) the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

   A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Notice of Annual General Meeting

3. Unitholders, including CPF and SRS investors, may submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, or at the AGM. In order for Unitholders to submit questions in advance of the AGM, questions should be submitted by 11.59 p.m. on 11 October 2023 in the following manner:

   (a) deposited at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) via email to the following email address: SGREITAGM2023@boardroomlimited.com.

   Unitholders who submit questions via the above methods must provide the following information:

   (a) the Unitholder's full name (as per NRIC/Passport);

   (b) the Unitholder's correspondence address; and

   (c) unitholding type(s) (e.g., via CDP, CPF or SRS).

   The Manager will address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from Unitholders by the 11 October 2023 submission deadline by publishing the responses to such questions on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements no later than 48 hours prior to the closing date and time for the lodgement of instruments appointing proxy(ies).

   Any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the 11 October 2023 submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM itself, will be addressed during the AGM.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") may be downloaded from the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements and on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html. Printed copies of the Proxy Form will also be sent to Unitholders by post.

5. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to SGR's Unit Registrar at SGREITAGM2023@boardroomlimited.com; and

   in each case, by no later than 11.00 a.m. on 25 October 2023, being not less than forty-eight (48) hours before the time appointed for the AGM.

   A Unitholder who wishes to submit a Proxy Form by post or via email can either use the printed copy of the Proxy Form which is sent to the Unitholder by post or download a copy of the Proxy Form from the SGX-ST website or SGR's website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Completion and submission of the Proxy Form by a Unitholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM shall be deemed to be revoked if the Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the AGM.

6. CPF and SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 17 October 2023, being seven working days before the date of the AGM.

   For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote live at the AGM on their behalf.

7. Persons who hold Units through relevant intermediaries, other than CPF and SRS Investors, and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

8. The Annual Report FY 2022/23 and the Letter to Unitholders dated 22 September 2023 (in relation to the renewal of the Unit Buy-Back Mandate) may be accessed at SGR's website as follows:

   (a) the Annual Report FY 2022/23 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Annual Report FY 2022/23"; and

   (b) the Letter to Unitholders dated 22 September 2023 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Letter to Unitholders in Relation to the Renewal of the Unit Buy-Back Mandate".

9. Printed copies of this Notice, the Proxy Form and Request Form for Unitholders to request for a printed copy of the Annual Report FY 2022/23 and the Letter to Unitholders dated 22 September 2023 have been despatched to Unitholders. Unitholders who would like a printed copy of the Annual Report FY 2022/23 and the Letter to Unitholders dated 22 September 2023 would have to complete and return the Request Form by 6 October 2023.

Personal Data Privacy

10. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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Proxy Form

Annual General Meeting
(Before completing this form, please read the notes behind)

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

IMPORTANT

This Proxy Form may be accessed at Starhill Global REIT's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will be made available on Singapore Exchange Securities Trading Limited's (the "SGX-ST") website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Proxy Form will also be sent to unitholders.

1. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 17 October 2023, being seven working days before the date of the AGM.
2. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 22 September 2023.

I/We ______________________________ (Name(s) and NRIC Number(s)/Passport Number(s)/ Company Registration Number) of ______________________________ (Address) being a unitholder/unitholders of Starhill Global Real Estate Investment Trust ("**SGR**"), hereby appoint

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address:			

or, both of whom failing, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of SGR to be held at 333 Orchard Road, Hilton Singapore Orchard, Grand Ballroom, Level 6, Orchard Wing, Singapore 238867, on **Friday, 27 October 2023 at 11:00 a.m. (Singapore Time)** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For*	Against*	Abstain*
	ORDINARY BUSINESS			
1.	Adoption of the Trustee's Report, the Manager's Statement, the Audited Financial Statements of SGR for the financial year ended 30 June 2023 and the Auditors' Report thereon. (Ordinary Resolution 1)			
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration. (Ordinary Resolution 2)			
3.	To re-endorse the appointment of Mr Ching Yew Chye as Director. (Ordinary Resolution 3)			
4.	To re-endorse the appointment of Mr Tan Woon Hum as Director. (Ordinary Resolution 4)			
5.	To endorse the appointment of Ms Ho Gek Sim Grace as Director. (Ordinary Resolution 5)			
6.	To endorse the appointment of Ms Yeoh Pei Nee as Alternate Director to Dato' Yeoh Seok Kian. (Ordinary Resolution 6)			
	SPECIAL BUSINESS			
7.	Authority to issue Units and to make or grant convertible instruments. (Ordinary Resolution 7)			
8.	To approve the Unit Buy-Back Mandate. (Ordinary Resolution 8)			

* If you wish your proxy / proxies to exercise all your votes "For" or "Against" or abstain from voting on a resolution, please tick (✓) within the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that your proxy / proxies is directed to vote "For" or "Against" or to "Abstain" from voting in respect of that resolution. The proxy / proxies (other than the Chairman) may vote or abstain from voting as he / she / they deem(s) fit on any of the resolutions if no specific direction as to voting has been given, and on any other matter arising at the AGM. **Where the Chairman has been appointed as proxy and in the absence of specific directions in respect of a resolution, the appointment of the Chairman as proxy for that resolution will be treated as invalid.**

Dated this ____________________ day of ____________________ 2023

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

1st fold (this flap for sealing). Glue all sides firmly. Stapling & spot sealing is disallowed.

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 07894

YTL Starhill Global REIT Management Limited
(as Manager of Starhill Global REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy(ies).
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit in SGR ("Unit") or Units held by such Unitholder. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the number and class of Units held in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy(ies).

   "relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, that number of units should be inserted. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of SGR, that number of Units should be inserted. If the Unitholder has units entered against or registered in the Unitholder's name in both the Depository Register and Register of Unitholders of SGR, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be submitted to the Manager c/o SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, by completing and signing the proxy form, before lodging it at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, by completing and signing the proxy form before submitting a clear PDF copy of it via email to SGR's Unit Registrar at SGREITAGM2023@boardroomlimited.com,

   in either case, by 11:00 a.m. on 25 October 2023, being 48 hours before the time fixed for the AGM.

   Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

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7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.
9. Completion and submission of the Proxy Form by a Unitholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM shall be deemed to be revoked if the Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the AGM.
10. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Manager.

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STARHILL GLOBAL REIT
This Annual Report for the financial year ended 30 June 2023 has been prepared by YTL Starhill Global REIT Management Limited (Company Registration No. 200502123C) as the Manager of Starhill Global REIT. This report does not contain investment advice nor is it an offer to invest in units of Starhill Global REIT.

Whilst every care has been taken in relation to the accuracy of this report, no warranty is given or implied. This report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend that potential investors speak with their financial and/or other professional advisers.

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, the Trustee, or any of their affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, or 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.

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YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED
Company Registration No. 200502123C

www.starhillglobalreit.com