

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

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

SGREIT's 2H FY21/22 DPU rises 8.6%¹ y-o-y to 2.02 cents; 2H FY21/22 NPI up 7.6% y-o-y at S\$75.1 million

HIGHLIGHTS

- **COVID-19 recovery has led to improved tenant sales and shopper traffic**
- **Prudent capital management with a high fixed/hedged debt ratio and healthy average debt maturity profile to buffer rising interest rates**

SINGAPORE, 28 July 2022 – YTL Starhill Global, the manager of SGREIT, announced today a 2.8% increase year-on-year (y-o-y) in gross revenue for SGREIT Group, at S\$186.4 million in the financial year ended 30 June 2022 (FY21/22) compared to S\$181.3 million in the financial year ended 30 June 2021 (FY20/21). Net property income (NPI) increased by 7.4% y-o-y, rising to S\$144.7 million in FY21/22 from S\$134.7 million in FY20/21. Gross revenue for SGREIT Group for the second half of FY21/22 (2H FY21/22) increased 2.8% y-o-y to S\$95.5 million. NPI for 2H FY21/22 was at S\$75.1 million, up 7.6% compared to the second half of FY20/21 (2H FY20/21). The y-o-y NPI increase for 2H FY21/22 was mainly due to the cessation of rental rebates in Malaysia following the completion of asset enhancement works at The Starhill in December 2021, as well as lower operating expenses, partially offset by lower rental contribution from Wisma Atria Property (Retail) and the depreciation of the Australian dollar against the Singapore dollar.

Income available for distribution for 2H FY21/22 was S\$47.1 million, an increase of 4.9% as compared to 2H FY20/21, mainly due to higher NPI, as well as lower finance costs and other non-property items, partially offset by lower management fees paid/payable in units. The Manager will retain S\$1.9 million of income available for distribution for 2H FY21/22 for working capital requirements.

¹ Excludes the release of S\$4.6 million or 0.21 cents per unit from the FY19/20 deferred distributable income for the 2H FY20/21 distribution.

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Distribution per Unit (DPU) to Unitholders for 2H FY21/22 was 2.02 cents. Excluding the effects of the deferred amount from the 2H FY20/21 distribution¹, the DPU for 2H FY21/22 was 8.6% higher y-o-y. On an annual basis, DPU for FY21/22 was 3.80 cents, which represents an annual yield of 6.6% based on the closing unit price of S\$0.58 as at 30 June 2022.

SGREIT will continue with its Distribution Reinvestment Plan (DRP) for the 2H FY21/22 distribution. The issue price of new units for this DRP will be announced on or around 5 August 2022. Unitholders can expect to receive their 2H FY21/22 DPU on 23 September 2022. The record date is on 5 August 2022 at 5.00 pm.

The Group's portfolio valuation of S\$2.89 billion as at 30 June 2022 decreased by 2.4% y-o-y, mainly due to the downward revaluation of Wisma Atria Property (Retail) and net movement in foreign currencies.

Overview of Starhill Global REIT's financial results

(S\$ million)	2H FY21/22	2H FY20/21	Y-O-Y Change (%)	FY 21/22	FY 20/21	Y-O-Y Change (%)
Gross revenue	95.5	92.9	2.8	186.4	181.3	2.8
Net property income	75.1	69.8	7.6	144.7	134.7	7.4
Income available for distribution	47.1	44.9	4.9	89.8	88.2	1.8
Income to be distributed to Unitholders ³	45.3	45.9	(1.4)	85.0	87.3	(2.7)
Distribution per Unit (cents)						
- DPU (excluding effects of deferred amount)	2.02	1.86 ¹	8.6	3.80	3.60 ²	5.6
- DPU (including effects of deferred amount)	2.02	2.07	(2.4)	3.80	3.95	(3.8)

Tan Sri (Sir) Francis Yeoh, Chairman of YTL Starhill Global, said: "The hospitality, tourism, aviation and retail sectors have seen a marked recovery as countries progressively open their borders. Notwithstanding elevated geopolitical tensions and inflationary pressures, we remain cautiously optimistic that the retail and commercial real estate markets will continue to experience growth,

² Excludes the release of S\$7.7 million or 0.35 cents per unit from the FY19/20 deferred distributable income for the FY20/21 distribution.

³ Approximately S\$1.9 million and S\$4.8 million (2H and FY20/21: S\$3.6 million and S\$8.5 million) of income available for distribution for 2H and FY21/22 has been retained for working capital requirements respectively. FY20/21 distribution includes the release of S\$3.1 million (0.14 cents) and S\$4.6 million (0.21 cents) for 1H and 2H FY20/21 distribution respectively, totaling S\$7.7 million or 0.35 cents per unit relating to FY19/20's deferred distributable income.

particularly in the Asia Pacific region. We remain committed to delivering value to our stakeholders, working in close partnership with our tenants and partners.”

Mr Ho Sing, CEO of YTL Starhill Global, said: “Interior upgrading works at Wisma Atria continue to progress as scheduled and will be completed by end-2022. The refurbished Wisma Atria will sport a refreshed, modern aesthetic design to cater to the evolving preferences of shoppers and retailers. Wisma Atria is the third mall in our portfolio to have undergone enhancement works during the pandemic. The rejuvenated portfolio better positions us to benefit from the opening of borders. As the world recovers from the pandemic, tenant sales in 4Q FY21/22 at Wisma Atria surpassed pre-pandemic sales by 4.8% over the corresponding period in 4Q FY18/19. This is despite ongoing rejuvenation works. Amidst global inflation concerns and rising interest rates, our prudent capital management approach has allowed us to buffer these pressures. 93% of our borrowings have been fixed or hedged as at 30 June 2022, and our average debt maturity stands at 3.5 years, while gearing level remains stable at 36.2%.”

Review of portfolio performance

SGREIT’s Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 59.9% of total revenue, or S\$57.2 million in 2H FY21/22. NPI for 2H FY21/22 was at S\$45.1 million, falling marginally by 0.5% from 2H FY20/21, mainly due to lower retail rents, partially offset by higher office occupancies and lower allowance for rental arrears. Tenant sales and shopper traffic at the Wisma Atria Property (Retail) improved in 2H FY21/22 y-o-y, with the arrival of international tourists, as well as increased domestic consumption given the relaxation of COVID-19 safe management measures. For 2H FY21/22, tenant sales and shopper traffic improved 43.6% and 32.1% y-o-y respectively. Overall, in FY21/22, tenant sales and shopper traffic rose 18.2% and 25.4% y-o-y respectively. The Singapore retail and office portfolio remained resilient with a committed occupancy of 98.6% and 96.9% respectively as at 30 June 2022.

SGREIT’s Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, the David Jones Building and the adjoining Plaza Arcade in Perth, Western Australia, contributed 21.9% of total revenue, or S\$20.9 million in 2H FY21/22. NPI for 2H FY21/22 fell 3.6% y-o-y to S\$13.5 million, mainly due to the reversal of allowance for rental arrears and rebates in the previous corresponding period, lower contribution from Myer Centre Adelaide and the depreciation of the Australian dollar, partially offset by lower operating expenses, including lower property tax and reinstatement costs for Myer Centre Adelaide. As at 30 June 2022, Australia’s portfolio committed occupancy stood at 93.0%, with anchor tenants Myer and David Jones comprising 62.0% of the total Australia portfolio. New tenants at Myer Centre Adelaide include Bed Bath N’ Table and Miss Zhou’s Dumplings. Uniqlo is also scheduled to open its first South Australian outlet in Myer Centre Adelaide by 4Q 2022.

SGREIT's Malaysia portfolio, comprising The Starhill and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 15.9% of total revenue, or S\$15.1 million in 2H FY21/22. NPI for 2H FY21/22 grew by 70.1% y-o-y to S\$14.7 million, mainly due to the cessation of rental rebates following the completion of asset enhancement works at The Starhill in December 2021, as well as the provision of rental assistance to the master tenant in the previous corresponding period. Lot 10 continued to attract new tenants including Genki Sushi, 32 Parfait and The Soybean Factory. New and returning tenants at The Starhill include Philipp Plein, Hoops Station Elite, and Okaju, Balmain, Tom Ford, Paul & Shark and the Rolex boutique by Cortina Watch. The newly refurbished mall also attracted exclusive new retailers, such as The Chamber's flagship connoisseurs' store with the widest collection of liquor in the country, and South East Asia's first Eslite Spectrum, which is slated to open in end-2022.

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China, and two properties located in central Tokyo, Japan, contributed 2.3% of total revenue, or S\$2.2 million in 2H FY21/22. NPI for 2H FY21/22 was S\$1.7 million. The China and Japan portfolio registered a 100% occupancy rate as at 30 June 2022.

Capital management

Gearing remains stable at 36.2% with about 93% of debts on a fixed/hedged basis as at 30 June 2022. The average debt maturity profile remains healthy at 3.5 years, with no term debt refinancing requirements in the next 12 months, save for S\$125 million medium term notes due in May 2023. As at 30 June 2022, SGREIT has sufficient long-term committed and undrawn revolving credit facility lines to cover the remaining debts maturing in FY22/23.

Impact of COVID-19

Most countries in the region have eased their COVID-19 measures, leading to a general recovery. Notwithstanding, uncertainty remains as new variants continue to cause a surge in cases. Singapore has progressively relaxed its safe management measures following the high vaccination rates, with 96% of the eligible population completing the full vaccination regimen⁴. From 26 April 2022, group size limits and safe distancing measures were lifted and all employees are allowed to return to the workplace⁵. Border restrictions were also eased for fully vaccinated travellers⁵. Since the relaxation of border control measures, tourism has also rebounded, with international visitor arrivals for 1H 2022 totalling approximately 1.5 million, a 1,167.0% y-o-y increase over the same period in 2021, but well

⁴ Ministry of Health.

⁵ Gov.sg, Further Easing of Community and Border Measures, 22 April 2022.

below pre-pandemic levels for the same corresponding period in 2019⁶. Malaysia has also lifted its COVID-19 restrictions beginning 1 May 2022, including contact tracing and the need for travellers to be tested upon arrival⁷. In Australia, international border restrictions were lifted in Western and South Australia early in the year.

The Group's portfolio is characterised by its quality master leases in Singapore and Malaysia which make up about 37.0% of revenue in FY21/22. Office portfolio contributed another 14.4% of revenue in FY21/22. Additionally, as at 30 June 2022, the weighted average portfolio lease expiry by net lettable area stood at 7.2 years while retail leases expiring in the financial year ending 30 June 2023 comprised 10.8% of gross retail rent. The Group's retail portfolio committed occupancy remained stable at 96.7% as at 30 June 2022.

SGREIT's unaudited financial results for 2H FY21/22 and FY21/22 are available on its website (www.starhillglobalreit.com) and on SGXNet (www.sgx.com).

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About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S\$2.9 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia, The Starhill and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China and two properties in Tokyo, Japan. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio, through proactive leasing efforts and creative asset enhancements.

Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited, of which all of its shares are indirectly held by YTL Corporation Berhad.

Important Notice

⁶ Singapore Tourism Board.

⁷ Channel NewsAsia, No more COVID-19 tests for fully vaccinated travellers entering Malaysia, masks optional outdoors from May 1, 27 April 2022.



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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.

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