SGX-ST Announcement

ANNUAL GENERAL MEETING TO BE HELD ON 28 OCTOBER 2020
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

YTL Starhill Global REIT Management Limited, as manager (the "**Manager**") of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**"), wishes to thank all unitholders of Starhill Global REIT ("**Unitholders**") who submitted their questions in advance of the Annual General Meeting to be held by way of electronic means on 28 October 2020 at 11.00 a.m. (Singapore time).

Please refer to Annex A hereto for the list of substantial and relevant questions, and the Manager's responses to these questions, including those from the Securities Investors Association (Singapore).

By Order of the Board
YTL Starhill Global REIT Management Limited
(Company registration no. 200502123C)
(as manager of Starhill Global Real Estate Investment Trust)

Lam Chee Kin
Joint Company Secretary
27 October 2020

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Impact of the COVID-19 pandemic

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>What is the impact of COVID-19 to the business?</td><td rowspan="4">We started our financial year on a positive note with a relatively stable operational performance (excluding asset enhancement) and Distribution per Unit (DPU) for the first six months ended 31 December 2019.

Unfortunately, the COVID-19 pandemic which emerged in early 2020 significantly impacted our financial performance in the second half of the financial year. As a result, we ended the financial year ended 30 June 2020 (FY 2019/20) with a modest DPU of 2.96 cents, representing a 33.9% decline over the previous year.

COVID-19 has negatively impacted the retail tenants in varying degrees.

(i) Circuit Breaker
Governments around the world have implemented public health and safety measures, including safe distancing measures, to contain the spread of the COVID-19 pandemic. In Singapore, the Circuit Breaker was implemented on 7 April; for Malaysia, the Movement Control Order (MCO) was implemented on 18 March; and in Australia, restrictive measures were introduced on 22 March. As the governments imposed the closure of all “non-essential” services at all commercial properties, it negatively affected our tenants’ businesses. Most of our malls were impacted to varying degrees, with the net property income (NPI) for the Singapore and Australia assets registering a higher decline due to the COVID-19 pandemic.

Wisma Atria Property’s tenants’ sales and shopper traffic declined by 80% and 86.9% year-on-year (y-o-y) in the last quarter ending 30 June 2020.

The situation has improved since the easing of these measures. However, trading conditions remain challenging and retail tenants in Starhill Global REIT’s (SGREIT) prime city centre properties were particularly impacted by the lower footfall resulting from the drop in tourist arrivals and fewer office workers in the city centre.</td></tr>
<tr><td>2.</td><td>Which country’s mall is most impacted by COVID-19?</td></tr>
<tr><td>3.</td><td>What measures are you taking to mitigate the losses sustained so far?</td></tr>
<tr><td>4.</td><td>What is the extent of the impact of the pandemic on SGREIT’s business and what are the measures in place to mitigate it?</td></tr>
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<table>
<tr><td>5.</td><td>Please update on the latest situation on COVID-19 which affect the REIT's performance.</td><td rowspan="2">(ii) Tourism
Governments continue to impose entry restrictions and border closures in an attempt to mitigate imported infection cases into their communities. Aside from airlines, cruises and hospitality sectors, retailers who are more dependent on tourist spending have also seen their businesses contract.

(iii) Work from Home
Orchard Road provides employment to many offices, hospitality, retail and service workers. Safe distancing and work from home measures have resulted in the decline in shopper traffic and sales.

Ensuring Sustainability of the Business
Due to the decline in shoppers, some tenants have requested for rental assistance from landlords. To ensure the sustainability of the business until the pandemic recedes, we have therefore focused on the malls' overall occupancy and have thus been assisting tenants to overcome this difficult period. As a result, we were able to maintain a resilient retail portfolio occupancy rate of 97.4% as at 30 June 2020. We will continue to monitor the situation and make necessary adjustments that reflect the evolving situation.

Meanwhile, we have embarked on cost containment effort (despite higher cleaning and sanitisation cost) and exercised prudence in managing our balance sheet and conserve cash. Recognising the importance of distributions to Unitholders but balanced against the uncertainty of the COVID-19 pandemic, we took the prudent approach of utilising the tax transparency extension (relief measures announced by Inland Revenue Authority of Singapore (IRAS) to defer S$7.7 million in distribution payout, retained S$4.9 million in distributable income and utilised capital allowance of $3.7 million to build financial flexibility and liquidity. We have also changed to semi-annual distributions which offer greater financial flexibility and cost savings. All non-essential capital expenditure have been delayed. Additionally, the Board of Directors and senior employees have also taken remuneration cuts and the savings have been passed down to the REIT in the form of lower annual management fees.

The valuation of SGREIT Group's investment properties as at 30 June 2020 was 4.0% lower y-o-y mainly due to the lower passing and market rents in view of the softer retail outlook which was impacted by the COVID-19 pandemic.</td></tr>
<tr><td>6.</td><td>Given the pandemic, has the manager fine-tuned the REIT's long-term growth objectives? Please state the REIT's strategic priorities for the next 12-18 months.</td></tr>
</table>

7.	Are SGREIT's properties in Kuala Lumpur and Australia significantly affected by the COVID-19 pandemic?	**Malaysia** In Malaysia, both The Starhill and Lot 10 Property are under Master Tenancy Agreements (MTA) with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation Berhad. The MTA, which was renewed in June 2019, provides quality and stable income for SGREIT on a long-term basis. The Starhill (previously known as Starhill Gallery) is currently undergoing asset redevelopment works. Due to the MCO, construction works were temporarily halted. Work has since resumed since the end of the MCO in May. The time for completion of the construction works will reflect the delay and be extended by two months from October 2021 to December 2021. Under the renewed MTA which was concluded in 2019, the master tenant will receive a rent rebate of six months per year during the construction period of The Starhill (ie. rebate of RM26 million per annum). Given the delay in completion, the rent rebate shall be extended by an additional two months to December 2021 and the corresponding postponement of rent increments thereafter. The MTA is for a period of 19.5 years. Notwithstanding the COVID-19 pandemic, The Starhill announced new flagship boutiques of international luxury brands such as Balmain, Philipp Plein, Tom Ford, Stefano Ricci and Paul & Shark. Lot 10 Property is under a nine-year MTA commencing June 2019 with rental step-ups of 6% every three years. As the mall was closed during the MCO, some rental assistance was extended to the master tenant to assist the retail sub-tenants impacted by the MCO. The mall has since resumed operations and it recently reported that Don Don Donki of Japan will be opening its first outlet in Malaysia at Lot 10. **Australia** Since May, the Australian government has been slowly easing restrictive measures in Adelaide and Perth, where our properties are located. Most of the stores at our Australian assets have since resumed operations. For Perth, post-lockdown sales have been encouraging, achieving pre-COVID-19 levels. The Adelaide asset recorded improving sales since lockdown.

		Our tenants in the Australian portfolio have also been impacted by the lockdown, including our anchor tenants. An allowance for rental arrears and rebates were provided for eligible tenants, resulting in a decline of 24.5% y-o-y in the NPI for the Australia portfolio in FY 2019/20. Nevertheless, Australia's retail portfolio registered a stable actual occupancy of 94.3% as at 30 June 2020.
8.	Without tourists, many of SGREIT's retail assets, for example, at Orchard Road, are badly affected by the COVID-19 situation. Can you shed some light on the financial impact (NPI, cashflow and DPU) due to the COVID-19 pandemic for 2020 and what is the outlook for 2021?	Orchard Road is traditionally a location that is favoured by tourists. However, due to the restrictions on travel, this segment of the business is facing some challenges. Tenant sales and footfall traffic at Wisma Atria Property fell 80.0% and 86.9% y-o-y in the midst of the Circuit Breaker during the last quarter of FY 2019/20. We have provided rental assistance for eligible tenants affected by the COVID-19 pandemic which helped to sustain actual occupancy of the retail segment at 98.9%. To mitigate this loss of business, we have been trying to attract locals who are likewise facing travel restrictions to revisit Orchard Road. Tenants have also been proactive by launching promotions and sales. We are happy to report that since the end of the Circuit Breaker, we are seeing a gradual improvement in tenants' sales and shopper traffic. The retail sales performance at Wisma Atria Property has recovered substantial lost grounds in July 2020 with tenants' sales for July 2020 recovering to about two-thirds of pre-COVID-19 levels on a y-o-y basis. Shopper traffic has also improved to about half of pre-COVID-19 levels. The reason behind the better outperformance in sales is probably due to more destination shoppers. In terms of upcoming lease expiries and reversions, it is difficult to assess at this juncture given the fluidity of the situation. Our near term strategy is to focus on tenant retention and maintain healthy occupancy through proactive lease management and by rendering assistance to targeted tenants, where appropriate. Other initiatives during this challenging period include (i) implementing proactive marketing plans to drive traffic and sales (ii) providing a safe environment for our shoppers, tenants and stakeholders (iii) taking this opportunity to curate a high-quality and resilient tenant mix and position our assets to be

<table>
<tr><td>9.</td><td>Your assessment of the financial impact on the Singapore assets post COVID-19.</td><td rowspan="3">ready to ride the eventual recovery and (iv) maintaining financial flexibility through proactive and prudent capital management.

Rents and occupancies are expected to remain under pressure as leasing activities slowed down significantly due to economic uncertainties and lack of visibility of the pandemic.

Notwithstanding the challenging environment, we have signed up new tenants such as United Overseas Bank (UOB), Unity pharmacy, chocolatier Beryl's, Don Don Donki, Tom Ford, Paul & Shark and Stefano Ricci at our properties in both Singapore and Malaysia.

It should be noted that Ngee Ann City retail is mostly under a long-term master lease arrangement with Toshin (a wholly-owned subsidiary of Takashimaya) which expires in 2025. Whilst we have provided some rental rebates to Toshin during the Circuit Breaker, rental income is generally stable with rent review every three years with downside protection.

For the office portfolio in Singapore, occupancy dropped to 87.6% as at 30 June 2020 from 93.2% previously. The decline was mainly due to a single large tenant at Ngee Ann City Property who vacated pre-COVID-19 pandemic. However, half of the vacated space has since been taken up by a financial institution. The lower office occupancy at Ngee Ann City Property was however, partially offset by the improvement in occupancy at Wisma Atria Property (Office). Generally, office leasing activities have slowed down as viewing has been difficult to arrange due to social distancing measures and demand has been dampened by recessionary pressures and cost containment measures. Virtual viewing is not a complete solution as prospective tenants are also unable to renovate their premises as the construction sector is still subject to the limitations of social distancing and foreign workers restrictions.

We would like to highlight that unlike the Central Business District where tenants are mostly in the financial sector, Orchard Road tenants tend to be more diversified, which include retailers, specialty trades, family offices and medical suites etc. Over the last 10 years, demand for office space in our properties has generally been quite resilient.</td></tr>
<tr><td>10.</td><td>What is the projected impact of COVID-19 to the DPU in the next three years?</td></tr>
<tr><td>11.</td><td>What further steps can the Management & BOD take to arrest the further decline of Revenue, NPI and DPU?</td></tr>
<tr><td>12.</td><td>Do we need to give Toshin rental rebate because Toshin is a company that</td><td>Yes in principle, subject to the correct entitlement in quantum under the rental relief framework. As stated by the Ministry of Law (MinLaw) (all emphasis ours): "If the eligible tenant-</td></tr>
</table>

	should have more than annual revenues of S$100 million? Read a report from an analyst, we need to give rental rebates to sub-tenants of Toshin. These sub-tenants are the tenants of Toshin, isn't it logical that Toshin should give them the rental rebates?	occupier rents the property through an intermediary landlord, all intermediary landlords along the chain will also receive rental waivers in respect of that eligible tenant-occupier for the corresponding period from their immediate landlords, regardless of whether the intermediary landlords meet the eligibility criteria. <u>An intermediary landlord's entitlement to rental waivers is solely dependent on the tenant-occupier's eligibility</u>." (Please refer to FAQ 7 at https://www.mlaw.gov.sg/covid19-relief/faq/rental-relief The Landlord does not provide rental rebates to both the intermediary landlord and SME sub-tenant. As stated by MinLaw (all emphasis ours): "Where a property (with an eligible end-tenant occupier) has been sublet, <u>the lessor (i.e. intermediary landlord) will receive rental waivers as well</u>, regardless of whether they themselves meet the eligibility criteria, <u>and is in turn obliged to provide the necessary rental waivers to its tenant</u>." (Please refer to https://www.mlaw.gov.sg/covid19-relief/rental-relief-framework-for-smes) We are still awaiting confirmation from IRAS on the cash grant for Toshin.
13.	Given the decrease in revenue due to COVID-19, would the management fees paid to the Manager to decrease as well, in the coming financial year? Notice that the management fees incurred for FY 2019/20 still remain the same as FY 2018/19. This was given the fact that the Group is significantly impacted by COVID-19 in the second half of FY 2019/20.	Base management fee, as per the trust deed, is derived on the total consolidated assets of SGREIT, which remained relatively stable in FY 2019/20. Notwithstanding that, the Manager has voluntarily taken a reduction in its base management fees for 4Q FY 2019/20 (April to June 2020) by 10%.

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<tr><td>14.</td><td>Has the REIT significantly reduce its overall operating costs to deal with the impact of the COVID-19 pandemic?</td><td rowspan="2">In view of the prolonged headwinds caused by the COVID-19 pandemic, we have been exercising financial prudence. We have delayed non-essential capital expenditure and implemented cost-saving measures. The Board took the lead with a 20% cut in the directors’ fees followed by senior employees with a salary cut ranging from 5% to 10% from April 2020. The savings from the directors’ fees and salary adjustment have been passed to the Unitholders as part of a 10% reduction in base management fees paid by SGREIT for three months from April 2020, to show solidarity with our Unitholders.

We have also changed to semi-annual distributions and adopted half-yearly reporting, which allow us to achieve cost savings and greater financial flexibility.

We have retained S$4.9 million of income available for distribution, claimed capital allowance and deferred S$7.7 million of distributable income for FY 2019/20 so as to maintain financial flexibility. The deferred distributable income for FY 2019/20, as allowed under the COVID-19 relief measures announced by IRAS, will have to be paid out by December 2021.

Operating expenses for our Singapore properties were lower by 8% for FY 2019/20 y-o-y partly due to savings such as leasing and upkeep expense including leasing commission, as well as property management fees. As part of maintaining certain sanitisation and hygiene standards, and complying with latest safe distancing measures to minimise the risk of transmission of COVID-19, the Singapore malls are expected to incur more cleaning and security costs.</td></tr>
<tr><td>15.</td><td>What are the measures taken/to be taken by the REIT to overcome COVID-19 challenges?</td></tr>
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Financial Performance

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>When will the $7.7 million deferred distribution be distributed out to unit holders? On what date would shareholders on record be entitled to this deferred distribution?</td><td rowspan="2">The stipulated timeline by IRAS is to pay out before December 2021. SGREIT can pay out for the distribution periods of July-December 2020 or January-June 2021 respectively.

The usual record date (formerly termed book closure dates) applies for Unitholders’ entitlement for distributions.</td></tr>
<tr><td>2.</td><td>When will the manager have better visibility of the REIT’s cash flows so that it would be in a position to release the $7.7 million in income available for distribution that has been deferred?</td></tr>
<tr><td>3.</td><td>Can we maintain the dividend payout ratio in order to qualify for the tax transparency?</td><td>In order to qualify for tax transparency, SGREIT needs to distribute at least 90% of its annual taxable income to the unitholders.

We intend to qualify for tax transparency by paying the deferred distributions before December 2021.</td></tr>
<tr><td>4.</td><td>Why is your share price doing so badly?</td><td rowspan="3">Our share price has been negatively impacted as measures to curb the COVID-19 pandemic has impacted the retail sector. Prime malls are hit harder with the double whammy of border restrictions resulting in minimal tourist arrivals, and more people staying and working from home. Due to the weak outlook of the retail sector, some institutional players are down weighting on counters with retail exposure, in line with global trend.

However, we wish to highlight that our portfolio continues to be heavily-weighted on long-term quality master leases which provide some stability (albeit with rental rebates) and comprises of prime assets in strategic locations. In addition, we are trading at about half of our net asset value, which should be compelling to value seekers. Our strategy is clear. We will defend occupancy to ensure sustainability of the business while strengthening our balance sheet and liquidity. There are no clear signs of when the COVID-19 pandemic will end, but when it does, we want to be positioned to ride the recovery.</td></tr>
<tr><td>5.</td><td>Consider the share price under performance as compared to others, any plan to reverse the situation?</td></tr>
<tr><td>6.</td><td>The REIT has dropped the most amongst retail REITs in Singapore, what is the management doing to increase valuation?</td></tr>
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<tr><td>7.</td><td>Any other deterioration to be seen for REIT distribution for REIT holder? Last quarter we saw a decrease of 23.5%.</td><td>The y-o-y decrease in FY 2019/20 income available for distribution by about 24% was mainly in line with the COVID-19 rental rebates and allowances for rental arrears recorded in FY 2019/20, weaker contribution from Singapore offices, Australian dollar depreciation, as well as higher finance costs and capital allowance claims. The Group will continue to monitor the performance in view of the uncertainty of the duration and extent of the COVID-19 pandemic.</td></tr>
<tr><td>8.</td><td>Do you see further downslide for gearing after the $100 million note issuance?</td><td>The S$100 million medium term notes (MTN) issuance in June 2020 has been included in the gearing computation as at 30 June 2020.</td></tr>
<tr><td>9.</td><td>What time frame will you be looking at to turn around the net profit of Starhill Global REIT?</td><td>In view of the uncertainty and fluidity of the COVID-19 pandemic, the extent of the impact on the financial performance of SGREIT cannot be determined at this stage.

Nevertheless, The Group’s portfolio is characterised by its quality master leases in Singapore and Malaysia which make up about 32.5% of revenue in FY 2019/20. Office portfolio contributed another 13.9% of revenue in FY 2019/20. Additionally, as at 30 June 2020, the weighted average portfolio lease expiry by gross rent stands at 5.6 years while retail leases expiring in the next financial year ending 30 June 2021 comprise 14.0% of gross retail rent. The Group’s portfolio occupancy remains resilient at 96.2% as at 30 June 2020, with stable retail portfolio occupancy of 97.4% as at 30 June 2020.</td></tr>
<tr><td>10.</td><td>Note 8 of Financial statement (a) Other receivable - How much is the grants receivable from Singapore Government? (b) Can you share the breakdown of not past due, past due- 0-30days, past due 31-120 days, more 120 days by country
(c) In the past, management had taken conservative approach by charging impairment loss for Not past due. However, during this economic downturn, the management did not charge impairment loss for Not past due. What is rational and basis?</td><td>Grants receivable from Singapore Government is approximately S$9.7 million.

For the breakdown of trade receivables, please refer to the table below:
<table>
<tr><th>(S$'000)</th><th>Singapore</th><th>Malaysia</th><th>Australia</th><th>Total</th></tr>
<tr><td>Not past due</td><td>1,320</td><td>1,621</td><td>3,498</td><td>6,439</td></tr>
<tr><td>Past due 0–30 days</td><td>988</td><td>1,208</td><td>3,060</td><td>5,256</td></tr>
<tr><td>Past due 31–120 days</td><td>378</td><td>-</td><td>3,921</td><td>4,299</td></tr>
<tr><td>More than 120 days</td><td>144</td><td>-</td><td>614</td><td>758</td></tr>
<tr><td></td><td>2,830</td><td>2,829</td><td>11,093</td><td>16,752</td></tr>
</table></td></tr>
</table>

		The trade receivables as at 30 June 2020 were partially covered by security deposits, bank/corporate guarantees, and allowance for impairment. Based on the ongoing assessment which include the finalisation of rental rebate and deferment plans for eligible tenants in Australia assets, as well as subsequent collections of the trade receivables, no additional impairment loss was provided.

Operational Performance

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>Reference to my email dated 29 Jul 2020 on Q4 results release. Reference to the release of the FY19/20 financial statement and the presentation deck, I noted from Slide 29 of the presentation deck that the occupancy for SG office had dropped to 87.6% (FY19/20) from 93.2% (FY18/19). Could you share the impact on the net property income?</td><td rowspan="4">Office

The lower y-o-y occupancy rate for the Singapore office was mainly due to the lower occupancy rate for Ngee Ann City Property (Office) mainly due to a single large tenant who vacated pre-COVID-19 pandemic.

About half of the large vacated space has since been taken up by a financial institution recently. Nevertheless, the office occupancy for Wisma Atria Property is higher on a y-o-y basis, helping to partially offset the lower occupancy for Ngee Ann City Property. NPI for the Singapore office portfolio for FY 2019/20 decreased by 13.8% y-o-y mainly due to the lower occupancy and rental assistance given to tenants.

Generally, office leasing activities have slowed down as viewing has been difficult to arrange due to social distancing measures and demand has been dampened by recessionary pressures and cost containment measures. Virtual viewing is not a complete solution as prospective tenants are also unable to renovate their premise as the construction sector is still subject to the limitations of social distancing and foreign workers restrictions.

We would like to highlight that unlike the Central Business District where tenants are mostly in the financial sector, Orchard Road tenants tend to be more diversified, which include retailers, specialty trades, family offices and medical suites etc. Over the last 10 years, demand for office space in our properties has generally been quite resilient.</td></tr>
<tr><td>2.</td><td>In the rough order of magnitude (%), how will the net property income in the subsequent FY be impacted?</td></tr>
<tr><td>3.</td><td>Could you provide some information on the rental reversions for FY19/20, for both SG retail and SG offices?</td></tr>
<tr><td>4.</td><td>Arising from the COVID-19 uncertainty, will we be expecting a higher percentage of negative rent reversion and/or significant drop in occupancy rate?</td></tr>
</table>

Retail

In terms of upcoming lease expiries and reversions, it is difficult to assess at this juncture given the fluidity of the situation. Our near term strategy is to focus on tenants' retention and maintain healthy occupancy through active lease management and by providing assistance to targeted tenants, where appropriate.

Rents and occupancies are expected to remain under pressure as leasing activities slowed down significantly due to economic uncertainties and lack of visibility on the pandemic. If the pandemic continues, this may affect tenants' renewal decision whilst new retailers adopt a cautious approach until there is more clarity on the path of the COVID-19 pandemic.

Notwithstanding the challenging environment, we have signed up new tenants such as United Overseas Bank (UOB), Unity pharmacy, chocolatier Beryl's, Don Don Donki – first outlet in Malaysia, and new flagship boutiques at The Starhill like Balmain, Philipp Plein, Tom Ford, Paul & Shark and Stefano Ricci at our properties in both Singapore and Malaysia.

It should be noted that Ngee Ann City retail is mostly under long-term master lease arrangement with Toshin (a wholly-owned subsidiary of Takashimaya) which expires in 2025. Whilst we have provided some rental rebates to Toshin during the Circuit Breaker, rental income is generally stable with rent review every three years with downside protection.

Orchard Road is traditionally a location that is favoured by tourists. However, with restrictions on travel, this segment of the business is facing some challenges. Notwithstanding that, we are also trying to attract the locals who are likewise facing travel restrictions to revisit Orchard Road.

We are happy to report that since the end of the Circuit Breaker, we are seeing a gradual improvement in tenants' sales and shopper traffic. The retail sales performance at Wisma Atria Property has recovered substantial lost grounds in July 2020 with tenants' sales for July 2020 recovering to two-thirds of pre-COVID-19 levels on a y-o-y basis. Shopper traffic has also improved to about half of pre-COVID-19 levels.

5.	Also understand that 29.6% of the total SG retail and 38.3% of the total SG office leases will be due in FY20/21, how is our progress on the lease renewal negotiation with this pool of tenants? What is our strategy to manage these due leases?	The COVID-19 pandemic has caused leasing activities to slow down as tenants have become more cautious in their expansion plans and due to economic uncertainty. As safe distancing measures remain, it is also more challenging to conduct viewing virtually. Notwithstanding that, we have managed to sign up new tenants such as United Overseas Bank (UOB), Unity pharmacy, chocolatier Beryl's, Don Don Donki – first outlet in Malaysia, and new luxury flagship boutiques at The Starhill like Balmain, Philipp Plein, Tom Ford, Paul & Shark and Stefano Ricci at our properties in both Singapore and Malaysia despite the current environment. Please refer to our "First Quarter FY 2020/21 Business Updates" which will be released on 28 October 2020 after market close.
6.	Has the manager faced difficulties in renewing leases that have expired or will be expiring in the next 12 months? On page 30 (of the Annual Report), it is shown that the REIT has 15.8% of its leases (by gross rent) expiring in FY 2020/21, with 19.4% expiring for the Singapore portfolio.	
7.	How is the REIT competing with online retail and also integrating the healthy lifestyle concepts of fitness (e.g. bicycle parking, providing gym entry/ membership, healthy nutrition, other fitness enterprises/ concepts like trampoline parks, rock climbing walls, HPB free zumba or exercise classes, indoor/outside, running tracks/ exercise corners, cafes for cyclist (car free lifestyle) to patronise, medical centres as well as environmental concerns like green campaigns, cash for trash promotions etc) to respond to change in customer taste after COVID-19 and the importance of	City center malls value proposition is its central location and excellent connectivity. It is a meeting place for people living in different parts of Singapore. The concentration of hotels and offices in the vicinity translates to a natural draw for tourists and office workers. The mix and dynamics of the shoppers is a natural draw for popular international brands and new-to-market retailers. This is probably the reason why most of the top international brands are located in the Orchard area. Our role as a mall operator is to ensure our property remains differentiated and relevant to shoppers by offering interesting retail and food & beverage (F&B) concepts. As many of our tenants are multinationals, they already possess advanced omni-channel platforms. Therefore, we do not compete directly with online retailers. However, we do utilise electronic direct mail (EDM) and social media marketing to draw shoppers to the malls and reinforce our proposition as a meeting place. Our Singapore properties already house some tenants in the growing fitness and lifestyle concepts such as Lululemon and Vivre Activewear.

	fitness, the environment and health?	
8.	Given that the REIT has significant exposure to master leases and anchor leases, has the REIT manager evaluated the financial positions of the master lessees and anchor lessees given that the pandemic has caused unprecedented disruption to all businesses?	The REIT manager undertakes the task of evaluating the financial positions of all the master and anchor leases periodically.

Asset Enhancement Works on The Starhill

No.	Questions	Responses
1.	Please provide an update on the enhancement works at Starhill Gallery in Kuala Lumpur and its impact on DPU going forward.	The asset enhancement works for The Starhill (formerly known as Starhill Gallery) are currently progressing well. Although there were some delays due to the MCO where construction works have to stop, work has resumed thereafter and is on track for completion by the end of 2021.
2.	Asset enhancement works for Starhill Gallery are expected to be completed by the end of 2021 - any change in completion due to COVID-19 lockdowns?	The Master Tenant is entitled to a fair and reasonable extension of time under the MTA for delays to the AEW caused by force majeure. As a result of the delays caused by the MCO, the time for completion of the AEW was extended for two months from October 2021 to December 2021, which was regarded as an interested person transaction. Under the MTA, the agreed rent during the AEW shall continue for two more months to December 2021 and the extension of time would result in a postponement of the rental increments[(1)]. The financial impact, aggregated with all other transactions between SGREIT and YTL Corporation Berhad or its associates entered into to-date in the current financial year falls below 3.0% of SGREIT's latest audited net tangible assets for the purposes of Chapter 9 of the Listing Manual.
3.	Separately, can management also clarify if the asset enhancement works at The Starhill is on track and on budget?	

4.	What is the impact of COVID-19 to AEW of The Starhill?	In the latest development, Kuala Lumpur, Putrajaya, Selangor and Sabah have been placed under movement restrictions for two weeks until 27 October 2020, following a recent COVID-19 outbreak[2]. All economic activities are allowed while social activities and cross-district travels are not allowed[2]. The Starhill and Lot 10 Property remain open as well as construction works for The Starhill continued during the latest two-week movement restrictions. **Notes:** 1. For more details, please refer to the circular to unitholders dated 25 April 2019. 2. The Straits Times, Kuala Lumpur, Putrajaya, Selangor and Sabah placed under COVID-19 movement curbs again, 12 October 2020.

Strategy and Acquisitions

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>Has the strategy of concentrating the assets in prime locations failed since tourism has stopped and not improve over the foreseeable future?</td><td rowspan="4">As mentioned earlier, prime locations offer a different business proposition compared to the likes of suburban malls. The likes of Fifth Avenue in New York, Bond Street in London, Champs Elysees in Paris, Ginza in Tokyo and Pitt Street in Sydney command one of the highest rents in the world and are clear examples of the relevance of prime retail locations.

The decline in tourism currently is an event that is caused by an unprecedented global pandemic rather than an issue with the business model. At some point, the pandemic will subside and tourists will return. Our strategy is to ensure we are positioned to ride the eventual recovery.

We do look at fringe suburban locations for opportunities if there is potential in the area and if the price is attractive. The key is to focus on cities and/or locations with strong fundamentals with stable and/or resilient growth.

Aside from retail assets, we are also exploring opportunities to grow our office portfolio as a form of diversification of risk.

The overseas acquisitions contributed to higher NPI and added geographical diversification. A key criteria when we buy an asset is to ensure that it is DPU accretive to SGREIT.</td></tr>
<tr><td>2.</td><td>Should the REIT also look at suburban locations to spread out the risks?</td></tr>
<tr><td>3.</td><td>Has the overseas acquisitions improved the results?</td></tr>
<tr><td>4.</td><td>COVID-19 had hit this Reits with a tailspain (sic). Do management think there is a need to review its current strategy and portfolio? After all, the 5-year summary had shown consecutive decline in performance.</td></tr>
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<table>
<tr><td>5.</td><td>The REIT does not seem to be growing in terms of assets, revenue, NPI and DPU. Compared to other REITS, it seems to be stagnant. Are there any new acquisitions in the horizon, both locally or overseas?</td><td rowspan="2">We adopt a careful approach when it comes to acquisition and focus on organic growth to ensure the health of the balance sheet. We look at the sanctity of our income as we align our interests with our stakeholders. This is why SGREIT has not gone to Unitholders to raise funds for eleven years while still providing an attractive dividend returns annually.

That said, we have been constantly seeking out acquisition opportunities. But, we remain highly selective, focusing on the following main criteria:
• the right asset class;
• in quality locations;
• attractively priced;
• where we can add value; and
• DPU yield accretive.

Unfortunately, at this juncture, we are unable to reveal more on any prospective targets.</td></tr>
<tr><td>6.</td><td>Would the board/ manager help unitholders understand how it identifies and selects its investment assets?</td></tr>
<tr><td>7.</td><td>Other than in Singapore and Malaysia, the REIT has smaller or standalone assets in each city. What are the opportunities for the manager to value-add and to create value for unitholders given the lack of scale outside Singapore and Malaysia?</td><td>In Perth, Plaza Arcade underwent asset redevelopment to create additional retail space on the upper floor and a revamped façade. Since completion of the works at the end of 2019, we uplifted the mall’s positioning. Anchor tenant, UNIQLO opened its first store in Perth at Plaza Arcade.

For locations where we lack the scale and ability to value-add, we have been divesting. In Tokyo, we have divested a total of five properties over the past few years.</td></tr>
<tr><td>8.</td><td>Has the board evaluated the manager’s acquisition track record in the past 10 years? Has the manager delivered long-term sustainable returns to unitholders through growth and value creation with its acquisitions?

What guidance will the board give to the manager to improve its track record for acquisitions?</td><td>The Manager has always been careful with its acquisitions over the past decade, ensuring the assets are yield accretive and economically viable. The decline in valuation is largely due to weaker foreign exchange (in particular the Australian Dollar and the Malaysian Ringgit). In Australia, the collective value of the three assets we acquired has appreciated by 13.4% in local currency as at June 2019 (pre-COVID-19) compared to the purchase price. The Malaysian portfolio has appreciated by more than 10% in local currency. While currency devaluation translates to a decline in Singapore dollar translation, our hedging policy would have partly offset the currency effect.</td></tr>
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9.	Can you update the progress of acquiring our neighbour as stated in last year's AGM?	There has been no further progress. We are focusing on other opportunities.
10.	Acquisition of Isetan's strata area at Wisma Atria shopping mall - continuing to pursue this?	
11.	Is SGREIT still pursuing its plan to acquire the Isetan's portion of Wisma Atria? If so, how does SGREIT plan to finance its acquisitions?	
12.	Any plan or opportunity on the card for M&A going forward, what about buying over the remaining Wisma Atria asset from Isetan?	
13.	There's a plan to convert part of Wisma Atria into a hotel. Has that plan change with the developing situation? Can we have an update on this please?	We are continuously exploring options to utilise the excess gross floor area (GFA) at Wisma Atria and will update the market if the plans materialise.

Remuneration

No.	Questions	Responses
1.	Given that there is no majority of independent directors on the board, would the board be reconsidering the setting up of a well-constituted remuneration committee that meets the Principles and Provisions in the CG code? Would the board clarify if the executive director would recuse from board	The Manager, taking into account, the fact that the remuneration policy is required to be approved by the Board, including by at least a majority of Independent Directors, does not consider it necessary for the Board to establish an RC. The Independent Directors constitute half the Board and therefore play a substantial role and assures the objectivity and independence of the decision-making process in respect of remuneration. Therefore, the Board approves 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 variable bonus amount payable to all employees and the corporate performance targets for payment

	deliberations on remuneration?	of variable 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 executive director abstains on Board decisions relating to his remuneration.
2.	Can the board provide unitholders with better visibility of the link between rewards and corporate and individual performance? Can the board clarify if there is a significant and appropriate proportion of executive directors' and key management personnel's remuneration structured as performance-related compensation (and not as base pay)?	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 the achievement of SGREIT's DPU, the Manager's profit after tax targets and other long-term targets approved by the Board (such as asset enhancement initiatives and investor meetings), with substantial emphasis on the performance of SGREIT to align employee interests with the interests of Unitholders. In approving the variable bonus for FY 2019/20, the Board had taken into account the extent to which the performance targets have been met, and is of the view that remuneration is aligned to performance during FY 2019/20. In FY 2019/20, due to the COVID-19 pandemic, the Directors' fees were reduced by 20%, the CEO's and CFO's pay were reduced by 10%, while other senior employees' pay was reduced by 5%. The reduction was for three months from April to June 2020. The savings from the salary adjustment by the Manager was passed to Unitholders as part of a 10% reduction in base management fees payable by Starhill Global REIT for the three months from April to June 2020.

Others

No.	Questions	Responses
1.	What is the retail potential in Singapore?	In terms of supply, the retail space supply going forward is going to remain low. Based on a CBRE Research report, the total amount of future private retail supply from 2021 to 2023 is estimated at 1.02 million square feet[(1)] (sq ft) - an annual average of about 0.34 million sq ft, significantly lower than the five-year historical average (2014-2018) of 1.66 million sq ft[(2)]. Orchard and the Rest of Central will account for just 3.1% and 2.1% of the future supply respectively[(1)]. The estimated gross new supply of retail space is 0.34 million sq ft, 0.43 million sq ft and 0.25 million sq ft in 2021, 2022 and 2023 respectively[(1)].

		Notes: 1. CBRE Research Report Q3 2020 Prelim. 2. CBRE Research Report Q2 2019.
2.	Has the independent directors of the board of the REIT manager evaluated the performance of the REIT manager? How satisfied is the board with the track record of the REIT manager given that the trust index is 139% below the Benchmark index as at 30 June 2020? What are the board's plans to improve the performance of the REIT manager?	Firstly, the broad REIT index might not be a good gauge to evaluate the REIT as economic cycles affect the diverse business segments of components differently. For instance, Data Centre REIT or Industrial REITs have benefited from the current COVID-19 pandemic while it has negatively impacted the hospitality and retail REITs, in particular those with city centre malls. Secondly, over the last few years, the Manager took the view to consolidate its portfolio via divestments of our smaller assets and became selective on prospective acquisitions given the escalating asset prices. The Manager has always been careful with its acquisitions over the past decade, ensuring the assets are yield-accretive and economically viable. We have also undertaken asset enhancement initiatives including the recent asset redevelopment for The Starhill, which is ongoing. As it stands, SGREIT portfolio continues to be represented by the most desired properties in Singapore, Kuala Lumpur, Perth and Adelaide. The quality of the portfolio has also enabled us to secure quality tenants who provide stable long-term rental income. The COVID-19 pandemic has disrupted the commercial property market globally, but at the same time, opportunities could be emerging. We intend to expand our scope along the real estate value chain including evaluating office opportunities.
3.	Has the board considered buying back of its units?	We will be renewing the unit buy-back mandate in the upcoming Annual General Meeting. The mandate will be a flexible and cost-effective capital management tool to enhance return on equity and/or the net asset value per unit. However, executing the buy-back will depend on the available opportunities for deployment of resources, the requirement to preserve cash due to COVID-19 uncertainty and the value of the units at that point in time.

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, Starhill Gallery 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

The value of units in Starhill Global REIT ("**Units**") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, 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. Investors have no right to request the Manager to redeem their Units while the Units are listed. 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 necessarily indicative of the future performance of Starhill Global REIT.

This document may contain forward-looking statements that involve 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.