SGX-ST Announcement

ANNUAL GENERAL MEETING TO BE HELD ON 27 OCTOBER 2023
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

YTL Starhill Global REIT Management Limited, as manager (the “**Manager**”) of Starhill Global Real Estate Investment Trust (“**SGREIT**”), wishes to thank all unitholders of SGREIT (“**Unitholders**”) who submitted their questions in advance of the Annual General Meeting to be held at 333 Orchard Road, Hilton Singapore Orchard, Grand Ballroom, Level 6, Orchard Wing, Singapore 238867, on 27 October 2023 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.

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
19 October 2023

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Strategy and Acquisition

No.	Questions	Responses
1.	Is the company still interested in acquiring the space in Wisma currently held by Isetan? Have there been advances made by Isetan to the company or vice-versa? Please comment.	We have not explored this since December 2021 when Isetan (Singapore) Limited ("Isetan") announced that their expression of interest exercise for their property in Wisma Atria has run its course without yielding a positive outcome. The Manager remains open to continue working with Isetan on improving Wisma Atria and explore acquisition opportunities when the macro environment stabilises, on terms that are in line with the Manager's acquisition criteria.
2.	In the last AGM responses to my questions, the company indicated that it intends to divest its lone China property. Please provide updates on the status of this divestment exercise. Has the company employed the services of any property agency company to market the property? How many potential buyers have expressed interest or viewed the property? Please elaborate on the efforts to divest the property, if any, done over the past year.	We have spoken with property agents to explore the divestment of the China property. However, with deteriorating market conditions in China, tightening liquidity and a lack of foreign interest, the agencies have advised that the divestment would be challenging. Notwithstanding, the property only accounts for about 1% of our portfolio revenue and asset value. We will monitor local market conditions before we re-activate the process but will explore interest on an off-market basis.
3.	From pg 35 to 50 of AR, given that ALL of our overseas assets are now valued below its purchase price, would the company consider acquisitions of overseas assets a wise move or otherwise? Would the company be acquiring more overseas assets in the near or mid term? Please elaborate.	The ideal situation would be to focus on the Singapore market but it is a small market with a limited number of assets available for sale. In addition, it is a highly competitive and sought-after property market globally, resulting in tight yields. Coupled with the current high funding costs, it is difficult to acquire an asset that would be DPU accretive. It is thus inevitable to consider overseas expansion to grow, similar to other Singapore REITs. Whilst overseas investments tend to have higher uncertainties, as long as we ensure that risks are adequately mitigated and we believe in the long-term fundamentals and strength of the country, city and asset we invest, overseas assets would play an important part in our growth. Notwithstanding,

		SGREIT will continue to be predominantly Singapore centric.

Operations

No.	Questions	Responses
1.	Wisma Atria property is the 2nd contributor to the revenue and income. However, it is also the property with the shortest remaining lease, 38 years. What step is the REIT doing to replace property, and mitigate the higher depreciation rate moving forward?	38 years is almost 4 decades. This should translate to approximately 3-4 economic cycles thus providing the runway to capture economic upside to mitigate the depreciation resulting from shortening land tenure. Besides, 4 decades of lease expiry is not uncommon in the local REITs market. The key is to maintain the relevance of the asset to our stakeholders, which are the tenants and shoppers. Regular upkeep and asset enhancements must be carried out to ensure the mall remains appealing and interesting to shoppers. Consequently, the rejuvenated mall and enhanced tenants' positioning will provide us the opportunity to command higher occupancy and rents while tenants benefit from higher sales. We recently completed the rejuvenation works for Wisma Atria Property in February 2023 and have seen improvement in centre sales and footfall. Encouraged by the outcome, we have embarked on the next phase of upgrading works in the basement, which is expected to be completed in March 2024. Notwithstanding the above, our growth strategy will also be geared towards increasing the number of longer tenured or freehold assets.
2.	From pg 33 of AR, it is stated that the valuation of the Australian properties have fallen by 15.4%. The forex has fallen from 1.04 to 1.11 and accounts for less than half of the valuation decline. Can you please elaborate on the reasons (besides forex) for the sharp fall in the valuation of the Australian properties? What is the company's view on the outlook and prospects for the Australian market? When, if applicable, will	Excluding foreign exchange movements, the valuation of the properties in Australia were largely affected by higher capitalisation rates as well as lower rents due to slower recovery post Covid and continued hybrid work-from-home arrangement for the office communities in the CBDs. These higher capitalisation rates were consistent with the market and a reflection of the higher interest rates in Australia arising from cash rate hikes by the Reserve Bank of Australia. In terms of outlook, asset values will partly depend on global interest rate outlook which could ultimately affect cap rates. At this juncture, the

	the valuation rebound? Please elaborate.	market appears to be anticipating rates to peak in the coming months while expecting rates to remain high over a longer period. If this comes to pass, it could mitigate concerns on further significant devaluations in commercial asset values.

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 nine properties in Singapore, Australia, Malaysia, Japan and China, valued at about S$2.8 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 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.

Important Notice