Media release by: YTL Starhill Global REIT Management Limited (YTL Starhill Global)
Manager of: Starhill Global Real Estate Investment Trust (SGREIT)

Update on SGREIT's business operations following various measures to stem spread of COVID-19

SINGAPORE, 8 April 2020 – Following the latest "Circuit Breaker" measures introduced by the Singapore Government on 3 April 2020, some tenants providing essential services remain open at Wisma Atria Property, of which Starhill Global Real Estate Investment Trust (SGREIT) owns a 74.23% interest. All non-essential trades, including some essential services, will be closed temporarily from 7 April 2020 until 4 May 2020 (with both dates inclusive), in line with the latest heightened safe distancing measures required by the authorities. To assist the Singapore retail tenants during this difficult period, YTL Starhill Global REIT Management Limited (YTL Starhill Global), the manager of SGREIT, will pass on the full enhanced property tax rebate presented by the Singapore Government on 26 March 2020 to its Singapore tenants in the month of April 2020. On top of that, SGREIT will provide additional rental relief to eligible retail tenants of its Singapore properties impacted by the COVID-19 pandemic. SGREIT has earlier extended to qualifying retail tenants a rental rebate which was more than the property tax rebate announced on 18 February 2020 during Budget 2020.

Office tenants providing essential services such as medical clinics will continue to be open to serve patients and customers, while the rest of the offices at Wisma Atria Property and Ngee Ann City Property, of which SGREIT owns a 27.23% interest, are required to be closed pursuant to the "Circuit Breaker" measures for the same period of time. Office tenants will receive in full the announced 30% property tax rebate as per the Resilience Budget in the month of April 2020.

Mr Ho Sing, CEO of YTL Starhill Global, said: "The COVID-19 pandemic has caused an unprecedented health, social and economic crisis where communities and businesses worldwide have been adversely impacted. Due to the disruption to the businesses of our tenants, we have offered various relief measures to alleviate and share the burden faced by our tenants in the current economic climate. The safety of our tenants, shoppers and the community at large remains a top priority for us. Given the fluidity of the COVID-19 pandemic, the situation is dynamic and would deteriorate further if it continues for a prolonged period. We will continue to monitor the situation closely and manage our long term cashflow to maintain financial flexibility."

Globally, many Governments have implemented measures to contain the spread of the COVID-19 pandemic among its communities. Our assets in Malaysia have encountered lockdown orders while retail tenants at our assets in Singapore, Australia and China have been impacted by lower tourist arrivals and stricter social distancing measures. SGREIT is cognisant of the financial impact and burden on our retail tenants and are working with them to overcome this difficult period.

At our asset in Chengdu, China, which contributes 0.9% of revenue in 2Q FY2019/20, rental rebates have been offered to our sole tenant which is on a fixed rent lease arrangement. In Malaysia, our two malls in Kuala Lumpur which are master tenanted by Katagreen Development Sdn. Bhd. ("**Malaysia Master Tenant**"), an indirect wholly-owned subsidiary of YTL Corporation Berhad, were closed as a result of the Movement Control Order which kicked in on 18 March 2020 and will remain closed until 14 April 2020. A handful of food stalls at Lot 10 Hutong food court reopened on 1 April 2020. Given the lockdown that has resulted in the cessation of business for both malls, SGREIT has provided some rental assistance to the Malaysia Master Tenant to assist the retail sub-tenants. In Australia, we are evaluating a package to support the tenants of our properties in Adelaide and Perth following stricter social distancing measures. While long-term tenant David Jones in Perth continues to operate, Myer in Adelaide and Uniqlo in Perth have chosen to close temporarily.

Given these unprecedented circumstances, our strategy is to maintain financial flexibility until we have more visibility on the pandemic. From this quarter ended 31 March 2020, we will switch from quarterly to semi-annual distribution to enable us to improve our capital management and save costs. The last quarterly distribution had been made to Unitholders on 28 February 2020 and the next distribution period will be for the six-month period from 1 January 2020 to 30 June 2020. Non-essential capital expenditure will also be delayed and cost-saving measures will be implemented immediately. In addition, YTL Starhill Global's board of directors will be taking a 20 per cent cut in directors' fees. CEO and CFO will each take a pay cut of 10 per cent, while other senior staff will take pay cuts of 5 per cent. The cuts will be effective for three months from April 2020 and will be reviewed at the end of the period. The savings from the salary adjustment by YTL Starhill Global will be passed to Unitholders as part of a 10% reduction in base management fees payable by SGREIT for the next three months effective from April 2020.

Following the change to semi-annual distribution, SGREIT will be adopting the announcement of half-yearly financial statements with effect from financial year ending 30 June 2021. Notwithstanding adoption of half-yearly financial reporting, YTL Starhill Global will continue its proactive engagement with stakeholders through various communication channels, including providing relevant material financial information and/or operational updates between the announcements of half-yearly financial statements.

SGREIT's portfolio is characterised by its quality master retail leases in Singapore and Malaysia which makes up about 32.7% of revenue in 2Q FY2019/20. Office portfolio contributed another 13.4% of revenue in 2Q FY2019/20. As at 31 December 2019, weighted average lease expiry of the portfolio is 5.9 years by gross rent while retail leases expiring in the financial year ending 30 June 2020 comprise 5.2% of gross retail rent.

In view of the continuing development and uncertainty of the COVID-19 situation, it is too early to ascertain the full financial impact on SGREIT. The total amount of rental rebates, including those to be extended to tenants within the portfolio of Starhill Global REIT to date, amount to approximately S$13.6 million, of which S$10.8 million relates to the property tax rebates to be received from the Singapore Government[1]. The rental rebate provided by SGREIT to the Malaysia Master Tenant, amounting to approximately S$0.4 million to date, represents 0.02% of SGREIT's latest audited net tangible assets and is regarded as an interested person transaction.

YTL Starhill Global will continue to monitor the impact of the Singapore Government's "Circuit Breaker" measures as well as the Covid-19 (Temporary Measures) Act, and will continue to engage and work closely with our tenants to navigate through these trying moments to emerge stronger and better from the crisis.

- End –

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$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 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. 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.

<u>Analyst, Investor and Media Contact:</u>
Jonathan Kuah
YTL Starhill Global REIT Management Limited
Tel: (65) 6835 8693; Mobile: (65) 9753 3930
Email: jonathan.kuah@ytlstarhill.com

[1] Property tax rebate as per the Budget 2020 announced on 18 February 2020 and the Resilience Budget announced on 26 March 2020.

Important Notice

The value of Starhill Global REIT units ("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 the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Starhill Global REIT 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, 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.