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

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

SGREIT reports DPU of 1.20 cents for 1Q FY17/18

HIGHLIGHTS

- **Net property income would have increased by 0.9% y-o-y after excluding the one-off pre-termination rental compensation for a retail lease in the previous corresponding period**
- **Higher contributions from Australia and China**
- **Drawdown of S$460 million unsecured term loan facilities to largely refinance existing outstanding loans ahead of maturities in 2018**

SINGAPORE, 27 October 2017 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the three months ended 30 September 2017 (1Q FY17/18). Revenue for SGREIT group in 1Q FY17/18 was S$53.0 million, a decrease of 4.1% over the previous corresponding period of three months ended 30 September 2016 (1Q FY16/17). Net Property Income (NPI) was S$41.4 million, a decrease of 3.5% over 1Q FY16/17. The decrease in revenue and NPI was mainly due to the one-off S$1.9 million pre-termination rental compensation for a retail lease at Wisma Atria Property recorded in the previous corresponding period which has been filled up. Excluding the one-off compensation, NPI for the SGREIT group would have increased by 0.9%. The performance was driven by higher retail revenue from Australia including positive rent reversion from long-term leases, the appreciation of the Australian dollar against the Singapore dollar and lower expenses for the China operation. These offset weaker office occupancies, disruption of income from ongoing asset redevelopment works at Plaza Arcade, Perth, and lower contribution from the Malaysia portfolio due to the depreciation of the Malaysian ringgit against the Singapore dollar.

Income to be distributed to Unitholders for 1Q FY17/18 decreased by 7.7% over the previous corresponding period to S$26.2 million, mainly due to lower NPI and withholding taxes for Malaysia income, partially offset by lower cash retention. Distribution Per Unit (“DPU”) for 1Q FY17/18 was 1.20 cents, representing an annualised distribution yield of 6.26%[1]. Unitholders can expect to receive their 1Q FY17/18 DPU on 29 November 2017. Book closure date is on 6 November 2017 at 5.00 pm.

[1] Based on the closing price of S$0.76 as at 30 September 2017.

YTL Starhill Global REIT Management Limited
CRN 200502123C
Manager of Starhill Global REIT, 391B Orchard Road, #21-08, Ngee Ann City Tower B, Singapore 238874
Tel: +65 6835 8633 Fax: +65 6835 8644 www.ytlstarhill.com
a member of YTL SINCE 1955

Overview of Starhill Global REIT's financial results

(S$ million)	1Q FY17/18	1Q FY16/17	Change (%)
Revenue	53.0	55.3	(4.1)
Net property income	41.4	42.9	(3.5)
Income available for distribution	26.7	29.5	(9.3)
Income to be distributed to Unitholders	26.2[2]	28.4	(7.7)
Distribution per Unit (cents)			
- For the period	1.20	1.30	(7.7)
- Annualised	4.76	5.17	(7.9)

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said, "In the recent months, the global economy has exhibited synchronised and broad-based growth which would have a positive impact on consumer sentiment going forward. Earlier initiatives to rejuvenate the portfolio have been timely, setting SGREIT in a good position to ride on any retail sector upturn. Notwithstanding the improved economic outlook, we remain cautious on the sustainability of the economic growth and the structural changes to consumer preferences. We will continue to recalibrate our portfolio and sieve out opportunities, with the aim of creating long-term value for our Unitholders."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Despite the challenging market conditions and the income disruption from asset redevelopment initiatives, our portfolio has been relatively resilient this quarter. Excluding the one-off rental compensation in 1Q FY16/17, NPI for the SGREIT group would have increased by 0.9% y-o-y. Our Australia portfolio performed well with higher retail revenue from Myer Centre Adelaide and David Jones Building including the positive rent reversions from our long-term leases and the appreciation of the Australian dollar. Wisma Atria Retail exhibited stable performance as NPI would have grown by 6.4% y-o-y if the one-off rental compensation was excluded. The Singapore office portfolio experienced a decline in occupancy but we are currently finalising terms with new prospective tenants for approximately a third of the vacant spaces. As part of our proactive capital management strategy, we have drawn down the S$460 million unsecured term loan facilities to largely refinance the outstanding loans ahead of their maturities, thereby extending the average debt

[2] Approximately S$0.5 million (1Q FY16/17: S$1.1 million) of income available for distribution for 1Q FY17/18 has been retained for working capital requirements.

maturity to approximately 3.8 years. The rejuvenation projects in Malaysia and Australia are on schedule and making good progress."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 61.1% of total revenue, or S$32.4 million in 1Q FY17/18. NPI for 1Q FY17/18 decreased by 7.1% y-o-y to S$26.1 million, due to lower office occupancy as well as the recognition of the one-off S$1.9 million pre-termination rental compensation for a retail lease at Wisma Atria Property in 1Q FY16/17 which has been filled up. Excluding the one-off rental compensation, the Singapore portfolio's NPI would have registered a smaller decline of 0.4% on a y-o-y basis, and Wisma Atria Retail NPI would have increased by 6.4% y-o-y mainly due to lower expenses. Wisma Atria Retail reported committed occupancy of 97.4% and achieved a positive rental reversion for leases committed in 1Q FY17/18. As a result of the proactive leasing efforts, approximately 47.8% of the retail leases by gross rent expiring in FY17/18 have already been committed as at 30 September 2017. Tenant sales rose by 1.3% over the previous corresponding period despite a 3.1% decline in shopper traffic. Ngee Ann City Retail revenue and NPI were largely stable on the back of the Toshin master lease. The Singapore office portfolio revenue and NPI declined 13.2% and 15.0% y-o-y respectively in 1Q FY17/18 mainly due to lower occupancies which stood at 83.5%. However, we are currently finalising terms with new prospective tenants for approximately a third of the vacant spaces.

SGREIT's Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 23.7% of total revenue, or S$12.6 million in 1Q FY17/18. NPI for 1Q FY17/18 was S$7.8 million, 3.8% higher than in 1Q FY16/17 mainly due to higher retail revenue from Myer Centre Adelaide and David Jones Building including positive rent reversions from long-term leases with tenants David Jones Limited and Myer Pty Ltd, as well as appreciation of the Australian dollar against the Singapore dollar. The committed occupancy for the Australia retail portfolio stood at 95.9%. These offset the income disruption resulting from the ongoing asset redevelopment at Plaza Arcade, lower occupancies at Myer Centre Adelaide Office as well as higher expenses. Vacancies at Myer Centre Adelaide Office increased during the quarter amidst elevated office vacancies and declining rents in Adelaide. However, the impact is small as Myer Centre Adelaide Office accounts for just 2.1% of Australia portfolio's revenue. At Plaza Arcade, construction works commenced last quarter and is scheduled for completion by the first quarter of 2018. The redevelopment will include a new façade while adding approximately 8,000 square feet or 33% more retail space on the upper floor to cater to the new international anchor tenant. Until its completion, the asset redevelopment will continue to impact revenue contribution from Plaza Arcade.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 12.7% of total revenue, or S$6.7 million in 1Q FY17/18. NPI for 1Q FY17/18 was S$6.5 million, 4.1% lower than the previous corresponding period mainly due to the depreciation of the Malaysian ringgit against the Singapore dollar. Lot 10 has largely completed the internal rejuvenation and external works to create a new entrance from the new MRT line is expected to commence this quarter. The new Sungai Buloh-Kajang MRT line has been well received with reported ridership surpassing 140,000 passengers per day in July 2017[3].

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China and three properties located in central Tokyo, Japan, contributed 2.5% of total revenue, or S$1.3 million in 1Q FY17/18. NPI for 1Q FY17/18 was S$1.0 million, up from S$0.6 million in 1Q FY16/17, mainly due to lower operating expenses for the China Property, following the conversion of the departmental store model to a single tenancy model. The tenant's renovation works at the China mall has been ongoing with expected completion targeted in December 2017.

Maintains strong financial position

SGREIT maintains its strong financial position with stable gearing level at 35.4% as at 30 September 2017. As part of our proactive capital management strategy, SGREIT has drawn down its new S$460 million unsecured term loan facilities in September 2017 to largely refinance the outstanding loans ahead of their maturities in 2018. Following the above drawdown, the average debt maturity has been extended to approximately 3.8 years. With the expected drawdown of the A$145 million term loan in November 2017, SGREIT's average debt maturity will be further extended to approximately 4.3 years with no refinancing requirement for its existing debt portfolio until June 2019.

- End -

[3] New Straits Times: New Sungai Buloh-Kajang MRT daily ridership hits 140,000 mark (23 July 2017)

About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 11 properties in Singapore, Australia, Malaysia, China, and Japan, valued at about S$3.1 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China, and three 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. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect wholly-owned subsidiary of YTL Corporation Berhad.

Analyst, Investor and Media Contact:

Jonathan Kuah
YTL Starhill Global REIT Management Limited
Tel: (65) 6835 8693; Mobile: (65) 9753 3930
Email: jonathan.kuah@ytlstarhill.com