

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

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

SGREIT reports 1H FY23/24 DPU of 1.78 cents

HIGHLIGHTS

- **NPI was up 0.3% y-o-y to S\$74.5 million on the back of improved performance in Singapore Properties and Myer Centre Adelaide Retail**
- **Successfully renewed Toshin master lease at Ngee Ann City Property, extending portfolio WALE to 7.9 years by net lettable area**
- **Estimated completion of asset enhancement works in February 2024 for Myer Centre Adelaide façade and March 2024 for Wisma Atria basement**

SINGAPORE, 29 January 2024 – YTL Starhill Global, the manager of SGREIT, announced today a marginal decrease of 0.1% year-on-year (y-o-y) in gross revenue for SGREIT Group, at S\$94.6 million in the first half year ended 31 December 2023 (1H FY23/24) compared to S\$94.7 million in the previous corresponding period of first half year ended 31 December 2022 (1H FY22/23). Net property income (NPI) increased by 0.3% y-o-y, to S\$74.5 million in 1H FY23/24 from S\$74.3 million in 1H FY22/23. The increase was mainly attributed to Singapore Properties and Myer Centre Adelaide Retail, partially offset by net movement in foreign currencies and loss of income from Japan divestment.

Income available for distribution for 1H FY23/24 was S\$41.9 million, a decrease of 3.8% y-o-y, mainly due to higher net financing costs and one-off leasing commission fee in relation to the master lease renewal with Toshin Development Singapore Pte Ltd (Toshin) at Ngee Ann City Property (Retail) during the current period. The Manager will retain S\$1.7 million of income available for distribution for 1H FY23/24 for working capital requirements.

Distribution per Unit (DPU) to Unitholders for 1H FY23/24 was 1.78 cents, representing a 2.2% y-o-y decrease over the previous corresponding period. Based on the closing unit price of S\$0.525 as at 31 December 2023 and annualised 1H FY23/24 DPU, the yield would be 6.7%.

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SGREIT will resume its Distribution Reinvestment Plan (DRP) for the 1H FY23/24 distribution. The issue price of new units for the DRP will be announced on or around 6 February 2024. Unitholders can expect to receive their 1H FY23/24 DPU on 25 March 2024. The record date is on 6 February 2024 at 5.00 pm.

Overview of Starhill Global REIT’s financial results

(S\$ million)	1H FY23/24	1H FY22/23	Y-O-Y Change (%)
Gross revenue	94.6	94.7	(0.1)
Net property income	74.5	74.3	0.3
Income available for distribution	41.9	43.6	(3.8)
Income to be distributed to Unitholders ¹	40.2	40.9	(1.8)
Distribution per Unit (cents)			
- DPU	1.78	1.82	(2.2)

Tan Sri (Sir) Francis Yeoh, Chairman of YTL Starhill Global, said: “The global economic outlook remains uncertain with elevated interest rates, geopolitical conflicts and volatility in financial markets. Despite these challenges, SGREIT mitigated headwinds with its portfolio of quality assets backed by master/anchor leases and prudent capital management. The Manager will continue its proactive asset management strategy to ensure the malls remain relevant for shoppers and healthy occupancies are maintained, as well as exercise prudence in its capital management approach amid high interest rates and foreign exchange volatility.”

Mr Ho Sing, CEO of YTL Starhill Global, said: “Amid a challenging environment, SGREIT delivered relatively stable financial results underpinned by improved portfolio performance. Our Singapore portfolio achieved full committed occupancy with higher tenants’ sales at Wisma Atria despite ongoing renovation works. During the period, we successfully renewed our master lease with Toshin which provided certainty and continuity to both Toshin and us. The renewed master lease will allow SGREIT to also participate on the upside with a new profit-sharing arrangement.”

Review of portfolio performance

The Group’s committed portfolio occupancy remained stable at 98.7% as at 31 December 2023. Following the renewal of the Toshin master lease, the portfolio weighted average lease term expiry was

¹ Approximately S\$1.7 million (1H FY22/23: S\$2.6 million) of income available for distribution for 1H FY23/24 has been retained for working capital requirements.

extended to 7.9 years by net lettable area. Tenant sales and shopper traffic at the Wisma Atria Property (Retail) improved in 1H FY23/24 y-o-y by 7.8% and 5.8% respectively despite ongoing interior enhancement works.

To stay relevant to evolving retail trends and changing consumers' demands, SGREIT continues to upgrade its assets. Asset enhancement works at Wisma Atria basement which commenced in August 2023 are scheduled for completion by March 2024. Works on the MRT escalator, bubble lift lobby, service corridor, central columns, office lobby and Ngee Ann City portal entrance were largely completed, while works on the central escalator, MRT portal and floor tiles are ongoing. In Adelaide, Phase Two works on the South façade of Myer Centre Adelaide are estimated to complete in February 2024.

During the period, Wisma Atria expanded its retail offerings with the opening of fashion brand Monoloq's first flagship store and Tiong Bahru Bakery's first multi-tiered outlet. New F&B outlets include Sourbombe Artisanal Bakery and Koi Thé Express in Wisma Atria, and Sushi Gin in David Jones Building.

Renewal of master lease with Toshin

SGREIT successfully renewed its master lease with Toshin ahead of its expiry in June 2025. Toshin is currently the master tenant occupying all the retail areas except level five of the Ngee Ann City Property. SGREIT's stake in Ngee Ann City (Ngee Ann City Property) comprises four strata lots representing 27.3% of the total share value of strata lots in Ngee Ann City at Orchard Road, Singapore.

The new master lease agreement dated 30 November 2023 ("Renewed Master Lease") is for an initial term of 12 years commencing from 8 June 2025 and expires on 7 June 2037. This may be further renewed by either party for another 6 years and for a further 3 years by Toshin. The Renewed Master Lease includes a new annual turnover rent in addition to the base rent. The new base rent ("Annual Fixed Rent") is subject to a rent review every 3 years during the term of the Renewed Master Lease and upon the exercise of options to renew. Similar to the current master lease, the Annual Fixed Rent upon review may be agreed between the parties, or failing which it shall be determined by three licensed valuers. There is a downside protection based on the prevailing Annual Fixed Rent, while upside will be capped at 125% of the prevailing Annual Fixed Rent. Additionally, an annual turnover rent is payable comprising a portion of Toshin's annual operating income over and above agreed revenue and profit margin thresholds. SGREIT will contribute up to S\$5.2 million to Toshin for renovation and upgrading works, to ensure that the mall is upgraded and maintained as a high class and prestigious shopping complex.

Capital management

Gearing remains stable at 36.8% with about 78% of debts on a fixed/hedged basis as at 31 December 2023, which helped to mitigate the impact of interest rate volatility on distributions. The average debt maturity profile remains healthy at 3.0 years. As at 31 December 2023, SGREIT has sufficient undrawn long-term committed revolving credit facility lines to cover the remaining debts maturing till June 2025. In November 2023, the Group entered into a facility agreement for a five-year unsecured sustainability-linked multicurrency revolving credit facility of S\$50 million commencing from January 2024. This is SGREIT's first sustainability-linked facility.

SGREIT's unaudited financial results for 1H FY23/24 are available on its website (www.starhillglobalreit.com) and on SGXNet (www.sgx.com).

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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

The value of units in Starhill Global REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore)



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