



# First Quarter FY 2020/21 Business Updates

28 October 2020

- Singapore • Australia • Malaysia • China • Japan



- Financial and Key Highlights
- Portfolio Updates
- Market Outlook



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## Financial and Key Highlights

# Key highlights for 1Q FY20/21

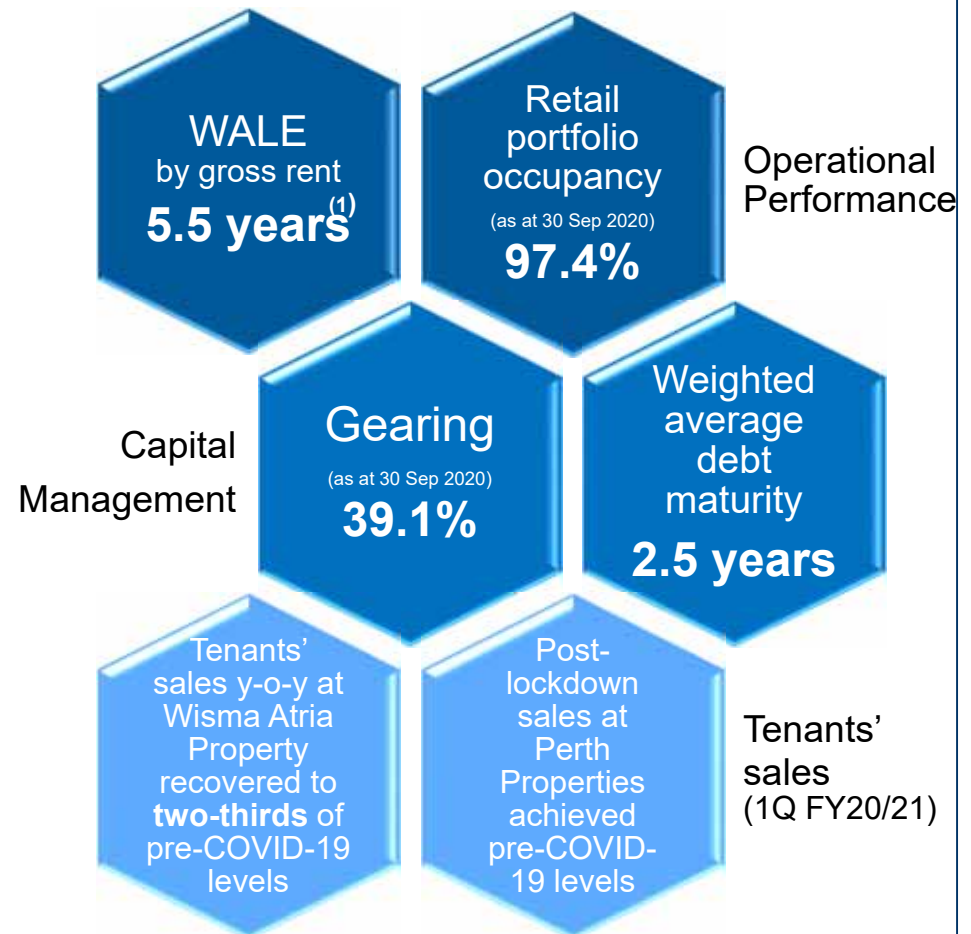


## Financial Performance

- Gross revenue and net property income was lower by 10.3% and 19.2% y-o-y in 1Q FY20/21:
  - Mainly due to rental assistance to eligible tenants affected by the COVID-19 pandemic, including allowance for rental arrears and rebates mainly for Australia Properties
  - Partially offset by higher contributions from The Starhill and appreciation of A\$

## Capital Management

- Prudent and proactive capital management to enhance financial flexibility and liquidity
- Secured new committed RCF with relationship banks of up to \$90 million
- Undrawn and committed RCF is more than sufficient to cover the \$250 million term borrowings maturing in the next 12 months



**Note:**

1. Excludes tenants' option to renew or pre-terminate.

## Key highlights for 1Q FY20/21

### Portfolio Performance

- **Resilient** portfolio occupancy of 96.6% as at 30 September 2020
- Most tenants are open for business across our portfolio in 1Q FY20/21
- **Gradual recovery of tenants' sales in Singapore**
  - Wisma Atria Property's tenants' sales and shopper traffic recovered to about two-thirds and almost half of pre-COVID-19 levels y-o-y respectively in 1Q FY20/21
- **Encouraging post-lockdown sales in Australia**
  - Post-lockdown sales in Perth assets achieved pre-COVID-19 levels in 1Q FY20/21
  - Myer Centre Adelaide sees improving sales since lockdown
  - Majority of rental assistance negotiations have been concluded for our Australian tenants<sup>(1)</sup>
- **Stable of new quality tenants**
  - United Overseas Bank (Ngee Ann City Property)
  - Unity Pharmacy (Wisma Atria Property)
  - **New-to-market tenant** Don Don Donki (Lot 10 Property)
  - **New flagship boutiques at The Starhill:** Balmain, Philipp Plein, Tom Ford, Stefano Ricci, Paul & Shark
- **Committed to support our tenants** to ride through the COVID-19 pandemic
  - Extended rental relief for eligible tenants in the portfolio, including an allowance for rental arrears and rebates for the Australian tenants, amounting to approximately \$7.3 million in 1Q FY20/21

**Note:**

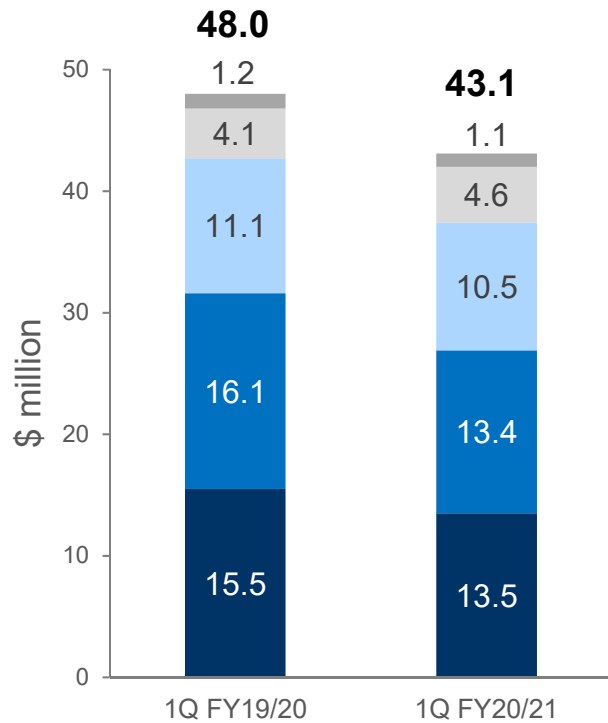
1. As guided by the Mandatory Code of Conduct for landlords and tenants released by the National Cabinet of Australia.

# 1Q FY20/21 financial performance



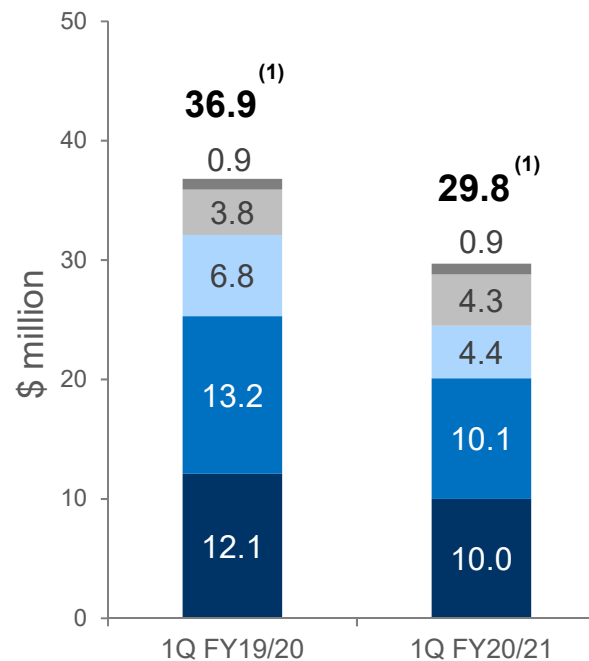
## Gross Revenue

▼ 10.3% y-o-y



## Net Property Income (NPI)

▼ 19.2% y-o-y



### Variance in gross revenue and NPI y-o-y in 1Q FY20/21:

- ➔ Mainly due to rental assistance to eligible tenants affected by the COVID-19 pandemic, including allowance for rental arrears and rebates mainly for Australia Properties
- ➔ Partially offset by higher contributions from The Starhill and the appreciation of A\$

Wisma Atria Property
  Ngee Ann City Property
  Australia Properties
  Malaysia Properties
  Others

**Note:**

1. Total does not add up due to rounding differences.

## Balance sheet and NAV statistics

Total assets of approximately \$3.1 billion



	As at 30 September 2020 (\$'000)	As at 30 June 2020 (\$'000)
Total Assets <sup>(1)</sup>	3,082,354	3,081,035
Total Liabilities	1,302,899	1,311,546
Net Assets	1,779,455	1,769,489
Unitholders' Funds	1,779,455	1,769,489
NAV Per Unit (\$) <sup>(2)</sup>	0.81	0.81
Closing Price (\$)	0.44	0.51
Unit Price Premium/(Discount) to NAV Per Unit	(45.7%)	(37.0%)
Corporate Rating (Fitch Ratings)	BBB/Stable	BBB/Stable

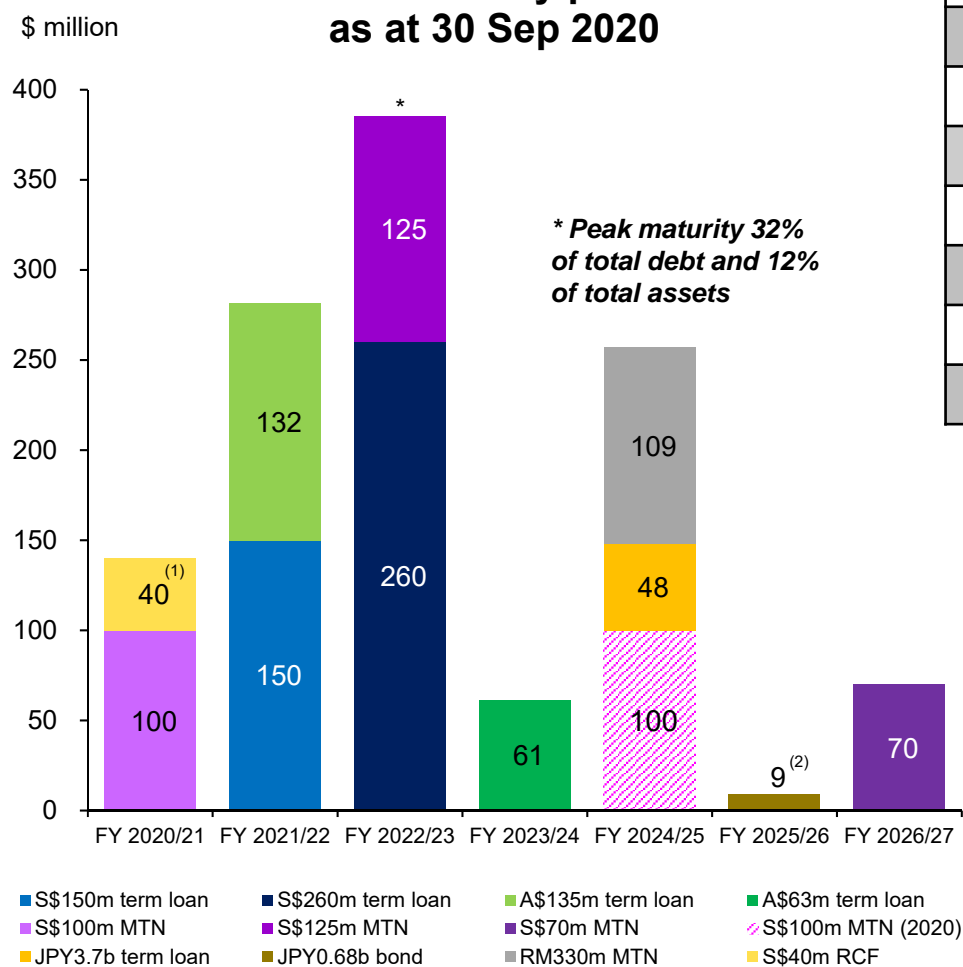
**Notes:**

1. Valuations of investment properties are subject to significant estimation uncertainty given the constantly evolving impact from the COVID-19 pandemic.
2. The computation of NAV per unit is based on 2,199,555,772 units which comprise (i) 2,194,958,278 units in issue as at 30 September 2020, and (ii) estimated 4,597,494 units issuable as partial satisfaction of management fees for 1Q FY20/21 (Jun 2020: 2,194,651,816 units which comprise (i) 2,191,127,148 units in issue as at 30 June 2020, and (ii) estimated 3,524,668 units issuable as partial satisfaction of management fees for 4Q FY19/20).

# Staggered debt maturity profile averaging 2.5 years as at 30 September 2020



### Debt maturity profile as at 30 Sep 2020

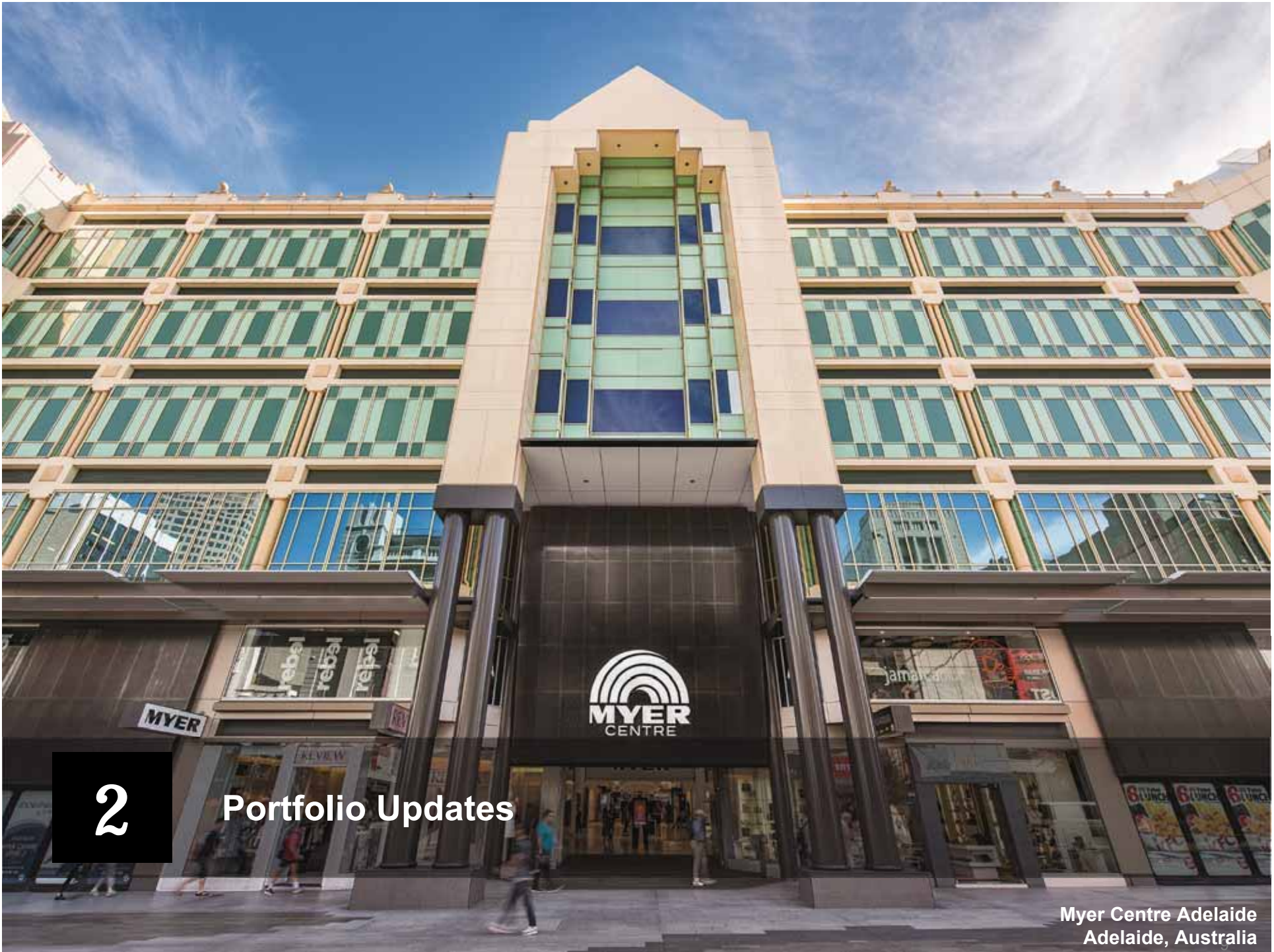


Financial Ratios <sup>(3)</sup>	30 Sep 2020	30 Jun 2020
Total debt	\$1,203 million	\$1,221 million
Gearing	39.1%	39.7%
Interest cover <sup>(4)</sup>	2.6x	2.9x
Average interest rate p.a. <sup>(5)</sup>	3.25%	3.23%
Unencumbered assets ratio	74%	75%
Fixed/hedged debt ratio <sup>(6)</sup>	89%	91%
Weighted average debt maturity	2.5 years	2.7 years

#### Notes:

1. Comprises of short-term RCF outstanding, which were drawn mainly for working capital purposes and to finance ongoing asset enhancement works for The Starhill.
2. Early refinanced the JPY0.68 billion bond in August 2020, with new maturity of August 2025.
3. In compliance with its financial covenants as at 30 September 2020 and 30 June 2020.
4. Interest cover ratio computed per the Property Funds Appendix, based on trailing 12 months interest expenses of \$39.8 million as at 30 September 2020 (Jun 2020: \$39.1 million).
5. Includes interest rate derivatives and benchmark rates but excludes upfront costs.
6. Includes mainly interest rate swaps.





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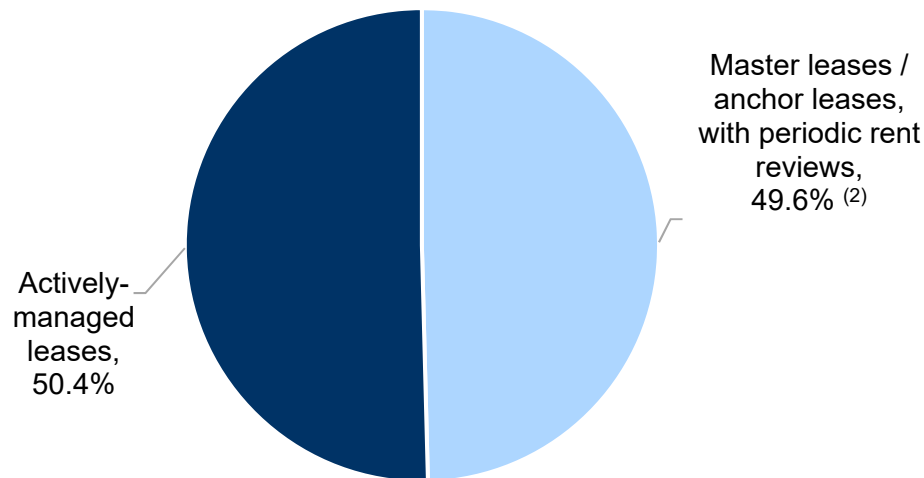
## Portfolio Updates

Myer Centre Adelaide  
Adelaide, Australia

# Balance of master / anchor leases and actively-managed leases



➔ Master leases and anchor leases, incorporating periodic rental reviews, represent approximately 49.6% of gross rent as at 30 September 2020



Includes the following: -



Ngee Ann City Property Retail (Singapore)  
The Toshin master lease expires in 2025. Next rent review is in June 2022 (at prevailing rent or higher).



The Starhill & Lot 10 Property (KL, Malaysia)  
New master tenancy agreements commenced in June 2019 and have long tenures of approximately 19.5 years and 9 years<sup>(1)</sup> for The Starhill and Lot 10 Property respectively, with periodic rental step-ups.



Myer Centre (Adelaide, Australia)  
The long-term lease expires in 2032 and provides for an annual rent review.



David Jones Building (Perth, Australia)  
The long-term lease expires in 2032 and provides for upward-only rent review every three years. A rental uplift was secured in August 2020.

**Notes:**

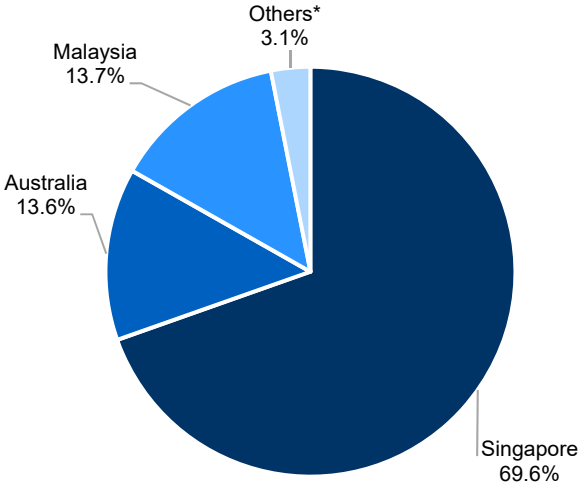
1. Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.
2. Excludes tenants' option to renew or pre-terminate.

# Diversified portfolio across geography and sector

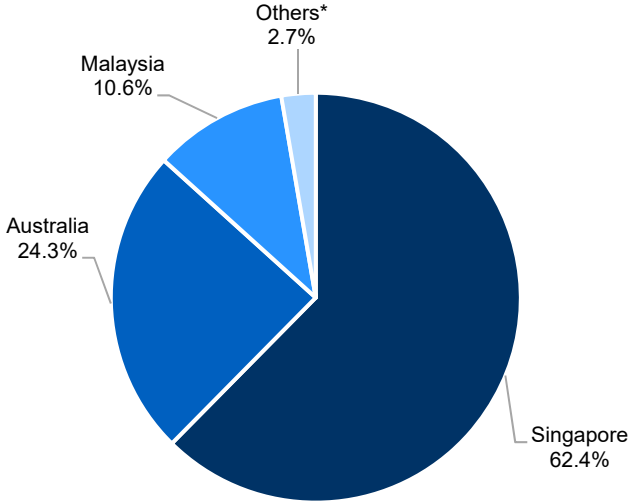
Office portfolio contributes 15.2% to revenue in 1Q FY20/21



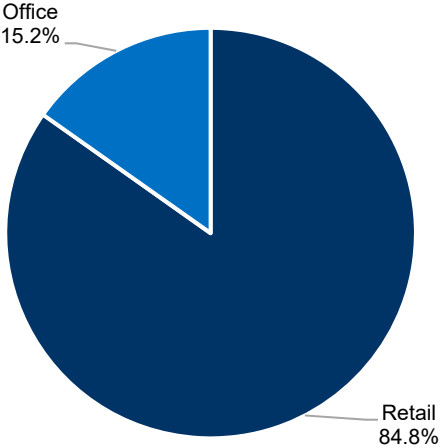
**ASSET VALUE  
BY COUNTRY AS AT 30 SEP 2020**



**1Q FY20/21 GROSS REVENUE  
BY COUNTRY**



**1Q FY20/21 GROSS REVENUE  
RETAIL/OFFICE**



\*Others comprise one property in Chengdu, China, and two properties located in central Tokyo, Japan, as at 30 September 2020.

# Retail portfolio actual occupancy rate resilient at 97.4%

Prime assets in strategic locations with excellent connectivity



As at	31 Dec 08	31 Dec 09	31 Dec 10	31 Dec 11	31 Dec 12	31 Dec 13	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18 <sup>(1)</sup>	30 Jun 19 <sup>(1)</sup>	30 Jun 20 <sup>(1)</sup>	30 Sep 20 <sup>(1)</sup>
SG Retail	98.3%	100.0%	99.1%	98.3%	99.8%	99.9%	99.4%	99.2%	99.2%	98.7% (99.1%) <sup>(2)</sup>	99.4% (99.4%) <sup>(2)</sup>	98.9% (99.5%) <sup>(2)</sup>	99.5% (99.5%) <sup>(2)</sup>
SG Office	92.4%	87.2%	92.5%	95.3%	98.3%	99.0%	99.3%	95.6%	92.9%	90.3% (95.0%) <sup>(2)</sup>	93.2% (93.9%) <sup>(2)</sup>	87.6% (90.4%) <sup>(2)</sup>	90.3% (91.0%) <sup>(2)</sup>
<b>Singapore</b>	<b>96.0%</b>	<b>95.1%</b>	<b>96.5%</b>	<b>97.1%</b>	<b>99.2%</b>	<b>99.5%</b>	<b>99.3%</b>	<b>97.9%</b>	<b>96.8%</b>	<b>95.5%</b>	<b>97.0%</b>	<b>94.6%</b>	<b>96.0%</b>
<b>Japan</b>	<b>97.1%</b>	<b>90.4%</b>	<b>86.7%</b>	<b>96.3%</b>	<b>92.7%</b>	<b>89.8%</b>	<b>96.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>China</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>96.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Australia</b>	-	-	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>99.3%</b>	<b>96.2%</b>	<b>89.7%</b>	<b>91.1%</b>	<b>88.8%</b>	<b>92.8%</b>	<b>94.3%</b>	<b>94.3%</b>
<b>Malaysia</b>	-	-	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SG REIT portfolio</b>	<b>96.6%</b>	<b>95.4%</b>	<b>98.2%</b>	<b>98.7%</b>	<b>99.4%</b>	<b>99.4%</b>	<b>98.2%</b>	<b>95.1%</b>	<b>95.5%</b>	<b>94.2%</b> <sup>(1)</sup>	<b>96.3%</b> <sup>(1)</sup>	<b>96.2%</b> <sup>(1)</sup>	<b>96.6%</b> <sup>(1)</sup>

**Notes:**

1. Based on commenced leases as at reporting date. For prior years, the reported occupancy rates were based on committed leases, which include leases that have been contracted but have not commenced as at the reporting date.
2. Based on committed leases as at reporting date.

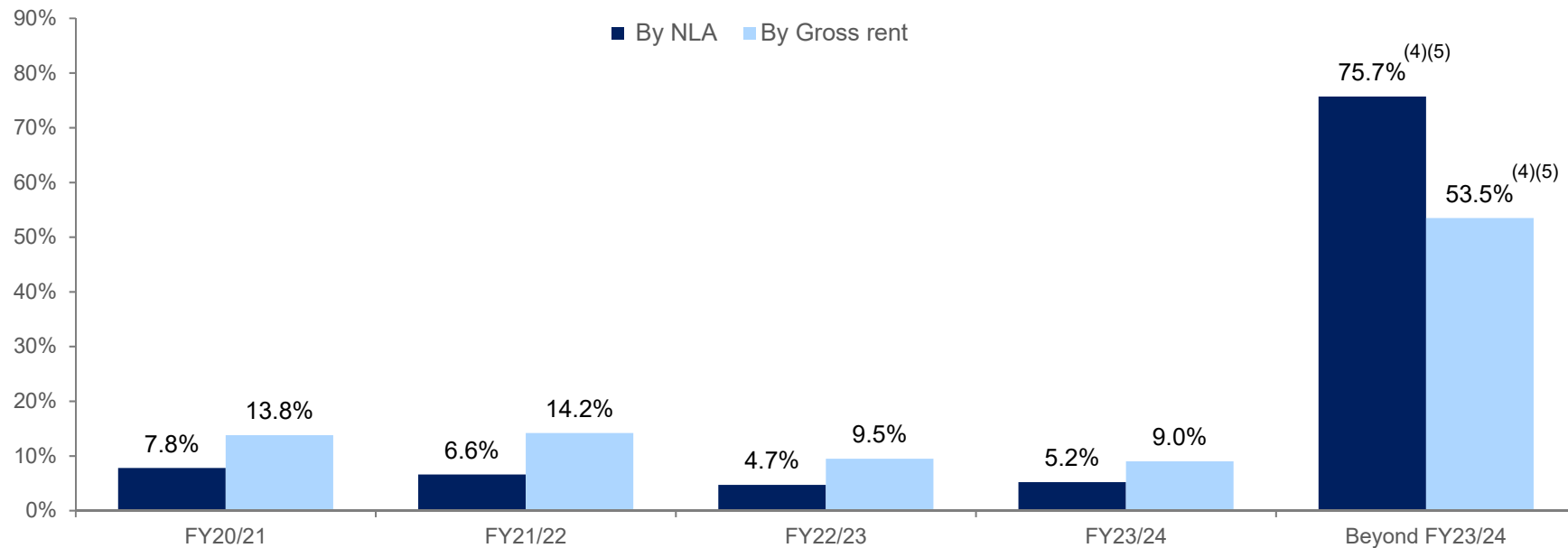
# Staggered portfolio lease expiry profile

## Long WALE of 8.5 years by NLA



Weighted average lease term of 8.5<sup>(1)</sup> and 5.5<sup>(1)</sup> years (by NLA and gross rent respectively)

Portfolio lease expiry (as at 30 September 2020) <sup>(2)(3)</sup>

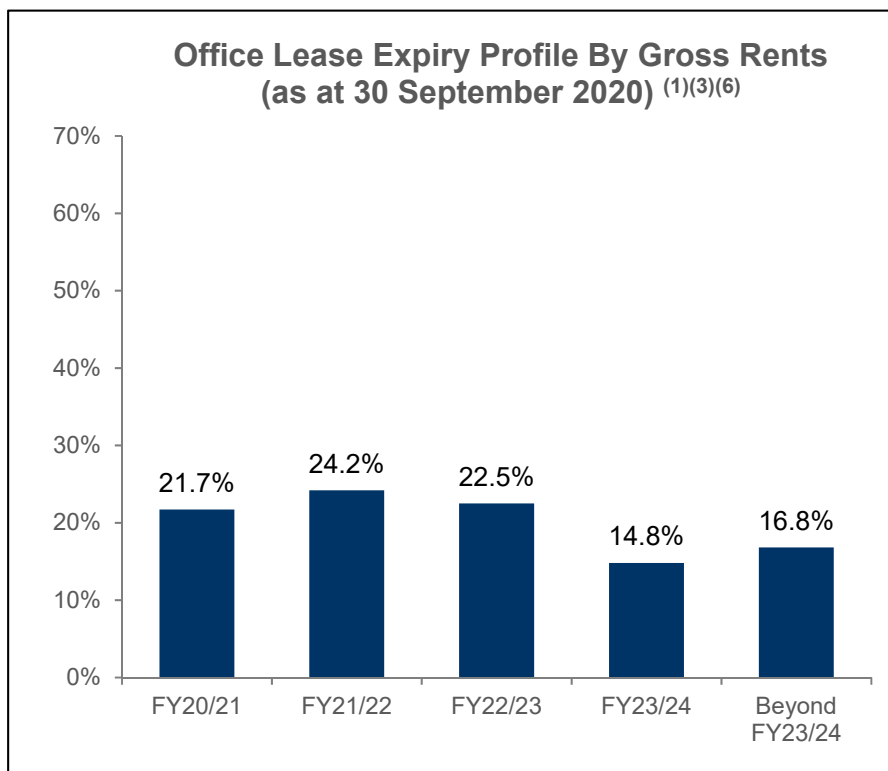
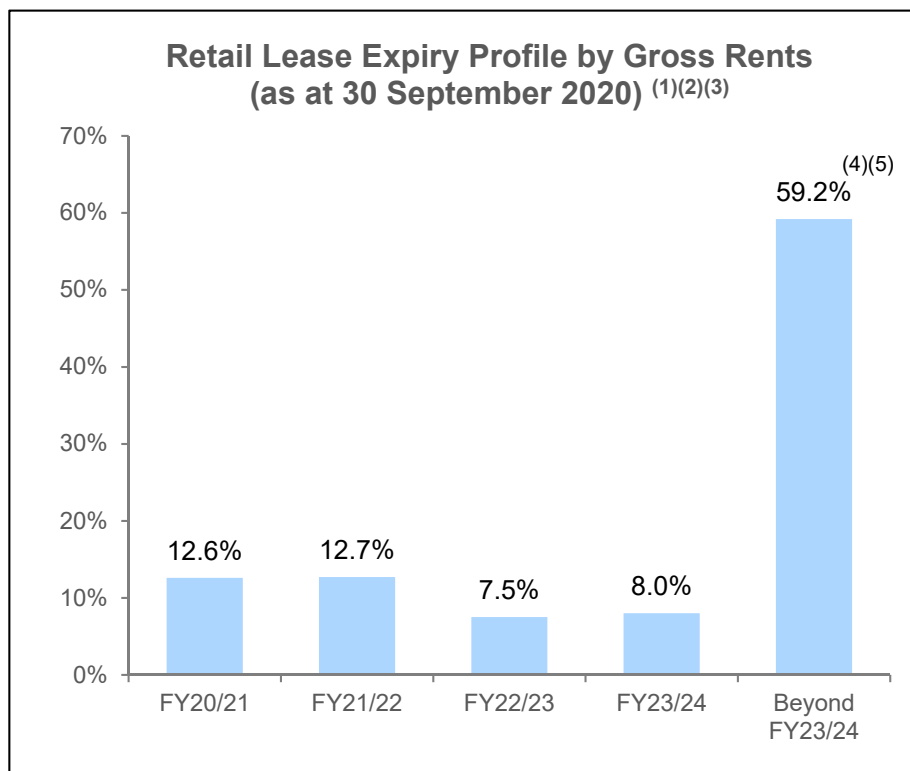


**Notes:**

1. Excludes tenants' option to renew or pre-terminate.
2. Lease expiry schedule based on commenced leases as at 30 September 2020.
3. Portfolio lease expiry schedule includes all of SGREIT's properties.
4. Includes the Toshin master lease, master tenancy agreements for Malaysia Properties and the anchor leases in Australia and China.
5. Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.

# Staggered portfolio lease expiry profile by category

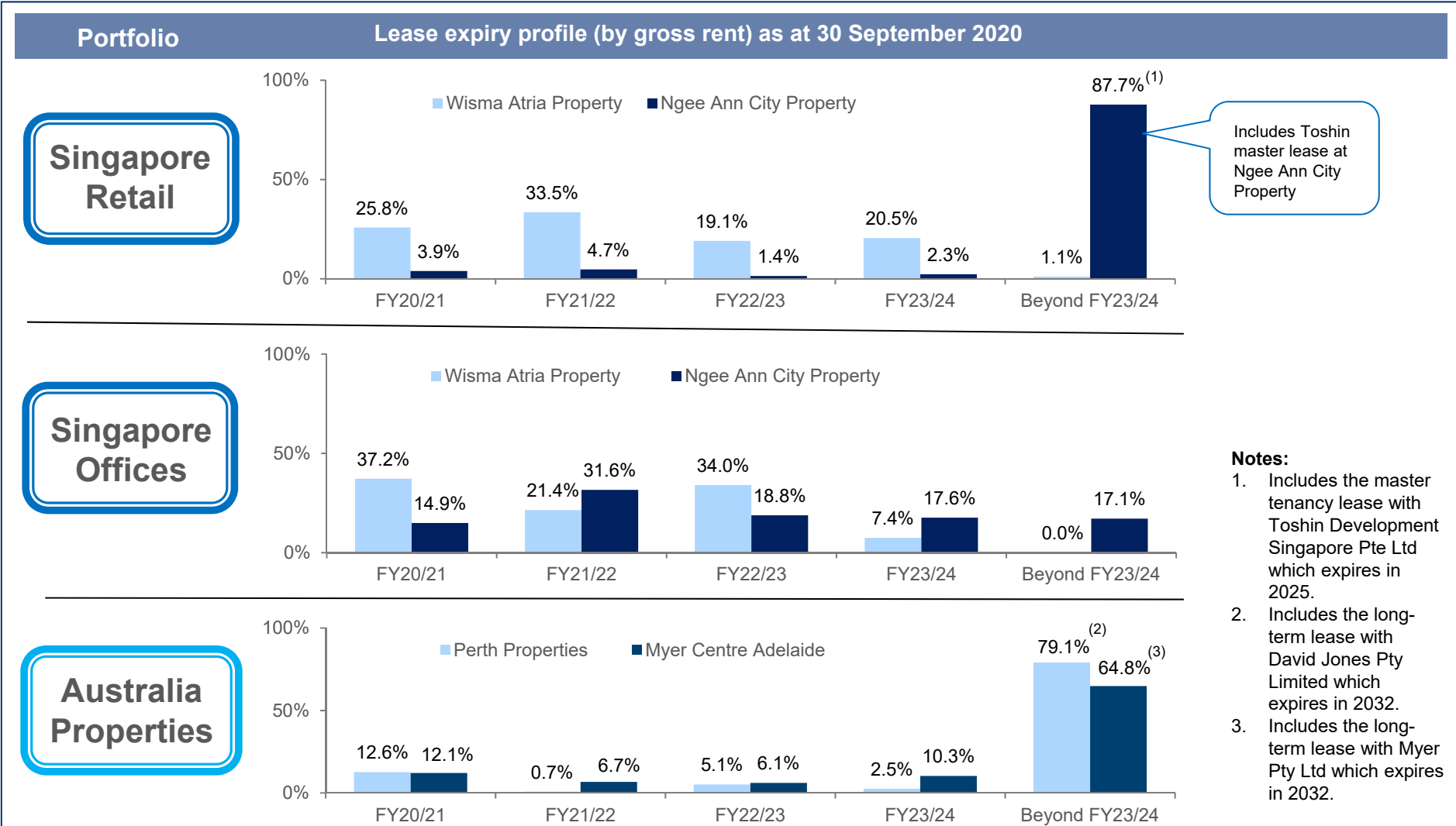
Only 12.6% of retail leases expiring in FY20/21



**Notes:**

1. Based on commenced leases as at 30 September 2020.
2. Includes all of SGREIT's retail properties.
3. Excludes tenants' option to renew or pre-terminate.
4. Includes the Toshin master lease, master tenancy agreements for Malaysia Properties and the anchor leases in Australia and China.
5. Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.
6. Comprises Wisma Atria, Ngee Ann City and Myer Centre Adelaide office properties only.

# Lease expiry profiles across geographies

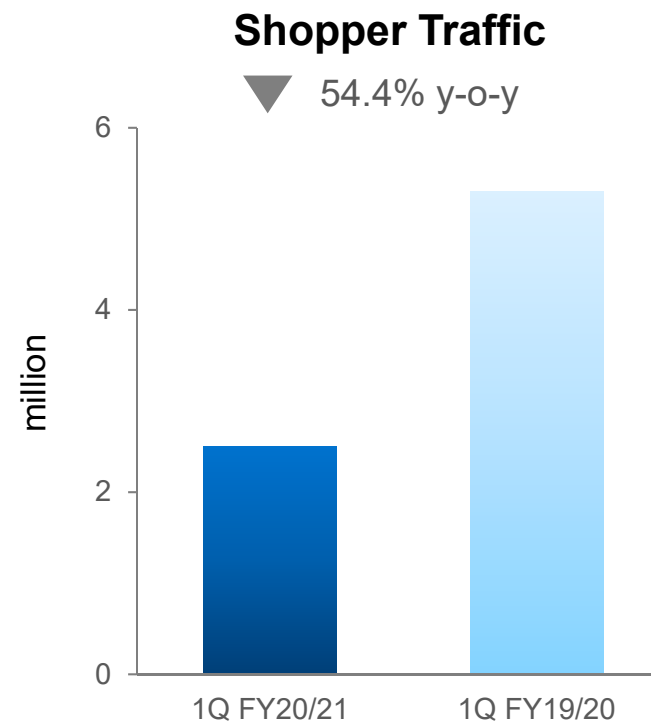
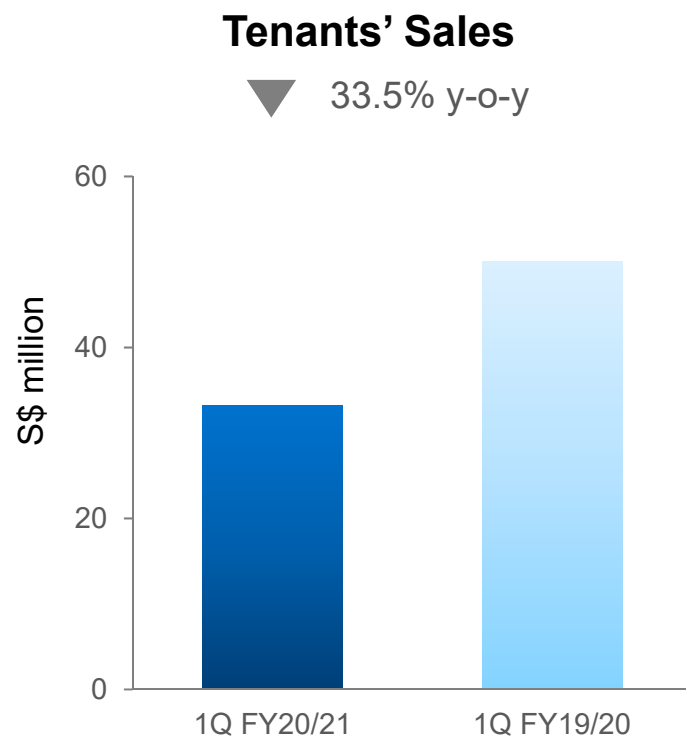


# Tenants' Sales and Shopper Traffic - Wisma Atria Property

Gradual recovery in 1Q FY20/21 post-Circuit Breaker



- Tenants' sales for Wisma Atria Property recovered to about two-thirds of pre-COVID-19 levels y-o-y in 1Q FY20/21 post-Circuit Breaker
- Shopper traffic recovered to almost half of pre-COVID-19 levels y-o-y





Prime locations at retail precincts of city centres  
Attracts new-to-market and niche international brands



### New and upcoming tenants across the portfolio

Singapore Office



Wisma Atria Property



Lot 10 Property



### New tenants at Wisma Atria Property



Unity Pharmacy opened at Wisma Atria in August 2020



Beryl's Chocolate opened at Wisma Atria in August 2020

# Keeping our shoppers and visitors safe



Temperature screening for all shoppers and visitors with queue management as well as digital check-ins and check-outs for contract tracing purposes



Floor markings in front of food and beverage stalls for safe distancing



Notices and floor markings in lifts and taxi stands to remind shoppers to maintain safe distancing



Temperature screenings for contractors



Spaces marked out to ensure safe distance is maintained between patrons

# New technological solutions to enhance safety at Wisma Atria



**New and innovative technological solutions have been deployed / installed in addition to statutory guidelines to safeguard shopper safety and experience**



Air cleaning system utilising advanced ultraviolet technology capable of purifying the air has been installed inside air handling unit ductworks of Wisma Atria shopping mall and office tower for improved indoor air quality from August 2020



Autonomous disinfection robots that use innovative UV-C LED technology effective in killing microbes, including viruses like COVID-19, has been deployed at Wisma Atria shopping mall and office tower from August 2020



Antivirus, antimicrobial and antifungal coating is applied onto escalator handrails and lift buttons. Cleaning and disinfectant frequency has also been increased

# Asset Enhancement Works for The Starhill

## Estimated completion by December 2021



- The Master Tenant is entitled to a fair and reasonable extension of time under the Master Tenancy Agreement (MTA) for delays to the asset enhancement works (AEW) caused by force majeure
- As a result of the delays caused by the Malaysia Government's movement control order, 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<sup>(1)</sup>
- 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
- The Starhill and Lot 10 Property have resumed operations as the nation eased its Movement Control Order (MCO)



Artist's impression of The Starhill façade facing Jalan Bukit Bintang

The Starhill (formerly known as Starhill Gallery) is undergoing asset enhancement to transform into an integrated development comprising four retail floors and upper three floors of hospitality use as an extension of the adjoining JW Marriott Hotel Kuala Lumpur



Artist's impression of The Starhill's central atrium

**Note:**  
1. For more details, please refer to the circular to unitholders dated 25 April 2019.

Prime locations at retail precincts of city centres  
 Attracts international luxury brands



New flagship boutiques joining The Starhill



STEFANO RICCI



The Starhill's well-loved brands to return with new concepts in 2021



LOUIS VUITTON



ROLEX



Off-White™



ROBERTO COIN

SHIATZY CHEN





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## Market Outlook

Artist impression of The Starhill  
Kuala Lumpur, Malaysia

## Economy

- Singapore's economy contracted by 7.0% y-o-y in 3Q 2020 based on advanced estimates
- Retail sales (excluding motor vehicles) fell 8.4% y-o-y in August 2020
- From January to August 2020, international visitor arrivals fell 79.2% y-o-y to 2.7 million

## Retail Sector

- More businesses are allowed to operate in the gradual reopening of Phase Two post-Circuit Breaker since 19 June 2020
- However, safe distancing measures and minimal tourist arrivals continue to impact shopper traffic and tenants' sales
- Occupancy and rents are expected to remain under pressure, although the extent will be mitigated by the limited new retail supply<sup>(1)</sup>
- More employees are allowed to return to the office from 28 September 2020 and gradual easing of safe management measures are expected to be positive for the retail sector
- Coupled with Government efforts in facilitating essential business travel with bilateral green lane arrangements with some countries, proposed air travel bubble with Hong Kong and cautious lifting of border restrictions
- COVID-19 (Temporary Measures) Act 2020 provides a rental relief framework for Small and Medium Enterprises and seeks to offer temporary relief to businesses and individuals who are unable to perform their contractual obligations due on or after 1 February 2020 because of COVID-19. The relief period for leases and licenses of non-residential property from legal and enforcement actions has been extended from 19 October 2020 to 19 November 2020

## Office Sector

- Office demand continues to dampen due to recessionary pressure and bleak employment outlook<sup>(1)</sup>
- Cost efficiency continue to be the main driver for leasing enquiries<sup>(1)</sup>

**Note:**

1. CBRE Research, Singapore MarketView, Q3 2020

### Australia

- The Australian economy contracted sharply in the June quarter, with output falling by 7%<sup>(1)</sup>
- Retail sales for South Australia and Western Australia grew by 4.8% and 7.5% y-o-y respectively for the 12 months to August 2020
- Mandatory Code of Conduct by National Cabinet of Australia in South Australia and Western Australia has been extended to 3 January 2021 and 28 March 2021 respectively<sup>(2)(3)</sup>

### Malaysia

- Malaysia's GDP contracted by 17.1% in 2Q 2020 from a marginal growth of 0.7% in 1Q 2020
- Sales of Retail Trade fell 1.5% y-o-y in August 2020, compared to the 3.8% y-o-y decline in July 2020
- Tourist arrivals to Malaysia fell 68.2% y-o-y to 4.3 million in 1H 2020, with tourist expenditure declining 69.8% y-o-y to RM12.5 billion in 1H 2020
- Following a recent wave of COVID-19 infections, Kuala Lumpur, Putrajaya, Selangor and Sabah were placed under movement restrictions for two weeks, which was extended to 9 November 2020
- All economic activities are allowed; social activities and cross-district travels are not allowed

**Notes:**

1. Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 October 2020
2. Government of South Australia, Attorney-General's Department, COVID-19 Emergency Response (Commercial Leases No. 2) (Prescribed Period) Variation Regulations 2020
3. Western Australia, Commercial Tenancies (COVID-19 Response) Act 2020, 26 September 2020







### Enhancing financial flexibility

- Limited visibility on the duration and severity of the COVID-19 pandemic
- Strengthen the balance sheet and enhance financial flexibility
- Undrawn and committed revolving credit facilities are more than sufficient to cover the S\$250 million term borrowings maturing in the next 12 months
- Defer non-essential capital expenditure and enhance operational efficiencies
- Balancing distributions, cash reserves and rental assistance



### Proactive lease management

- Continue to work closely with our tenants to render targeted relief assistance where appropriate and weather through this difficult period together
- Keeping the mall relevant to shoppers
- Focus on tenant retention and maintaining healthy occupancy
- Implement proactive marketing plans to drive traffic and sales
- Taking this opportunity to curate a high-quality and resilient tenant mix
- Position our assets to be ready for the eventual recovery



**Measures taken  
to keep the  
community safe  
amid COVID-19**

→ **Health and safety of the community remains our priority**

- Temperature screening, contact tracing and safe distancing will continue
- Increased frequency in cleaning
- Disinfectant system utilising advanced ultraviolet technology to disinfect indoor air and difficult to reach surfaces have been deployed at Wisma Atria



**Asset  
enhancement  
and acquisitions**

- Continue to explore and evaluate asset enhancement initiatives on existing portfolio to enhance return
- Diversification of income to other commercial sectors like office
- Focusing the search for yield-accretive acquisition opportunities in key gateway cities

## References used in this presentation, where applicable



**1Q, 2Q, 3Q, 4Q** means where applicable, the periods from 1 July to 30 September; 1 October to 31 December; 1 January to 31 March and 1 April to 30 June

**1Q FY20/21** means the period of 3 months from 1 July 2020 to 30 September 2020

**1Q FY19/20** means the period of 3 months from 1 July 2019 to 30 September 2019

**DPU** means distribution per unit

**FY** means the financial year

**GTO** means gross turnover

**IPO** means initial public offering (Starhill Global REIT was listed on the SGX-ST on 20 September 2005)

**NLA** means net lettable area

**NPI** means net property income

**pm** means per month

**psf** means per square foot

**q-o-q** means quarter-on-quarter

**WA and NAC** mean the Wisma Atria Property (74.23% of the total share value of Wisma Atria) and the Ngee Ann City Property (27.23% of the total share value of Ngee Ann City) respectively

**y-o-y** means year-on-year

*All values are expressed in Singapore currency unless otherwise stated*

*Note: Discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding*

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