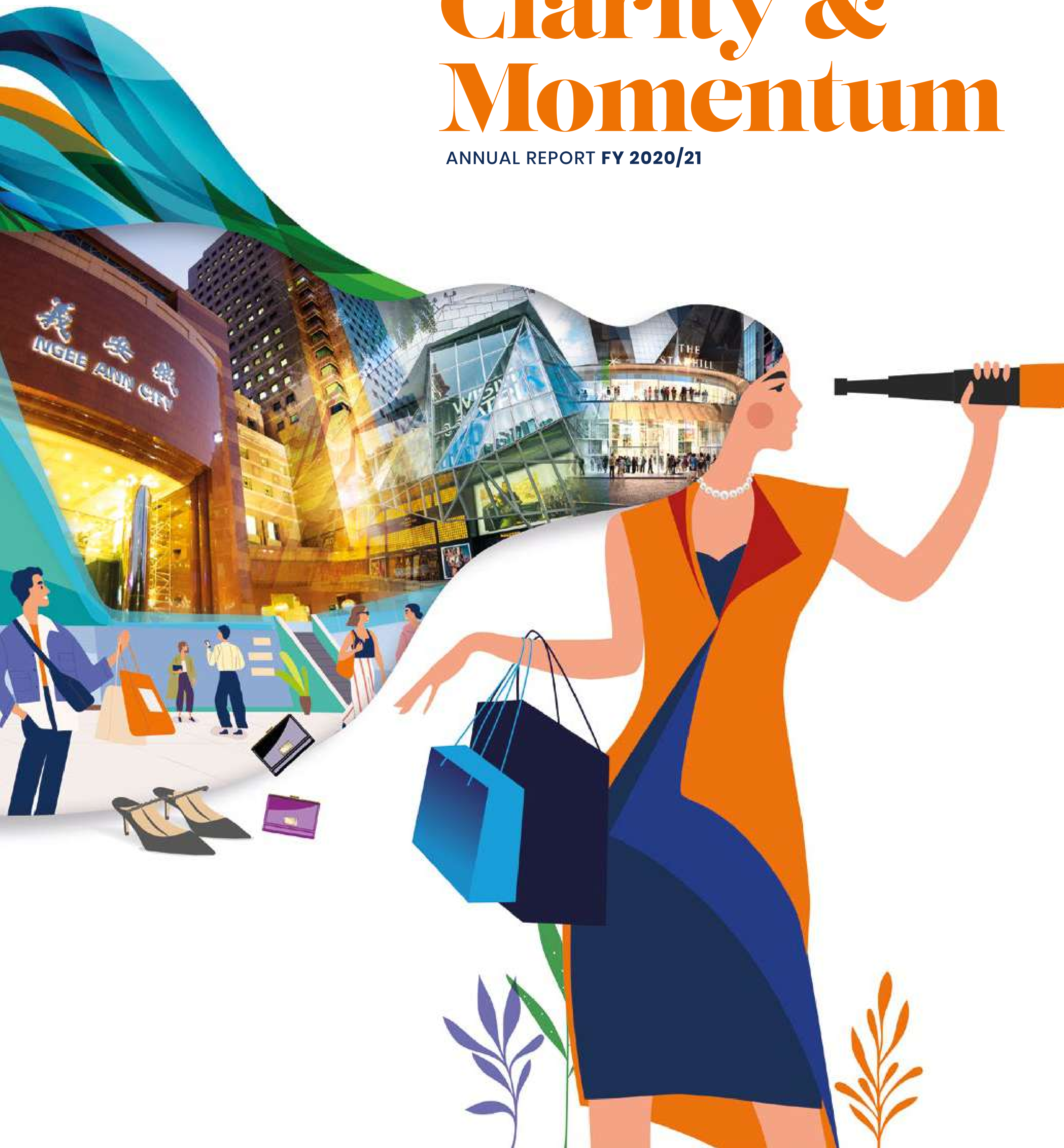
WITH

Clarity & Momentum

ANNUAL REPORT **FY 2020/21**



OVERVIEW

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 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$2,965 million[1] as at 30 June 2021.

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 the Lot 10 Property 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.

Note:

(1) Including right-of-use assets following the adoption of FRS 116.

VISION

To be the preferred real estate investment trust with a stable of high-quality and valuable income-generating assets.

MISSION

To deliver long-term sustainable returns to our Unitholders through growth and value creation in our assets, backed by prudent capital management.

To be a landlord of choice for our tenants and shoppers.

To be a forward-thinking real estate company with strong management expertise.

VALUES

The values to which we aspire can be summarised under six principles:

- Integrity
- Client Commitment
- Strive for Profitability
- Fulfilment for our People
- Teamwork
- Highest Standards

ONLINE ANNUAL REPORT FY 2020/21

www.starhillglobalreit.com/ir_ar.html

WITH Clarity & Momentum

Working in partnership with our stakeholders, we remain resilient in the face of adversity to achieve our long-term goals and a sustainable future.

Guided by our values and building on our well-grounded footing, we have clarity despite this time of flux, and advance with steady momentum.

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OVERVIEW

OUR STRATEGY

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, and maintaining a prudent capital management approach.

01 ACTIVE ASSET MANAGEMENT

- Balance of master tenancies and anchor leases, coupled with actively managed short to medium-term tenancies for income stability with potential rental upside
- Driving organic growth from existing portfolio through proactive leasing efforts
- Focusing on mid to high-end retail tenant base and optimising tenant mix
- Unlocking value through creative asset enhancements
- Maintaining healthy and sustainable occupancy rates throughout economic cycles

02 ACQUISITION GROWTH

- Investment portfolio primarily comprising prime real estate used mainly for retail and/ or office purposes with strong fundamentals and strategic locations
- Long-term yield-accretive investments made in Singapore and overseas markets

03 PRUDENT CAPITAL MANAGEMENT

- Managing capital to optimise Unitholders' returns with a mix of available capital sources
- Employing appropriate interest rate and foreign exchange risk management strategies

KEY HIGHLIGHTS

GROSS REVENUE
(FY 2020/21)
S$181.3 M

NET PROPERTY INCOME
(FY 2020/21)
S$134.7M

INCOME AVAILABLE FOR DISTRIBUTION
(FY 2020/21)
S$88.2M

DISTRIBUTION PER UNIT
(FY 2020/21)
3.95¢[1]

NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS
(As at 30 Jun 2021)
S$1,790.5M

GEARING
(As at 30 Jun 2021)
36.1%

RESILIENT OCCUPANCY
(As at 30 Jun 2021)
96.3%[2]

Notes:

(1) Includes the full release of 0.35 cents per unit relating to FY 2019/20's deferred distributable income.

(2) Based on commenced leases as at 30 June 2021.

KEY EVENTS IN FY 2020/21

2020

AUGUST

Using new technology to keep our shoppers and tenants safe at Wisma Atria

- Autonomous disinfection robots deployed to enhance surface cleaning
- Air cleaning system with UV air purifying technology
- Antivirus, antimicrobial and antifungal coatings applied on escalator handrails and lift buttons

OCTOBER

'Kita Jaga Kita" by The Little Giant at Lot 10

- **2 - 4 Oct**
  Pop-up market featuring homegrown entrepreneurs and small business owners

NOVEMBER

An Inspiring Christmas at Wisma Atria

- **6 Nov – 26 Dec**
  Sustainable décor included a miniature Christmas lighted town crafted from recycled materials and a model train
- Distributed to customers gift wrap made from recycled materials

Wisma Atria listed as Gym on Pokémon Go mobile game

- **13 Nov - Present**
  In collaboration with the Singapore Tourism Board and Niantic as part of the SingapoRediscovers campaign

"Walk for Rice" and "Sing It Louder" concert screening charity at Wisma Atria

- **13 Nov**
  Collaboration with Harvest Care Centre and South East Community Development Council to help less privileged youth and families affected by COVID-19

DECEMBER

- Issued maiden S$100 million 3.85% perpetual securities pursuant to SGREIT's S$2 billion multicurrency debt issuance programme
- Entered into a five-year S$550 million unsecured facility agreement comprising term loan facilities of S$250 million and revolving credit facilities of S$300 million

Black Friday Sale at Myer Centre Adelaide

- Centre was opened to trade until midnight, creating additional buzz

Heineken Christmas Experience Roadshow at Wisma Atria

- **18 – 27 Dec**
  Pop-up booth equipped with motion sensors allowed shoppers to call up four festive Christmas scenes

2021

MARCH

World Water Day 2021

- **1 – 31 Mar**
  In collaboration with the Public Utilities Board (PUB), Singapore's national water agency, the outdoor steps of Wisma Atria were lit blue for the entire month of March to raise awareness of climate change

Adelaide Fringe Festival at Myer Centre Adelaide

- Adelaide Fringe, the biggest arts festival in the Southern hemisphere

Commencement of Wisma Atria Upgrading Works

- Rejuvenating the mall through a S$15 million interior upgrade

- Affirmation of SGREIT's "BBB" credit rating with a stable outlook by Fitch Ratings
- Successful launch of maiden distribution reinvestment plan for SGREIT's 1H FY 2020/21 Distribution Per Unit

Opening of Malaysia's First Jonetz by Don Don Donki at the Lot 10 Property

APRIL

- Entered into a five-and-a-half-year A$100 million unsecured facility agreement mainly to refinance an existing A$80 million secured loan in May 2021, ahead of maturity

JUNE

30th Birthday Celebration of Myer Centre Adelaide

- **4 – 13 Jun**
  90's inspired event with fashion shows, custom-built pop-up pods featuring iconic 90's memorabilia, and fun activities

- SGREIT's investment properties were valued at approximately S$2.96 billion, including right-of-use assets as at 30 June 2021

OVERVIEW

QUALITY ASSETS
Valued at
~S$3.0 billion

DIVERSIFIED
Portfolio spans across geographies and sectors
Core markets[3]
Singapore: 62.9%
Australia: 24.4%
Malaysia: 10.1%

Sectors[3]
Retail: ~85%
Office: ~15%

On Solid Ground

Together with the support of our key stakeholders, we deftly navigate challenges in these uncertain times, guided by a common goal and shared vision.

Our distinctive characteristics - financial prudence, sponsor strength and an exclusive portfolio - allow us to be resilient even in the most trying times.

STRONG SPONSOR
(As at 30 Jun 2021)
YTL Corporation combined market capitalisation of
US$4.1B
with its listed entities in Malaysia

BALANCED PORTFOLIO OF MASTER/ANCHOR LEASES
(As at 30 Jun 2021)
51.5%
by Gross Rent

RESILIENT RETAIL PORTFOLIO OCCUPANCY[1]
(As at 30 Jun 2021)
97.3%

BBB Corporate Rating
with stable outlook by
FITCH RATINGS

LONG WEIGHTED AVERAGE LEASE EXPIRY[1][2]
(As at 30 Jun 2021)
7.9 YRS by Net Lettable Area
5.3 YRS by Gross Rent

GEARING RATIO
(As at 30 Jun 2021)
36.1%

Notes:
(1) Based on commenced leases as at 30 June 2021.
(2) Excludes tenants' option to pre-terminate or renew their existing leases.
(3) Based on gross revenue for FY 2020/21.

STRATEGIC LOCATIONS

Landmark assets at prime locations

OVERVIEW

With Clear Foresight

To stay a step ahead in this fast-paced industry, we are constantly adapting to market trends and evolving consumer preferences.

We take proactive measures to future-proof our portfolio through creative asset enhancement initiatives and a well-curated experiential tenant mix.

INTERNATIONAL LUXURY BRANDS
Welcomed luxury brands Balmain, Philipp Plein, Tom Ford, Stefano Ricci and Paul & Shark at The Starhill.

REPOSITIONING OUR MALLS WITH THE EVOLVING RETAIL LANDSCAPE
Secured popular local and international retail tenants such as Malaysia's first Jonetz by Don Don Donki at Lot 10 Property, Haidilao Hot Pot at the Wisma Atria Property and lifestyle bookstore Eslite Spectrum's first South East Asia store as an anchor tenant at The Starhill, despite COVID-19.

MAKEOVER

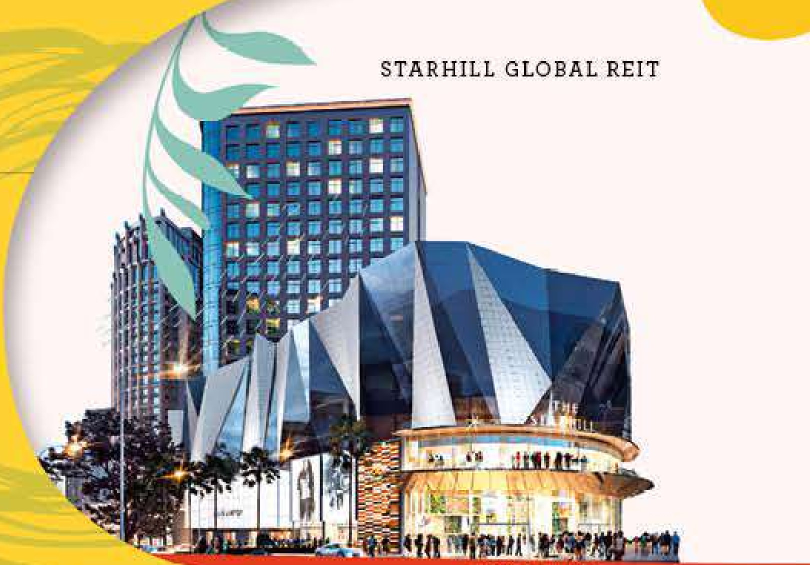
Wisma Atria is being rejuvenated to refresh its interior common spaces

Artist's illustration, subject to change

NEW

Transformation of The Starhill in Kuala Lumpur, Malaysia into an integrated retail and hotel development

OVERVIEW



Artist's illustration, subject to change

With Steady Momentum

We anticipate future trends and execute the right strategies for maximum impact. Our strategic portfolio enhancements leverage on upcoming rail networks close to our prime assets in Singapore and Malaysia, for long-term sustainable returns.

LEVERAGING NEW RAIL NETWORKS

The upcoming Thomson-East Coast Line in Singapore and Putrajaya Line in Malaysia improve connectivity for our prime assets in Singapore and Malaysia.

REVITALISED ASSETS

Timely asset enhancement works add value to our properties.

STRONG FINANCIAL STANDING

A strong balance sheet with no refinancing requirement until September 2022 and sufficient undrawn committed revolving credit facilities for working capital requirements.


ENHANCED TRANSPORT LINKS
in Singapore & Malaysia
Lot 10
STANDING IN SOLIDARITY WITH STAKEHOLDERS
Providing a clean and safe environment for shoppers
Rental assistance for tenants

OVERVIEW

OUR GEOGRAPHICAL REACH

Starhill Global REIT's portfolio comprises 10 mid to high-end properties (mainly retail assets) in six Asia-Pacific cities.

ASIA-PACIFIC CITIES
6

NUMBER OF PROPERTIES
10

RETAIL AND OFFICE SPACE
2.24M SQ FT

INVESTMENT PROPERTIES
S$2,964.6M(1)

619,953 SQ FT
SINGAPORE

907,856 SQ FT
AUSTRALIA

SINGAPORE

BY ASSET VALUE
(As at 30 Jun 2021)
S$2,008.0M

BY GROSS REVENUE
(FY 2020/21)

Ngee Ann City Property
Singapore

Retail	Office
78.0%	**22.0%**

Wisma Atria Property
Singapore

Retail	Office
80.9%	**19.1%**

AUSTRALIA

BY ASSET VALUE
(As at 30 Jun 2021)
S$439.0M

BY GROSS REVENUE
(FY 2020/21)

Myer Centre Adelaide
Adelaide

Retail	Office
90.0%	**10.0%**

David Jones Building & Plaza Arcade
Perth

Retail
100%

587,452 SQ FT
MALAYSIA

26,903 SQ FT
JAPAN

100,854 SQ FT
CHINA

MALAYSIA

BY ASSET VALUE
(As at 30 Jun 2021)

S$426.8M

BY GROSS REVENUE
(FY 2020/21)

The Starhill
Kuala Lumpur
Retail/Hotel(2)
100%

Lot 10 Property(3)
Kuala Lumpur
Retail
100%

JAPAN

BY ASSET VALUE
(As at 30 Jun 2021)

S$60.3M

BY GROSS REVENUE
(FY 2020/21)

Ebisu Fort(3)
Tokyo
Retail
100%

Daikanyama(3)
Tokyo
Retail
100%

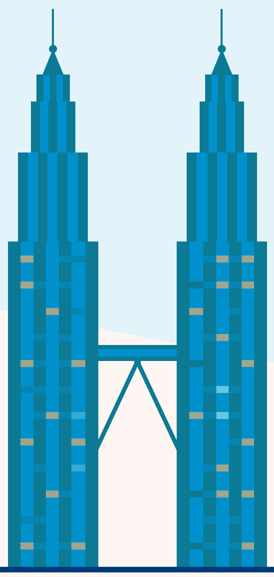
CHINA

BY ASSET VALUE
(As at 30 Jun 2021)

S$29.8M

BY GROSS REVENUE
(FY 2020/21)

China Property
Chengdu
Retail
100%



SGREIT'S portfolio is characterised by its master and anchor leases which make up about 51.5%(4) of gross rent.

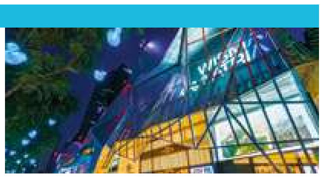
Notes:

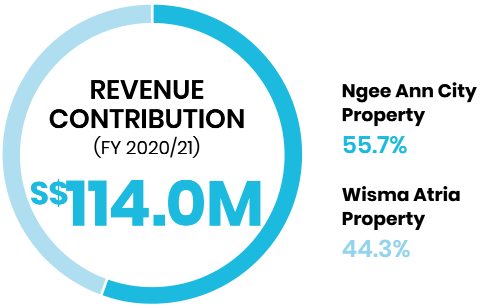
(1) Including right-of-use assets following the adoption of FRS 116.
(2) The Starhill is currently undergoing asset enhancement works to convert the upper floors into hospitality use with hotel rooms to be operated as an extension of the adjoining JW Marriott Hotel Kuala Lumpur.
(3) Largely retail with a small office component.
(4) As at 30 June 2021.

OVERVIEW

OUR BUSINESS IN BRIEF

Singapore



Centrally-located assets on the prime stretch of Orchard Road, with excellent connectivity to transportation hubs.

Ngee Ann City Property

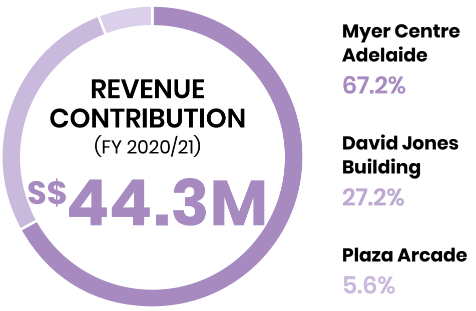
The Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces.

Wisma Atria Property

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent retail areas (excluding the space owned by Isetan) and the office tower.

Read more on pages 34 to 39

Australia

The three Australia assets are located in the prime retail districts and pedestrian streets of the city centres in Adelaide and Perth.

Myer Centre Adelaide, Adelaide

An eight-storey retail centre with four basement levels of car park and an office component which includes a six-storey office tower and two heritage buildings. It is located along the premier and iconic Rundle Mall in Adelaide's city centre.

David Jones Building, Perth

A four-storey heritage-listed retail centre anchored by David Jones.

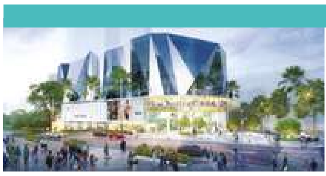
Plaza Arcade, Perth

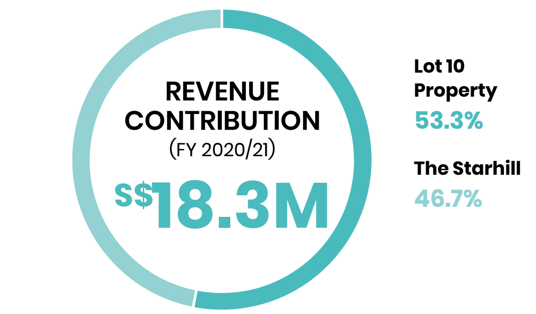
A three-storey heritage-listed retail building located next to the David Jones Building. The property is anchored by global apparel retailer, UNIQLO.

Both properties are located in the heart of Perth's city centre, and enjoy dual frontage to the bustling Murray Street Mall and Hay Street Mall.

Read more on pages 40 to 45

Malaysia





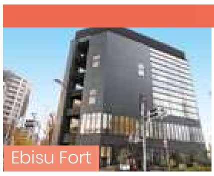
The Starhill and the Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, which is one of Kuala Lumpur's premier shopping districts and home to many prestigious international hotels, prime office buildings and shopping complexes.

The Starhill, Kuala Lumpur
A shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements. It is currently undergoing asset enhancements and will be converted into an integrated retail and hotel development.

Lot 10 Property, Kuala Lumpur
The Lot 10 Property comprises 137 strata parcels and two accessory parcels within the Lot 10 shopping centre. These strata parcels represent retail areas (excluding the space owned by Isetan).

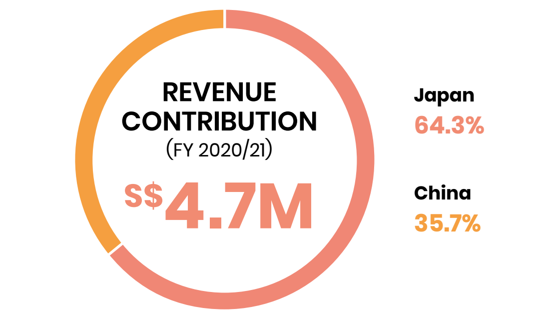
Read more on pages 46 to 49

Others – Japan and China


Ebisu Fort


Daikanyama


China Property



The two Japan assets are in Tokyo and the China Property in Chengdu are within walking distance to subway stations.

Ebisu Fort, Tokyo
A seven-storey building (with two basement levels) located in Ebisu (Shibuya Ward), Tokyo, opposite Yebisu Garden Place and a seven-minute walk from Ebisu train station.

Daikanyama, Tokyo
A three-storey building (with one basement level) for retail and office use, located just three minutes from the Daikanyama train station.

China Property, Chengdu
Situated on the Second Ring Road, the property is near high-end residences and offices area in Chengdu. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

Read more on pages 50 to 51

Singapore, Australia and Malaysia Properties contributed 97.4% of revenue in FY 2020/21.

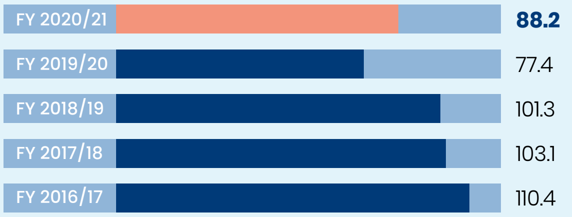
KEY FIGURES FOR 5 YEARS

Gross Revenue (S$ million)
(FY 2020/21)

S$181.3M

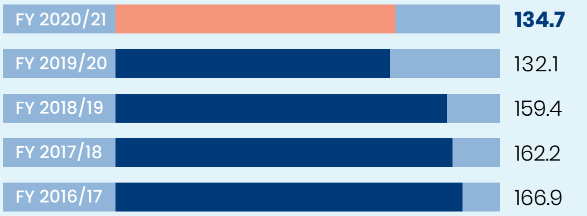
Income Available For Distribution (S$ million)
(FY 2020/21)

S$88.2M



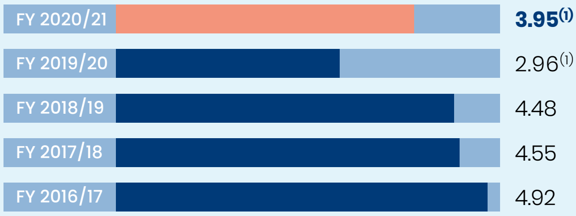
Net Property Income (S$ million)
(FY 2020/21)

S$134.7M



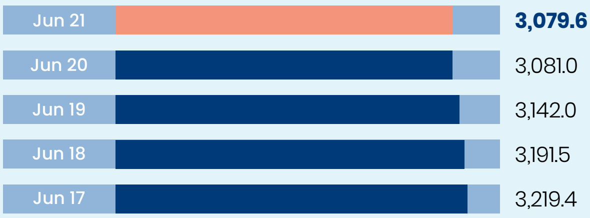
Distribution Per Unit (cents)
(FY 2020/21)

3.95¢



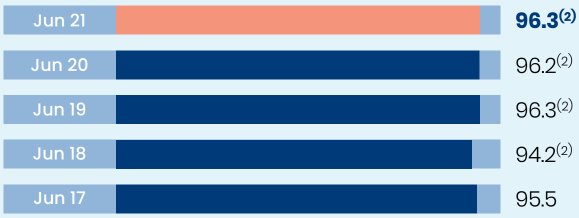
Total Assets (S$ million)
(As at 30 Jun 2021)

S$3,079.6M



Occupancy Rate (%)
(As at 30 Jun 2021)

96.3%



Notes:

(1) The reported number for FY 2020/21 includes the full release of S$7.7 million of distributable income (or 0.35 cents per unit) for FY 2019/20 which was deferred as allowed under COVID-19 relief measures.

(2) Based on commenced leases at the reporting date, except for June 2017 where the reported occupancy rate was based on committed leases, which include leases that have been contracted but have not commenced as at the reporting date.

FINANCIAL SUMMARY

Statement of Total Return and Distribution for the Year:	FY 2020/21	FY 2019/20	Change (%)
Gross Revenue (S$ million)	**S$181.3**	S$180.8	0.3%
Net Property Income (S$ million)	**S$134.7**	S$132.1	2.0%
Income Available for Distribution (S$ million)	**S$88.2**	S$77.4	14.0%
Income to be Distributed to Unitholders[(1)] (S$ million)	**S$87.3**	S$64.8	34.9%
Distribution Per Unit (DPU)[(1)(2)] (cents)	**3.95 cents**	2.96 cents	33.4%
Distribution Per Unit (DPU) (excluding effects of deferred amount)[(2)] (cents)	**3.60 cents**	3.31 cents	8.8%
Distribution Yield[(3)] (%)	**7.1%**	5.8%	NM
	(S$0.56)[(4)]	(S$0.51)[(4)]	
Total Return (%)	**15.5%**	(31.1%)	NM

Notes:

(1) Approximately S$8.5 million (FY 2019/20: S$4.9 million) of income available for distribution for FY 2020/21 has been retained for working capital requirements. The distribution for FY 2020/21 includes the full release of S$7.7 million or 0.35 cents per unit relating to FY 2019/20's deferred distributable income.

(2) The computation of DPU for FY 2020/21 was based on number of units entitled to distributions comprising (i) 2,203,594,600 units for 1H FY 2020/21, and (ii) issued and issuable units of 2,217,828,055 for 2H FY 2020/21 (FY 2019/20: (i) 2,184,012,239 units for 1Q FY 2019/20, (ii) 2,186,900,678 units for 2Q FY 2019/20, and (iii) 2,194,958,278 units for 2H FY 2019/20).

(3) Based on actual DPU of 3.95 cents (FY 2019/20: 2.96 cents) for FY 2020/21.

(4) Based on the closing unit price for the financial year.

Balance Sheet as at:	30 Jun 2021	30 Jun 2020	Change (%)
Net Asset Value attributable to Unitholders Per Unit	**S$0.81**	S$0.81	–
Total Assets (S$ million)	**S$3,079.6**	S$3,081.0	(0.0%)
Investment Properties			
– Number of Properties	**10**	10	
- Valuation[(1)] (S$ million)	**S$2,964.6**	S$2,941.3	0.8%
Gearing (%)	**36.1%**	39.7%	NM

Note:

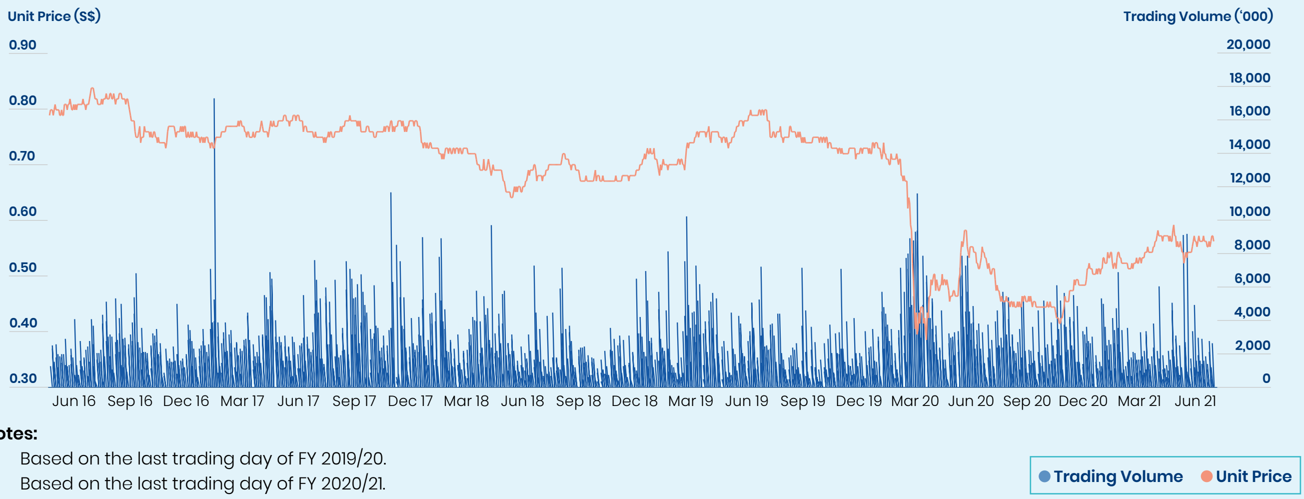
(1) Including right-of-use assets, following the adoption of FRS 116.

Starhill Global REIT's Unit Price and Daily Traded Volume

(1 Jul 2016 to 30 Jun 2021)

From 1 Jul 2020 to 30 Jun 2021

Opening Price[(1)]	S$0.510
Closing Price[(2)]	S$0.560
High (28 Apr 2021)	S$0.585
Low (3 Nov 2020)	S$0.410
Volume traded (in million units)	548.14



Notes:

(1) Based on the last trading day of FY 2019/20.

(2) Based on the last trading day of FY 2020/21.

LETTER TO UNITHOLDERS

Rising with Resilience

Mr Ho Sing
CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

Tan Sri (Sir) Francis Yeoh PSM, KBE
CHAIRMAN

Dear Unitholders,

Our financial year ended 30 June 2021 (FY 2020/21) has been an extraordinary year as our business faced challenges on an unprecedented scale due to the COVID-19 pandemic. Travel restrictions, safe distancing measures, lockdowns, remote working arrangements coupled with a muted economic outlook have dampened demand for commercial properties globally. Amidst these challenges, we are proud of the way our people responded to the dynamic and difficult circumstances. While the pandemic has affected our business, forward thinking, anticipation and prompt execution enabled us to navigate through the crisis and emerge with a stronger balance sheet, stabilised portfolio with healthy occupancy and sharpened strategy.

FINANCIAL PERFORMANCE AMIDST COVID-19

Despite the challenging landscape, gross revenue grew 0.3% year-on-year (y-o-y) to S$181.3 million while net property income (NPI) rose 2.0% y-o-y to S$134.7 million. The improvement was mainly due to lower rental assistance for eligible tenants affected by the COVID-19 pandemic and the appreciation of the Australian dollar against the Singapore dollar.

Including the full release of S$7.7 million of FY 2019/20's deferred distributable income, distribution to Unitholders for

FY 2020/21 rose 34.9% y-o-y to S$87.3 million. As a measure of prudence given the rapid spread of the Delta variant, S$8.5 million of distributable income has been retained for FY 2020/21.

Distribution Per Unit (DPU) for FY 2020/21 grew 33.4% to 3.95 cents, representing an annual yield of approximately 7.1% based on the closing unit price of S$0.56 as at 30 June 2021. Excluding the deferred amount of 0.35 cents per unit, DPU was 8.8% higher y-o-y. Starhill Global REIT achieved a total return of 15.5% for Unitholders in FY 2020/21, despite challenging market conditions.

The Group's portfolio valuation remains stable at S$2.96 billion as at 30 June 2021.

"Starhill Global REIT achieved a total return of 15.5% for Unitholders in FY 2020/21, despite challenging market conditions.

STRENGTHENED FINANCIAL STANDING

We finished the year on sound financial standing with a stable gearing level of 36.1%. Our cash balances as at 30 June 2021 stood at S$108.3 million with sufficient undrawn committed revolving credit facilities to meet our working capital requirements. There are no term debt refinancing requirements until September 2022 while average debt maturity stood at 3.3 years. Fitch Ratings affirmed SGREIT's "BBB" credit rating with a stable outlook in March 2021. During the year, we successfully raised S$100 million from the issuance of our first perpetual securities and completed our maiden distribution reinvestment plan. These initiatives not only strengthen the balance sheet but also enhance our financial flexibility.

PORTFOLIO PERFORMANCE

COVID-19 emerged at the beginning of 2020. Lockdowns, safe distancing measures, work-from-home arrangements and travel restrictions impacted shopper traffic and tenant sales for retail malls globally. Notwithstanding this, we maintained a healthy occupancy rate for both our retail and office properties. Portfolio occupancy stood at 96.3% as at 30 June 2021 and this is partly attributed to the stability offered by the master and anchor leases which accounted for 51.5% of gross rent as at 30 June 2021. The weighted average lease expiry of the portfolio stood at 7.9 years by net lettable area (NLA) as at 30 June 2021, with only 9.3% of leases expiring in the new financial year. Despite the pandemic, the prime location of our assets continued to attract new-to-market tenants. Eslite Spectrum, named by CNN as the "World's Coolest Bookstore" chain, will be opening its first flagship branch in Southeast Asia at The Starhill in Malaysia. Jonetz by Don Don Donki, the popular Japanese discount chain store, recently opened its first outlet in Malaysia at Lot 10. Meanwhile, Wisma Atria in Singapore secured popular F&B and retail outlets such as Haidilao Hot Pot, The Providore, Bonchon and Mr Coconut.

Singapore is SGREIT's largest core market, contributing 62.9% of total revenue for FY 2020/21. NPI contracted by 2.7% y-o-y mainly due to a weaker performance of Wisma Atria retail amidst lower occupancy and rents, as well as higher rental assistance which includes mandated rebates to small and medium enterprise tenants. Given the muted leasing landscape arising from the uncertainty of COVID-19, our strategy is to focus on tenant retention and occupancy. Tenant sales and shopper traffic at Wisma Atria retail were below pre-COVID-19 levels, registering a 28.7% and 48.0% decline from FY 2018/19 levels respectively. While tenant sales and shopper traffic gained momentum between January to May 2021, the recent surge in COVID-19 cases put this revival on hold. The Singapore office portfolio, which makes up 13.1% of gross revenue for the Group, remained resilient and registered an NPI gain of 8.0% y-o-y to S$17.6 million with a committed occupancy of 91.5% as at 30 June 2021.

The Australia portfolio, comprising Myer Centre Adelaide in Adelaide and David Jones Building and the adjacent Plaza Arcade in Perth, is the second largest contributor at 24.4% of total revenue for FY 2020/21. NPI during the year registered an increase of 23.9% y-o-y to S$26.4 million mainly due to lower allowance for rental arrears and rebates, and the appreciation of the Australian dollar against the Singapore dollar. Myer Centre Adelaide also activated its unutilised space on Level 4 which has led to higher committed occupancy of 93.8% as at 30 June 2021.

Malaysia Properties, which contributed 10.1% of total revenue for FY 2020/21, saw a 0.2% y-o-y decline in NPI mainly as a result of the rental assistance extended to the master tenant whose sub-tenants were impacted by several Movement Control Orders implemented by the Malaysian Government.

The performance of the balance of the portfolio, comprising assets in Chengdu, China and Tokyo, Japan, was largely stable for FY 2020/21.

Other than intensifying cleaning efforts, and conducting temperature screening, contact tracing and safe distancing measures, Wisma Atria was the first shopping mall in Singapore to install an innovative air cleaning system developed by Trane Technologies. The system uses both photocatalytic oxidation and ultraviolet light (PCO+UVGI), along with electrostatic filter technology to help remove pathogens and particulates from the air. In addition, we also collaborated with Otsaw Digital Pte. Ltd., the developer of the world's first UV-C LED Disinfection Autonomous Robot ("O-RX"), to perform regular and thorough sanitisation of the mall.

LETTER TO UNITHOLDERS

As tenants' businesses were affected by the pandemic, we have provided rental assistance to help them through this difficult period. Approximately S$9.6 million of rental assistance for eligible tenants in the Group, including an allowance for rental arrears and rebates for the Australia Properties, has been provided in FY 2020/21, with the objective of building a more sustainable long-term outcome for both landlord and tenants.

ASSET ENHANCEMENTS

The RM175 million asset enhancement works for The Starhill in Kuala Lumpur, Malaysia, is in progress, with completion estimated by the end of this year. The mall, which previously comprised a seven-storey building with five basements and a 12-storey annex building with three basements, will be transformed into an integrated development with four retail floors and three upper floors for hospitality use as an extension of the adjoining JW Marriot Hotel Kuala Lumpur.

In Singapore, we have commenced interior upgrading works at Wisma Atria. Considering that brick and mortar players still make up more than 80%[1] of the entire retail market, our strategy is to modernise and rejuvenate our malls to be future ready and stay relevant to meet evolving shoppers' needs. Estimated to cost S$15 million, the upgrading work is targeted to be completed by the end of 2022.

MARKET OUTLOOK

Given the uncertainty and fluidity of COVID-19, it remains difficult to ascertain the full impact of the pandemic on our business. Nonetheless, our core strategies, which enabled us to navigate through the difficult period last year, will remain. We will continue to stay vigilant and flexible in our approach to preserve balance sheet strength and liquidity to mitigate any potential short-term disruption to revenue. We are also conscious of our core responsibilities to deliver value for our Unitholders over the longer term and on a sustainable basis.

The Singapore macro dynamics have been positive, with a 14.7% y-o-y expansion in the GDP in 2Q 2021 amidst the current pandemic. New completions of retail will be significantly lower, with the average annual supply estimated to be slightly over 0.3 million sq ft between 2021 and 2023[2]. This will be approximately 30% of the average annual completion of retail space supply between 2016 and 2020, at 1.1 million sq ft NLA[2]. Orchard Road and the Rest of Central micro-markets will account for just 3.1% and 5.3% of the future supply respectively[2].

From 2021 to 2023, the average annual islandwide office supply is projected at 1.1 million sq ft NLA[2]. This is below the average annual completion rate of 1.7 million sq ft NLA for the historical 5-year period. Aside from supply and demand dynamics, upcoming infrastructure developments should benefit our portfolio. The Thomson-East Coast MRT line will improve the connectivity of Orchard Road's commercial buildings. Stages 1 and 2 have recently been completed and Stage 3 of the new MRT line, which links Orchard and the Central Business District, is scheduled for completion in 2022. Stage 4, which links the East Coast population catchment, is scheduled to be completed by 2024 and will bring new vibrancy and accessibility to Orchard.

In Kuala Lumpur, Malaysia, the new Putrajaya Line (Phase One) is expected to begin operations in November 2021 while the rest of the extensive 57.7 km line is expected to be operational by January 2023. The new MRT line, coupled with upcoming mega commercial projects such as Tun Razak Exchange (TRX) and Bukit Bintang City Center Signature Tower (BBCC), are expected to bring new vibrancy to the city and improve traffic flow in the central areas.

As opportunities emerge from improving infrastructure, we will explore and evaluate asset enhancement initiatives for our portfolio. We will also continue to search for yield-accretive acquisition opportunities in key cities and diversify our income to other commercial sectors such as office assets.

CONCLUSION

At this juncture, our primary focus is to ensure the portfolio remains relevant. We have strengthened our balance sheet and liquidity over the past year and embarked on various renovation works during the current downtime so as to be ready when the economy recovers. Once vaccination rates rise, business will recover progressively and we intend to emerge stronger out of this. Meanwhile, we will continue to be vigilant, assess the constantly changing environment and respond appropriately.

ACKNOWLEDGEMENTS

The Board and Management would like to thank our Directors for their contributions and guidance, our colleagues for their hard work, resilience and dedication, and our tenants, business partners and investors for their continued trust and support. We would also like to thank you, our Unitholders, for your support and confidence in SGREIT and especially during these trying times.

Tan Sri (Sir) Francis Yeoh
PSM, KBE
CHAIRMAN

Mr Ho Sing
CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

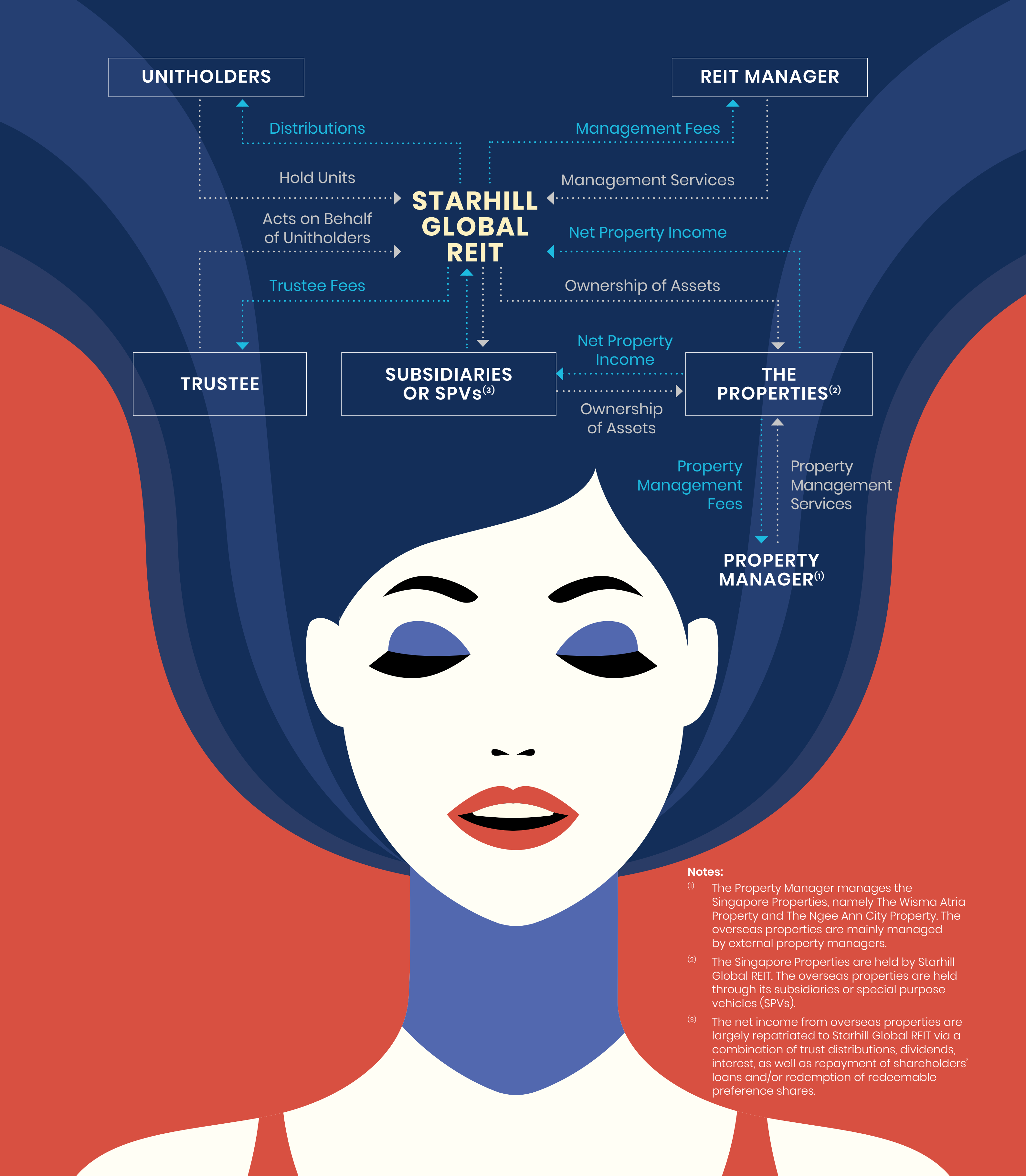
27 August 2021

Notes:

(1) Department of Statistics Singapore, Monthly Retail Sales Index, Total Retail Sales (excluding motor vehicles), June 2021.

(2) CBRE Singapore.

TRUST STRUCTURE



Notes:

(1) The Property Manager manages the Singapore Properties, namely The Wisma Atria Property and The Ngee Ann City Property. The overseas properties are mainly managed by external property managers.

(2) The Singapore Properties are held by Starhill Global REIT. The overseas properties are held through its subsidiaries or special purpose vehicles (SPVs).

(3) The net income from overseas properties are largely repatriated to Starhill Global REIT via a combination of trust distributions, dividends, interest, as well as repayment of shareholders' loans and/or redemption of redeemable preference shares.

BOARD OF Directors

TAN SRI (SIR) FRANCIS YEOH

NON-EXECUTIVE CHAIRMAN

Tan Sri (Sir) Francis Yeoh joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. Tan Sri (Sir) Francis Yeoh studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri (Sir) Francis Yeoh was conferred an Honorary Degree of Doctor of Laws from the University of Nottingham. He became the Managing Director of YTL Corp Berhad Group in 1988, which under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities, i.e. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad) and Starhill Global REIT. Tan Sri (Sir) Francis Yeoh was the Managing Director of YTL Corp and YTL Power International Berhad which are listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad), which is listed on the Main Market of Bursa Malaysia Securities Berhad.

Tan Sri (Sir) Francis Yeoh is the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

Tan Sri (Sir) Francis Yeoh is also an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, and is a director of YTL Industries Berhad. Tan Sri (Sir) Francis Yeoh is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing.

Tan Sri (Sir) Francis Yeoh was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016. Tan Sri (Sir) Francis Yeoh was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005. In 2006, Tan Sri (Sir) Francis Yeoh was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE).

Tan Sri (Sir) Francis Yeoh received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy.

MR HO SING

EXECUTIVE DIRECTOR

Mr Ho Sing joined the Board on 20 April 2010. He is the Chief Executive Officer of the Manager. He works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT.

He has over 27 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

DATO' YEOH SEOK KIAN

NON-EXECUTIVE DIRECTOR

Dato' Yeoh Seok Kian joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. He was appointed as an Executive Director of YTL Corp since 1984 and has been the Deputy Managing Director of YTL Corp until 29 June 2018 when he was redesignated as Managing Director.

He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom, as well as a Member of the Chartered Institute of Building (UK). Dato' Yeoh served as Deputy Managing Director of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad), which is listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Yeoh also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

MR TAN BONG LIN

LEAD INDEPENDENT DIRECTOR

Mr Tan Bong Lin joined the Board on 1 January 2018 and is the Chairman of the Audit Committee as well as a member of the Nominating and Remuneration Committee. Mr Tan has 27 years of working experience with Wall Street investment banking and brokerage institutions. He served as the Managing Director of Citigroup Global Markets Singapore Pte Ltd from 1991 to 2007.

He was also a Member of the Finance Committee of the Singapore Broadcasting Authority from 1997 to 2002. Mr Tan is a Non-Executive Independent Director of APAC Realty Limited, and is the Non-Executive Chairman and Independent Director of RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust (which is listed on the Mainboard of SGX-ST). Mr Tan holds a Bachelor of Accountancy degree from the University of Singapore in 1980.

MR CHING YEW CHYE

INDEPENDENT DIRECTOR

Mr Ching Yew Chye joined the Board on 1 November 2016 and is a member of the Audit Committee and of the Nominating and Remuneration Committee. He is a seasoned management and information technology professional. In 1982, he joined Accenture PLC, a global management consulting, technology services and outsourcing company. From 1997 until his retirement in 2007, he assumed various regional senior management roles in Accenture, including Managing Partner of the Financial Services Industry Group-Asia, Geographic Council Chairman-Asia and Managing Partner for South Asia Region. He was a member of the Accenture Global Executive Committee from 2001 to 2004 and served on several committees/task forces to craft Accenture's global strategy. He is currently an Independent Non-Executive Director of Genting Plantations Berhad and United Overseas Bank (Malaysia) Berhad, and the Independent Non-Executive Chairman of AIA Berhad and AIA General Berhad. Mr Ching holds a Bachelor of Science (Honours) degree in computer science from the University of London, UK.

MR TAN WOON HUM

INDEPENDENT DIRECTOR

Mr Tan Woon Hum joined the Board on 1 August 2017 and is the Chairman of the Nominating and Remuneration Committee as well as a member of the Audit Committee. He is currently a partner of Shook Lin & Bok LLP, a Singapore law firm, and has been with the firm since December 2003. He graduated from the National University of Singapore with a LLB (Honours) Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996. Mr Tan obtained his MBA (Finance) from the University of Leicester in 2000. He has been in private legal practice since 1996 and specialises in trust, asset and wealth management. He advises on the establishment of traditional and alternative funds including related licences and exemptions for fund management companies, as well as the establishment and listing of REITs. Mr Tan is also an Independent Non-Executive Director of Ezion Holdings Limited, a company listed on the Mainboard of SGX-ST, and UTI International (Singapore) Private Limited, a licensed fund manager.

EXECUTIVE OF OFFICERS OF

The REIT Manager

MR HO SING
CHIEF EXECUTIVE OFFICER

Mr Ho works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT. He works closely with other members of the Manager and the Property Manager to ensure these strategies are implemented.

He is also responsible for the day-to-day operations of Starhill Global REIT.

He has over 27 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These include senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and GuocoLand Limited.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He completed the Stanford Executive Program at Stanford University in 2002.

MS ALICE CHEONG
CHIEF FINANCIAL OFFICER

Ms Cheong oversees the finance and accounting, as well as the investor relations and corporate communications functions. Ms Cheong has over 20 years of financial advisory, mergers and acquisitions, and corporate finance experience, with over 10 years in the real estate sector.

Prior to joining YTL Starhill Global REIT Management Limited, she was a vice president in MEAG Pacific Star Asia Pte Ltd involved in real estate acquisitions in Asia. Ms Cheong had nine years of investment banking experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore.

Ms Cheong graduated from Warwick University in the UK with a Bachelor of Science degree in Management Science. She is also a Chartered Financial Analyst (CFA Institute).

MR STEPHEN YEO
SENIOR VICE PRESIDENT
FINANCE & ACCOUNTING

Mr Yeo is responsible for assisting the Chief Financial Officer in the finance and accounting matters of Starhill Global REIT including financial reporting, taxation, treasury, corporate finance and capital management.

He has more than 20 years of experience in finance and accounting, statutory reporting, compliance and tax in Singapore and other regional countries. Prior to joining the Manager, he was the financial controller of Sunshine Holding Limited, a China-based real estate developer listed on the Mainboard of the SGX-ST. He was previously an audit manager with Deloitte & Touche.

Mr Yeo holds a Bachelor of Accountancy degree from Nanyang Technological University in Singapore. He is also a non-practising member of the Institute of Singapore Chartered Accountants.

MR ALVIN TAY
SENIOR VICE PRESIDENT
ASSET MANAGEMENT

Mr Tay is responsible for the management of the REIT's portfolio. Prior to joining the Manager in 2018, Mr Tay spent 11 years with the Mapletree Group where he held various investment and asset management positions at Mapletree Industrial Fund and Mapletree Industrial Trust Management Ltd.

He was responsible for evaluating and executing real estate investments in various countries, as well as formulating and executing business plans and asset enhancement initiatives, among others. From 2006 to 2007, he was with DTZ Debenham Tie Leung where he was with the forecasting team, carrying out econometric modelling and consultancy work. He started his career with the Singapore Land Authority in 2003.

Mr Tay has a Bachelor of Social Sciences (Honours) degree in Economics from the National University of Singapore.

MS CLARE KOH
SENIOR VICE PRESIDENT
HEAD OF INVESTMENTS

Ms Koh has more than 15 years of experience in corporate finance, advisory, and mergers and acquisitions (M&A). Ms Koh is responsible for the sourcing, structuring and execution of acquisitions and disposals for Starhill Global REIT. She was involved in Starhill Global REIT's IPO and its acquisitions in Japan, Australia and Malaysia, and Japan disposals.

Prior to joining the Manager, she was with MEAG Pacific Star Asia Pte Ltd's investments team, and spent four years with HSBC investment bank in the execution of regional M&A and advisory transactions.

Ms Koh holds a Bachelor of Commerce degree from the University of Western Australia.

MR LIM WAI PUN
SENIOR VICE PRESIDENT
LEGAL & COMPLIANCE
AND JOINT COMPANY
SECRETARY

Mr Lim is responsible for legal, compliance and company secretarial matters of the Manager and Starhill Global REIT. He has more than 25 years of legal and corporate secretarial experience in listed entities from various industries. He spent close to 10 years in Singapore Press Holdings Limited, providing legal advice and corporate secretarial services to various subsidiaries and business units. This encompassed legal advisory and work relating to real estate, marketing, financing, mergers and acquisitions in Singapore, Australia and the United Kingdom. He also provided legal support to SPH's newspapers as well as circulation, media and events. In addition, he handled and managed compliance, corporate secretarial and legal matters pertaining to SGX-listed entity SPH REIT.

Mr Lim holds a Graduate Diploma in Law from the National University of Singapore (NUS). He is an Associate with the Singapore Association of the Institute of Chartered Secretaries and Administrators as well as the Association of Chartered Certified Accountants. He also has a degree in Business Administration (Major in Finance) from NUS and a Master of Business Administration (MBA) from Lancaster University, UK.

MR JONATHAN KUAH
SENIOR VICE PRESIDENT
HEAD OF INVESTOR
RELATIONS & CORPORATE
PLANNING

Mr Kuah is responsible for strategic communication with Unitholders, potential investors, analysts and media as well as corporate planning.

He has over 20 years of experience in the financial industry, including over 10 years in the real estate industry.

Prior to joining the Manager, he spent five years with CapitaLand Limited as Vice President of Investor Relations. Mr Kuah also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various securities firms.

Mr Kuah holds a Bachelor of Science degree in Business Administration (Finance) from California State University, Long Beach, USA.

OVERVIEW

EXECUTIVE OFFICERS OF

The Property Manager

MR TAN BOON PIIN
GENERAL MANAGER

Mr Tan is responsible for the overall property management and financial performance of the Wisma Atria Property and Ngee Ann City Property, as well as asset enhancement initiatives, ensuring alignment with the malls' positioning, branding and tenant mix.

He has over 20 years of management experience, covering commercial property management, luxury retailing and distribution of international brands in North and South East Asia. His retailing and mall management experience positions him well to lead the property management team. Prior to joining us, Mr Tan was based in Macau as Vice President of Mall Management with Galaxy Entertainment Group.

Mr Tan holds a Bachelor of Hospitality Management from Griffith University in Australia.

Ms Lee is responsible for the full gamut of human resource management and office administration functions, including staffing, compensation and benefits, employee engagement and providing both strategic and tactical execution of all HR related programmes.

She has over 20 years of HR and administration experience in real estate and related industries. Prior to this, she was HR and Administration Manager for Al Khaleej Investments (S) Pte Ltd (former owners of Wisma Atria and Forum The Shopping Mall) where she was involved in organisation change management and integration activities.

Ms Lee holds a Bachelor of Business degree (major in Human Resource Management) from RMIT University, Melbourne, Australia and a Diploma in Management Studies from the Singapore Institute of Management.

MS SANDRA LEE
SENIOR VICE PRESIDENT
HUMAN RESOURCE & ADMINISTRATION

MS JENNIFER LU
VICE PRESIDENT
FINANCE

Ms Lu is responsible for finance, accounting and tax functions. She has more than 19 years of experience in accounting and financial analysis across several industries.

She was with the media industry for six years prior to joining the Far East Organization accounts department for the hospitality and food and beverage sectors.

Ms Lu holds a double degree – Bachelor in Business (Accounting) and Bachelor in Business (Management) from Monash University, Melbourne, Australia.

She is a Chartered Accountant of Singapore, a full member of CPA Australia, an Accredited Tax Practitioner (ATP) (Provisional – GST) and ATP (Income Tax).

MS JENNY SOH
VICE PRESIDENT
LEASING

Ms Soh leads the leasing and tenant management of Wisma Atria Property and Ngee Ann City Property. Prior to this, she was the Assistant Vice President of the group leasing team in Frasers Property. She has over 14 years of experience in retail consultancy, strategic lease planning, leasing negotiations and lease management for new developments and revamped malls islandwide.

She started her retail leasing career in Knight Frank and her last position was Marketing Manager.

Ms Soh holds a Bachelor of Real Estate in Property Management from National University of Singapore and a Graduate Diploma in Marketing from Marketing Institute of Singapore.

Ms Thor is responsible for building operations, including addition & alteration works, feasibility studies for the Wisma Atria Property and Ngee Ann City Property.

Prior to joining the Manager, she was with CapitaLand Residential Ltd for almost four years where she reviewed design compliance, ensured quality control on new developments and managed development under defects liability period. She has 17 years of experience working in architectural firms managing projects, handling tendering processes, and works closely with relevant authorities and consultants on compliance with regulatory codes.

Ms Thor holds a Bachelor of Science degree in Facilities Management from Heriot Watt University, Edinburgh, United Kingdom.

MS JESSICA THOR
VICE PRESIDENT
PROPERTY OPERATIONS

MS SHARON LEE
ASSISTANT VICE PRESIDENT
MARKETING

Ms Lee is responsible for developing retail marketing strategies, planning marketing campaigns and loyalty programmes to increase shopper traffic, create brand awareness and drive sales for tenants at the Wisma Atria Property and Ngee Ann City Property.

Ms Lee has accumulated more than 13 years of experience in the retail industry and prior to that, she was in the food and beverage industry for seven years.

She holds a Bachelor of Business & Management Studies (Marketing Specialisation) (Hons.) from the University of Bradford, United Kingdom.

OPERATIONS REVIEW

PROPERTY HIGHLIGHTS

Name	Address	Description	NLA (sq ft) (30 Jun 2021)	Title	Number of Tenants (30 Jun 2021)
Ngee Ann City Property	391/391B Orchard Road, Singapore 238874	Four strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City	Retail: 255,021[2] Office: 139,598	Leasehold estate of 69 years, expiring on 31 March 2072	57
Wisma Atria Property	435 Orchard Road, Singapore 238877	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria	Retail: 126,445 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	117
Myer Centre Adelaide	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre, with three office buildings and four basement levels of car park	Retail: 513,742[3] Office: 98,088	Freehold	88
David Jones Building	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,093 (GLA)	Freehold	6
Plaza Arcade	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	36,933 (GLA)	Freehold	12
The Starhill	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Formerly a shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements. Post-asset enhancement, the mall will be an integrated development with four lower floors of retail and three upper floors of hospitality use	333,289[9][11][12]	Freehold	1
Lot 10 Property	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	254,163[10][12]	Leasehold estate of 99 years, expiring on 29 July 2076	1
China Property	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	A four-storey plus mezzanine level retail building forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate, expiring on 27 December 2035	1
Ebisu Fort	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for retail and office use	18,816[10]	Freehold	6
Daikanyama	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	8,087[10]	Freehold	4

Notes:

(1) Based on commenced leases as at the reporting date.

(2) Includes 225,969 sq ft of gross lettable area leased to Toshin on a master tenant basis.

(3) Excludes approximately 100,000 sq ft of unactivated vacant area in the retail centre on Level 4 and Level 5.

(4) Myer Centre Adelaide was acquired on 18 May 2015. Based on the exchange rate of A$0.95:S$1.00 at acquisition.

(5) Based on the exchange rate of A$0.99:S$1.00 as at 30 June 2021.

(6) David Jones Building was acquired on 20 January 2010. Based on the exchange rate of A$0.79:S$1.00 at acquisition.

(7) Plaza Arcade was acquired on 1 March 2013. Based on the exchange rate of A$0.79:S$1.00 at acquisition.

(8) The Lot 10 Property and The Starhill were acquired on 28 June 2010. Based on the exchange rate of RM2.32:S$1.00 at acquisition.

(9) Upon completion of asset enhancement works on The Starhill, the revamped retail mall will include hotel rooms on the upper three levels.

(10) Largely retail with some office component.

Purchase Price (S$ million)	Valuation 30 Jun 2021 (S$ million)	Occupancy Rate 30 Jun 2021 (Actual)[1]	Occupancy Rate 30 Jun 2020 (Actual)[1]	Major Tenants and Brands	Revenue FY 2020/21 (S$ million)	Revenue FY 2019/20 (S$ million)	NPI FY 2020/21 (S$ million)	NPI FY 2019/20 (S$ million)
640.0	**1,130.0**	Retail: 99.7% Office: 92.1%	Retail: 100% Office: 85.4%	Toshin Development Singapore Pte. Ltd. (Toshin)(master tenant), DBS Treasures Centre	**63.5**	58.8	**51.5**	47.2
663.0	**878.0**	Retail: 96.5% Office: 85.0%	Retail: 96.7% Office: 90.7%	COACH, Tory Burch, TAG Heuer, Emperor Watch & Jewellery, Food Republic, Charles & Keith, Haidilao Hot Pot	**50.5**	55.8	**35.9**	42.6
303.1[4]	**243.5[5]**	Retail: 93.6% Office: 94.2%	Retail: 92.4% Office: 94.6%	Myer Pty Ltd (Myer), Daiso, LUSH, Jamaica Blue, Sunglass Hut, Kaisercraft, Da Klinic, Technicolor	**29.8**	29.4	**15.4**	12.8
145.7[6]	**146.5[5]**	98.9%	99.3%	David Jones Pty Limited (David Jones), Superdry, Pandora, The Body Shop, Lorna Jane	**12.0**	11.2	**9.8**	7.8
61.0[7]	**49.0[5]**	72.9%	86.1%	Uniqlo Australia Pty Ltd (Uniqlo), Outback Red	**2.5**	2.6	**1.2**	0.7
271.3[8]	**279.8 [13]**	100%	100%	Katagreen Development Sdn. Bhd. (Katagreen) (master tenant)	**8.5**	7.9	**8.0**	7.4
173.0[8]	**147.0 [13]**	100%	100%	Katagreen (master tenant)	**9.8**	10.4	**9.4**	10.0
70.6[14]	**29.8[15]**	100%	100%	Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store (Markor)	**1.7**	1.6	**1.3**	1.3
71.3[16]	**44.4[17]**	100%	100%	Style Create, Plug-In, Wano KK, Family Mart, Prime Three, GO-SEES CO., Ltd.	**2.2**	2.2	**1.7**	1.7
22.8[16]	**15.9[17]**	100%	100%	Good Design Company, Zwiesel, Mizutani Bicycle, NAKD	**0.8**	0.9	**0.6**	0.6

Notes:

[11] New NLA upon completion of asset enhancement works on The Starhill under the new master tenancy agreements, subject to relevant authorities' approvals.

[12] Under a master tenancy agreement with Katagreen.

[13] Based on the exchange rate of RM3.09:S$1.00 as at 30 June 2021.

[14] The China Property was acquired on 28 August 2007. Based on the exchange rate of RMB4.96:S$1.00 at acquisition.

[15] Based on the exchange rate of RMB4.81:S$1.00 as at 30 June 2021.

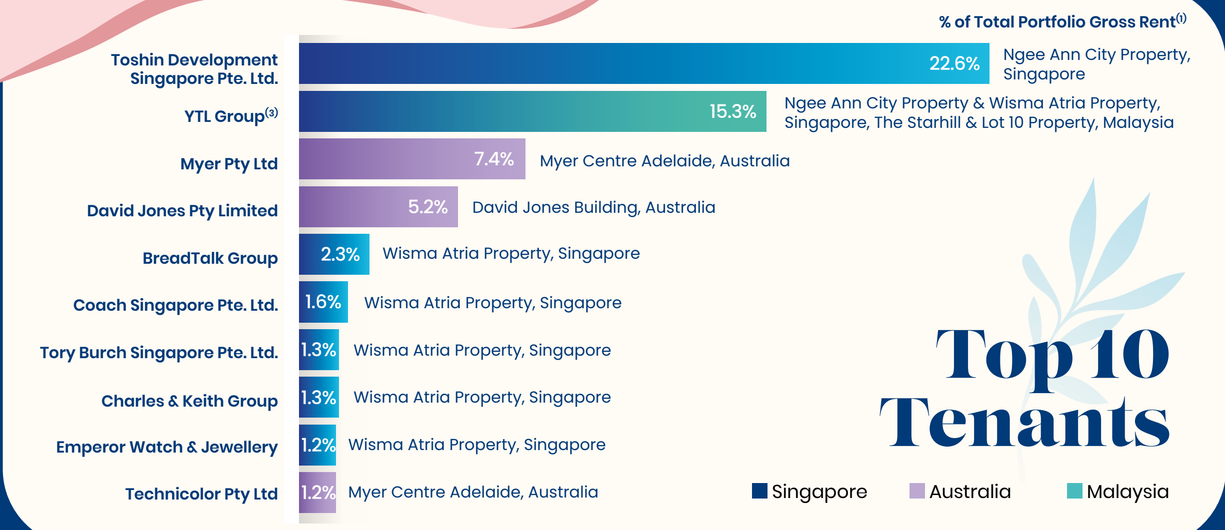
[16] Daikanyama was acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007. Based on the exchange rate of JPY79.97:S$1.00 at acquisition.

[17] Based on the exchange rate of JPY82.25:S$1.00 as at 30 June 2021.

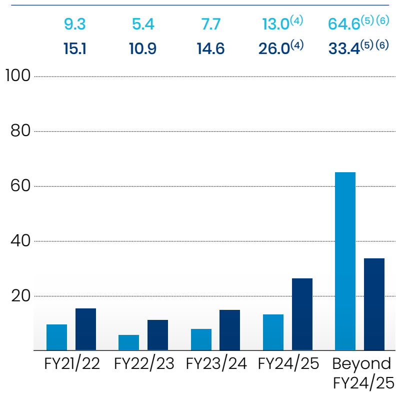
OPERATIONS REVIEW

PROPERTY PORTFOLIO SUMMARY

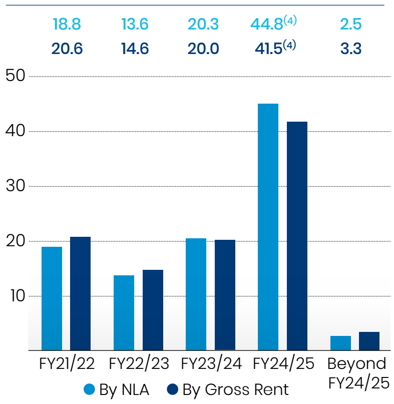
Starhill Global REIT's portfolio comprises 10 mid-to high-end retail properties located in six key cities in five countries across the Asia-Pacific region. These properties are strategically located in good to prime locations. The resilience of the portfolio is demonstrated by high occupancies since listing in 2005.



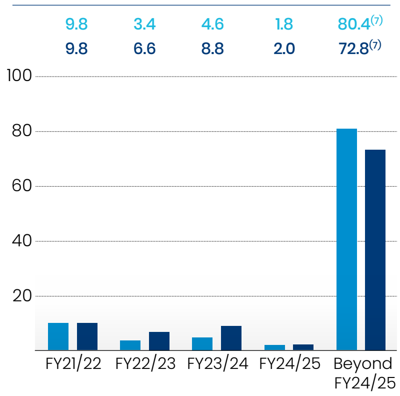
PORTFOLIO LEASE EXPIRY(1)(2) (%)



SINGAPORE PORTFOLIO LEASE EXPIRY(1)(2) (%)



AUSTRALIA PORTFOLIO LEASE EXPIRY(1)(2) (%)



Notes:

(1) As at 30 June 2021.
(2) Excludes tenants' option to renew or pre-terminate.
(3) Consists of Katagreen, YTL Singapore Pte. Ltd., YTL Starhill Global REIT Management Limited and YTL Starhill Global Property Management Pte. Ltd.
(4) Includes the Toshin master lease.
(5) Includes the master tenancy agreements for Malaysia Properties and the anchor leases in Australia and China.
(6) Assuming that the option to renew for the third three-year term for the Lot 10 Property is exercised.
(7) Includes anchor leases with David Jones and Myer which are subject to periodic rent reviews and expire in 2032.

Diversified Retail and Office Portfolio

Starhill Global REIT's portfolio is diversified across geographies with assets in Singapore, Australia, and Malaysia being the top three revenue contributors. Singapore is Starhill Global REIT's largest revenue contributor at 62.9% in FY 2020/21. Australia is the second largest revenue contributor at 24.4%, followed by Malaysia at 10.1%. The balance of the portfolio comprises China and Japan, which accounted for the remaining 2.6% of revenue in FY 2020/21. The retail component is the larger contributor at 85.3% of the Portfolio's FY 2020/21 revenue while the office component contributed 14.7%.

As at 30 June 2021, the top 10 tenants of the Portfolio accounted for 59.4% of the Portfolio's gross rent. The top four tenants were mainly master or anchor leases, namely Toshin, YTL Group, Myer and David Jones, accounting for 22.6%, 15.3%, 7.4% and 5.2% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

Stable Lease Profile

Master leases and anchor leases provide rental income stability with potential upside from rent reviews and built-in step up rents. Collectively, the master leases and anchor leases for the Group accounted for approximately 51.5% of the Portfolio's gross rent as at 30 June 2021. The Manager actively manages the remaining leases of the Portfolio, which are on a short to medium-term basis.

Toshin's lease at the Ngee Ann City Property which expires in June 2025 provides for a rent review every three years. If the prevailing market rent is less than the current annual rent, the current annual rent shall continue to apply. The next review is due in June 2022.

The Malaysia Properties are under master leases which were renewed in FY 2018/19. The master tenancy agreements (MTAs) are with the same master tenant Katagreen, an indirect wholly-owned subsidiary of YTL Corporation Berhad. The MTAs include a condition for Asset Enhancement Works (AEW) on The Starhill. The lease tenures of the MTAs are approximately 19.5 years and nine years[1] for The Starhill and Lot 10 Property respectively from commencement date. The MTAs contain built-in periodic rent step-ups that provide rental growth. Please see the section on Business Review of Malaysia Properties on pages 46 to 49 for further details.

The David Jones Building in Perth, Australia, has a long-term lease with anchor tenant David Jones expiring in 2032 with upward-only rent reviews every three years. In August 2020, a lease review with David Jones secured a rental uplift for the next three years. Myer department store has a long-term anchor tenant lease at Myer Centre Adelaide expiring in 2032 with an annual rent review.

As at 30 June 2021, the weighted average lease term expiry of the Portfolio is 7.9[1][2][3][4] years and 5.3[1][2][3][4] years by NLA and gross rent respectively. As at 30 June 2021, leases expiring in FY 2021/22 account for 9.3% and 15.1% of the portfolio by NLA and gross rent respectively. The weighted average lease term expiry by gross rent for leases commenced in FY 2020/21 is 2.6[2][3][4][5] years. The proportion of gross rent attributed to these leases is approximately 13.0% of the Portfolio's monthly gross rental income as at 30 June 2021, excluding retail turnover rent.

For the Singapore Properties, besides the Toshin master lease, earnings are derived from retail leases in the Wisma Atria Property and the Ngee Ann City Property Level 5, as well as office leases which are generally contracted for a three-year period. Aside from the master leases and anchor leases, Japan Properties, specialty retail units in the David Jones Building and Plaza Arcade in Perth, as well as specialty stores at Myer Centre Adelaide in Adelaide generally have tenancies with three to five-year lease terms. The China Property's sole anchor tenant is Markor, one of China's largest furniture retailers.

Resilient Retail Occupancy

In spite of the COVID-19 pandemic, SGREIT's retail portfolio remained resilient with an occupancy rate of 97.3%[3]. Given the challenging retail environment, landlords' focus is on maintaining occupancy levels.

Resilient Office Portfolio

For FY 2020/21, the overall office portfolio revenue and NPI increased 6.4% and 9.9% y-o-y respectively. Office portfolio occupancy rose to 90.6%[3] as at 30 June 2021 from 89.6%[3] a year ago, as office occupancy at our Adelaide asset remained stable at 94.2%[3] as at 30 June 2021. In Singapore, the office portfolio registered a higher combined occupancy of 89.2%[3] as at 30 June 2021, versus 87.6%[3] as at 30 June 2020. On a committed basis, the occupancy for the total office portfolio increased to 92.3% as at 30 June 2021 compared to 91.6% as at 30 June 2020.

While COVID-19 has presented some uncertainties, there have been some positive signs, including demand from the technology and asset management sectors, with flight to higher quality assets becoming an increasing trend among tenants in Singapore[6].

In Adelaide, tenant demand for CBD office space has been relatively resilient throughout 2021, particularly from the professional and technical services, financial services and healthcare industries. Vacancy is likely to dip supported by the limited supply and strong demand leading up to 2023, when new supply enters the market[7].

Impact from COVID-19 pandemic

The pandemic continues to disrupt the global economy even as countries actively roll out vaccines to curtail the spread of COVID-19. Overall, the recovery of retail sector remains uncertain, with new COVID-19 strains and clusters causing further disruptions globally. Significant economic uncertainty remains, due to restrictions on international travel and various forms of movement control measures being implemented in most countries. The speed of the global vaccine roll-out will play an integral role in the resumption of international travel and economic recovery worldwide.

Notes:

(1) Assuming that the option to renew for the third three-year term for the Lot 10 Property is exercised.
(2) Excludes tenants' option to renew or pre-terminate.
(3) Based on commenced leases as at the reporting date.
(4) Portfolio lease expiry schedule includes all of SGREIT's properties.
(5) Includes new leases and renewals.
(6) CBRE Singapore.
(7) CBRE Australia Research.

PROPERTY PORTFOLIO SUMMARY

Singapore moved into Phase 2 of its safe distancing measures in June 2020[1], where retail establishments were able to resume operations. The vaccine rollout in December 2020 was followed by further relaxation of measures, allowing for social gatherings of up to eight people[2]. However, a surge in cases in May 2021 brought Singapore into Phase 2 (Heightened Alert)[3]. Dining in at F&B establishments was suspended and occupancy limits in shopping malls were lowered. In June 2021, Phase 3 (Heightened Alert) was implemented, but Singapore reverted to Phase 2 (Heightened Alert) in July 2021, due to a spike in the number of cases[4]. Singapore continues to roll out its vaccination programme, adopting a vaccination-differentiated approach as it gradually eases border measures and safe distancing measures[5]. Our assets in Malaysia encountered various Movement Control Orders since 2020. On 16 August 2021, Malaysia announced an easing of COVID-19 restrictions in the economic sector, as vaccination rates improved[6]. Vaccination efforts are underway in Malaysia, with the authorities ramping up its vaccination programme across the country[7].

Our retail tenants in Australia, China and Japan were also impacted by stricter social distancing measures and lower tourist arrivals. Adelaide and Perth have imposed several snap lockdowns throughout 2020 and 2021 in an effort to curb spikes in COVID-19 cases. Australia has announced a three-phase approach in calibrating its COVID-19 measures. Once 80% of its population has been fully vaccinated, Australia will implement baseline restrictions adjusted to minimise cases without lockdowns, and only impose highly targeted lockdowns[8]. We have extended financial assistance on a targeted basis to assist tenants who have been impacted by the pandemic, amounting to approximately S$9.6 million in FY 2020/21. In Wisma Atria, we continue to keep shoppers safe through regular disinfection of high-touch surfaces, frequent disinfection by autonomous robots and the implementation of an air conditioning system by Trane Technologies. The recovery of the retail market will depend on the resilience of economic activity and consumer sentiment on the back of the vaccination roll-out, and the ability to contain subsequent outbreaks[9].

Asset Enhancement Initiatives

In Malaysia, Lot 10 Property went through a redevelopment in 2017, which has resulted in a refreshed positioning for the mall. This has helped to attract new tenants like Japan's popular Jonetz by Don Don Donki, Sennheiser and Machi Machi. Following the success of Lot 10 Property's rejuvenation, we embarked on another major asset enhancement initiative at The Starhill.

Asset Enhancement Works for The Starhill

As a condition of the MTA for The Starhill, the AEW on The Starhill is being carried out at a cost of RM175 million, with the AEW expected to be completed at the end of 2021.

The AEW is timely as the last major renovation was in 2005, with a facelift in 2011. The Starhill is being revamped to stay at the forefront of an evolving retail landscape and to capitalise on the renewed vibrancy of the prime shopping stretch of Kuala Lumpur.

Notes:

(1) Ministry of Health, Moving into Phase 2 of Re-Opening, 15 June 2020.
(2) Ministry of Health, Moving into Phase Three of Re-opening, 14 December 2020.
(3) Gov.sg, Additional restrictions under Phase 2 (Heightened Alert) to minimise transmission, 14 May 2021.
(4) Ministry of Health, Going Back to Phase 2 Heightened Alert, 20 June 2021.
(5) Ministry of Health, Preparing for our transition towards COVID resilience, 6 August 2021.
(6) Channel NewsAsia, Malaysia eases COVID-19 restrictions, more economic sectors allowed to open, 15 August 2021.
(7) Channel NewsAsia, As Malaysia grapples with record COVID-19 cases, authorities ramp up mass vaccination to stem the tide, 30 July 2021.
(8) Prime Minister of Australia, Media Statement, 30 July 2021.
(9) CBRE Singapore.

GROSS REVENUE BY COUNTRY
(For FY 2020/21)

SINGAPORE	62.9%
AUSTRALIA	24.4%
MALAYSIA	10.1%
JAPAN & CHINA	2.6%

GROSS REVENUE BY RETAIL AND OFFICE
(For FY 2020/21)

Retail	85.3%
Office	14.7%

PORTFOLIO TRADE MIX
By Gross Rental Contribution (As at 30 Jun 2021)

Master Leases & Anchor Leases	51.5%
Office	13.8%
Food & Beverage	7.8%
Fashion	7.5%
Health & Beauty	5.8%
Shoes & Accessories	5.4%
General Trade	3.2%
Jewellery & Watches	3.1%
Services	1.3%
Other	0.6%

The conversion of the mall into an integrated development with hotel and retail elements will enable The Starhill to redeploy inefficient upper floor retail space to more productive hospitality space. The AEW permit Starhill Global REIT to deploy incremental capital into an existing high quality but ageing asset, with certainty of return provided by the MTAs. Please see the section on Business Review of Malaysia Properties on pages 46 to 49 for further details.

Interior Upgrading Works at Wisma Atria

Interior upgrading works for Wisma Atria have commenced in March 2021. The renovation seeks to modernise and rejuvenate the mall to stay relevant as a premier lifestyle mall. The upgrading works will include common areas such as the atrium space, lift lobbies and toilets. The mall will remain fully operational throughout the renovation period as most upgrading works will be done at night. The estimated cost for the renovation is approximately S$15 million, and this will be funded by internal resources and/or borrowings.

Portfolio Asset Valuation

Starhill Global REIT's investment properties have been assessed by independent valuers at S$2,963.9 million (excluding right-of-use assets) as at 30 June 2021 (2020: S$2,940.1 million).

The y-o-y movement was largely attributed to increase in valuation for the Australia and Malaysia Properties, net movement in foreign currencies, and partially offset by downward valuation mainly for the Wisma Atria Property.

In foreign currency terms, the Australia, Malaysia and Japan properties saw an increase in their valuations respectively.

As at 30 June 2021, the combined valuation of the Wisma Atria Property and the Ngee Ann City Property, which comprises approximately 67.7% of the portfolio value, decreased by 2.6% to S$2,008.0 million, largely due to the challenging retail conditions in Singapore that led to lower passing and market rents. The office components for the Singapore Properties registered a milder decrease in values.

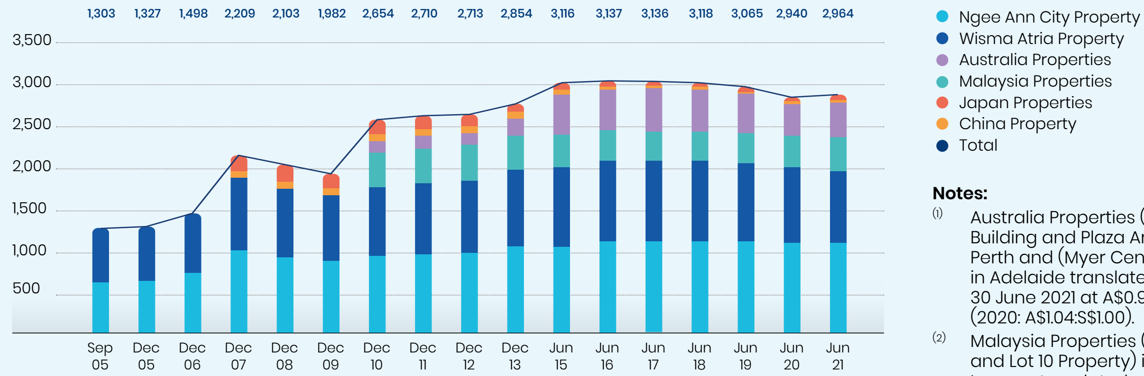
The combined valuation of the Australia Properties was S$439.0 million (A$434.5 million), increasing by S$44.4 million from that as at 30 June 2020 mainly due to a more optimistic market outlook assumed across Myer Centre Adelaide, David Jones Building and Plaza Arcade compared to its valuation as at 30 June 2020, and the appreciation of the Australian dollar against the Singapore dollar.

The Malaysia Properties were valued at S$426.8 million (RM1,318.0 million), an increase of S$33.6 million compared to 30 June 2020. In ringgit terms, valuation grew by 9.2% compared to 30 June 2020, mainly driven by the capital expenditure incurred for the AEW for The Starhill.

The Japan Properties were valued at S$60.3 million (JPY4,960.0 million), a decrease of S$1.5 million from the previous valuation as at 30 June 2020 mainly due to the depreciation of the Japanese yen against the Singapore dollar.

The valuation of the China Property increased S$1.3 million compared to that as at 30 June 2020 mainly due to the appreciation of the Chinese renminbi. As at 30 June 2021, the valuation of the China Property was S$29.8 million (RMB143.0 million).

PORTFOLIO VALUATION
(S$ million)



PORTFOLIO VALUATION

Description	30 Jun 2021 (S$ million)	30 Jun 2020 (S$ million)	Change (S$ million)	Change (%)
Ngee Ann City Property	1,130.0	1,130.0	-	-
Wisma Atria Property	878.0	932.0	(54.0)	(5.8%)
Australia Properties[(1)]	439.0	394.6	44.4	11.2%
Malaysia Properties[(2)]	426.8	393.2	33.6	8.5%
Japan Properties[(3)]	60.3	61.8	(1.5)	(2.4%)
China Property[(4)]	29.8	28.5	1.3	4.7%
	2,963.9[(5)]	**2,940.1**[(5)]	**23.8**	**0.8%**

Notes:

(1) Australia Properties (David Jones Building and Plaza Arcade) in Perth and (Myer Centre Adelaide) in Adelaide translated as at 30 June 2021 at A$0.99:S$1.00 (2020: A$1.04:S$1.00).

(2) Malaysia Properties (The Starhill and Lot 10 Property) in Kuala Lumpur translated as at 30 June 2021 at RM3.09:S$1.00 (2020: RM3.07:S$1.00).

(3) Japan Properties in Tokyo translated as at 30 June 2021 at JPY82.25:S$1.00 (2020: JPY77.18:S$1.00).

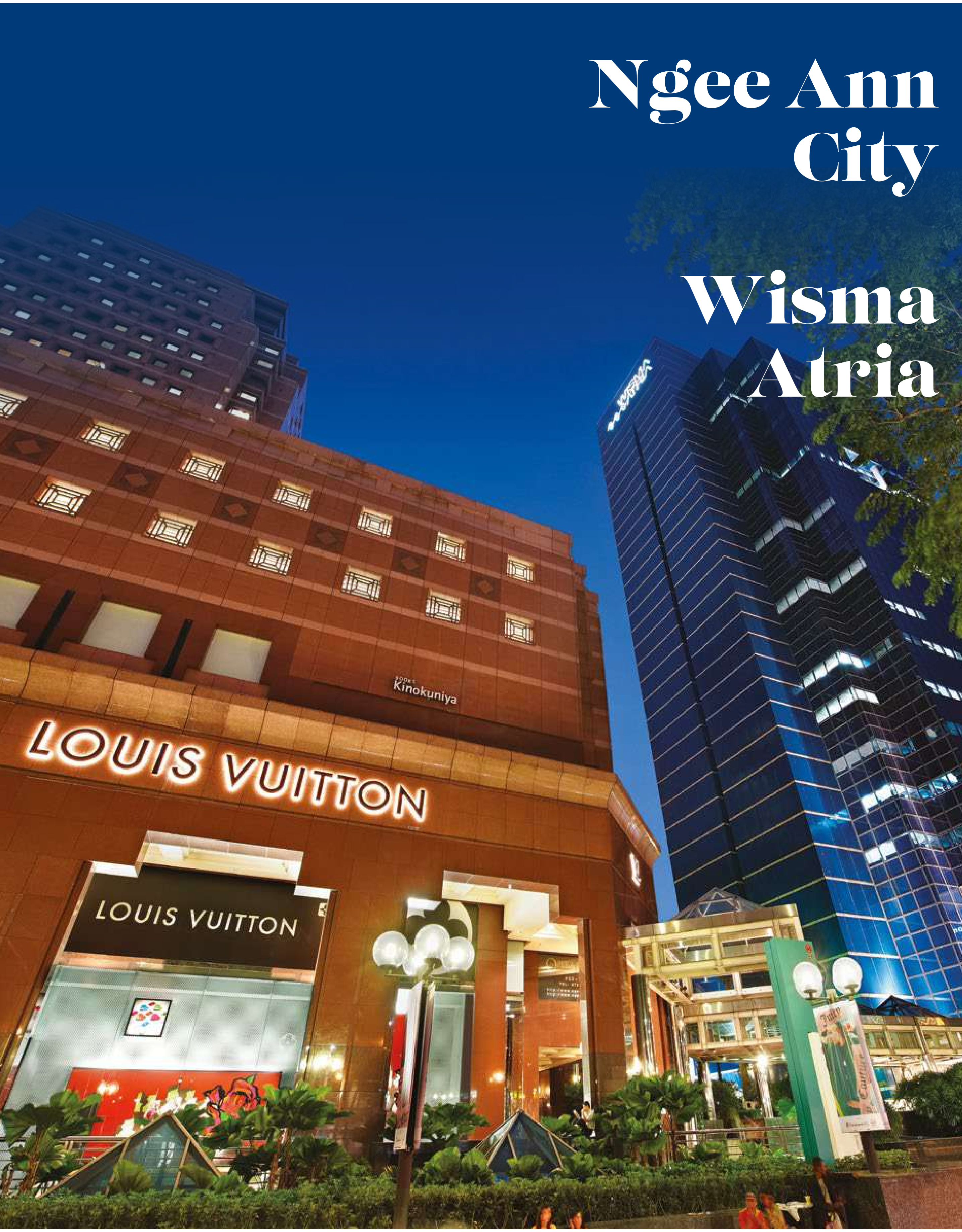
(4) China Property in Chengdu translated as at 30 June 2021 at RMB4.81:S$1.00 (2020: RMB5.06:S$1.00).

(5) Following the adoption of FRS 116 the total investment properties, including the right-of-use assets, is approximately S$2,964.6 million (2020: S$2,941.3 million) as at 30 June 2021.

OPERATIONS REVIEW

Ngee Ann City

Wisma Atria



SINGAPORE PROPERTIES

Centrally located in the prime stretch of the Orchard Road precinct, the properties have excellent connectivity to transportation hubs.

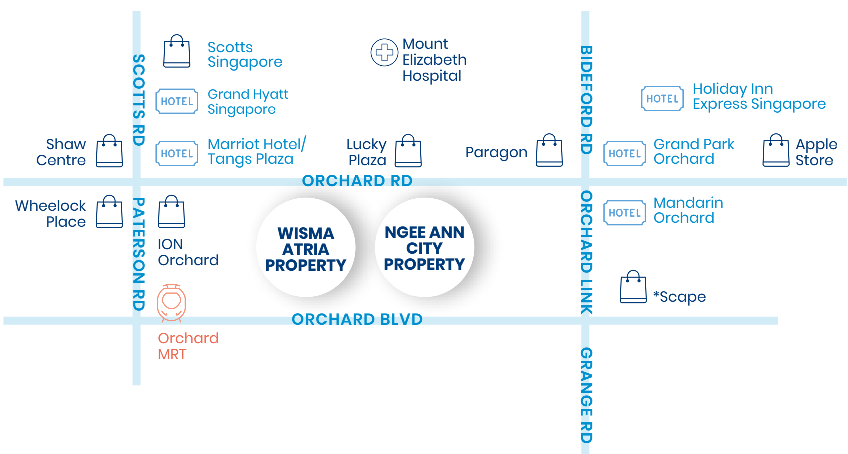
Starhill Global REIT's Singapore Properties are located in the heart of Orchard Road, Singapore's main shopping district. Favoured by tourists for its network of hotels, Orchard Road enjoys excellent connectivity to transportation hubs.

The Singapore Properties comprise distinctive and vibrant shopping malls strategically located on the prime stretch of Orchard Road, one of the world's leading retail destinations. With the best high-end and affordable fashion brands, Singapore is a popular tourist destination and in 2019 was ranked fifth most visited global destination out of 200 cities[1].

The Ngee Ann City Property and Wisma Atria Property enjoy prime Orchard Road street frontage of 190 metres and house a wide offering of international luxury brands such as Chanel, Coach, Louis Vuitton, Rolex and Tory Burch.

EXCELLENT CONNECTIVITY AND ACCESSIBILITY

Wisma Atria has direct basement access to Orchard MRT Station, at the heart of the Orchard Road shopping belt.



Note:

(1) Mastercard, Global Destination Cities Index 2019.

NGEE ANN CITY PROPERTY

The Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include both the retail and office spaces.

ADDRESS:
391/391B Orchard Road,
Singapore 238874

VISIT:
www.ngeeanncity.com.sg

WISMA ATRIA PROPERTY

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent the retail areas in the property (excluding the space owned by Isetan) and the office tower.

ADDRESS:
435 Orchard Road,
Singapore 238877

VISIT:
www.wismaonline.com

OPERATIONS REVIEW

SINGAPORE PROPERTIES

NGEE ANN CITY PROPERTY

Iconic Mall along Orchard Road

Located on the prime stretch of bustling Orchard Road, Ngee Ann City is easily accessible to locals and tourists. It enjoys connectivity to Orchard MRT Station through the underground pedestrian linkway from Wisma Atria and other parts of Orchard Road through the underpasses. Ngee Ann City is also one of the largest malls along Orchard Road and offers a comprehensive range of retail offerings, making it a popular destination on Orchard Road.

The Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces in Tower B. As at 30 June 2021, the Ngee Ann City Property (Retail) was 99.7% occupied and the Ngee Ann City Property (Office) was 92.1% occupied.

Distinctive Landmark Property

The distinctive architecture of Ngee Ann City makes it one of the most prominent landmarks along Orchard Road. Ngee Ann City comprises a podium with five levels and two basement levels of retail space, and three levels of car park. Its twin towers host 18 levels of office space each. Home to many international brands, Ngee Ann City's tenants include luxury labels such as Chanel, Louis Vuitton, Boss, Berluti, Goyard and Piaget, as well as contemporary labels including lululemon, Steve Madden, GUESS and M.A.C. With its iconic retailers and dining options, Ngee Ann City attracts discerning shoppers, families as well as tourists and business travellers from the hotels in the vicinity.

Tenant Mix

For FY 2020/21, 78.0% of the Ngee Ann City Property's gross revenue was from retail tenants while 22.0% was from office tenants.

STRATA LOTS

4

strata lots representing 27.23% of the total share value in Ngee Ann City

TENURE

69 years

Leasehold estate
(Expiring on 31 Mar 2072)

NUMBER OF TENANTS
(As at 30 Jun 2021)

57

(including a master tenant)

PURCHASE PRICE

S$640.0M

MARKET VALUATION
(As at 30 Jun 2021)

S$1,130.0M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)

394,619 SQ FT

Retail
255,021 sq ft

Office
139,598 sq ft

OCCUPANCY RATE(1)
(As at 30 Jun 2021)

Retail **99.7%**
Office **92.1%**

(As at 30 Jun 2020)

Retail **100%**
Office **85.4%**

RETAIL & OFFICE MIX
By Gross Revenue (FY 2020/21)

Retail **78.0%**
Office **22.0%**

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

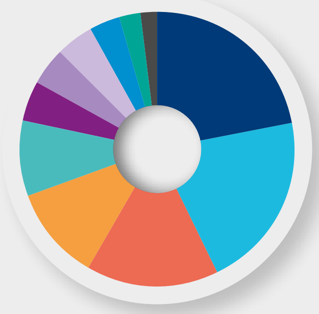
Toshin (master tenant) **87.5%**

Health & Beauty **9.6%**

Services **2.5%**

General Trade **0.4%**

OFFICE TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)



	%
Retail	22.1
Real Estate and Property Services	20.9
Banking and Financial Services	15.5
Beauty/Health	11.0
Petroleum Related	9.0
Medical	4.6
Aerospace	4.6
Others	4.4
Consultancy/Services	3.7
Trading	2.4
Information Technology	1.8

Notes:

(1) Based on commenced leases as at the reporting date.

(2) SGREIT does not own these areas.

Retail Tenant Mix

The top contributors to the Ngee Ann City Property's retail gross rent are Toshin and DBS Bank. Toshin, being the master tenant, occupies all retail areas in the Ngee Ann City Property except Level 5, which is managed by the Manager separately. As at 30 June 2021, Toshin accounted for 87.5% of the gross rent of the Ngee Ann City Property (Retail). Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn wholly-owned by Takashimaya Company Limited, listed on the Tokyo Stock Exchange. The Toshin master lease, which expires in 2025, provides income stability. Toshin's lease provides for a rent review every three years. If the prevailing market rent is less than the current annual rent, the current annual rent shall continue to apply. The next review is in June 2022.

The Manager actively manages the beauty and wellness cluster on Level 5, constantly rejuvenating the tenant mix with complementary offerings, such as the DBS Treasures Centre. Beauty and wellness tenants include New York Skin Solutions, London Weight Management, Shunji Matsuo Hair Studio and TK TrichoKare.

Office Tenant Mix

Retail, Real Estate and Property Services and Banking and Financial Services are the top three trade sectors contributing to the Ngee Ann City Property's office gross rent.

Advertising and Promotions

Ngee Ann City's large outdoor semi-circular Civic Plaza[2] is a popular venue for many prestigious events including concerts, fairs, product launches, road shows, fashion showcases, carnivals and lifestyle launches. Ngee Ann City's large event hall, Takashimaya Square[2], is also a popular venue for regular bazaars and events. Due to COVID-19, events have been put on hold.

SINGAPORE PROPERTIES

WISMA ATRIA PROPERTY

Strategic Location along Orchard Road

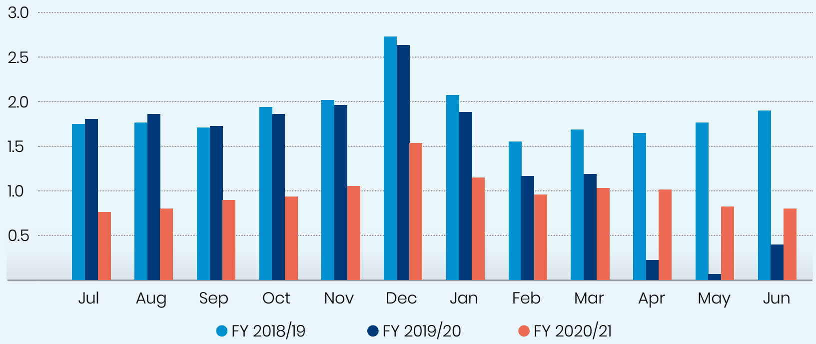
Strategically located along the prime stretch of Orchard Road between ION Orchard and Ngee Ann City, Wisma Atria has more than 100 metres of prime street frontage and an established following among locals and tourists. It comprises a retail podium with four levels and one basement, three levels of car park and an office tower with 13 levels of office space. The mall enjoys excellent connectivity given its Orchard Road frontage, and an underground pedestrian linkway which connects Wisma Atria to Orchard MRT Station, ION Orchard and Ngee Ann City. Orchard MRT Station will become an interchange with the new Thomson-East Coast line which is currently under construction.

Differentiated Tenant Mix with Experiential Elements

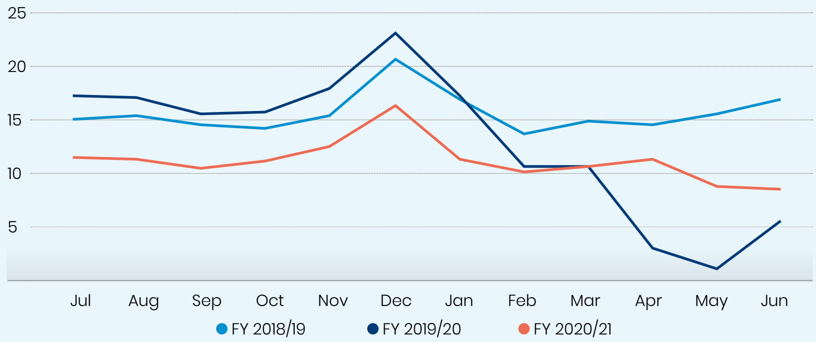
The Wisma Atria Property benefits from a diversified tenant base. The Wisma Atria Property is home to the flagship stores of international retailers including Coach, Emperor Watch & Jewellery, Mauboussin and TAG Heuer. It also houses the first Tory Burch boutique in Singapore. Its mid-to-upscale positioning attracts international fashion brands such as Cotton On, Forever New, Lacoste and Seafolly, as well as local labels including Charles & Keith and Pedro. Complementing the shopping experience is a wide range of beauty and wellness stores including LUSH and Osakakuma.

The mall provides a myriad of Food and Beverage (F&B) options including Paradise Dynasty's flagship restaurant and the popular hot pot restaurant, Haidilao Hot Pot. Besides these popular eateries, the Wisma Atria Property also houses favourites such as Mr. Coconut, The Coffee Bean & Tea Leaf, Famous Amos, Garrett Popcorn, Llao Llao, Fruce, Krispy Kreme, Starbucks, Din Tai Fung and Food Republic.

WISMA ATRIA SHOPPER TRAFFIC
(million)



WISMA ATRIA CENTRE SALES
(S$ million)



In FY 2020/21, the Wisma Atria Property saw the opening of several new and exciting stores as it continues to evolve with consumer preferences, providing a more differentiated mix with experiential elements. These include sneaker boutique Skechers while F&B and dining offerings were enhanced with the addition of Haidilao Hot Pot, Bonchon, Sugar Toast, Yanmi Yogurt and Beryl's Chocolate.

Despite the challenging environment resulting from COVID-19, the Wisma Atria Property (Retail) continues to maintain a healthy occupancy of 96.5% as at 30 June 2021. Tenant sales for FY 2020/21 fell y-o-y by 13.4% to S$134.0 million with shopper traffic at Wisma Atria down to 11.7 million due to the impact of COVID-19 related safe distancing measures and travel restrictions. In FY 2020/21, tenant sales and shopper traffic remained below pre-COVID-19 levels, registering a 28.7% and 48.0% fall from FY 2018/19 levels respectively. Due to border restrictions, Singapore saw international visitor arrivals falling by 99.2% y-o-y to 77,570 in the second half of 2020[1]. In the first half of 2021, international visitor arrivals fell 95.5% y-o-y to 118,663[1].

The Wisma Atria Property's office tower attracts tenants from the retail and services sector due to its proximity to the retail stores and boutiques along Orchard Road. Among these tenants are Ermenegildo Zegna, L'Occitane, Longchamp and Valentino. Besides the prestigious Orchard Road address and direct access to Orchard MRT Station, tenants also enjoy amenities such as gyms, F&B outlets and healthcare providers. As at 30 June 2021, Wisma Atria Property (Office) was 85.0% occupied.

For FY 2020/21, retail tenants contributed 80.9% of gross revenue of Wisma Atria Property while office tenants contributed 19.1%.

Advertising and Promotions

A series of promotions and events were rolled out during the year to encourage shoppers to visit the mall and to increase consumer spending. This included monthly themed promotions with spend and redeem tiers, and free parking.

Since November 2020, Wisma Atria has been listed as a Gym location on the Pokémon Go app, following a tie-up between the Singapore Tourism Board (STB) and Niantic, the developer

STRATA LOTS

257
strata lots representing 74.23% of the total share value in Wisma Atria

TENURE

99 years
Leasehold estate
(Expiring on 31 Mar 2061)

NUMBER OF TENANTS
(As at 30 Jun 2021)

117

PURCHASE PRICE

S$663.0M

MARKET VALUATION
(As at 30 Jun 2021)

S$878.0M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)

225,334 SQ FT

Retail
126,445 sq ft

Office
98,889 sq ft

OCCUPANCY RATE[2]
(As at 30 Jun 2021)

Retail **96.5%** | Office **85.0%**

(As at 30 Jun 2020)

Retail **96.7%** | Office **90.7%**

Notes:
[1] Singapore Tourism Analytics Network, 30 June 2021.
[2] Based on commenced leases as at the reporting date.

RETAIL & OFFICE MIX
By Gross Revenue (FY 2020/21)

Retail **80.9%** | Office **19.1%**

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

Food & Beverage **27.0%**

Fashion **24.8%**

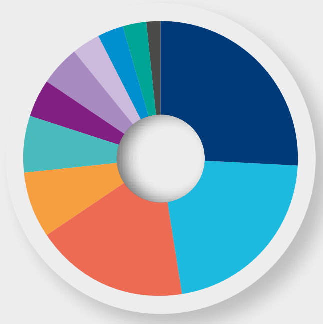
Shoes & Accessories **21.9%**

Jewellery & Watches **10.1%**

Health & Beauty **9.5%**

General Trade **6.7%**

OFFICE TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)



	%
Medical	25.9
Real Estate and Property Services	21.6
Retail	18.2
Consultancy/Services	7.8
Others	6.6
Trading	4.6
Government Related	4.5
Banking and Financial Services	3.4
Information Technology	3.1
Aerospace	2.9
Beauty/Health	1.4

of Pokémon Go, as part of the SingapoRediscovers campaign.

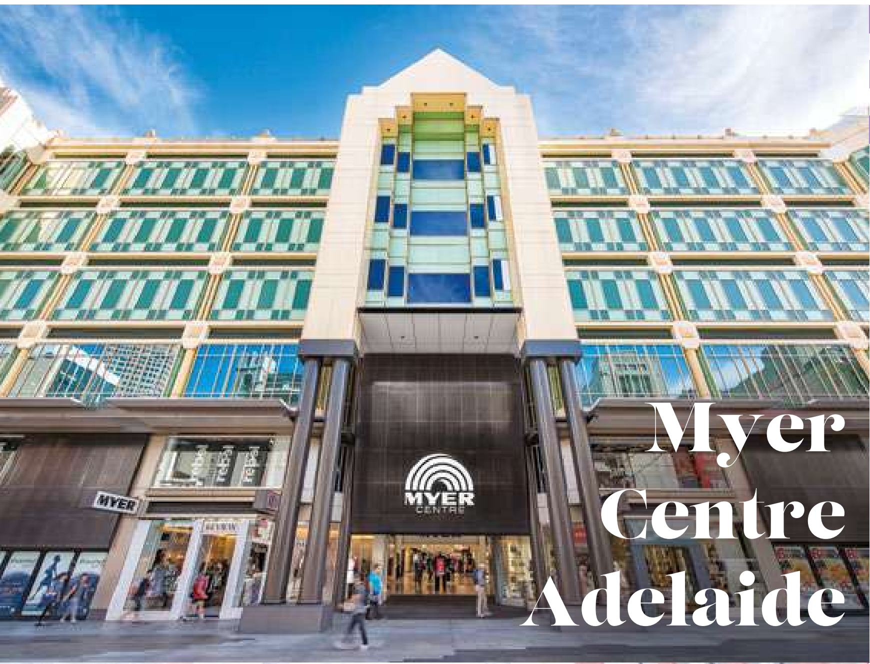
In the same month, the mall also sponsored airtime on its façade screen and contributed S$2,500 worth of vouchers to the "Walk for Rice" and "Sing It Louder" concert screening charity events. Both were part of a collaboration with Harvest Care Centre and South East Community Development Council to help less privileged youth and families residing in South East District who were affected by COVID-19.

During the year-end festive season in November and December 2020, Wisma Atria was decked out in pink Christmas decorations, including a lighted Christmas town crafted from recycled materials, and a moving express train. The mall decorations were featured in national newspaper The Straits Times, lifestyle blogs and on the social media pages of local influencers. Shoppers also posted their creative photos on Instagram for a chance to win the mall's shopping vouchers.

Wisma Atria also partnered with Heineken® on its Christmas Experience pop-up booth. Located at the outdoor event space, the booth housed three 2m tall LED panels, equipped with motion sensors. In the spirit of giving, Heineken® handed out free photo printouts and a can of chilled Heineken® 0.0 to visitors when they posted their photos on Instagram.

In March 2021, the outdoor steps of Wisma Atria were lit up in blue for the month, as part of a collaboration with the Public Utilities Board (PUB), Singapore's national water agency, to raise awareness for climate change.

To increase its social media presence, Wisma Atria rolled out numerous activities and contests, including 'Catch the Huat', the 'Great Guessing Game' Instagram Story filters and '12 Days of Christmas'. An eight-week long Spring/Summer super giveaway contest was also held, where prizes including Wisma Atria gift vouchers and attractive merchandise, sponsored by mall tenants, were up for grabs.



AUSTRALIA PROPERTIES

Our stable of properties in Australia is strategically located along prime pedestrian streets in the cities of Adelaide and Perth.

Myer Centre Adelaide, David Jones Building and Plaza Arcade have the common attribute of being uniquely located along prime pedestrian streets, namely Rundle Mall in Adelaide as well as Murray Street Mall and Hay Street Mall retail precincts in Perth respectively. The assets are within close proximity to the central business districts and transportation nodes in the cities. These generate constant shopper traffic flow to our properties and make them popular destinations for locals and tourists.

ADELAIDE

Myer Centre Adelaide is the largest shopping mall in the city centre, and Myer department store has been its anchor tenant since 1991. It is located on the prime retail stretch of Rundle Mall – the city's premier retail pedestrian street and in the heart of the central business district.

Rundle Mall – Adelaide's Prime Shopping Precinct

Being one of Australia's first pedestrian street malls, Rundle Mall is an icon in the city of Adelaide, and the precinct is a compelling retail destination. The retail strip houses over 700 retailers and 300 tenants[1]. Rundle Mall is located close to the Adelaide Railway Station and in close proximity to cultural highlights such as the Adelaide Oval, The Adelaide Central Markets and numerous galleries and museums. It is also in close proximity to several universities and Royal Adelaide Hospital.

PERTH

A focus in Perth in recent years has been the regeneration and urban renewal of underutilised spaces within the city. Redevelopments have been undertaken within the key areas of Central Perth, Subiaco, Midland, Armadale and Scarborough to rejuvenate and attract people into the city, further supporting its retail market[2].

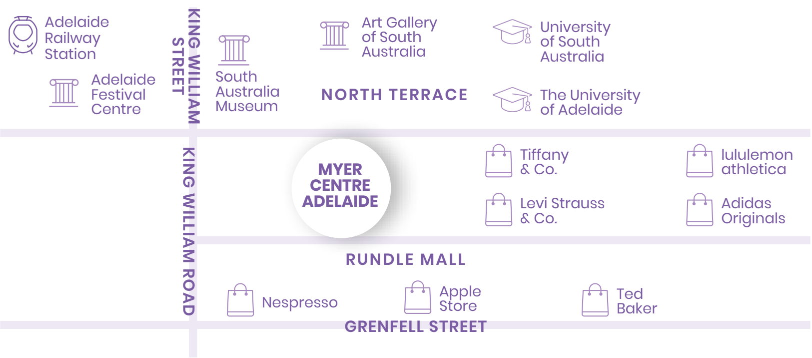
To further revitalise Perth's CBD, the state government has collaborated with two universities to set up campuses in the CBD. Edith Cowan University will be building a city campus to house 9,000 students and staff by 2025[3] while Murdoch University has recently secured funding to build a new vertical campus in the CBD[4].

David Jones Building and Plaza Arcade – In the Heart of Perth's City Centre

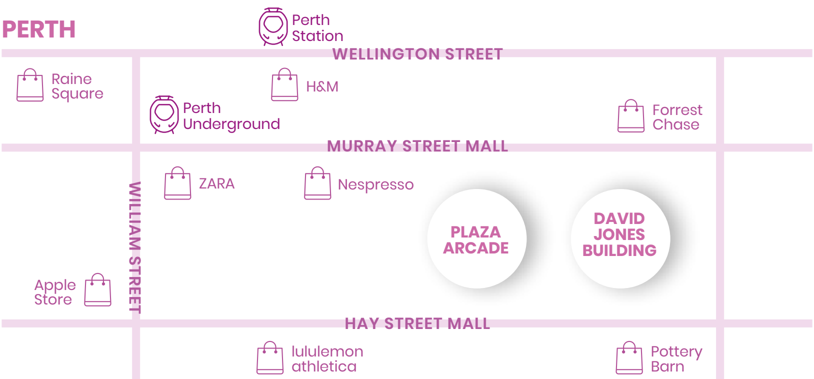
Situated in the heart of Perth's city centre, David Jones Building and Plaza Arcade are well-placed to capitalise on pedestrian traffic from the Perth Busport and train station as well as the William Street walkway link to the Perth Cultural Centre. Perth's city centre hosts international retailers including TAG Heuer, JD Sports, Louis Vuitton, Kailis Jewellery and Tiffany & Co., which have established their stores along the city's most popular shopping precincts.

Global apparel retailer UNIQLO opened its first store in Perth at Plaza Arcade in August 2018. As the mall's anchor tenant, the international brand enhanced the positioning of Plaza Arcade. Major redevelopments at Raine Square and Forrest Chase have been completed and upgrading works to Piccadilly Arcade are ongoing, with planned redevelopment works at Carillion City. This will add vibrancy to the retail scene in Perth's city.

ADELAIDE



PERTH



MYER CENTRE ADELAIDE

Eight-storey retail centre, with three office buildings and four basement levels of car park.

ADDRESS:
14-38 Rundle Mall, Adelaide, Australia

VISIT:
www.myercentreadelaideshopping.com.au

DAVID JONES BUILDING

Four-storey heritage-listed building for retail use.

ADDRESS:
622-648 Hay Street Mall, Perth, Australia

VISIT:
www.starhillglobalreit.com/david-jones-building.html

PLAZA ARCADE

A three-storey heritage-listed retail building located next to the David Jones Building.

ADDRESS:
650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia

VISIT:
www.plazaarcade.com.au

Notes:

(1) Rundle Mall's website.
(2) CBRE Australia Research.
(3) Government of West Australia, Joint Media Statement - ECU City Campus designs unveiled, 15 August 2021.
(4) Murdoch University, Murdoch University secures major funding package to build the first vertical campus in Perth's CBD, 20 September 2020.

OPERATIONS REVIEW

AUSTRALIA PROPERTIES

MYER CENTRE ADELAIDE

1

2

Largest Shopping Mall in Adelaide's City Centre

Myer Centre Adelaide is a prominent landmark and the largest shopping centre located in the heart of Adelaide's city centre. Popular with locals and tourists, the centre is located along the city's prime retail precinct, Rundle Mall. Myer Centre Adelaide is within walking distance to the Riverbank Entertainment Precinct, which includes the Adelaide Festival Centre and the Adelaide Oval multi-sports stadium, and also in close proximity to universities, hostels, art galleries, museums and a casino. The property is surrounded by offices in the city centre. It is also in close proximity to universities such as Flinders, University of Adelaide, and University of South Australia. The Royal Adelaide Hospital is also in close proximity. Anchored since 1991 by the largest Myer department store in South Australia, the 513,742 sq ft[1] retail centre houses 69 other retail tenants. An all-encompassing retail experience, the retail centre is home to international retailers including Daiso, LUSH, Boost Juice and Sunglass Hut, as well as national labels such as Da Klinic, Katies, and ToyWorld.

Myer Centre Adelaide (Retail)

Complementing the retail experience, Myer Centre Adelaide provides a wide range of dining options with cafes and a lower ground food court – the largest in Adelaide's city centre – serving fast food and international cuisines. The property comprises an eight-storey retail centre with four basement levels of car park, and an office component which includes a six-storey office tower above the retail centre and two heritage buildings.

Completed in 1991, the property went through a major A$35 million asset enhancement in 2013 and 2014 which included the refurbishment of the five-storey Myer department store. The Myer department store occupies approximately 53.0% of Myer Centre Adelaide's NLA. It accounts for 59.7% of the gross rent for Myer Centre Adelaide (Retail) as at 30 June 2021. It is also Starhill Global REIT's third largest tenant, contributing approximately 7.4% of portfolio gross rent as at 30 June 2021. Its long-term lease in the property, which expires in 2032, provides for an annual rent review.

Most of the remaining leases at the property incorporate annual upward-only rent reviews. As at 30 June 2021, the actual occupancy rate for Myer Centre Adelaide (Retail) was 93.6%[2].

Since the point of acquisition, the focus has been to activate the unutilised space on Levels 4 and 5. Part of Level 4 has been activated and is currently leased to Concept Design Workshop (CDW), a visual effects and entertainment design school. An expansion lease had been signed with CDW to take up the remaining space on Level 4, comprising approximately 12,100 sq ft.

8-STOREY
retail centre, with three office buildings and four basement levels of car park

TENURE
FREEHOLD

NUMBER OF TENANTS
(As at 30 Jun 2021)
88
(including an anchor tenant)

PURCHASE PRICE
S$303.1M

MARKET VALUATION
(As at 30 Jun 2021)
S$243.5M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)
611,830 SQ FT[1]

Retail
513,742 sq ft

Office
98,088 sq ft

OCCUPANCY RATE[2]
(As at 30 Jun 2021)

Retail 93.6%
Office 94.2%

(As at 30 Jun 2020)

Retail 92.4%
Office 94.6%

RETAIL & OFFICE MIX
By Gross Revenue (FY 2020/21)

Retail **90.0%**
Office **10.0%**

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

Myer (anchor tenant) **59.7%**
Food & Beverage **10.0%**
Fashion **8.2%**
General Trade **8.0%**
Health & Beauty **4.7%**
Jewellery & Watches **4.3%**
Services **2.1%**
Other **1.7%**
Shoes & Accessories **1.3%**

Works have commenced and the project is on track for handover in 1H FY 2021/22. Efforts to activate Level 5 are ongoing.

Myer Centre Adelaide (Office)

The office component of Myer Centre Adelaide includes Terrace Towers, a six-storey 81,117 sq ft office tower above the retail centre and two heritage buildings (Shell House and Goldsbrough House). The occupancy rate for Myer Centre Adelaide (Office) was 94.2%[2] as at 30 June 2021.

Across the second half of 2020, Adelaide saw its first period of negative net absorption, recording -9,270 sq m as the impact of the pandemic on office demand and occupancy led to a rise in vacancies[3]. Tenant demand has been resilient throughout 2021, with high enquiry levels, particularly from the professional and technical services, financial services and health care industries[3].

The total revenue from office leases contributed approximately 10.0% of Myer Centre Adelaide's revenue in FY 2020/21.

1. Proudly Australian owned and operated, Toyworld is part of the largest network of independent toy stores in Australia.
2. Established in 2001, Da Klinic specialises in global hip-hop and skate cultures. Their product range consists of a mix of roller skates, skateboards and scooters in addition to the latest streetwear clothing and footwear brands.

Notes:
(1) Excludes approximately 100,000 sq ft of unactivated vacant area on the highest two floors of the retail centre as at 30 June 2021.
(2) Based on commenced leases as at the reporting date.
(3) CBRE Australia Research.

AUSTRALIA PROPERTIES

DAVID JONES BUILDING

Centrally located in Perth's prime retail stretch, the David Jones Building sits on a freehold site of approximately 71,473 sq ft in the Perth CBD in Australia. It enjoys dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city. Perth City is currently undergoing a rejuvenation called the "West Perth Regeneration Masterplan". This initiative by the government represents one of the opportunities to increase the density of Perth's inner ring from 8,000 to 25,000 residence by 2031[2].

The property is a few minutes' walk from the Perth central train station and will be part of the East End Revitalisation Programme which aims to revitalise the streetscape in Hay, Pier and Irwin Streets. The building is also linked seamlessly to another major shopping centre via a covered walkway. The four-storey property, which has heritage-listed components (including a building constructed circa 1910 that was formerly the Savoy Hotel), is anchored by the upmarket David Jones department store.

As at 30 June 2021, the property's occupancy was 98.9%. David Jones Pty Limited, which has a long-term lease in the building until 2032, occupies approximately 95.1% of the total gross lettable area. It accounts for 85.5% of the gross rent for David Jones Building as at 30 June 2021. David Jones is a premium retailer across the country and is owned by South African retail group Woolworths Holdings Limited. The long-term lease with David Jones provides stable income, with the benefit of an upward-only rent review every three years. In August 2020, there was a rental uplift for the David Jones lease. Besides David Jones, five tenancies occupy a gross lettable area of about 9,628 sq ft and comprise international and national brands such as Lorna Jane, The Body Shop, Pandora and Superdry. Most of these leases also incorporate annual upward-only rent reviews.

HERITAGE-LISTED BUILDING
4-STOREY
building for retail use

TENURE
FREEHOLD

NUMBER OF TENANTS
(As at 30 Jun 2021)
6
(including an anchor tenant)

PURCHASE PRICE
S$145.7M

MARKET VALUATION
(As at 30 Jun 2021)
S$146.5M

TOTAL GROSS LETTABLE AREA
(As at 30 Jun 2021)
259,093 SQ FT

OCCUPANCY RATE[1]
(As at 30 Jun 2021)
Retail
98.9%

(As at 30 Jun 2020)
Retail
99.3%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

David Jones (anchor tenant)
85.5%

Fashion
8.9%

Health & Beauty
3.5%

Jewellery & Watches
2.1%

Notes:
(1) Based on commenced leases as at reporting date.
(2) The City of Vincent, West Perth Regeneration Masterplan.

PLAZA ARCADE

Located next to the David Jones Building, Plaza Arcade is in the heart of the city centre and sits on a freehold site of approximately 27,523 sq ft. The property is one of two main thoroughfares with entrances at both Hay and Murray Street Malls and comprises a three-storey heritage-listed retail building with 12 tenancies. The property has a GLA of approximately 36,933 sq ft and was 72.9% occupied as at 30 June 2021.

The tenant mix is diversified, comprising fashion, food & beverage and services. Most leases at the property provides for rental upside from an annual upward-only rent review. In 2017, the Murray Street Mall end of Plaza Arcade underwent an asset redevelopment to create additional retail space on the upper floor and a revamped façade. The asset redevelopment was completed in August 2018, featuring the new international tenant UNIQLO's first store in Perth. This complements Perth city centre's revitalised retail offerings, which include a H&M city store and the Forrest Chase and Raine Square redevelopments which have been completed. Together with UNIQLO, these developments has transformed the area into a vibrant retail hub in the heart of the city.

Plaza Arcade Laneway Upgrade
In 2019, the property's interior underwent aesthetic enhancement works. The laneway beside the property was also rejuvenated with a greenery-inspired mural artwork and a new entrance signage to improve shopper traffic.

HERITAGE-LISTED BUILDING
3-STOREY
building next to the David Jones Building. The property is anchored by international tenant UNIQLO and specialty tenants.

TENURE
FREEHOLD

NUMBER OF TENANTS
(As at 30 Jun 2021)
12
(including an anchor tenant)

PURCHASE PRICE
S$61.0M

MARKET VALUATION
(As at 30 Jun 2021)
S$49.0M

TOTAL GROSS LETTABLE AREA
(As at 30 Jun 2021)
36,933 SQ FT

OCCUPANCY RATE[1]
(As at 30 Jun 2021)
Retail
72.9%

(As at 30 Jun 2020)
Retail
86.1%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

UNIQLO (anchor tenant)
82.9%

Food & Beverage
8.5%

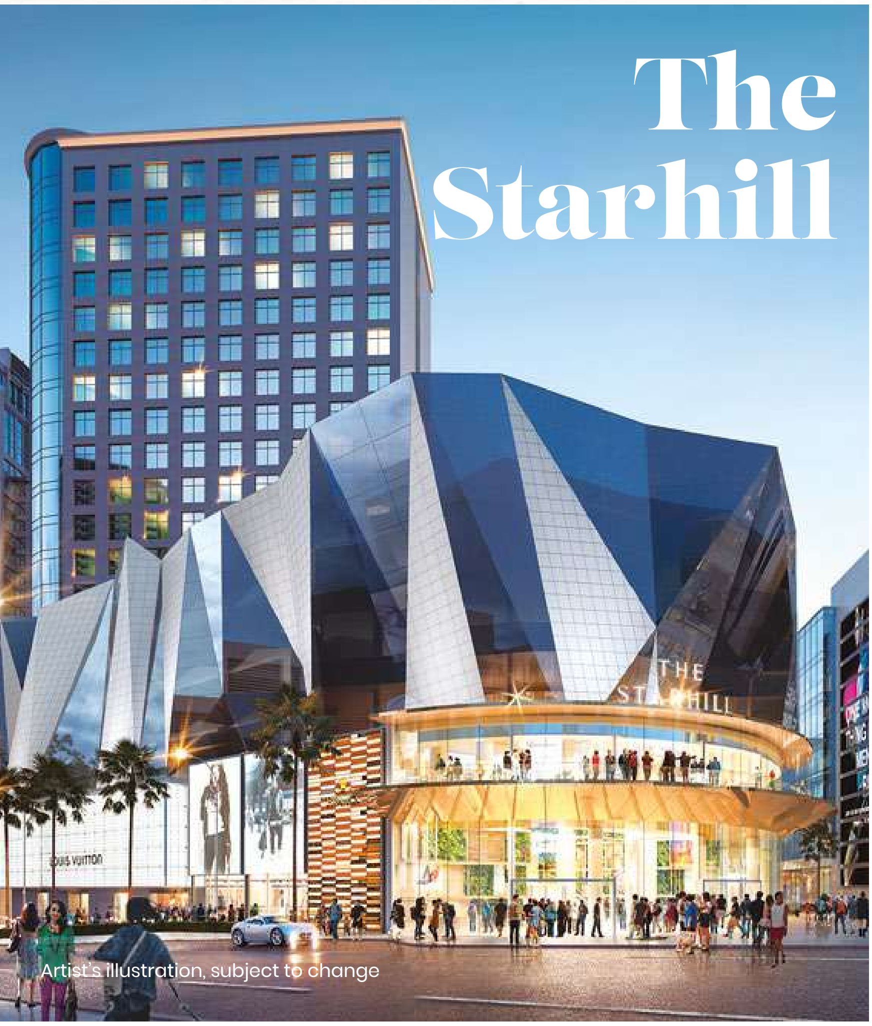
Services
6.3%

Fashion
2.0%

General Trade
0.3%

Note:
[1] Based on commenced leases as at reporting date.

OPERATIONS REVIEW



Artist's illustration, subject to change

MALAYSIA PROPERTIES

The Starhill and Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, one of Kuala Lumpur's premier shopping districts and home to prestigious international hotels, prime office buildings and shopping complexes.

The Starhill and the Lot 10 Property – In The Heart Of Bukit Bintang

The Malaysia Properties comprise distinctive and vibrant shopping malls strategically located in Bukit Bintang, Kuala Lumpur's premier shopping and entertainment district with many prestigious international hotels, prime office buildings and shopping complexes.

The Starhill features a high-profile tenant base with international designer labels and luxury watch and jewellery brands. The Lot 10 Property offers young and trendy urbanites a wide range of fashion, dining and entertainment offerings. The Lot 10 Property is located next to the Bukit Bintang monorail station, with the H&M store directly connected to the station via a platform. The new Bukit Bintang MRT Station along the Kajang Line has been in operation for several years, connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city. An exit from the MRT station is located in front of the new entrance of the Lot 10 Property and Malaysia's first flagship Jonetz by Don Don Donki store, providing commuters greater accessibility to the mall and The Starhill. In addition, Phase One of the upcoming Putrajaya Line is expected to begin operations in November 2021 while the rest of the line is expected to be operational by January 2023. Two stations along the Putrajaya Line are within 1km of The Starhill and Lot 10 Property, putting our assets in a good position to tap on this new opportunity. The new MRT line is expected to serve a population of approximately two million people[1].

Master Tenancy Agreements Provide Income Visibility

The Malaysia Properties are under master leases with Katagreen, an indirect wholly-owned subsidiary of YTL Corporation Berhad. These master leases have been replaced with new MTAs in June 2019 and include a condition of AEW on The Starhill.

The tenures for the MTAs are approximately 19.5 years and nine years[2] for The Starhill and Lot 10 Property respectively from June 2019, providing income visibility and stability. The payment obligations of the master tenant under the MTAs are guaranteed by our sponsor YTL Corporation Berhad.

The MTA for The Starhill has a longer lease tenure than the MTA for Lot 10 Property to allow a return of the capital invested in the AEW. The long tenures also allow Starhill Global REIT to maintain its balanced portfolio of long and short-term leases, while ensuring full occupancy for the Malaysia Properties over a significant period of time. In addition, the MTAs have built-in periodic rent step-ups which provide rental growth.

The MTAs, together with the AEW, strengthen the position of The Starhill and the Lot 10 property, amidst an increase in retail supply in Kuala Lumpur. Supply in Kuala Lumpur increased by 1.2% in 2Q 2020[3], and the supply pipeline continues to be significant in 2021 and 2022, despite construction delays and thereafter delayed completions for some projects[3].

Notes:

(1) Mass Rapid Transit Corporation Sdn Bhd.
(2) Under master lease with Katagreen, assuming that the option to renew is exercised for the third three-year term for the Lot 10 Property.
(3) CBRE | WTW, 2Q 2021.

THE STARHILL

Formerly a shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements. Post-asset enhancement, the mall will be an integrated development with four lower floors of retail and three upper floors of hospitality use.

ADDRESS:
181 Jalan Bukit Bintang,
55100 Kuala Lumpur, Malaysia

VISIT:
www.thestarhill.com.my

LOT 10 PROPERTY

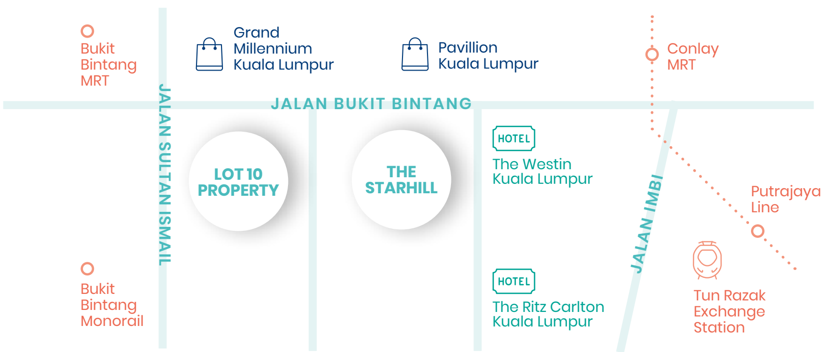
137 strata parcels and two accessory parcels within the Lot 10 shopping centre. These strata parcels represent retail areas (excluding the space owned by Isetan).

ADDRESS:
50 Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

VISIT:
lot10.com.my

KUALA LUMPUR'S PREMIUM LUXURY MALL

The Starhill features a high-profile tenant base with international designer labels and luxury watch and jewellery brands.



MALAYSIA PROPERTIES

THE STARHILL

Luxury Retail and Lifestyle Destination

The Starhill sits on a freehold site connected to two luxury hotels: JW Marriott Hotel Kuala Lumpur and The Ritz Carlton Kuala Lumpur. Envisioned to be a luxury retail and lifestyle destination for shoppers, The Starhill is currently undergoing asset enhancements to transform into a mixed-use retail and hospitality experience.

Repositioned as Home of the Tastemakers, the new integrated development will comprise four retail floors and three upper floors for hospitality use. The revamped mall will house a wide range of luxury fashion and lifestyle offerings, attracting discerning tourists and shoppers.

Asset Enhancement Works for The Starhill

As a condition to the MTA for The Starhill, the master tenant will undertake AEW on The Starhill at a cost of RM175 million for a period of approximately two years. The Manager intends to finance the cost of the AEW via a combination of external borrowings and/or internal working capital.

The Starhill last underwent a major renovation in 2005, with a facelift in 2011. The AEW are aimed at reinforcing and refreshing the mall's traditional positioning as a luxury stronghold within the Bukit Bintang precinct.

The AEW will provide a revamped mall entrance, refreshed interiors with a modern and contemporary look, improved accessibility as well as activate underutilised spaces. Besides revamping retail floors, the top three levels of The Starhill will be converted into hotel rooms as an extension to the adjoining JW Marriott Hotel Kuala Lumpur, which is owned by YTL Hospitality REIT, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad.

Approvals from the relevant authorities for the AEW were obtained by October 2019. Construction commenced immediately after. On 16 March 2020, the Malaysia Government issued its Movement Control Order (MCO) commencing 18 March 2020 in response to the COVID-19 pandemic. Stop-work orders for a majority of construction projects were issued under the MCO, with several extensions being declared until 12 May 2020. The stop-work orders and subsequent guidelines and regulations for operating procedures in the construction sector imposed by the Malaysian government resulted in a total suspension of the AEW from mid-March 2020 until June 2020. As these were unforeseen circumstances which were not within reasonable control, it constituted a force majeure event pursuant to the provisions of the MTA. As such, an Extension Of Time (EOT) for the asset enhancement works at The Starhill by two months was granted to the Master Tenant, with the revised expected completion date by December 2021. Under the MTA, the agreed rent during the AEW shall continue for two more months to December 2021 and the EOT would result in a postponement of the rental increments.

The renovation works for the interior of The Starhill is near completion while the Bukit Bintang façade, Jalan Gading façade and The Starhill Piazza fronting Jalan Bukit Bintang are still under construction. Majority of the architectural and interior works for the hotel component, which constitutes the upper three levels of The Starhill, were completed. The works for the retail component, which constitutes the lower four levels of The Starhill, are in progress. A part of the retail podium was completed and opened to the public, with retailers such as Louis Vuitton and Davidoff in operation.

The Starhill has secured Malaysia's first-ever flagship stores of new-to-market luxury brands from Europe, USA and Asia including Balmain, Stefano Ricci, Philipp Plein, Paul & Shark, Tom Ford and a new anchor tenant – Eslite Spectrum, a renowned lifestyle bookstore chain from Taiwan.

Formerly a shopping centre comprising part of a

7-STOREY

building with five basements and a 12-storey annex building with three basements. Post-asset enhancement, the mall will be an integrated development with four lower floors of retail and three upper floors of hospitality use.

TENURE
FREEHOLD

MASTER TENANT
(As at 30 Jun 2021)
Katagreen

PURCHASE PRICE
S$271.3M

MARKET VALUATION
(As at 30 Jun 2021)
S$279.8M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)
333,289 SQ FT

OCCUPANCY RATE(1)
(As at 30 Jun 2021)

Retail/Hotel(2)
100%

(As at 30 Jun 2020)

Retail/Hotel(2)
100%

Occupying over 70,000 sq ft covering the entire Level 1 and a street-fronting café space at the mall entrance, Eslite Spectrum in The Starhill will be their first flagship store in Southeast Asia. The new store will not only feature a wide selection of books, but will also house themed restaurants and coffee shops, while showcasing upcoming brands from Taiwan and Malaysia. The store is scheduled to open in 2022. The Starhill also retained numerous brands that were previously tenants of the mall including Louis Vuitton, Audemars Piguet, Rolex, Bedat & Co, Roberto Coin, Davidoff, Shiatzy Chen and Cortina Watch. The Starhill Dining, which includes Shook!, Luk Yu Tea House, The Alchemy and Jogoya, is on the lower ground floor.

Notes:

(1) Based on commenced leases as at the reporting date.

(2) The Starhill is currently undergoing asset enhancement works to convert three upper floors into hospitality use with hotel rooms to be operated as an extension of the adjoining JW Marriott Hotel Kuala Lumpur.

Recently completed retail podium at The Starhill.

LOT 10 PROPERTY

A Lifestyle Destination for Young Urbanites

The Lot 10 Property sits on a 99-year leasehold site with a tenure expiring on 29 July 2076. It is positioned to appeal to young urbanites. Home to exciting shops and dining outlets, the Lot 10 Property offers experiences embodying youthful exuberance, creativity and fun. The Lot 10 Property houses the first flagship H&M store in Malaysia as well as Malaysia's first flagship store of Jonetz by Don Don Donki, which opened in March 2021. Occupying three floors of over 24,500 sq ft of space with internal staircases linking all retail floors, the street-fronting store opened to a strong reception and long queues of patrons.

Other notable tenants in Lot 10 include The Hour Glass, The Coffee Bean & Tea Leaf, Sennheiser and the Yes Mobile flagship store. The basement houses the Lot 10 Hutong, a heritage gourmet village which offers a gastronomic experience of local food in the heart of Bukit Bintang.

Despite the pandemic, the mall continued to hold events to attract shoppers where possible. Pop-up market organiser The Little Giant held the 'Kita Jaga Kita" event in October 2020 to support homegrown entrepreneurs, small business owners and home businesses. A total of 24 vendors participated in the pop-up market held at the concourse of the mall. The event complied with safe social distancing guidelines and drew good visitorship.

In response to COVID-19, rental rebates were provided in FY 2020/21 to the master tenant, to be passed on directly to the sub-tenants who were impacted by the various MCOs in Malaysia.

STRATA PARCELS
137
with two accessory parcels within the Lot 10 shopping centre. These strata parcels represent retail areas (excluding the space owned by Isetan).

TENURE
99 years
Leasehold estate
(Expiring on 29 Jul 2076)

MASTER TENANT
(As at 30 Jun 2021)
Katagreen

PURCHASE PRICE
S$173.0M

MARKET VALUATION
(As at 30 Jun 2021)
S$147.0M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)
254,163 SQ FT

OCCUPANCY RATE(1)
(As at 30 Jun 2021)
Retail
100%

(As at 30 Jun 2020)
Retail
100%

OPERATIONS REVIEW

CHINA PROPERTY

The China Property has a single tenancy agreement, which incorporates a fixed rent with periodic rent step-ups.

4-STOREY
building plus a mezzanine for retail use

TENURE
LEASEHOLD
(Expiring on 27 Dec 2035)

NUMBER OF TENANTS[1]
(As at 30 Jun 2021)
1

PURCHASE PRICE
S$70.6M

MARKET VALUATION
(As at 30 Jun 2021)
S$29.8M

TOTAL GROSS FLOOR AREA
(As at 30 Jun 2021)
100,854 SQ FT

OCCUPANCY RATE[2]
(As at 30 Jun 2021)

Retail
100%

(As at 30 Jun 2020)

Retail
100%

The China Property is located in Chengdu, the capital city of the Sichuan province. Chengdu has opened its second international airport in 2021 to support the increased demand in China's Southwest region. The city is also the third city in China with two airports, after Beijing and Shanghai. The property has a gross floor area (GFA) of approximately 100,854 sq ft and comprises four levels of retail space with a mezzanine floor. Situated along the Second Ring Road, it is in close proximity to high-end residences and offices. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

The China Property is tenanted to a sole tenant, Markor, which is one of the largest furniture retailers in China. The parent company is listed on the Shanghai Stock Exchange, with a market capitalisation of RMB6.9 billion (approximately S$1.4 billion[3]) as at 30 June 2021. The tenancy agreement, which incorporates a fixed rent with a periodic rental step-up lease, provides income stability amidst the challenging retail landscape in Chengdu.

ADDRESS:
19, 4th Section, Renminnan Road, Chengdu, Sichuan, China

VISIT:
www.starhillglobalreit.com/china-portfolio.html

Notes:
(1) Under single tenancy agreement with Markor.
(2) Based on commenced leases as at the reporting date.
(3) Based on exchange rate of RMB4.81: S$1.00 as at 30 June 2021.

JAPAN PROPERTIES

Starhill Global REIT's Japan portfolio consists of two contemporary commercial buildings located within walking distance of major subway stations in prime Tokyo areas. These two properties appeal to young and stylish urbanites.

DAIKANYAMA & EBISU FORT

Top: Daikanyama, Tokyo, Japan
Bottom: Ebisu Fort, Tokyo, Japan

TENURE
FREEHOLD

NUMBER OF TENANTS
(As at 30 Jun 2021)
10

PURCHASE PRICE
S$94.1M

MARKET VALUATION
(As at 30 Jun 2021)
S$60.3M

TOTAL NET LETTABLE AREA
(As at 30 Jun 2021)
26,903 SQ FT[(1)]

OCCUPANCY RATE[(2)]
(As at 30 Jun 2021)

Retail
100%

(As at 30 Jun 2020)

Retail
100%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2021)

General Trade
31.4%

Services
25.9%

Other
21.9%

Health & Beauty
20.8%

As at 30 June 2021, the Japan Properties are fully occupied.

In spite of COVID-19, Tokyo successfully hosted the 2020 Summer Olympics. The international sporting event was held from 23 July to 8 August 2021.

DAIKANYAMA ADDRESS:
1-31-12 Ebisu-Nishi,
Shibuya-ku, Tokyo, Japan

EBISU FORT ADDRESS:
1-24-2 Ebisu-Minami,
Shibuya-ku, Tokyo, Japan

VISIT:
www.starhillglobalreit.com/
portfolio-japan.html

Notes:

(1) Having weighed the cost and benefits of earthquake insurance for the Japanese assets, no specific earthquake insurance has been taken up, which is consistent with industry practice in Japan.

(2) Based on commenced leases as at the reporting date.

INDEPENDENT MARKET OVERVIEW

1. SINGAPORE

1.1. Economic Overview

Macroeconomic Overview

Singapore's GDP expanded by 14.7% y-o-y in 2Q 2021. The strong growth was largely due to the low base in 2Q 2020 due to the Circuit Breaker (CB) measures implemented between 7 April and 1 June 2020. On a q-o-q seasonally-adjusted basis, the economy contracted by 1.8% in 2Q 2021, a reversal from the 3.1% growth in the preceding quarter.

The construction industry was the strongest performing sector in 2Q 2021 with 106.2% expansion y-o-y, a turnaround from the 23.2% contraction y-o-y in 1Q 2021. The sharp upturn was due to low base effects resulting from a stoppage of most construction activities during CB in 2Q 2020. Other sectors such as retail trade (50.7%), Food & Beverage services (F&B, 36.7%), real estate (25.8%), transportation & storage (20.9%), manufacturing (17.7%), other services industries (15.8%) and accommodation (13.2%) also experienced double-digit y-o-y percentage growth.

The overall unemployment rate was 2.7% in 2Q 2021 based on advanced estimates(1), 0.2 percentage points lower than the 2.9% in 1Q 2021 and 0.1 percentage points lower than the 2.8% in 2Q 2020.

While Singapore had recently reverted to Phase 2 (Heightened Alert) (P2HA) on 22 July 2021 due to the sharp spike in positive cases, the situation has since improved. Vaccination rates have also surpassed the national target. On 6 August 2021, the government announced a broad four-stage plan towards opening up Singapore; comprising a 'Preparatory Stage', 'Transition Stage A', 'Transition Stage B' and 'COVID-19 Resilient Nation'.

Singapore had since moved into the first and second steps of the 'Preparatory Stage' on 10 and 19 August 2021 respectively and introduced vaccination-differentiated border measures since 20 August 2021. The government plans to move to 'Transition Stage A' and further open up Singapore's economy, social activities and travel measures if the situation remains stable and 80% of Singapore's population is fully vaccinated.

Concurrently, the government has maintained the Jobs Support Scheme (JSS) for closed sectors or sectors with enhanced safe management measures with a JSS support of 60% from 22 July to 18 August 2021 and 10% from 19 to 31 August.

As at August 2021, MTI has upgraded the 2021 GDP growth forecast to 6.0 to 7.0%, from the previous update in May 2021 that maintained a forecast of 4.0 to 6.0%. This takes into account the better-than-expected performance of the Singapore economy in 1H 2021, as well as the latest external and domestic developments.

Singapore Tourism Arrivals

International travel has been limited as the unprecedented global travel restrictions and border closures that ensued in 2020 continues with no drastic signs of improvement. In Singapore, with strict travel restrictions still in place, international visitor arrivals fell to 137,181 for the first seven months of 2021, representing a 94.9% drop y-o-y(2). In comparison, visitor arrivals for the same period in 2020 was 2.7 million, though January and February figures accounted for 90.6% share of visitors.

To support domestic tourism, the Singapore Tourism Board (STB) extended the SingapoRediscover Vouchers (SRV) scheme, introduced in November 2020, for another six months to 31 December 2021. STB will also introduce enhancements to make it easier for Singapore citizens to use their Vouchers and support tourism businesses. To date, the SRV scheme has contributed over S$200 million to Singapore's tourism-related businesses. There was also a resumption of business travel supported by the opening of Connect@Changi, a dedicated facility that allows business travellers to stay and conduct meetings without having to serve quarantine on arrival, in March at SingExpo. However, the tightening of border measures in May have led to the suspension of the Connect@Singapore initiative and thus, the temporary closure of Connect@Changi.

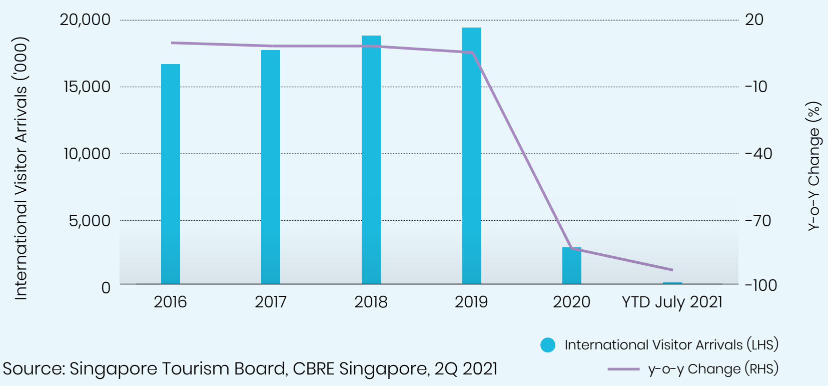
With global vaccination programmes underway, as well as the accelerated vaccine roll-out in Singapore, there could be some improvement in travel confidence. As more than two-

Notes:

(1) Source: Ministry of Manpower (MOM).

(2) Source: Singapore Tourism Board (STB).

Chart 1:
INTERNATIONAL VISITOR ARRIVALS



Source: Singapore Tourism Board, CBRE Singapore, 2Q 2021

thirds of the population are fully vaccinated, the government has begun to review border restrictions to facilitate more travel. From 20 August, fully vaccinated travellers from eight countries[(3)] may be able to opt out of dedicated Stay-Home Notice (SHN) facilities and serve their respective 14-day SHN at their respective places of residence or suitable accommodation. This could potentially boost the short to medium-term outlook for the tourism sector. CBRE expects that international arrivals will return gradually by late 2023/2024.

Retail Sales Index

The Retail Sales Index[(4)] (excluding motor vehicles) increased by 6.1% in June compared to May, as COVID-19 measures temporarily eased after 13 June 2021. The index also increased by 20.7% y-o-y, with Singapore still coming out of CB and transitioning to Phase 1 and 2 in June 2020. With measures in dining restrictions still in place between 16 May and 21 June 2021, the F&B services index[(5)] in June contracted 9.1% as compared to May, though it grew by 6.7% y-o-y.

Most retail components registered growth over the past 12 months as Singapore came out of CB in June 2020. The retail components with the strongest growth include wearing apparel and footwear (74.8% y-o-y), watches and jewellery (69.6%), department stores (61.3%), recreational goods (58.0%) and furniture and household equipment (34.1%). On the other hand, only two retail components; mini-marts and convenience stores (-7.0%), and supermarkets and hypermarkets (-4.7%) registered y-o-y declines, due to overwhelming demand for groceries during CB that resulted in a higher base.

While the proportion of online retail sales (excluding motor vehicles) decreased 2.6 percentage points y-o-y in June 2021, it increased 2.2 percentage points as compared to May 2021, to 18.4%. This was mainly due to online promotional events, such as the Great Singapore Sale. In parallel, online F&B sales increased 12.6 percentage points y-o-y in June 2021 and 9.0 percentage points as compared to May 2021, with stricter dine-in restrictions in place in the first half of June 2021 on the back of P2HA.

With this in mind, setting aside retail spaces for food production such as cloud kitchens may become the new norm as F&B players shift their focus towards takeaways and deliveries as an essential part of their operations. Additionally, the trend towards omnichannel retail continues, with retailers utilising both online and offline channels to bring customers a seamless shopping experience. Some retailers are increasingly using their physical stores as fulfilment centres or click-and-collect locations to complement their online presence. Meanwhile, online e-commerce platforms such as Lazada and Taobao have branched out offline, taking up physical retail space as showrooms for their consumers to try products, or as a convenient avenue to collect or return goods. In order to position themselves for an evolving retail landscape, mall owners need to look at other innovative ways to refresh their tenant mix and include a variety of new uses, such as incorporating work and living spaces in retail malls.

1.2. Retail Market Overview

Existing Supply

As at 2Q 2021, islandwide retail stock decreased by 0.8% y-o-y but increased by 0.3% q-o-q to 66.4 million sq ft, on the back of the partial completion of Northshore Plaza I and the additions and alterations to Oasia Resort Sentosa. Overall, about 74.4% (49.4 million sq ft) of total retail stock is private retail stock. Private retail stock in Orchard grew marginally, by 0.3% y-o-y to 7.3 million sq ft, accounting for 11.0% of total islandwide stock as at 2Q 2021.

Notes:

(3) The eight countries are Australia, Austria, Canada, Germany, Italy, Norway, the Republic of Korea (ROK) and Switzerland.

(4) Retail Sales Index (2017=100), in Chained Volume Terms (seasonally adjusted), Monthly, SA (SSIC 2015 Version 2018).

(5) Food & Beverage Services Index, (2017 = 100), In Chained Volume Terms, Monthly, Seasonally Adjusted.

INDEPENDENT MARKET OVERVIEW

Future Supply

New completions of retail will be significantly lower, with the average annual supply estimated to be slightly over 0.3 million sq ft NLA between 2021 and 2023. This will be approximately 30% of the average annual completion[6] of retail space supply between 2016 and 2020, at 1.1 million sq ft NLA. However, the upcoming average annual supply is in line with the historical 5-year net average annual supply[7] of approximately 0.4 million sq ft NLA (Chart 2). The Outside Central Region (OCR) and Fringe markets are the largest contributors to future supply, accounting for 36.5% and 47.3% respectively within the same period. Orchard Road and the Rest of Central micro-markets will account for just 3.1% and 5.3% of the future supply during this period. The limited retail supply will help to cushion the level of vacancies (Chart 2).

With some delays in construction schedules brought about by the pandemic, projects which were originally due for completion by the end of 2020 had their completion dates pushed back. Collectively, there are about 0.28 million sq ft of retail space expected to be completed by the end of 2021. Among the projects, the Asset Enhancement Initiatives of Shaw Plaza Balestier originally targeted for 2021 has been pushed back to 2022.

Demand and Vacancy

The retail market encountered another setback with stricter measures during P2HA. As compared to last year's CB, it was observed that F&B operators were more adjusted to delivery and takeaway with the dine-in ban. Although uncertainty remains, the F&B, sporting goods and fashion segments saw new openings and expansions. In particular, the F&B segment still has some bright spots with a considerable number of new entrants and expansions.

However, in Central areas, the increased vacancy could be attributed to prominent closures in entertainment, F&B and fashion segments, with a number of closures outweighing openings for certain segments. For example, Karaoke Manekineko closed all its outlets, Marche Movenpick and Food Republic each closed a Downtown Core outlet, while TEMT and Abercrombie & Fitch exited the Singapore market.

Orchard Road has been the pre-eminent shopping street in Singapore, frequented by international travellers and residents alike. However, with border closures and work-from-home measures, vacancy has continued to increase in Orchard Road. Overall vacancy in Orchard Road increased y-o-y by 2.5 percentage points and q-o-q by 0.2 percentage points to 11.7% in 2Q 2021.

On the other hand, the Suburban market continued to show resilience, supported by more people working from home. Suburban vacancy continued to fall, decreasing by 5.5 percentage points y-o-y and 1.1 percentage points q-o-q to 5.2% in the same period.

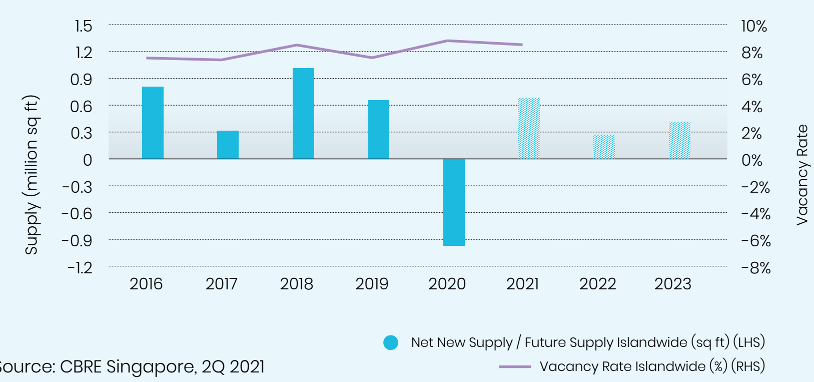
Rental Values

With travel restrictions still in place and work-from-home remaining as the default, the pressures faced by the retail market continues. Prime rents in Orchard Road have declined by 8.7% y-o-y and 1.0% q-o-q in 2Q 2021, though the rate of decline has slowed. On the other hand, prime rents in the Suburban market have increased by 1.0% y-o-y and q-o-q in 2Q 2021, on the back of stable rents for the preceding four quarters. As a result, the rental gap between the Orchard and Suburban market narrowed further.

Retail Investment Market

The investment market for retail assets from 3Q 2020 to 2Q 2021 totalled S$1.7 billion. As at 1H 2021, retail transactions stood at S$855.1 million, a sharp increase of 231.7% from the S$257.8 million recorded in 1H 2020. 2Q 2021 saw two major retail investment transactions: the sale of a 45% stake in Paya Lebar Square (133,000 sq ft; based on GFA and 100% stake)

Chart 2:
ISLANDWIDE RETAIL SUPPLY AND VACANCY[8]



Source: CBRE Singapore, 2Q 2021

Notes:

(6) Average annual completion refers to the average of the total completions coming into the market, and does not take into account developments taken off the market.

(7) Net average annual supply refers to the average annual completions coming into the market, net of the developments taken off the market.

(8) Supply as at 4Q of each year, vacancy between 2016 and 2020, 2022 and 2023 as at 4Q, 2021 as at 2Q.

by Sun Venture Realty to Low Keng Huat for S$90.5 million (S$2,703 psf), and the sale of a 28% stake in Jem (892,148[9] sq ft; based on NLA and 100% stake) by Lendlease Jem Partners and Lendlease Asian Retail Investment Fund 3 (ARIF 3) to Lendlease Global Commercial REIT for S$337.3 million (S$2,328 psf).

Retail Market Outlook

With Singapore entering the "Preparatory Stage", the retail sector is poised to benefit from the opening up of economic and social activities. Additionally, the vaccination-differentiated border measures could potentially boost retail sales from international visitors.

While the improvement in economic activity and consumer sentiment on the back of the accelerated vaccination roll-out will potentially benefit the retail sector, the recovery of the market will also depend on the ability to contain secondary outbreaks that continue to disrupt economic activity.

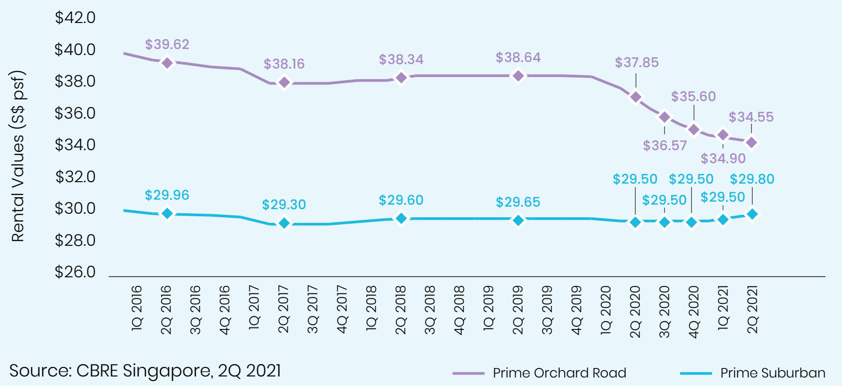
With the continued rise of e-commerce due to the pandemic, retailers are increasingly combining online and offline strategies to stay competitive. For local retailers who wish to adopt e-commerce platforms, Enterprise Singapore will provide grant support through the E-commerce Booster Package.

1.3. Office Market Overview

Existing Supply

Islandwide office stock totalled 61.9 million sq ft as at 2Q 2021, declining by 0.1% y-o-y. Core Central Business District (CBD) office stock[10] accounted for 31.4 million sq ft (or 50.7% of islandwide office stock), while Grade B islandwide office stock stood at 35.2 million sq ft (or 56.9% of islandwide office stock). Major completions in 2Q 2021 include the partial Temporary Occupation Permit of CapitaSpring (496,200 sq ft GFA), Afro-Asia (180,800 sq ft GFA), and additions and alterations to 21 Collyer Quay (276,600 sq ft GFA)[11].

Chart 3:
PRIME ORCHARD ROAD AND PRIME SUBURBAN MONTHLY RENTAL VALUES



Source: CBRE Singapore, 2Q 2021

Future Supply

From 2H 2021 to 2023, total islandwide new office supply is projected at 3.2 million sq ft NLA. Inclusive of completions in 1H 2021, the average annual islandwide office supply between 2021 and 2023 is projected at 1.1 million sq ft NLA. This is relatively aligned with the historical 5-year net annual supply which averages approximately 1.2 million sq ft NLA, though this is below the average annual completion of 1.7 million sq ft NLA for the same period. The Core CBD market accounts for 59.5% of new office developments coming into the market, while the Fringe CBD and Decentralised markets account for the remaining 25.8% and 14.6% respectively.

Some 0.8 million sq ft will be completed in 2H 2021, including the recently completed remaining components of CapitaSpring[12] in the Core CBD and the office component for SJ Campus, while around 1.0 million sq ft, which will include Guoco Midtown located in the Fringe CBD, is slated for completion in 2022. In 2023, approximately 1.4 million sq ft is scheduled to be completed, including the 1.3 million sq ft IOI Central in the Core CBD.

Additionally, more urban renewal projects could potentially occur in the next few years as developers leverage the CBD Incentive (CBDI) Scheme and Strategic Development Incentive (SDI) Scheme rolled out by URA, aimed at injecting more vibrancy into the CBD. As such, plans to redevelop several ageing office developments into more productive mixed-use developments are likely to result in a long-term reduction of CBD office stock.

Demand and Vacancy

The office market performance in 2Q 2021 was a tale of two halves. In the early part of 2Q 2021, leasing momentum gathered pace as business sentiment improved and more staff were allowed to return to the office. However under P2HA, restrictions were imposed to curb the transmission of the virus and work-from-home became the default working arrangement. These restrictions, therefore, impacted leasing enquiry levels.

With limited new and expansionary demand, most of the leasing transactions consisted of renewals and relocations. Key demand drivers were mainly the technology and financial services sectors, and to a lesser extent, transport and storage, and energy and commodities firms.

Notes:

(9) Includes both the retail and office components.

(10) Includes Grade A Core and Grade B Core office stock.

(11) Based on information published by REALIS 2Q 2021.

(12) While CapitaSpring has attained partial TOP, CBRE includes the full stock (635,000 sq ft NLA) in its upcoming supply.

PERFORMANCE

INDEPENDENT MARKET OVERVIEW

Contributed by the earlier relocation moves and downsizing efforts by occupiers, net absorption for the Core CBD fell sharply to -439,700 sq ft in 2Q 2021, from 50,000 sq ft in 1Q 2021. Against a positive net supply, vacancy in the Core CBD grew by 2.3 percentage points y-o-y and by 1.8 percentage points q-o-q to 7.9% in 2Q 2021. In the same period, vacancy in Grade B islandwide submarket likewise expanded y-o-y by 1.5 percentage points and q-o-q by 1.0 percentage points to 8.4%.

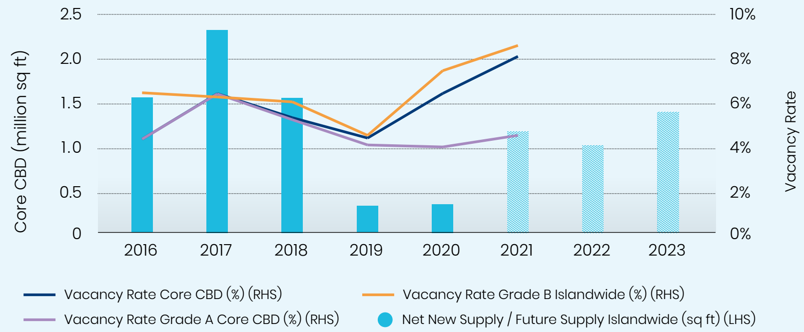
Rental Values

The fairly tight vacancy rate in the Grade A market has encouraged some landlords of better-performing buildings to push for higher rents. In turn, Grade A Core CBD rents rose 1.0% q-o-q to S$10.50 psf/month in 2Q 2021, the first rental growth since 4Q 2019, though rents fell 5.8% y-o-y. Conversely, Grade B market struggled to backfill the existing vacant stock, putting greater pressure on Grade B Core CBD rents which contracted 0.6% q-o-q and 8.3% y-o-y to S$7.75 psf/month. Grade B islandwide rents also declined 8.9% y-o-y and 0.7% q-o-q to S$7.15 psf/month in 2Q 2021.

Office Investment Market

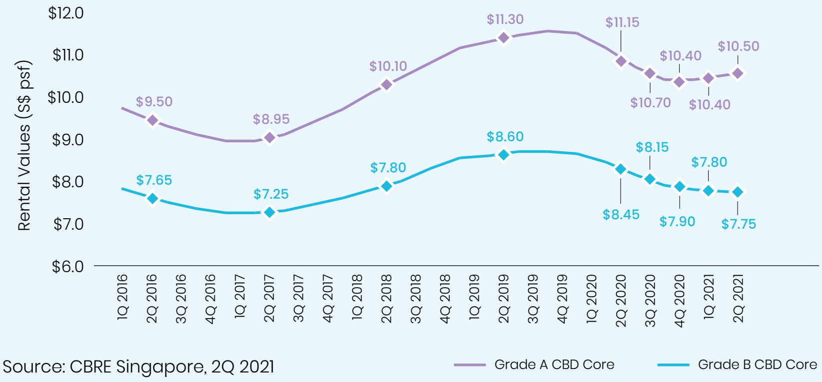
Office investments totalled S$3.4 billion between 3Q 2020 and 2Q 2021. Motivated by an anticipated recovery in rents and the redevelopment potential of some assets, office transactions increased 32.9% from S$1.5 billion in 1H 2020 to S$2.0 billion in 1H 2021. Notable transactions in 2Q 2021 include the sale of a 30% stake in 9 Penang Road by Suntec REIT to Haiyi Holdings for S$295.5 million (S$2,468 psf), 40% stake in Westgate Tower by Low Keng Huat to Sun Venture Homes for S$97.1 million (S$2,541 psf), 28% stake in JEM by Lendlease Jem Partners and ARIF 3 to Lendlease Global Commercial REIT for S$337.3 million (S$2,328 psf) and Maxwell House by URA to joint tenderers Chip Eng Seng Corp, Singhaiyi Investments and Chuan Investments for S$276.8 million (about S$1,600 psf).

Chart 4:
ISLANDWIDE OFFICE SUPPLY AND VACANCY[13]



Source: CBRE Singapore, 2Q 2021

Chart 5:
CBD CORE MONTHLY RENTAL VALUES



Source: CBRE Singapore, 2Q 2021

Office Market Outlook

While COVID-19 has presented some uncertainties, there have been some positive signs of late, including demand from the technology and asset management sectors, leasing activity propelled by displacement from CBD buildings slated for redevelopment, as well as a wider acknowledgement that the physical workplace will remain central to a firm's identity, talent attraction and productivity in the future.

As Singapore enters the "Preparatory Stage", up to 50% of employees working from home will be allowed to return to the workplace. Additionally, further economic activities could open up in early September and beyond if vaccination targets are achieved. This will further improve business sentiments and likely improve activity, which will benefit the general office market, including Orchard Road.

Moving forward, although there are still potential risks on the demand side, the tapering supply pipeline bodes well for the balance of demand and rents in the market. However, there is an increasing trend among tenants in the flight to higher-quality assets. This trend is likely to continue and further contribute to the existing dynamics of a two-tiered market, with the Grade A medium-term outlook looking optimistic, and the Grade B market recovery likely trailing behind due to rising vacancy rates.

Note:
(13) Supply as at 4Q of each year, vacancy between 2016 and 2020, 2022 and 2023 as at 4Q, 2021 as at 2Q.

2. AUSTRALIA

2.1. Economic Overview

Macroeconomic Overview

Australia's GDP grew 1.1% in March 2021. This was the first quarter of positive y-o-y growth since March 2020. Much of this growth was off the back of an increase in private consumption which grew 2.2% y-o-y supported by the end of Melbourne's lockdown and strong consumer confidence.

While Australia did experience a recession in 2020, it has not been as bad as earlier expected. September and December quarter growth rebounded strongly and has consolidated into 2021. Economic growth was strongly supported by private consumption with the lifting of restrictions in the March quarter, encouraging consumer spend. The Reserve Bank of Australia now identifies a central growth outlook of 4.8% growth in 2021 and 3.5% in 2022. The possibility of significant outbreaks of the virus remains an ongoing source of uncertainty, although this should diminish as more of the population is vaccinated.

The Australian government has implemented new financial support as part of their national COVID-19 Disaster Payment. This includes payments of A$750 per week for workers who lose 20+ hours a week and a reduced A$450 payment for those who lose 8-20 hours. This will support workers in declared hot spot areas and will be made available from day one of any further potential lockdowns.

According to the Australia Bureau of Statistics, Australia's unemployment rate decreased 2.4 percentage points y-o-y and 0.2 percentage points m-o-m from 7.3% and 5.1% respectively to 4.9% in June 2021 (seasonally adjusted).

The unemployment rate in South Australia was the highest of any state or territory in Australia in June 2021 at 5.3%. However, this is a 0.5 percentage point decline from 5.8% in May 2021.

Unemployment in Western Australia recorded 5.1% in June 2021. Western Australia was the only state to see unemployment increase from the previous month (0.5 percentage points).

Australia Tourism Arrivals

The closure of Australia's borders to overseas visitors has had a significant impact on the tourism market. In the year ending March 2021, international visitor numbers fell by 99.3% to 60,212 and international visitor spend was down 98.1% to A$794 million. However, with borders closed, there has been an uptick in domestic tourism. In April 2021 when most state borders were open, Australians took 7.2 million intrastate overnight trips (up 16% m-o-m) and spent A$4.1 billion (up 27% m-o-m). This was more than any months since the start of the pandemic and almost on par with April 2019 levels. However, this positive impact was not even across all states. While South Australia's domestic spend increased 12% y-o-y in April 2021, Western Australia, due to their strict border policies, experienced a fall in both domestic visitor numbers and spend.

While the Australia Government is yet to set a date to open borders to international visitors, the earliest this may happen is likely to be in late 2022. Western Australia's strict border policy will continue to lead to fewer domestic visitors. However, once the vaccine rollout continues to gain pace, the situation may improve.

Retail Trade Growth

Following slow retail performance in 2020 due to lockdowns, trading restrictions, border closures, retail market picked up momentum in 2021, with May retail trade numbers increasing 7.7% y-o-y. Western Australia saw strong retail trade growth of 15.5% y-o-y (3mma) while South Australia recorded 8.9% growth y-o-y (3mma). In particular, supermarket sales are starting to moderate after a sharp increase in 2020. On the other hand, F&B sales, as well as clothing and footwear sales, are gradually gaining momentum as people begin to return to the office, driving businesses at retail outlets in the CBDs. However, lockdowns in Sydney and Melbourne may slow this recovery with sales most likely returning to the 2015 - 2019 average of 4.1% after the pandemic is over.

2.2. Adelaide Retail Market Overview

Future Supply

There is approximately 156,000 sq m of new retail developments expected in Adelaide between 2H 2021 and 2023, with about 94.5% of the supply coming into the market outside the CBD (Chart 6). CBD retail developments are centred around mixed-use developments that incorporate either office or residential developments with retail shops located on ground floors. The most significant development in the suburbs is the 20,000 sq m, A$350 million redevelopment of Burnside Village Shopping Centre, with the first stage expected to be completed in 2022. As the pandemic throughout 2020 has put the development of projects, including Burnside, on hold, a delay in completion timelines is expected.

Retail Rents

The retail market has remained relatively resilient during the pandemic in Adelaide, bolstered by the successful management of the virus from the South Australia government and fewer lockdowns compared to other states. Prime assets located along Rundle Mall have seen a 8.7% drop y-o-y in rents to an average of A$1,933 psm/annum in 2Q 2021 while the street's Super Prime retail rents have seen minimum movements, currently recording average rents of A$3,125 psm/annum.

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Secondary shopping malls located within Rundle Mall's central shopping district, including the likes of Myer Centre Adelaide and City Cross, have been more resilient, experiencing a 0.7% y-o-y drop in rents to an average of A$898 psm/annum in 2Q 2021. While CBRE recorded vacancy has only marginally increased over 1H 2021, prime assets along the south side of Rundle Mall where landlords were more susceptible to tenant movements have experienced rental decrease (Chart 7).

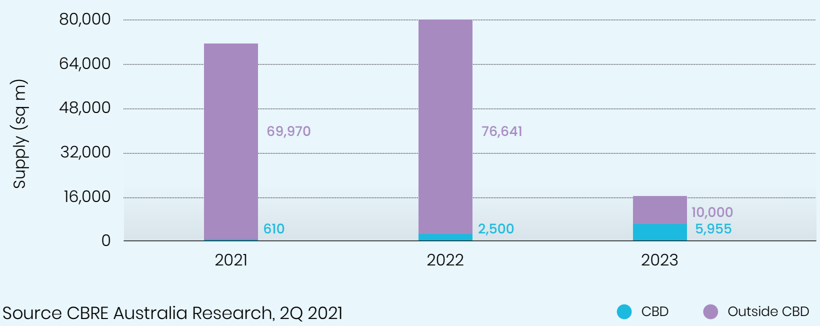
Retail Investment Market

Retail transactions have decreased since 2019 as investor confidence in the retail market dropped throughout the pandemic. Major investment transactions in 2020 included the sale of Rundle Place Mall and 80 Grenfell by Blackstone to Irongate Group and Fortius Funds for A$210 million (A$9,061 psm) in 1H 2020. The end of 2020 saw three smaller transactions. Makri Group sold North Adelaide Village by Makir Group to Greenpool Capital/Qualitas for A$50 million (A$5,302 psm) and City Cross Shopping Centre to Revelop for A$60 million (A$5,708 psm). CBRE Global Investors also sold Bunnings Windsor Gardens to Charter Hall for A$48.1 million (A$3,518 psm).

Retail Market Outlook

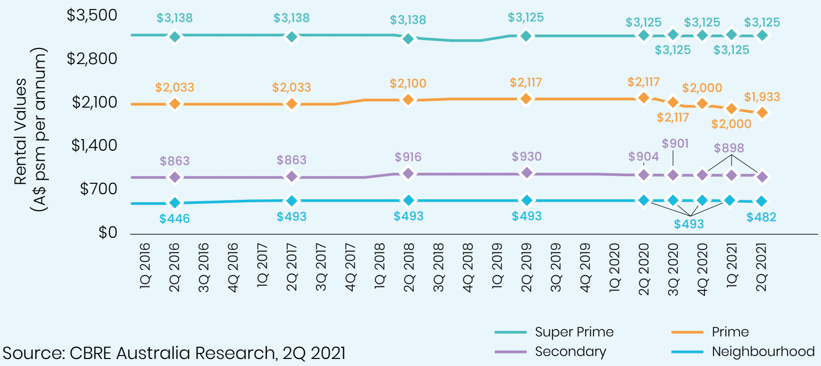
The outlook for retail trade in Adelaide CBD is resilient. Rebel Sport is opening a megastore in Rundle Mall, occupying 2,700 sq m across three levels, made way by Dymocks, Footlocker and Australia the Gift stores. The recent Rundle Place sale indicates strong investor demand and confidence in retail trade following the pandemic. The arrival of international brands in recent years including H&M and Sephora, along with leasing deals struck by Footlocker, Uniqlo and local retailers Universal and Industrie signify the confidence of retailers within the area. We anticipate this robust demand in the wake of the pandemic and most recent lockdown to continue, which could see a drop in vacancy across the main shopping malls. The recent redevelopment of Rundle Mall Plaza, along with the A$400 million mixed-use development of Central Market Arcade named Market Square, will facilitate a new retail precinct within the city.

Chart 6:
ADELAIDE RETAIL SUPPLY PIPELINE



Source CBRE Australia Research, 2Q 2021

Chart 7:
ADELAIDE CBD RETAIL (SUPER PRIME, PRIME AND SECONDARY) AND NEIGHBOURHOOD SHOPPING CENTRE



Source: CBRE Australia Research, 2Q 2021

2.3. Adelaide Office Market Overview

Existing Supply

Adelaide currently has a total office market of 1,681,000 sq m as of January 2021 where 87% of the stock is located in the CBD with vacancy at 16%. Vacancy in the Fringe area is slightly lower at 11.6%.

Future Supply

While Adelaide supply pipeline is expected to be limited over the next 12-18 months, the influx of new developments including 60 King William (40,000 sq m) and 83 Pirie Street (28,000 sq m) is expected to hit the market in 2023 (Chart 8). Total net supply in 2023 is expected to be some 110,000 sq m, which will likely lead to a rise in vacancy. Key new developments are primarily located within the CBD. While the pandemic halted some developments, it is unlikely to impact the city's future supply pipeline with other projects, including Festival Plaza, expected to begin construction in 2021.

Demand, Vacancy and Net Absorption

According to Property Council of Australia (PCA), pre-COVID office occupancy was approximately 90%. As of June, Adelaide's occupancy is now back to 80% when compared to pre-COVID levels, the highest nationally out of all major markets.

Demand in Adelaide's office market has been strong over the past few years, recording positive net absorption of 43,680 sq m across 2018-2020, which had led to a drop in vacancy to 14.2% in January 2020. The highest y-o-y absorption was recorded in 2020 with over 17,000 sq m of net absorption, compared to the net supply of 14,000 sq m across the year. Across 2H 2020, Adelaide saw its first period of negative net absorption, recording -9,270 sq m as the impacts of the pandemic on office demand and occupancy led to a rise in vacancies.

Rental Values

Adelaide Prime and Secondary CBD net face rents increased 11.3% and 13.2% respectively since 2016, now averaging A$448 psm/annum and A$271 psm/annum. Rents have seen more significant growth in the past six months than any other period due to a flight to quality, leading to prime and secondary rental growth of 2.6% and 3.9% y-o-y respectively.

Office Investment Market

Adelaide office sales have been subdued over 1H 2021 with only four sales totalling A$46 million. This was after the highest sales volume seen in 2020 with 12 deals totalling A$1.14 billion, led by the sale of the Bragg Centre for A$446 million (A$13,944 psm) to Dexus. Another major sales was the sale of Peoples Choice Credit Union Headquarter by CBUS Property to Nikos Property Group for A$174.7 million (A$8,142 psm). SA Emergency Services Command Centre was sold by Axiom Property Ltd to Charter Hall Social Infrastructure REIT for A$103 million (A$15,769 psm). While the total number of sales were low compared to the eastern seaboard, this increase in capital flows to Adelaide indicates positive market sentiment amongst investors.

Office Market Outlook

The outlook for Adelaide CBD office market is robust. Tenant demand has been resilient throughout 2021, with high enquiry levels, particularly from the professional and technical services, financial services and health care industries. A flight to quality to newer prime grade assets have led to an increase in prime rents, while incentives for secondary assets have also increased. Vacancy is likely to dip supported by the limited supply and strong demand leading up to 2023 when new supply enters the market.

2.4. Perth Retail Market Overview

Future Supply

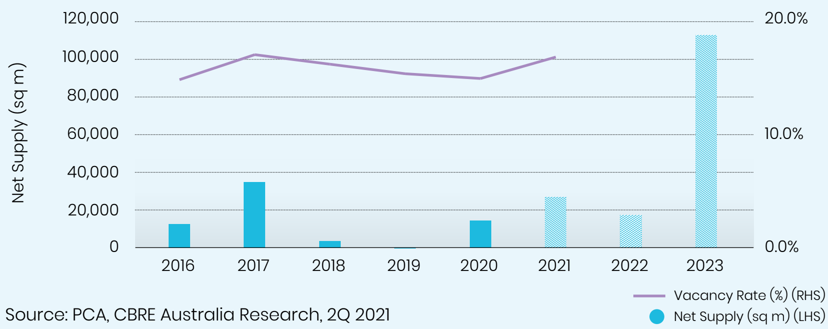
Perth retail supply is approximately 89,000 sq m between 2H 2021 and 2024. The pandemic has heavily impacted the retail sector in Perth, despite being less susceptible to extended lockdowns. A large proportion of developments that was expected to be completed across 2021/2022 are currently placed on hold. This includes many regional shopping centre extensions, e.g. Morley Galleria Shopping Centre. As we come through the pandemic, it is unlikely that these developments will get underway until there is greater certainty within the sector. No supply is currently forecasted to complete in 2023. Beyond 2023, a 13,000 sq m extension at Kardinya Park Shopping Centre anticipated to be completed in 2024.

The largest development to complete this year was the 49,000 sq m extension of Karrinyup regional shopping centre, completed in 2Q 2021.

Retail Rents

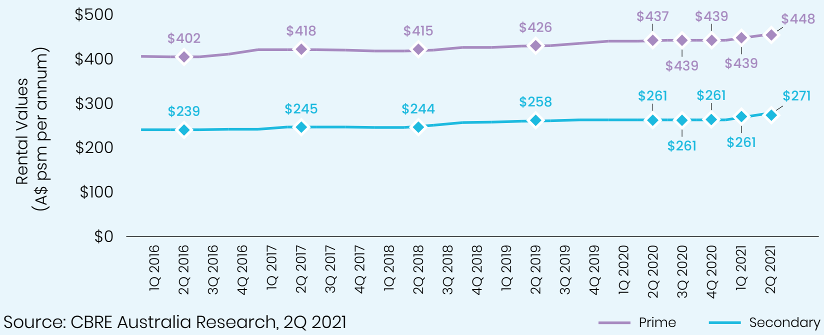
CBD retail rents in Perth have been heavily impacted by the pandemic with super-prime and prime rents decreasing 16.7% and 16.8% respectively across 2020, with average rents now asking A$3,180 psm/annum and A$2,330 psm/annum. Moving through 2021, rents have remained stable across 2Q with no q-o-q change across all CBD grades. Neighbourhood centres were also affected by the pandemic, with average net face rents decreasing by 15.6% since March 2020 and currently asking A$811 psm/annum. With a high vacancy rate within the region, challenges in the retail market are

Chart 8:
ADELAIDE OFFICE SUPPLY AND VACANCY



Source: PCA, CBRE Australia Research, 2Q 2021

Chart 9:
ADELAIDE OFFICE CBD RENTS



Source: CBRE Australia Research, 2Q 2021

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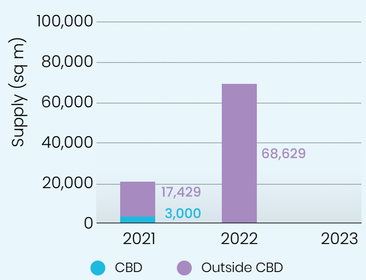
set to continue, delaying future development pipeline.

Retail Investment Market

Perth retail transactions across 2021 have been relatively active with eight transactions across 1H. However, the level of volume were dramatically reduced since the onset of the pandemic with A$339 million transacted in 2020, compared to a record high of A$799 million the previous year. Despite the uphill battle facing the retail sector, investors may be looking to the retail sector for greater yields. The largest transaction in 2Q was Mirrabooka Square sold by Perron Group for A$195 million (A$4,556 psm) to Fawkner Property. The 42,800 sq m sub-regional centre, with key anchor supermarkets including Coles, Woolworths and Aldi along with Kmart and Big W, was sold on a 7% yield to investors.

Chart 10:
PERTH RETAIL SUPPLY PIPELINE



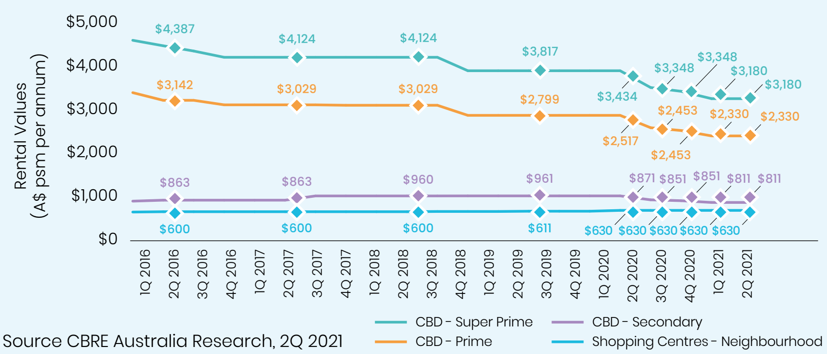
Source: CBRE Australia Research, 2Q 2021

Retail Market Outlook

Despite the slow pace of the vaccine rollout across Australia, the management of COVID-19 in Western Australia has been exemplary. Businesses have returned to normal trading, albeit with some restrictions to adhere with social distancing, and many have been able to go about their daily routines relatively unobstructed. While more office workers are returning to the office, thus benefiting the retail market, Perth's retail market will face challenges in retail spending and the influences of e-commerce within the market. In more positive signs, rents stabilised across CBD and in neighbourhood assets in 2Q 2021. This significant rental decline opens opportunities for occupiers to reassess their locations and take advantage of prime assets in better locations.

A focus in recent years has been the regeneration and urban renewal of underutilised spaces within the city. Redevelopments have been undertaken within the key areas of Central Perth, Subiaco, Midland, Armadale and Scarborough to rejuvenate and attract people into the city, further supporting its retail market.

Chart 11:
PERTH CBD RETAIL AND NEIGHBOURHOOD SHOPPING CENTRE (SUBURBAN) RENTS



Source CBRE Australia Research, 2Q 2021

3. MALAYSIA

3.1 Macroeconomic Overview

Macroeconomic Overview

Although the Malaysian GDP was further impacted by the pandemic, the Malaysian economy recorded a smaller contraction of 0.5% y-o-y and a growth of 2.7% q-o-q as restrictions eased in 1Q 2021, gradually recovering from the biggest drop in GDP since the outbreak of COVID-19 in 2Q 2020 (-17.1%). The economic expansion is mainly led by manufacturing activities (23% share of GDP contribution), gradual improvements in domestic demand amid the ease of the lockdown restrictions and growing global demand for Electricals & Electronics (E&E) products leading the export performance.

All economic sectors[14] recorded lower contractions in 1Q 2021, except the Manufacturing sector, which expanded y-o-y by 6.6%, backed by both domestic and export performance in E&E products. The construction sector continued to contract (-10.4% y-o-y), with caution on labour shortage and site shutdowns. Despite the pandemic, the country's economy is projected to grow by 4.5% in 2021 alongside the improvement of external economic conditions and a gradual firming of domestic demand.

Following the movement restrictions and border closures, retrenchment in the labour market increased, leading to an increase in the unemployment rate to 4.8% as at June 2021, with a decrease

Note:

[14] Services leads the economic share, with a contribution of 57.3% followed by Manufacturing (23.8%), Mining & Quarrying (7.0%), Agriculture (6.6%) and Construction (4.0%).

of 0.5% month to month of employed persons to 15.3 million. The overall labour market continued to remain cautious due to uncertainty surrounding the recovery trajectory.

Coupled with a loan moratorium and withdrawal from the pension fund, a number of government financial aid programmes[15] were introduced to cushion the impact on households and businesses. The imposition of Movement Control Order (MCO) 3.0, followed by an indefinite extension of the nationwide lockdown, led to the recent introduction of the RM40 billion *Program Strategik Pemerkasa Rakyat dan Ekonomi* (PEMERKASA) financial aid package and RM150 billion *Pakej Perlindungan Rakyat dan Pemulihan Ekonomi* (PEMULIH) aid package. Moving forward, the full rollout of the domestic vaccine programme and gradual pick up in business activities will lift the sentiments towards economic recovery.

Malaysia Tourism Arrivals

Malaysia was one of the most visited countries by the majority of ASEAN tourists, and shopping expenditures contributed to the major part of international tourists' spending (almost 30% of total international tourists' spending).

Following the onset of the pandemic in March 2020, tourist arrivals and receipts dropped by 83% to 4.3 million tourists and 85% to RM12.7 billion respectively in 2020 compared to 2019. As at 1Q 2021, merely 300,000 international arrivals were recorded, with only diplomat or essential business travellers and tourist receipts of only RM2.6 billion.

With international borders still closed, the industry has turned to domestic tourism and expects more local shoppers at the Bukit Bintang shopping precinct in Kuala Lumpur. The Government has budgeted RM200 million for the Tourism Recovery Plan to assist the recovery, reviving domestic tourism and promoting arts and culture industries. Domestic tourism plays an important role, with almost 22.5 million visitors to Kuala Lumpur, the destination for annual major shopping events such as Buy Malaysia Campaign and Malaysia Year End Sales, prior to the pandemic.

Retail Sales Growth

Retail sales recorded a smaller contraction at -9.9% y-o-y in 1Q 2021 compared to the previous quarter (4Q 2020: -19.7%), with more retail businesses opened in stages after the second lockdown. Consumer Sentiment Index (CSI) grew in line with retail sales growth, improving by 13.7% (98.9 points) q-o-q in 1Q 2021.

Most of the retail sub-sectors are yet to recover, with most sectors recording double-digit negative sales growth on a y-o-y basis. Specialty stores and essential services including mini-market, convenience store and pharmacy sub-sectors are expected to recover gradually, as they reported a slower decline. However, while the Malaysia Retailers Association (MRA) has projected positive retail sales growth in 2021, non-essential businesses could be impacted worse and consumer spending will remain subdued following the series of lockdowns.

Retailers have seen a shift to e-commerce platforms as mall visits have reduced since the pandemic. 85% of the country population are active internet users. Hence, the use of online platforms and mall mobile apps is increasing among retailers and consumers of all ages. E-commerce income recorded a 3.8% growth q-o-q as at 1Q 2021 (RM254.6 billion) and 30% growth y-o-y.

Despite struggling with reduced mall footfalls, some retail segments such as convenience stores, fresh food and dollar stores are thriving. F&B, particularly fast-food chains, have expanded into drive-throughs and new neighbourhood retail malls in sub-urban areas, while Korea and Japan-based retailers have maintained consumers' interest with the debut of convenience stores (CU Mart, Don Don Donki) and F&B (Arabica%).

Note:

[15] The government financial aids include PEMULIH Assistance package (introduced in June 2021), PEMERKASA (announced in March 2021), PRIHATIN (announced in March 2020) and additional PRIHATIN in April 2020. Other assistance packages include 6-months bank moratorium, study loan moratorium, i-Citra withdrawal scheme of Employees Provident Fund (EPF) and RM500 million loss income aid.

Chart 12:
TOURIST RECEIPTS VS TOURIST ARRIVALS

Source: Tourism Malaysia, CBRE | WTW, 2Q 2021

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The retail market remains dynamic with business mergers, acquisitions and rebrands to upkeep the business position in the current market. These include the acquisition of Tesco and MBO Cinema, as well as the rebranding of Giant Mini. A key strategy is store optimisation, where retailers pivot their focus on flagship stores, big box stores or a thematic store within a good location, such as Uniqlo in Damansara, Starbucks Reserve Store in Tropicana Gardens Mall and the Adidas Original Flagship Store and Kate Spade Flagship Store in Pavilion KL.

Kuala Lumpur/Outside Kuala Lumpur Outlook

Malaysia's economic prospects remain uncertain following the resurgence of the pandemic. Kuala Lumpur as the largest commercial centre and with the largest concentration of population will continue to be one of the prime shopping districts, driven by domestic consumption and local spending.

Despite the challenges posed by the subsequent waves of the pandemic, economic expectations could pivot from despair to hope with a single event, for example, a turnaround in infection rates or a fully collaborative, consistent economic recovery from sound government policies.

On the other hand, restrictions remain a serious drag on the economy that heavily depends on micro, small and midsize enterprises. A stagnant economy is expected until the end of 2021, with growth recovery to resume thereafter, with the key catalyst of progress being the national vaccination programme.

3.2. Kuala Lumpur and Klang Valley Retail Market Overview

Existing Supply (Kuala Lumpur and Klang Valley/OKL)

Cumulative retail supply in Klang Valley stood firm at 58.7 million sq ft as at 2Q 2021, with 30.8 million sq ft (52%) in Kuala Lumpur and 27.9 million sq ft (48%) Outside Kuala Lumpur. With the completion of KL East Mall totalling 360,000 sq ft during the review period, the supply in Kuala Lumpur has increased by 1.2% from 30.4 million sq ft in 2Q 2020. Meanwhile, the opening of Setia City Mall Phase 2 (400,000 sq ft) and Quayside Mall (300,000 sq ft) coupled with the closure of eCurve for redevelopment have brought a net retail supply Outside KL by 1.8%.

Future Supply

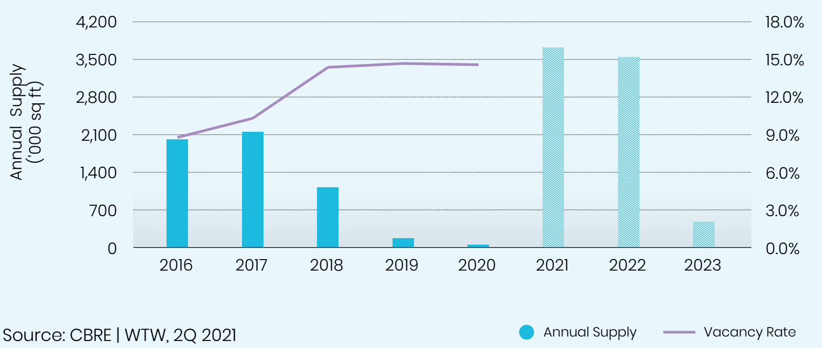
The supply pipeline is significant in 2021 and 2022, despite some projects which are expected to experience construction delays and thereafter completions. The majority (79%) of the future retail net lettable supply between 2H 2021 and 2023 will be in Kuala Lumpur with 7.6 million sq ft. Another 2.0 million sq ft will be completed Outside KL. Expected completions in 2021 include Mitsui Shopping Park Lalaport (1.2 million sq ft) and Pavilion Bukit Jalil (1.8 million sq ft). Other major supply in the pipeline includes TRX Lifestyle Quarter (1.3 million sq ft), Warisan Merdeka Mall (0.9 million sq ft) and Pavilion Damansara Heights (1.1 million sq ft) with scheduled completion by 2022. Since the MCO implementation in March 2020, several completions were pushed back due to construction delays.

Demand and Vacancy

The occupancy rate remains stable at 85.5% for Kuala Lumpur and 79.7% for Outside KL in 2Q 2021. However, leasing activity has been quiet after a series of lockdowns and tenant retention efforts are expected to be more challenging in the coming months. The average annual take-up of retail space in Kuala Lumpur within the last five years was about 586,000 sq ft, and approximately 125,000 sq ft in the past three years (2018-2020). Coupled with the significant incoming supply of approximately 7.6 million sq ft coming into the market in Kuala Lumpur, the vacancy rate is expected to increase over the next two years.

As most retailers (especially non-essential services) were closed, resulting in limited footfalls in retail malls during the lockdown period, landlords are expected to continue to offer incentives or rebates to existing retailers, while offering more flexible leasing terms in tenancy renewals and new leases. More collaboration and attractive packages are also expected to be rolled out by retail mall operators to boost shopper traffic and sales.

Chart 13:
SUPPLY, PIPELINE SUPPLY AND VACANCY IN KUALA LUMPUR



Source: CBRE | WTW, 2Q 2021

Leasing activity will mainly be from lease renewals. There were also some pre-lease activities in upcoming retail malls, mainly comprising department stores, grocers and F&B retailers, e.g. Seibu and Dairy Farm in TRX Lifestyle Quarter.

Rental Values

The majority of REITs as at 2020 reported a decline in rental revenue due to rental rebates given during the earlier MCO implementation in 2020. Rental rebates and waivers provided were generally between 10% and 30%, varying with different mall managements. The average gross rental of prime Purpose-Built Retail in Klang Valley stands at RM19 psf/month, RM28 psf/month in Kuala Lumpur and RM10 psf/month in Outside KL. Sentiments around prime retail rentals in Klang Valley are hopeful but uncertain in the upcoming months.

No significant rental growth was observed aside from the quiet leasing activities during the lockdown period. The spread of COVID-19 cases will put downward pressure on the vacancy rate and rental in the upcoming quarters.

Retail Investment Market

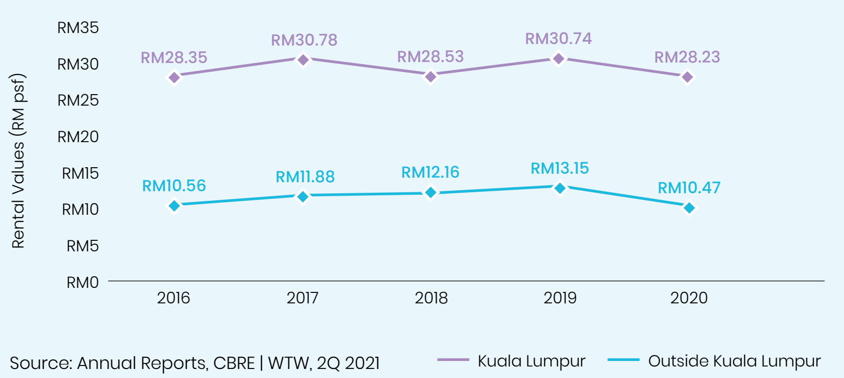
There were no major retail transactions between 3Q 2020 and 2Q 2021.

Retail Market Outlook

The overall retail landscape has been adapting to the changes in consumer behaviour and the evolution of new retail platforms. More shoppers are switching to or adopting technology and online sales, while several retailers are rationalising stores by pivoting towards focused, flagship stores. The shift to online platforms has led to landlords investing in contactless alternatives and expanded e-commerce options for ordering, pick-up and delivery processes. With the prolonged uncertainties following the series of lockdowns, consumer sentiments are still cautiously wary, and downward pressure on occupancy rate and rental growth is expected to continue.

The latest policies, including the Government's PEMULIH aid package, are mainly beneficial for SMEs, while retail malls continue to receive electricity discounts between 4% and 40% for three months beginning July 2021. Although aid packages and wage subsidies may assist consumers in terms of fast cash, cautious spending is expected in the following quarters and to gradually improve by 2022 on the back of a full vaccination roll-out and relaxation of measures, alongside the recovery of international tourism.

Chart 14:
AVERAGE PRIME RENTAL IN PRIME RETAIL MALLS



Source: Annual Reports, CBRE | WTW, 2Q 2021

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The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. This report has been prepared under conditions of heightened market uncertainty and conditions may change more rapidly and significantly than during standard market conditions. A higher degree of caution should be attached to our analysis than would normally be the case.

FINANCIAL REVIEW

Group	FY 2020/21 (S$'000)	FY 2019/20 (S$'000)	Change (%)
Gross revenue	**181,287**	180,773	0.3%
Property expenses	**(46,550)**	(48,657)	(4.3%)
Net property income	**134,737**	132,116	2.0%
Non property expenses	**(60,384)**	(59,045)	2.3%
Net income before tax	**74,353**	73,071	1.8%
Change in fair value of derivative instruments	**12,755**	(8,926)	NM
Foreign exchange (loss)/gain	**(1,033)**	483	NM
Change in fair value of investment properties	**(28,095)**	(160,671)	(82.5%)
Total return for the period before tax and distribution	**57,980**	(96,043)	NM
Income tax	**(1,462)**	(1,369)	6.8%
Total return for the period after tax, before distribution	**56,518**	(97,412)	NM
Less: Amount reserved for distribution to perpetual securities holders	**(2,088)**	–	NM
Non-tax deductible items and other adjustments	**33,747**	174,766	(80.7%)
Income available for distribution	**88,177**	77,354	14.0%
Income to be distributed to Unitholders [1]	**87,339**	64,754	34.9%
DPU [1]	**3.95 cents**	2.96 cents	33.4%
DPU (excluding effects of deferred amount)	**3.60 cents**	3.31 cents	8.8%

Total operating expenses[2]	**64,998**	67,874	(4.2%)
Net assets[3]	**1,890,097**	1,769,489	6.8%
Total operating expenses to net assets	**3.4%**	3.8%	NM

Notes:

(1) Approximately S$8.5 million (FY 2019/20: S$4.9 million) of income available for distribution for FY 2020/21 has been retained for working capital requirements. The distribution for FY 2020/21 includes the full release of S$7.7 million or 0.35 cents per unit relating to FY 2019/20's deferred distributable income.

(2) Total operating expenses mainly comprise property expenses, management fees and trust expenses, including fees and charges paid to the Manager and Trustee.

(3) Net assets as at 30 June 2021 and 30 June 2020 respectively.

FINANCIAL PERFORMANCE

Group revenue of S$181.3 million for FY 2020/21 was 0.3% higher than S$180.8 million achieved in FY 2019/20. NPI for the Group was S$134.7 million, representing an increase of 2.0% over FY 2019/20. The increase in NPI was largely due to the lower rental assistance for eligible tenants in the Group affected by COVID-19 pandemic, including allowance for rental arrears and rebates for Australia Properties, aggregating approximately S$9.6 million in FY2020/21, as well as the appreciation of A$ against S$.

Singapore Properties contributed 62.9% of total revenue, or S$114.0 million in FY 2020/21, 0.5% lower than in FY 2019/20. NPI for FY 2020/21 was S$87.4 million, 2.7% lower than in FY 2019/20, mainly due to lower contributions from Wisma Atria Property (Retail) including higher rental assistance, lower occupancy and rent, as well as higher allowance for rental arrears. Contributions from Ngee Ann City Property were higher mainly due to lower rental assistance in FY 2020/21.

Australia Properties contributed 24.4% of total revenue, or S$44.3 million in FY 2020/21, 2.6% higher than in FY 2019/20. NPI for FY 2020/21 was S$26.4 million, 23.9% higher than in FY 2019/20, largely attributed to lower allowance for rental arrears and rebates, and the appreciation of A$ against S$, partially offset by lower occupancy and rent.

Malaysia Properties contributed 10.1% of total revenue, or S$18.3 million in FY 2020/21, 0.2% lower than in FY 2019/20. NPI for FY 2020/21 was S$17.4 million,

Post-asset enhancement, The Starhill, will be an integrated development with four lower floors of retail and three upper floors of hospitality use.

0.2% lower than in FY 2019/20. Approximately S$1.6 million (FY 2019/20: S$0.8 million) of rental assistance has been extended to the master tenant of Malaysia Properties, whose sub-tenants were impacted by the various rounds of Movement Control Order ("MCO") amidst the COVID-19 pandemic.

China and Japan Properties contributed 2.6% of total revenue, or S$4.7 million in FY 2020/21, 0.6% higher than in FY 2019/20. NPI for FY 2020/21 was S$3.6 million, in line with FY 2019/20.

Non property expenses were S$60.4 million in FY 2020/21, 2.3% higher than in FY 2019/20, mainly due to higher finance expenses, partially offset by lower trust expenses for FY 2020/21.

Finance expenses for FY 2020/21 were S$41.4 million, 3.9% higher than in FY 2019/20. This was mainly due to the interest costs and bank facility fees incurred on the refinanced borrowings in FY 2020/21 including the write-off of unamortised upfront costs.

Trust expenses for FY 2020/21 were S$3.9 million, 16.9% lower than in FY 2019/20, mainly in line with lower expenses incurred by the Trust including project expenses and professional fees.

The net gain in fair value of derivative instruments of S$12.8 million for FY 2020/21 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings.

The net foreign exchange loss for FY 2020/21 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts.

The change in fair value of investment properties of S$28.1 million for FY 2020/21 was mainly in line with the downward revaluation of Wisma Atria Property, partially offset by the higher valuation of Australia Properties and The Starhill as at 30 June 2021.

Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance in income tax was mainly due to the higher withholding tax for the Australia Properties in FY 2020/21.

Income available for distribution for FY 2020/21 after deducting amount reserved for distribution to perpetual securities holders was S$88.2 million, an increase of 14.0% over FY 2019/20. The increase in income available for distribution was mainly due to the higher NPI, adjustment to reflect the timing difference of property tax refunds in Singapore and one-off capital allowance claim in the previous corresponding period. Including the full release of approximately S$7.7 million (or 0.35 cents per unit) of FY 2019/20's deferred distributable income, the income to be distributed to Unitholders for FY 2020/21 was S$87.3 million, an increase of 34.9% over FY 2019/20. Approximately S$8.5 million of income available for distribution for FY 2020/21 has been retained for working capital requirements. Total DPU for FY 2020/21 was 3.95 cents, representing an increase of 33.4% over DPU of 2.96 cents achieved in FY 2019/20. Excluding the effects of deferred amount, the FY 2020/21 DPU was 3.60 cents.

FINANCIAL REVIEW

ASSETS AND LIABILITIES

The Group's total assets as at 30 June 2021 were S$3,079.6 million, representing a decrease of S$1.4 million, compared to S$3,081.0 million as at 30 June 2020, mainly due to the decrease in trade and other receivables, and cash and cash equivalents, partially offset by the increase in investment properties. The lower receivables were largely attributed to the receipt of grant receivable from the Singapore government in relation to the finalisation of property tax refunds and cash grants to eligible tenants, as well as lower net rental arrears for the Group as at 30 June 2021, following the rental collection from the tenants and utilisation of existing allowance for impairment on its trade receivables. The Group's portfolio of 10 prime properties across five countries was independently revalued at S$2,964.6 million (including right-of-use assets) as at 30 June 2021 (2020: S$2,941.3 million). The increase of S$23.4 million or 0.8% was mainly in line with the upward revaluation for the Australia Properties (improved general retail outlook) and The Starhill (ongoing asset enhancement work), as well as net movement in foreign currencies in relation to the overseas properties, partially offset by downward revaluation of Wisma Atria Property (largely due to the challenging retail conditions in Singapore that led to lower passing and market rents), as at 30 June 2021. The fair values of the properties include capital expenditure incurred mainly for The Starhill's asset enhancement, Wisma Atria Property and Myer Centre Adelaide, straight-line rental adjustments, as well as other adjustments for FY 2020/21. The geographic breakdown of the portfolio by asset value as at 30 June 2021 is as follows: Singapore 67.8%, Australia 14.8%, Malaysia 14.4%, Japan 2.0%, and China 1.0%.

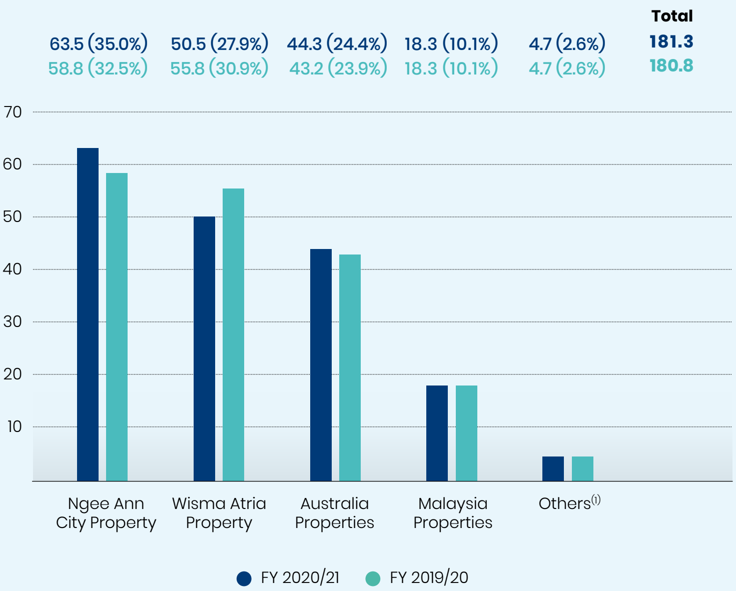
The Group's total liabilities as at 30 June 2021 were S$1,189.5 million, representing a decrease of S$122.1 million or 9.3%, compared to S$1,311.5 million as at 30 June 2020, mainly due to the decrease in borrowings and derivative financial liabilities. The net decrease in total borrowings was mainly in line with the net repayment of S$62 million of short-term revolving credit facilities, part prepayment of S$20 million term loan (maturing in September 2022), as well as full repayment of A$135 million secured term loan which was financed by the issuance of S$100 million perpetual securities (classified as equity instruments) in December 2020 and drawdown of new A$100 million unsecured term loan in May and June 2021. The decrease in the derivative financial liabilities was mainly attributed to the change in fair value of S$ and A$ interest rate swaps. As at 30 June 2021, gearing stands at 36.1% and interest coverage ratio based on trailing 12 months' interest expenses is approximately 2.8 times.

The Group's net asset value attributable to Unitholders as at 30 June 2021 was S$1,790.5 million (excluding perpetual securities holders' funds of S$99.6 million) (NAV per Unit of S$0.81), representing an increase of S$21.0 million or 1.2%, compared to S$1,769.5 million (NAV per Unit of S$0.81) as at 30 June 2020.

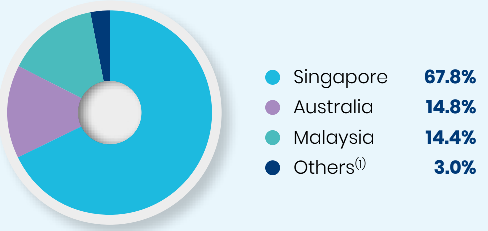
CASH FLOW

Total net cash outflow (excluding effects of exchange rate differences) for FY 2020/21 was S$10.4 million, largely comprising cash outflow from financing activities of S$118.1 million and investing activities of S$34.5 million, partially offset by cash flows generated from operating activities of S$142.2 million. Cash outflow from financing activities comprised mainly repayment of borrowings and related costs, as well as distributions paid to Unitholders, partially offset by proceeds from borrowings and issuance of perpetual securities. The cash outflow from investing activities comprised mainly capital expenditure paid in relation to The Starhill's asset enhancement, Wisma Atria Property and Myer Centre Adelaide for FY 2020/21.

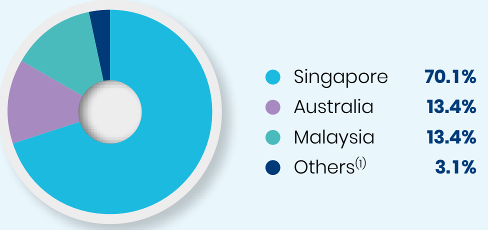
GROSS REVENUE
(S$ million)



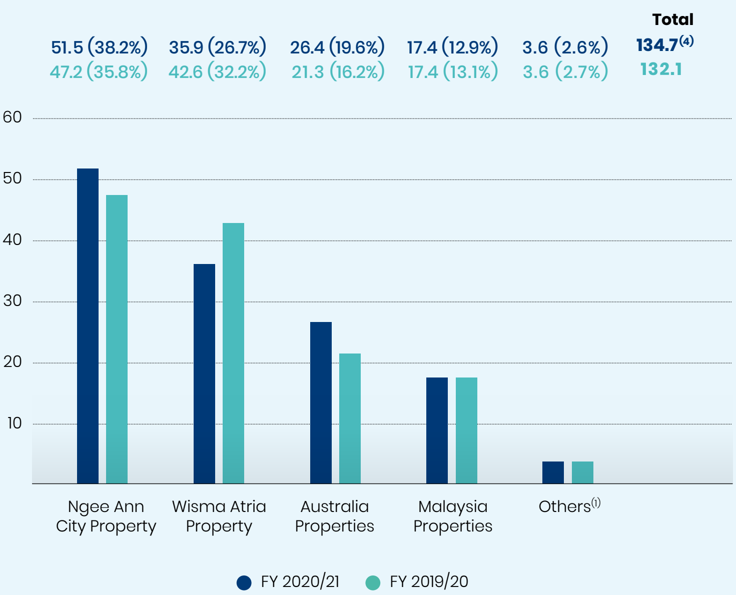
ASSET VALUE BY COUNTRY
(As at 30 Jun 2021)



(As at 30 Jun 2020)

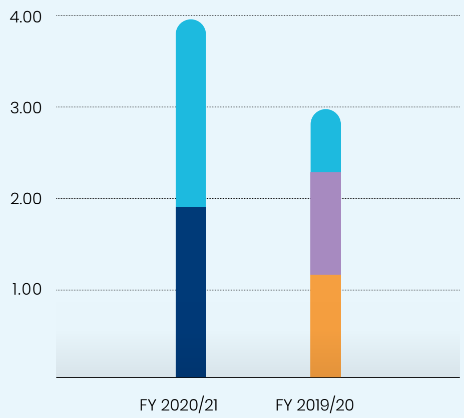


NET PROPERTY INCOME
(S$ million)



DISTRIBUTION PER UNIT
(cents)

	1Q	2Q	1H	2H	Total
FY 2020/21	–	–	1.88(2)	2.07(2)	3.95(3)
FY 2019/20	1.13	1.13	–	0.70(2)	2.96(3)



Notes:

(1) Others comprise one property in Chengdu, China and two properties in Tokyo, Japan as at 30 June 2021.

(2) Following SGREIT's change of its distribution frequency to semi-annual distributions, the reported DPU for 2H FY 2019/20 relates to the six-month period from 1 January 2020 to 30 June 2020, and excludes the deferred 0.35 cents per unit. The reported numbers for FY 2020/21 comprise 1.88 cents per unit and 2.07 cents per unit for 1H FY 2020/21 and 2H FY 2020/21 respectively, which include the release of 0.14 cents per unit for 1H FY 2020/21 and 0.21 cents per unit for 2H FY 2020/21 of FY 2019/20's deferred distributable income.

(3) The computation of DPU for FY 2020/21 was based on number of units entitled to distributions comprising (i) 2,203,594,600 units for 1H FY 2020/21, and (ii) issued and issuable units of 2,217,828,055 for 2H FY 2020/21 (FY 2019/20: (i) 2,184,012,239 units for 1Q FY 2019/20, (ii) 2,186,900,678 units for 2Q FY 2019/20, and (iii) 2,194,958,278 units for 2H FY 2019/20).

(4) Total does not add up due to rounding.

CAPITAL MANAGEMENT

PRUDENT CAPITAL MANAGEMENT TO OPTIMISE UNITHOLDERS' RETURNS

Starhill Global REIT's main objective when managing capital is to be prudent and optimise Unitholders' returns through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy and this is continuously reviewed by the Manager.

In July 2020, the Group converted an existing uncommitted and unsecured revolving credit facility of S$50 million (maturing in June 2024) into a committed facility with a bank. The Group also entered into a three-year unsecured facility agreement for a committed revolving credit facility of S$40 million (maturing in October 2023) with a bank in October 2020.

In August 2020, the Group early redeemed its JPY678 million Japan bond (maturing in August 2021) using the proceeds from the issuance of a five-year bond facility of the same amount, thereby extending the new maturity to August 2025.

In December 2020, the Group issued its maiden S$100 million 3.85% perpetual securities under its S$2 billion multicurrency debt issuance programme to enhance its financial flexibility and diversify its sources of funding. The first distribution reset rate of the perpetual securities falls in December 2025 and the net proceeds were used to prepay A$55 million of the A$135 million term loan secured on Myer Centre Adelaide (maturing in November 2021), with the remaining largely to repay existing short-term debts drawn under its revolving credit facilities and for working capital requirements.

In December 2020, the Group also entered into a five-year unsecured facility agreement with a club of various banks for: (i) term loan facilities of S$250 million, which were utilised in February 2021 to refinance the S$100 million unsecured medium term notes (maturing in February 2021) and the existing S$150 million unsecured term loan (maturing in September 2021); and (ii) revolving credit facilities of S$300 million, of which S$100 million is uncommitted and the balance S$200 million committed portion was used to replace the existing S$190 million committed revolving credit facilities (maturing in September 2022) in March 2021. There is no amount outstanding on these revolving credit facilities as at the reporting date.

In April 2021, the Group entered into a five-and-a-half-year unsecured facility agreement for a term loan facility of A$100 million with two banks. In May 2021, A$80 million tranche was drawn down to refinance in full the remaining A$80 million term loan secured on Myer Centre Adelaide and the balance A$20 million tranche was drawn in June 2021. Following the full repayment of the A$80 million secured loan in May 2021, the mortgage on Myer Centre Adelaide has been duly released. In June 2021, the Group further prepaid S$20 million of the S$260 million unsecured term loan (maturing in September 2022).

As at 30 June 2021, Starhill Global REIT's outstanding debt stood at approximately S$1,110 million, and approximately S$2.4 billion (81%) of the Group's investment properties are unencumbered, enhancing its financial flexibility. As at 30 June 2021, the average debt maturity profile of Starhill Global REIT is approximately 3.3 years. The Group's gearing ratio remained stable at 36.1% as at 30 June 2021 and does not have debt refinancing requirement until September 2022. Additionally, the Group has available undrawn committed revolving credit facilities, which can be drawn down to fund its working capital requirements. The Manager will continue to enhance its financial flexibility through prudent capital management.

Starhill Global REIT's current financial risk management policy is described in greater detail below.

INTEREST RATE RISK MANAGEMENT

In order to protect the Group's earnings from interest rate volatility and provide stability to Unitholders' returns, Starhill Global REIT hedges substantially its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives such as interest rate swaps.

As at 30 June 2021, Starhill Global REIT hedged about 91% of its debt by a combination of fixed rate debt and interest rate swaps. As at 30 June 2021, the weighted average interest rate was approximately 3.28% per annum and the interest coverage ratio based on trailing 12 months' interest expenses was 2.8 times.

The Manager intends to continue to secure diversified funding sources from both financial institutions and capital markets when opportunities arise, while keeping Starhill Global REIT's ongoing cost of debt competitive.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 30 June 2021, Starhill Global REIT is exposed to foreign exchange risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies. In managing its currency risks associated with its foreign investments, Starhill Global REIT has adopted the following income and capital hedging strategies.

Income Hedging

Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 63% of its revenue for the year ended 30 June 2021, while the remaining 37% of its revenue is from the overseas assets. Starhill Global REIT actively monitors the exchange rates and assesses hedging on a case-by-case basis. The impact of the volatility in the Australian dollar and Malaysian ringgit on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign currency forward contracts mainly for A$.

Capital Hedging

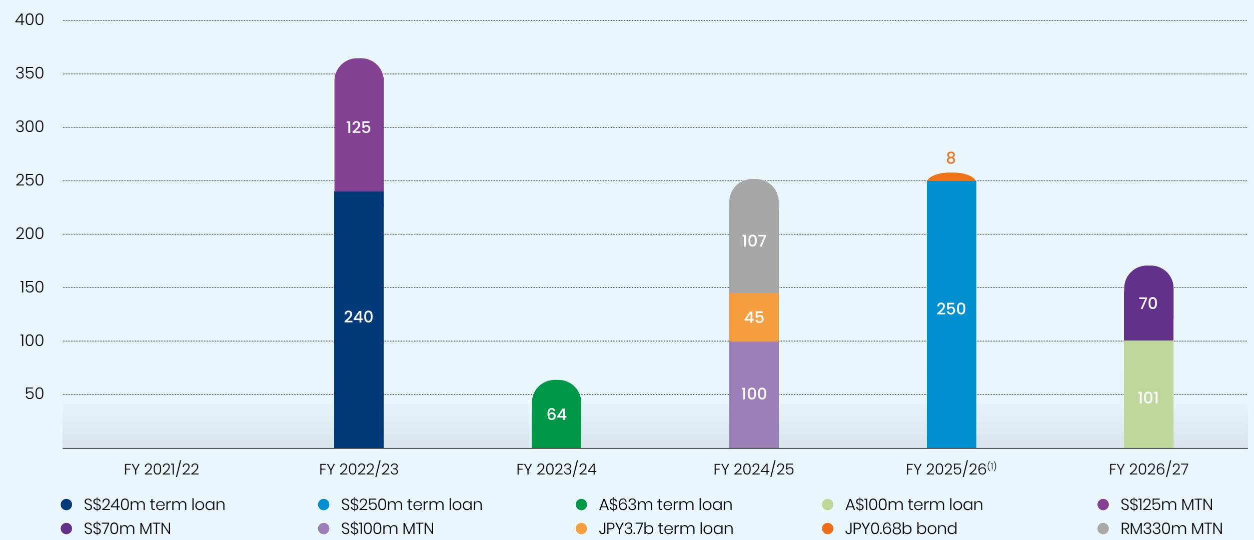
In managing the currency risks associated with the capital values of Starhill Global REIT's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible, to provide a natural currency hedge. As the investments in overseas assets are generally long-term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

DEBT GEARING AND OTHER HIGHLIGHTS
As at 30 Jun 2021 (S$ million)

SGD term loans	S$490m
Australia term loans	S$165m
JPY term loan	S$45m
Singapore MTNs	S$295m
Malaysia MTN	S$107m
Japan bond	S$8m
Total Debt	**S$1,110m**
Perpetual securities[1]	S$100m
Gearing ratio[2]	36.1%
Fixed/hedged debt ratio[3]	91%
Unencumbered assets ratio	81%
Interest coverage ratio[4]	2.8x
Weighted average interest rate per annum[5]	3.28%
Starhill Global REIT corporate rating by Fitch Ratings	BBB/Stable outlook

Notes:
(1) Classified as equity instruments.
(2) Based on consolidated deposited property.
(3) Including interest rate derivatives such as interest rate swaps.
(4) Interest coverage ratio is computed based on 12 months' trailing interest expenses as at 30 June 2021.
(5) As at 30 June 2021. Includes interest rate derivatives but excludes upfront costs.

DEBT MATURITY PROFILE
As at 30 Jun 2021 (S$ million)



Note:
(1) Excludes S$100 million perpetual securities (classified as equity instruments) issued in December 2020 at a fixed rate of 3.85% per annum, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter.

RISK MANAGEMENT

The Manager has put in place an enterprise risk management framework for Starhill Global REIT, comprising procedures and protocol to identify and initiate mitigation of enterprise risks which may arise in the management and operations of Starhill Global REIT, particularly in the areas of asset acquisitions, asset integration, financial risk management, and safety and health.

To address each of these areas, the Manager has adopted policies and/or hired or designated staff with specific expertise in that area, and continues to assess the potential impact of risks which may arise and the necessary response or process to effectively mitigate those risks.

1. ASSET ACQUISITION PROCESS

Prior to any new acquisition, each of the key risks attributable to the acquisition or the subsequent management of the asset is assessed. Functional heads in the Manager are responsible for this process. The Board is made aware of all key risks considered and that these have been addressed or mitigated appropriately.

2. ASSET INTEGRATION PROCESS

Following every successful acquisition, it is imperative that each asset is quickly integrated into Starhill Global REIT's existing portfolio, from financial, operational and compliance perspectives. This process is activated before the closing of each acquisition, and completed as soon as practicable thereafter.

3. SAFETY AND HEALTH

Standard operating procedures for fire safety practices have been put in place and appropriate insurances for the properties are procured. Renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. In addition, the internal auditor reviews periodically the operating effectiveness of key controls over the fire safety arrangements of key assets. For more information on customer health and safety, please refer to page 81 of this Annual Report.

4. FINANCIAL RISK MANAGEMENT POLICY

Starhill Global REIT's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rates and foreign currency risks.

Where appropriate, the Manager may hedge against the volatility of interest rates, foreign currency net income and foreign currency investments. Starhill Global REIT has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved.

Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and Starhill Global REIT's activities. The policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. For more information on financial risk management, please refer to pages 174 to 183 of this Annual Report.

5. BUSINESS CONTINUITY PLANNING

The Manager has developed a plan to address the impact and recovery of unforeseen disruptions or emergency circumstances to its business and operations. Key areas such as information technology, finance, regulatory compliance, vital record storage and recovery are addressed, to ensure smooth continuation of the Manager's and the Property Manager's essential business operations, in the event of a major disruption or contingency.

6. OPERATIONAL RISK SELF ASSESSMENTS (ORSA)

The Manager has an ORSA protocol to ensure a regular review and assessment of the internal processes which have been implemented under the enterprise risk management framework. The Manager periodically conducts ORSA to assess the key risks and controls identified. This process also ensures that adequate resources are allocated to mitigate these risks.

7. RISK REPORTING

The Manager actively assesses and manages legal and compliance risks for Starhill Global REIT. Such risks may arise in each of the various jurisdictions Starhill Global REIT has assets located in, with the application of different laws and regulatory requirements, the enforceability of counterparty obligations and/or changes to applicable laws and regulations.

Quarterly reports are made to the Manager's Audit Committee (on an exceptions basis), and the Board is regularly updated on all such matters.

8. FRAUD RISKS

The Manager also has in place a Code of Business Ethics, Anti-Corruption policy and policy on Fraud to guide the ethical conduct of its employees including guidelines on accepting gratuities and gifts, prevent and detect corruption and bribery and set the expectation for employees to act with honesty and integrity and to report all instances of suspected fraud. Any breach of these policies or code may result in disciplinary action including dismissal or termination of the employment contract. The Manager has established a whistleblowing policy for employees and any other persons to raise concerns and potential or actual improprieties in financial or other operational matters.

INVESTOR RELATIONS AND COMMUNICATIONS

Starhill Global REIT keeps Unitholders and the financial community abreast of its latest developments and strategic direction through equitable, timely and effective communications. The Manager employs various communication channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments. The Manager actively engages investors and analysts through regular meetings, property tours and attending conferences throughout the year. In FY 2020/21, the Manager participated in four investor conferences via electronic means (including one retail investors symposium). In total, the Manager attended 168 investor meetings in the financial year.

As at 30 June 2021, Starhill Global REIT is covered by a total of eight research firms. Starhill Global REIT is a component stock of FTSE All-Share ST Real Estate Investment Trusts Index and the FTSE ST All-Share Real Estate Index. The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It is committed to sharing accurate information with the investing public in a timely manner.

FY 2020/21 INVESTOR RELATIONS ACTIVITIES

1Q FY 2020/21 (1 Jul 2020 to 30 Sep 2020)

- Release of financial results for FY 2019/20
- Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum 2020
- Release of Annual Report for FY 2019/20
- Release of the fourth Sustainability Report for FY 2019/20

2Q FY 2020/21 (1 Oct 2020 to 31 Dec 2020)

- Release of 1Q FY 2020/21 business updates
- Virtual Annual General Meeting

3Q FY 2020/21 (1 Jan 2021 to 31 Mar 2021)

- Release of 1H FY 2020/21 financial results
- Virtual S-REITs Daishin Corporate Day for Korean Investors

4Q FY 2020/21 (1 Apr 2021 to 30 Jun 2021)

- Release of 3Q FY 2020/21 business updates
- Daiwa-SGX Corporate Day
- REIT Symposium 2021 Online Edition

AWARDS

- ARC Awards 2021 - Silver
  Category: Specialised A.R.: Combined Annual and Sustainability Report

RESEARCH COVERAGE

- CGS-CIMB Research
- Daiwa Capital Markets Singapore
- DBS Group Research
- Maybank Kim Eng Research
- OCBC Investment Research
- RHB Securities Singapore
- Soochow CSSD Capital Markets (Asia)
- UBS Global Research

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about Starhill Global REIT, please contact:

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Phone: +65 6536 5355
Fax: +65 6438 8710
Website: www.boardroomlimited.com

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

UNITHOLDER DEPOSITORY

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
Phone: +65 6236 8888
Email: asksgx@sgx.com
Website: investors.sgx.com

SUSTAINABILITY REPORT

Sustainability Report Contents

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Contact Us

We welcome feedback and suggestions from our stakeholders. For any questions about this report, please contact:

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ABOUT THIS REPORT

This is Starhill Global REIT's ("SGREIT" or "We") fifth annual sustainability report. The report covers the environmental, social and governance ("ESG") performance of our operations from 1 July 2020 to 30 June 2021 ("FY 2020/21") unless stated otherwise. This report forms part of SGREIT's Annual Report FY 2020/21 to provide an overview of our financial and non-financial performance.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option. We have chosen the GRI Standards because it is the most widely used and accepted international framework for sustainability reporting. In addition, this report has also been prepared in accordance with Singapore Exchange ("SGX") Securities Trading Limited's SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting.

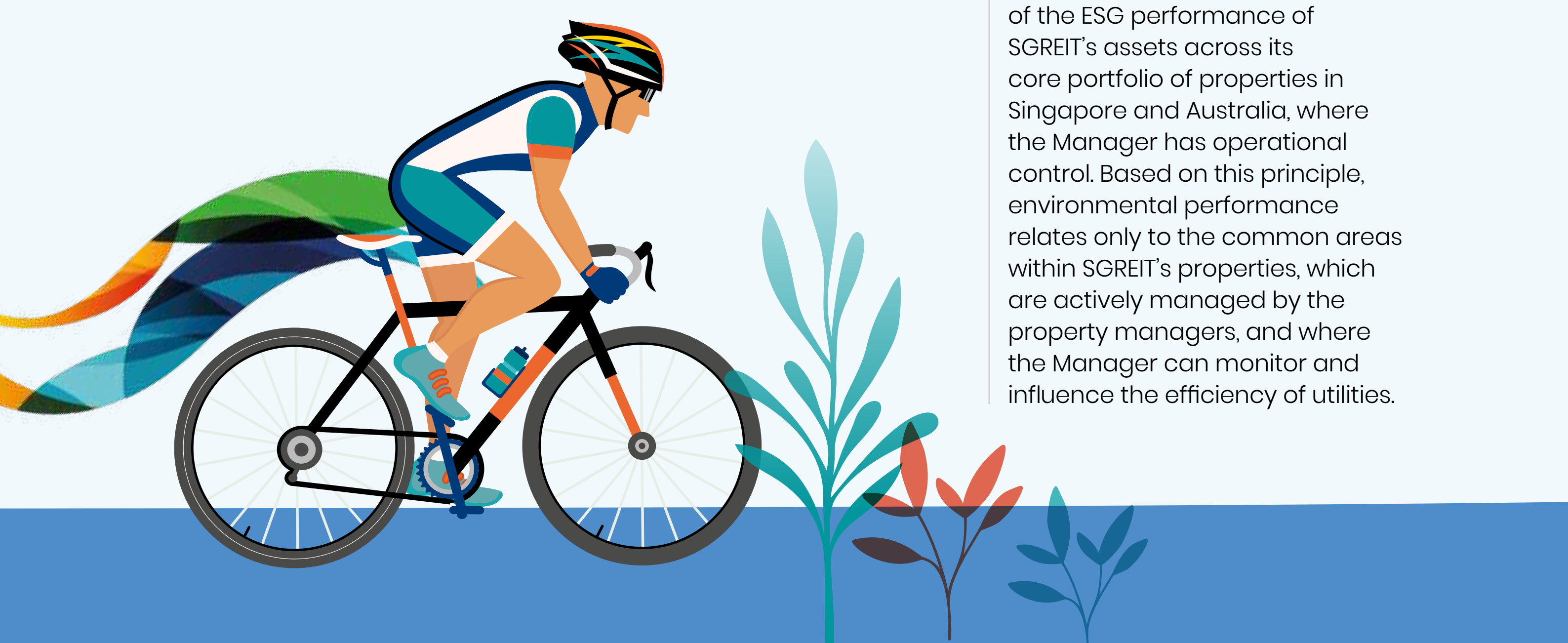
For the first time, our report refers to the Sustainability Accounting Standards Board's ("SASB") Real Estate Sector Standards, backed by an increasing number of institutional investors due to their focus on financial materiality. In addition, we have aligned this report with the Taskforce on Climate-Related Financial Disclosures ("TCFD") Recommendations, a process we started this year to implement the Monetary Authority of Singapore's ("MAS") Guidelines on Environmental Risk Management (Asset Managers). Finally, we have integrated the United Nations ("UN") Sustainable Development Goals ("SDGs") into this report.

Reporting Principles

The report content has been determined primarily by applying the GRI reporting principles of stakeholder inclusiveness, materiality, sustainability context and completeness to focus on the most material ESG factors. In addition, GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness have been used to ensure the content quality.

Scope and Boundary

The report provides an overview of the ESG performance of SGREIT's assets across its core portfolio of properties in Singapore and Australia, where the Manager has operational control. Based on this principle, environmental performance relates only to the common areas within SGREIT's properties, which are actively managed by the property managers, and where the Manager can monitor and influence the efficiency of utilities.



Thus, Singapore's Ngee Ann City Property, which is largely master tenanted by Toshin Development Singapore Pte. Ltd., a wholly-owned subsidiary of Toshin Development Co., Ltd., has been excluded from the scope. Likewise, Malaysia's master-tenanted properties The Starhill and the Lot 10 Property in Kuala Lumpur have also been excluded. The master lease in Malaysia for both properties is with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation. In addition, properties in Japan and China are excluded from the scope as they account for less than 5% of revenue and not deemed material.

The data on waste for Singapore encompasses Wisma Atria under the Management Corporation Strata Title. This includes the Wisma Atria Property which SGREIT owns and Isetan's own strata space.

The workforce data refers to the employees of the Manager in Singapore.

Restatements

Environmental data for FY 2018/19 and FY 2019/20 has been restated to exclude master-tenanted properties in Malaysia as they are not within the Manager's operational control. Electricity and water data for Australia for the two years have been restated as well to account for consumption at the common areas only.

External Assurance

Sustainability performance data presented in this report has been verified using internal sources for their accuracy. However, seeking external assurance for sustainability information for future reports remains under consideration.

BOARD STATEMENT

The Board is committed to high standards of governance, ethics, integrity and sustainability. The Board is responsible for determining SGREIT's most material ESG issues, including climate-related risks and opportunities. In deciding the ESG priorities, the Board considers the interests and concerns of key stakeholders. The Board takes into account sustainability in setting out SGREIT's strategic and operational priorities. Through periodic reviews, the Board oversees the management and implementation of critical ESG factors. The Board also reviews and approves sustainability reporting.

Working closely with the Management, the Board remains focused on driving long-term sustainable value for SGREIT's stakeholders.

Board Message

This report provides an account of the ESG performance of our portfolio properties for FY 2020/21. We are pleased to share that this year's report has incorporated additional sustainability standards and frameworks, including SASB Real Estate Standards, TCFD Recommendations, and UN SDGs. Disclosures aligned with these standards and frameworks will help us meet the information needs of our varied stakeholders.

In December 2020, the MAS issued guidelines on Environmental Risk Management ("ERM") for asset managers. The MAS guidelines aim to assist asset managers in evaluating and managing the potential ecological risks such as climate change, pollution and changes in land use. We are committed to implementing the MAS guidelines during FY 2021/22 to assess and mitigate environmental risks in managing our current portfolio as well as in our research and portfolio management processes.

Beginning from this report, we have started disclosing the greenhouse gas emissions from properties within our operational control. Our emissions reporting aligns with the expectations set out in the MAS ERM guidelines and the TCFD Recommendations. This report lays down the basic foundation for undertaking the next steps to integrate the MAS ERM guidelines into our business risk management and sustainability reporting. The next steps would require a comprehensive assessment of climate-related risks and opportunities, including the transition and physical risks using scenario analysis.

We have also refined our previously disclosed sustainability targets and timelines to include short-term goals while maintaining long-term aspirations. As a result, this report provides a more specific account of significant ESG targets, metrics and performance.

SUSTAINABILITY & GOVERNANCE

SUSTAINABILITY REPORT

Performance Summary

SUSTAINABILITY PERFORMANCE DATA					
ESG FACTORS		MEASUREMENT UNIT	FY 2018/19	FY 2019/20	FY 2020/21
ENVIRONMENTAL[1]					
ELECTRICITY CONSUMPTION					
Total		MWh	10,009	9,674	9,575
	Singapore	MWh	5,341	5,134	5,247
	Australia	MWh	4,668[2]	4,540[2]	4,328[4]
FUEL CONSUMPTION					
Total		L	0	0	1,100
	Singapore	L	Not available	Not available	1,100
	Australia	L	0	0	0
ENERGY CONSUMPTION[3]					
Total		GJ	36,029	34,827	34,512
	Singapore	GJ	19,226	18,483	18,931
	Australia	GJ	16,803[2]	16,344[2]	15,581[4]
ENERGY (ELECTRICITY) INTENSITY					
Total		kWh/m^2	196	189	187
	Singapore	kWh/m^2	445	428	438
	Australia	kWh/m^2	119[2]	116[2]	110[4]
GREENHOUSE GAS (GHG) EMISSIONS					
Scope 1 (Direct) Emissions[5]					
Total			Not reported	Not reported	416
	Singapore	tonnes CO_2e	Not reported	Not reported	416
	Australia	tonnes CO_2e	Not reported	Not reported	0
Scope 2 (Indirect) Emissions[5]					
Total		tonnes CO_2e	5,933	5,683	5,563
	Singapore	tonnes CO_2e	2,246	2,097	2,144
	Australia	tonnes CO_2e	3,687[2]	3,586[2]	3,419
Total GHG Emissions[6]					
Total		tonnes CO_2e	5,933	5,683	5,979
	Singapore	tonnes CO_2e	2,246	2,097	2,560
	Australia	tonnes CO_2e	3,687[2]	3,586[2]	3,419
GHG Intensity					
Total		$kgCO_2e/m2$	116	111	117
	Singapore	$kgCO_2e/m2$	187	175	213
	Australia	$kgCO_2e/m2$	94	92	87
WATER WITHDRAWAL[7]					
Total		ML	122	106	89
	Singapore	ML	105	89	74
	Australia	ML	17[2]	17[2]	15
WASTE GENERATED (NON-HAZARDOUS)					
Total		metric tons	1,956	1,564	1,486
	Singapore	metric tons	1,532	1,236	1,093
	Australia	metric tons	424	328	393
COMPLIANCE WITH ENVIRONMENTAL REGULATIONS					
Number of incident of non-compliance		Number	0	0	0

SUSTAINABILITY PERFORMANCE DATA				
ESG FACTORS	MEASUREMENT UNIT	FY 2018/19	FY 2019/20	FY 2020/21
SOCIAL				
OCCUPATIONAL HEALTH & SAFETY (EMPLOYEES)				
Fatalities	Number, Rate(%)	0, 0	0,0	0,0
High-consequences work-related injuries (excluding fatalities)	Number, Rate(%)	0, 0	0,0	0,0
Non-fatal workplace injuries	Number, Rate(%)	0,0	0,0	0,0
Occupational Disease	Number, Rate(%)	0,0	0,0	0,0
Number of man-hours worked	Number	60,320	62,400	64,120
PUBLIC, TENANT & VISITOR SAFETY				
No. of incidents involving public, tenants and visitors	Number	0	0	0
COMPLIANCE WITH HEALTH & SAFETY REGULATIONS				
Number of incidents of non-compliance	Number	0	0	0
EMPLOYEES (as at 30 June 2021)				
Permanent employees	Number	29	30	31
Temporary employees	Number	0	0	0
Fixed-term contract employees	Number	0	0	0
Full-time employees	Number	29	30	30
Part-time employees	Number	0	0	1
Rate of new hires	%	31	10	10
Employee turnover rate	%	14	7	6
Female employees	%	59	60	58
Female managers	%	64	64	64
Female Senior Management	%	29	29	25
Average training hours per employee (full-time)	Hrs	30.5	20.9	27.2

Notes:

(1) Scope of data reporting covers Wisma Atria (Singapore), Myer Centre Adelaide (Australia) , David Jones Building (Australia), and Plaza Arcade (Australia).

(2) Data has been restated to account for consumption at the common areas of the properties only.

(3) Energy refers to purchased electricity, and in FY 2020/21, fuel (diesel) consumption was added.

(4) Data has been adjusted due to improvement in data collection.

(5) Scope 1 (Direct) GHG emissions include emissions from fuel (diesel) and fugitive emissions from refrigerants. Scope 2 (Indirect) GHG emissions are derived from purchased electricity. Grid electricity emission factors from the Singapore Energy Market Authority (EMA) and Australia Government were used to derive Scope 2 emissions.

(6) GHG emissions calculations are based on the Greenhouse Gas (GHG) Protocol. Gases included in calculation include CO_2, CH_4 and N_2O.

(7) All water withdrawal comes from third-party water source. In Singapore, the water supply from the Public Utilities Board ("PUB"), comprises water from local catchment, imported water (from neighbouring country's water catchment), reclaimed water (known as NEWater) and desalinated water. In Australia, water supply from SA Water and Water Corporation which manages water services in South Australia, and Perth and Western Australia respectively, comprises water from reservoirs, rivers, groundwater and seawater.

SUSTAINABILITY REPORT

STAKEHOLDERS

The Manager interacts with a diverse range of stakeholders in managing the portfolio properties. We consider it vital to build trusted relationships with our stakeholders to deliver value for all. Therefore, we prioritise engagement with those affected by our operations or who can affect our business goals and objectives. Regular engagement with stakeholders helps us understand their needs and address their concerns effectively. An overview of our stakeholder engagement is presented in the following table.

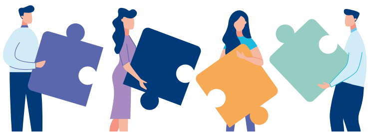
Stakeholders	Engagement Methods	Stakeholder Concerns and Expectations	How We Respond
Tenants	• Joint promotional and strategic partnerships • Tenant satisfaction survey	• Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic	• Conduct annual tenant surveys to gather feedback • Analyse the survey results to identify potential areas of improvement and implement appropriate follow-up actions
Investors	• Dedicated Investor Relations section on the company's website • SGXNET announcements • Annual General Meeting • Annual Report • Results briefings to analysts, investors, and the media • Meetings with investors and participation in roadshows and conferences • Mall tours upon request • Corporate video	• Access to high-quality real estate investments • Business performance and strategy • Risk management • Sustainable returns	• Provide accurate information to the investing public through timely communication
Shoppers	• Marketing and promotional programmes and events • Online and mobile platforms • Social media	• Conducive mall environment • Differentiated tenant mix	• Improve shoppers' shopping experience in the mall through various promotional events
Employees	• Weekly department meetings • Annual performance appraisals • Recreational and team building activities • Training courses and workshops • Employment incentives and benefits	• Communicating business strategy and developments • Reward and recognition • Training and career development • Employee wellness activities	• Create an inclusive work environment • Provide opportunities for employees to develop skills and gain knowledge
Governments and Regulators (e.g. SGX, MAS)	• Meetings, feedback and correspondences	• Compliance with rules and regulations • Sustainability • Environmental risk management • Adopt best practices	• Implement policies and procedures to ensure regulatory compliance • Regularly monitor and review regulatory issues and performance • Annual Reports, Sustainability Reports • Annual reporting to MAS
Suppliers and Contractors	• Requests for Proposal • Meetings and visits	• Fair procurement policy and practices • Workplace safety • Timely payment	• Ensure compliance with government policies, rules and regulations
Community	• Corporate social responsibility ("CSR") programme	• Environment • Support for social causes	• Ongoing CSR activities • Employee volunteering to support community programmes

Membership of Associations

We engage with relevant industry and professional bodies through membership and active participation in events and dialogues organised by them. Our memberships include:

- REIT Association of Singapore ("REITAS")
- Investor Relations Professionals Association (Singapore) ("IRPAS")

SUSTAINABILITY FRAMEWORK



Embracing The Marketplace

- Corporate Governance
- Anti-Corruption and Whistleblowing
- Risk Management
- Customer Health and Safety
- Customer Privacy
- Tenant Satisfaction
- Unitholder Communications
- Supply Chain

Environmental Conservation

- Sustainable Certification of our properties
- Energy Efficiency
- Water Conservation
- Waste Management

Empowering Our People

- Fair Employment
- Occupational Health and Safety
- Employee Well-Being and Active Engagement
- Talent Management and Development

Enriching Communities

- Helping Local Communities

MATERIALITY

Our sustainability report focuses on our performance against the most material ESG factors. In past years, we have used GRI's materiality principle to identify, evaluate and prioritise topics that reflect the most significant impacts of our operations and the issues that are of interest to our key stakeholders.

Our constant engagement with external stakeholders helps us consider their expectations and concerns while prioritising material issues for reporting. For example, our member representations in strategic associations, including REITAS and engagement with government agencies and regulators including the Building and Construction Authority ("BCA"), MAS, SGX and the Urban Redevelopment Authority ("URA") of Singapore provides valuable insights for materiality assessment. The property manager is also a member of the Orchard Road Business Association.

In Adelaide, the centre manager of Myer Centre Adelaide serves as the primary contact for the Adelaide City Council. In addition, Myer Centre Adelaide is associated with the Rundle Mall Management Authority, which focuses on promoting the Rundle Mall precinct.

In Malaysia, we engage with the Bukit Bintang Kuala Lumpur City Centre ("BBKLCC") Tourism Association, chaired by Mr Joseph Yeoh, Vice President of YTL Land & Development Berhad. BBKLCC Tourism Association works with selected malls within the precinct to promote shopping tourism.

In addition, we periodically review our material topics in line with new developments in sustainability and emerging stakeholder expectations.

For this report, we also used SASB Real Estate Standards to guide our materiality assessment. The SASB Standards are sector-specific and focus on financially material sustainability issues. Additionally, we have considered broader sustainability trends, reporting by peers, the UN SDGs and the MAS ERM Guidelines to strengthen our materiality assessment.

Based on the latest review undertaken in FY 2020/21 with the help from external sustainability experts, we have updated the material topics list. Accordingly, greenhouse gas emissions, environmental compliance and anti-corruption have been added as material topics. We have also expanded the number of disclosures for existing material topics to provide more comprehensive information to our stakeholders.

APPROACH TO SUSTAINABILITY

The Manager is dedicated to our core values of integrity, client commitment, strive for profitability, fulfilment for our people, teamwork and maintaining the highest standards.

SUSTAINABILITY REPORT

A summary of material ESG topics, their boundaries and our management approach is provided in the following table.

Material Topic	Impact Boundary	Management Approach	SDGs Supported
ENVIRONMENTAL			
Energy	Consumption in portfolio properties	Minimise energy consumption by implementing building energy efficiency measures, promote clean energy adoption	
Water	Mainly used for washing, sanitation and air-conditioning in portfolio properties	Save and conserve water by implementing building water efficiency measures	
GHG Emissions and Climate Change	From purchased electricity and other energy sources	Reduce portfolio carbon emissions, assess and mitigate climate-related risks	
SOCIAL			
Occupational Health and Safety	Property management, operations and maintenance involving employees and contractors	Assess safety and health risks and take preventive measures for risk mitigation, aimed at having a zero-accident workplace	
Training	Reflected in skills and knowledge of the REIT Manager's employees	Promote a fair and inclusive workplace to nurture a high-performing workforce	
Customer Health and Safety	Tenants, occupants and visitors at our portfolio properties	Promote safety, hygiene and cleanliness across our properties to offer a safe, clean and pleasant environment for tenants, occupants and visitors	
Customer Privacy	Information management systems across our portfolio properties	Implement IT security and data protection measures to protect personal information	
GOVERNANCE			
Anti-corruption	REIT management and Property management	Maintain a zero-tolerance approach against corruption, bribery, fraud and money laundering	
Regulatory Compliance	REIT management and Property management	Implement policies and procedures to ensure compliance with applicable regulations, including environmental, safety and health and socio-economic laws	

Supporting Sustainable Development Goals

We are committed to contributing to sustainable development through minimising our operations' environmental impact, promoting responsible business practices and upholding high standards of governance and ethics. The UN SDGs, adopted by the international community in 2015, provide a clear roadmap for addressing a range of global economic, social and environmental challenges by 2030. We have examined the 17 SDGs and accompanying targets and indicators to align with our material ESG topics that reflect our contribution to sustainable development.

Embracing the Marketplace

Our Approach

- Delivering profitable and sustainable business growth through effective compliance and risk management
- Operating our business responsibly with accountability
- Strengthening responsible stewardship of our assets, products and services

SGREIT is committed to delivering profitable and sustainable growth by operating responsibly and upholding high standards of governance, ethics, compliance and risk management.

Corporate Governance

The Manager is dedicated to adopting the best practices in corporate governance in the management of SGREIT. Adhering to the Code of Corporate Governance 2018 ("Code"), a comprehensive set of policies and principles have been implemented to ensure transparency and accountability.

For more details on SGREIT's Corporate Governance, please refer to pages 98 to 124 of this Annual Report.

ESG Governance

The governance of sustainability issues is integrated into our corporate governance. The Board has overall responsibility and oversight over the management of sustainability issues and sustainability reporting. The Manager continues to be responsible for implementing sustainability strategies approved by the Board. For effective management, the Manager has established a Sustainability Management Council ("SMC") to implement and monitor sustainability strategies, including managing environmental risks and opportunities across the property portfolio. Led by the Chief Executive Officer, the SMC comprises representatives from various functions. The SMC assists the board in identifying the most material ESG factors that also include environmental and climate-related risks and opportunities concerning the portfolio properties. In addition, a project team supports the SMC by collecting property-level ESG performance data for review by the Manager and the Board.

At the Board level, the Audit Committee ("AC") is responsible for sustainability issues, including climate-related risks and opportunities. SMC reports to the AC on the management and implementation of sustainability strategies. The AC regularly updates the Board on the progress on sustainability issues.

Risk Management

A comprehensive Enterprise Risk Management ("ERM") framework, supported with Board-approved policies, has been implemented to ensure a structured approach in identifying and managing material risks that could arise in managing SGREIT. In addition, an Operational Risk Self-Assessment ("ORSA") is in place to ensure risks are assessed and reviewed at least on an annual basis.

The Board regularly reviews SGREIT's significant risk exposure, including operational, financial, business continuity, regulatory and environmental sustainability.

For more details on risk management, please refer to page 70 of this Annual Report.

Environmental Risk Management

We are stepping up SGREIT's enterprise risk management strategies by incorporating environmental risks such as climate change, emissions, water, and changes in land use while considering acquisitions, divestments and enhancement of the assets.

The 2020 Global Status Report for Buildings and Construction estimates that CO_2 emissions from the operation of buildings account for 28% of total global energy-related CO_2 emissions. Furthermore, the International Energy Agency ("IEA") estimates that direct building CO_2 emissions

SUSTAINABILITY REPORT

would need to decrease by 50% to be on track to achieving a net-zero carbon building stock by 2050. Therefore, the decarbonisation of the real estate sector is a critical component in the fight against climate change.

The Manager is committed to examining SGREIT's climate-related financial risks and opportunities by applying the MAS ERM guidelines and the TCFD Recommendations. The process will strengthen SGREIT's governance, strategy, risk management and ESG reporting to build resilience, considering different climate-related scenarios.

Climate-related risks include transition risks and physical risks. As calls for a transition to net-zero economy gain momentum, a range of new risks may emerge which may be relevant to SGREIT's portfolio of properties. In general terms, transition risks may include policy and legal risk, technology risk, market risk and reputation risk.

Policy and legal risks refer to regulations to limit GHG emissions and support climate adaptation, such as carbon pricing and carbon tax. For example, carbon pricing can increase energy costs for operating existing buildings.

Technology risks refer to the innovative development of low carbon and energy-efficient technologies affecting the competitiveness of businesses that fail to adapt in time. As the race to net-zero intensifies, new technologies will emerge, making carbon-intensive technologies and systems obsolete. In the construction and building sector, innovative technologies will be vital to achieving the target levels of decarbonisation.

Market risks may present themselves in the form of supply and demand for low carbon products and services. For example, demand for carbon-intensive real estate assets may fall in favour of green buildings.

Finally, climate change can be a potential source of reputation risk as communities and customers increasingly expect businesses to work toward achieving a net-zero economy.

Physical risks of climate change can have a serious impact on for communities and economies. Climate-related physical risks can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Examples of physical events may include cyclones, hurricanes, floods, extreme heat waves, water stress, and longer-term changes in weather patterns

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

such as rising sea levels. Physical risks can affect the valuation and sustainability of real estate assets.

Anti-Corruption

We maintain a zero-tolerance policy against corruption, bribery, fraud and money laundering. All employees are required to comply with the Manager's anti-corruption policy. Compliance training, covering anti-corruption and ethics, is held annually for all employees to reinforce ethical conduct in business dealings. The compliance training for FY 2020/21 included the following topics:

- Anti-Corruption
- Code of Conduct
- Conflicts of Interest
- Related Party Transactions
- Personal Trading
- Gifts and Entertainment
- Whistleblowing
- Obligations of Appointed Representatives of Manager
- Training requirements
- Personal Data Protection
- Crisis Management and Data Breach Management Procedures
- Outsourcing Arrangements
- Anti-Money Laundering & Countering Financing of Terrorism

All employees, including the CEO, who is also a Board member, attended the compliance training which was conducted virtually due to COVID-19.

A whistleblowing policy is also in place as a secure channel for employees and other persons to report potential or actual improprieties in financial and operational matters. Whistleblowers' identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow-up actions. Complaints can be made verbally or in writing to whistleblowing@ytlstarhill.com.

For more details on whistleblowing, please refer to pages 110 to 111 of this Annual Report.

Target and Performance

Our target is to have no incidents of corruption. There were no confirmed cases of corruption in the reported period.

Customer Health and Safety

The health and safety of our tenants, shoppers and visitors remain high priority areas for the Manager. Therefore, the appropriate safety and hygiene measures and standard operating procedures are in place across our properties to mitigate risk and deal with emergencies.

Adequate safety and health measures, including fire safety, first aid, safety training, emergency evacuation drills, and preventive maintenance of lifts and escalators, have been implemented across properties, complying with local regulations.

All properties have implemented standard fire safety operating procedures following local building fire safety regulations. Properties are equipped with firefighting equipment such as fire hoses, fire extinguishers, illuminated exit signage and fire alarms. In addition, periodic fire safety audits are conducted to test the equipment and systems. Fire and evacuation drills are conducted at least once a year for the malls and office towers in Singapore, Australia and Malaysia Properties to familiarise tenants and staff with emergency response plans.

In Australia, emergency procedures training is provided to all Myer Centre Adelaide CBRE staff. Also, an external consultant carries out an annual inspection on fire and emergency controls for compliance. In Malaysia, tenants, management staff, security and fire wardens work together with the Fire and Rescue Department of Malaysia to conduct fire drills. Property management teams in Singapore are trained in first aid. In Japan, fire drills are planned annually but have been put on hold during the reporting period due to COVID-19.

The Manager has implemented policies to ensure that renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. In Singapore, the Codes of Practice includes these requirements. In Australia, lift maintenance is carried out monthly at Myer Centre Adelaide and an annual safety test is carried out on each lift. The maintenance of elevators within the David Jones department store is carried out by the tenant, who provides periodic updates to the Manager.

CUSTOMER HEALTH AND SAFETY		
FY 2020/21 Target	**FY 2020/21 Performance**	**FY 2021/22 Target**
Zero accidents involving severe injuries within our properties		

HEALTH & SAFETY

Zero
Reported Major Incidents
of non-compliance with regulations and/or voluntary codes relating to customer health & safety occuring on the premises of our properties.

SUSTAINABILITY REPORT

In Malaysia, the Department of Occupational Safety and Health conducts the assessment of lifts. Additionally, internal audits are conducted to periodically review the operating effectiveness of key controls over the fire safety arrangements of assets.

At Wisma Atria in Singapore, ground staff such as security officers, property officers and mall technicians have been trained to respond to incidents within a reasonable and practicable time frame. Procedures have been laid down for the ground staff to update the Operations team promptly through any available communication means – WhatsApp messages or telephone calls. Incidents involving any business disruption, property loss, or loss of life are immediately escalated to the Management team. As a standard practice, the operations team is required to submit an incident report within 24 hours of its occurrence.

A 360 degree video camera mounted on safety helmets as digital site inspection tool was also adopted to track and monitor refurbishment works at Wisma Atria, reducing the number of people required for physical inspections.

In Australia, in the event of an emergency, the property manager will adhere to the Emergency Communication Protocol established in each respective property. As part of the protocol, the property manager will be alerted immediately, and the property manager will in turn inform the Manager.

Myer Centre Adelaide hosts the monthly Adelaide CBD BusinessWatch meetings where the various security divisions at South Australia Police Division and representatives from major organisations discuss security, safety, threats and risk related issues. The ongoing engagement enables a strong working relationship between the centre management and South Australia Police Division. The meetings are currently on hold due to COVID-19 restrictions.

COVID-19 MEASURES

Since the beginning of the COVID-19 pandemic, the Manager has implemented enhanced health and hygiene measures to prevent outbreaks. Working closely with local regulators and stakeholders, the Manager has constantly stepped up or adjusted the safe management measures to minimise the risk of infections.

Singapore

- Adoption of air cleaning technology, which uses photo-catalytic oxidation (PCO) and ultraviolet wavelength (UVC) in the air handling units (AHUs) to oxidise and decompose biological contaminants, sanitising the air in our retail and office assets
- Purging indoor air of the building is conducted at night to allow an intake of outdoor air at least once a day
- Temperature screening and queue management for shoppers, tenants and visitors
- Equipping all sliding doors with auto-sensor capabilities for contactless entry
- Application of antivirus, antimicrobial and antifungal coating spray onto high-touch points such as lift buttons and escalator handrails, railings, taxi stand seats, and door handles
- Autonomous UV-C Disinfection Robot deployed during non-operational hours for thorough cleaning of surfaces, especially hard-to-reach surfaces at common circulation areas
- Increased cleaning and disinfection frequency
- Plans to install contactless elevator buttons in Wisma Atria (retail mall) as part of the ongoing interior upgrading works

Australia

- Installation of Perspex screens at the Reception and Customer Service Desk of Myer Centre Adelaide
- Increased cleaning of high traffic and high-touch points
- Installation of hand sanitiser stations near all amenities, the food court and adjacent to store directories
- Social distancing posters, signage and floor decals to remind shoppers to keep a safe distance
- Reducing maximum capacity of lifts to comply with South Australian physical distancing requirements
- Protective equipment and sanitisers or wipes provided to all staff
- Encouraging tenants to provide contactless payment option to reduce risk of the spread of virus at the Plaza Arcade

Malaysia

- Public hand sanitiser stations installed
- Latest pandemic statements located at entrance
- White Factor Air-Humidifier installed at cheerleader counter; lift capacity restrictions at Lot 10

Target and Performance

Our ongoing target is to have zero accidents involving severe injuries within our properties. There were no reportable accidents or significant incidents of non-compliance with regulations or voluntary codes relating to customer health and safety occurring on the premises of our properties in the reported period.

Customer Privacy

We are committed to safeguarding the personal data of employees and other stakeholders. Accordingly, the Manager has implemented a personal data protection policy in compliance with the Singapore Personal Data Protection Act ("PDPA") 2012. The policy provides clear guidelines governing the collection, use, protection and disclosure of individuals' personal data. For example, at Wisma Atria, the measures include seeking consent from shoppers before collecting, using, or disclosing their personal data in compliance with the PDPA. In addition, their personal data is protected through encryption or passwords.

Target and Performance

Our target is to have zero breaches of data protection and privacy laws. There were no substantiated complaints concerning breaches of customer privacy in the reported period.

Tenant Satisfaction

We proactively engage with our tenants and seek their feedback to improve customer service and experience. Our annual tenant surveys aim to gather feedback from our tenants covering areas such as tenant management services, effectiveness of promotional events, building security and building safety as well as maintenance. We analyse survey results to identify potential gaps and areas of improvement and appropriate follow-up actions. Our tenant survey score indicates a high satisfaction level at all stages of service to our customers.

TENANT SATISFACTION SURVEY RESULTS

61.6% of relevant tenants responded to the survey

Retail	Number of Tenants	%
Satisfied	705	94.8
Not Satisfied	39	5.2
Total	**744**	**100**

Office	Number of Tenants	%
Satisfied	874	97.1
Not Satisfied	26	2.9
Total	**900**	**100**

Support for Tenants Amidst the COVID-19 Pandemic

We stand in solidarity with our tenants during these unprecedented times, proactively implementing various initiatives to boost shopper traffic. For example, Wisma Atria held monthly lucky draws, leveraging our social media presence to motivate shoppers to spend and win. We purchased vouchers in excess of S$200,000 from tenants for this project, which received a lot of support.

Free parking at Wisma Atria was also offered during Phase 2 (Heightened Alert) in June 2021 to encourage shopper traffic. We started a promotional campaign to offer customers S$5 off all F&B orders placed through the Grab Food platform as the government introduced dining-in restrictions to curb the number of COVID-19 cases.

In FY 2020/21, approximately S$9.6 million of rental assistance for eligible tenants was provided, including an allowance for rental arrears and rebates for the tenants in Australia.

Unitholder Communications

Timely and effective communications with all stakeholders, particularly Unitholders, is crucial for building trust and promoting transparency and accountability. Therefore, the Manager shares the necessary information using a wide range of communication channels, such as SGX announcements, press releases, briefing sessions, investor presentations and conferences, annual reports, corporate videos, corporate website, and emails to disseminate information on its financial and operational performance, business plans and latest developments.

Due to COVID-19 restrictions on physical gatherings, the Manager has conducted most meetings with investors via electronic means in FY 2020/21.

SUSTAINABILITY REPORT

Supply Chain

Our supply chain includes our property managers, tenants and suppliers for various goods and services. We require our suppliers to comply with local government and legal requirements as a condition for being appointed as contractors and service providers. Potential tenants and suppliers are also evaluated and selected based on their reputation, track records and expertise in their field to ensure common standards across SGREIT's business units. Due diligence is carried out for engagements that are complex or entail high financial risks to ascertain their financial standing and track record for heightened risk.

Socio-economic Compliance

We are committed to lawfully conducting SGREIT's operations, complying with applicable rules and regulations, including in the socio-economic area. Accordingly, the Manager has adopted policies and measures to ensure legal compliance.

Target and Performance

Our target is to have zero incidents of significant non-compliance with socio-economic regulations.

In FY 2020/21, there were no cases of significant non-compliance with socio-economic regulations.

Environmental Conservation

Our Approach

- Promoting energy efficiency in our properties
- Mitigating climate-related risks in our portfolio
- Improving water efficiency
- Managing waste responsibly

We are committed to minimising the environmental footprint of our portfolio properties.

Our policy is to address the most significant environmental impacts, risks and opportunities associated with our properties. Based on a materiality assessment, the most relevant issues we focus on are energy, carbon emissions, and water consumption. Buildings consume significant energy to power lighting systems and ensure comfortable indoor temperatures for our tenants and shoppers. Our target is to improve energy efficiency across our properties continuously, lowering our operational carbon emissions.

Water is essential for our tenants, shoppers, and visitors to our malls and office buildings. Yet, at the same time, water is also increasingly a scarce resource that requires conservation efforts.

Our approach is to make our properties water-efficient to reduce consumption.

Waste is generated across our properties by tenants and shoppers. While this is no longer assessed to be a material topic, we continue to monitor waste generation and engage with our tenants to minimise waste.

Green building certifications, asset enhancements, upgrades and retrofits are some of the strategies we have for improving energy and water efficiencies in our properties. For example, in Singapore, our property Ngee Ann City was awarded the BCA Green Mark Platinum certification in 2019 by the BCA. In addition, we aim to conduct a gap analysis in FY 2021/22, with a goal to achieve Green Building status in six to eight years for Wisma Atria.

The green efforts of the Manager and property manager's offices in Singapore were re-certified by the Singapore Environment Council (SEC) under the Eco Office programme from May 2021 to May 2023. The Eco Office programme recognises effective environmentally-friendly and responsible workplace practices.

We track and report energy, emissions, water and waste data for properties where the Manager has direct operational control. Please refer to our environmental performance data in this report.

SUSTAINABLE CERTIFICATION OF OUR PROPERTIES

Certification	Description of Awards / Certifications / Ratings / Labelling Schemes	Property	Year of Award
NABERS Energy Base Building – 5.0-star rating	A national rating system that measures the environmental performance of Australian buildings, tenancies and homes	Myer Centre Adelaide (Terrace Towers)	August 2020 to August 2021
BCA Green Mark Platinum Award 2019	A national initiative by the BCA to shape a more environmentally friendly and sustainable built environment in Singapore	Ngee Ann City	2019

Climate Change

We recognise climate change as a significant environmental risk that needs to be managed carefully. This report includes carbon emissions from the properties under the Manager's direct control. We are also embarking on a systematic assessment of climate-related risks and opportunities for our portfolio to develop a coherent strategy to stay relevant in a net-zero world.

ENERGY

TOTAL ENERGY CONSUMPTION at Wisma Atria has seen a **REDUCTION OF**

11.4%

from the base year of FY 2016/17, on track to meeting our 10-year target of reducing electricity consumption by 15%

Energy

Purchased electricity remains the primary form of energy used in SGREIT properties. Our target is to achieve a 15% reduction in energy use for Wisma Atria over 10 years compared to the base year FY 2016/17.

Targets and Performance

For Wisma Atria in Singapore, we recorded a marginal increase of 2.2% in electricity consumption y-o-y in FY 2020/21. This can be attributed to extra measures to purge indoor air in the mall daily, in line with government guidelines, as well as a lower base in FY 2019/20 owing to the Circuit Breaker measures and work-from-home arrangements. In Australia, electricity consumption was reduced by 4.7% y-o-y in FY 2020/21. Overall our portfolio saw a 1.0% decrease in electricity consumption y-o-y in FY 2020/21.

In Singapore, renewal of the Green Mark for the Ngee Ann City is targeted to be completed in FY 2021/22. For Wisma Atria, we aim to conduct a gap analysis in FY 2021/22, with a goal to achieve Green Building status in six to eight years. We also target to continue reducing our electricity consumption at Wisma Atria in line with our target set in FY 2016/17, to achieve a 15% reduction in energy consumption over a 10-year period. This goal will be attained through a gap analysis and various enhancement initiatives. As at FY 2020/21, we have achieved an 11.4% reduction in electricity consumption at Wisma Atria, as compared to the base level at FY 2016/17.

In Australia, we target to replace 30% of the lights at Myer Centre Adelaide with energy efficient LED lights by FY 2021/22. This will generate an estimated 20% in energy savings for the respective lights. By 2025, we aim to have 100% of conventional lighting replaced with LED lights. We also target for the property to improve the Building Management System's (BMS) operating schedules so as to optimise lighting, air-conditioning and heating costs. Also, our target is to establish a roadmap for obtaining NABERS Retail Shopping Centre rating, with a view to achieving a NABERS rating for Myer Centre Adelaide (Retail) in six to eight years.

For our Singapore and Australia properties, we aim to incorporate green practices in our tenant fit-out guidelines for new tenants in the medium term.

Our performance relating to energy efficiency initiatives is described in the following sections.

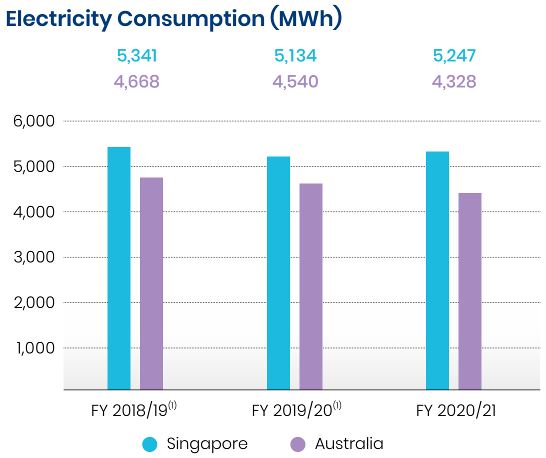
Energy Efficiency Initiatives

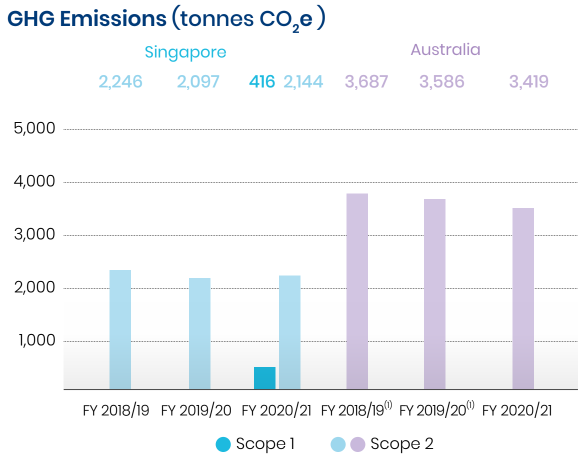
We have implemented several initiatives to reduce energy consumption in our properties. For example, the mechanism for passenger lifts has been switched to energy-saving models to reduce energy use in Wisma Atria.

The lights at Wisma Atria's common spaces have been replaced with LED lights to

SUSTAINABILITY & GOVERNANCE

ENERGY PERFORMANCE CHARTS





Note:
SGREIT commenced the reporting of Scope 1 emissions in FY 2020/21.

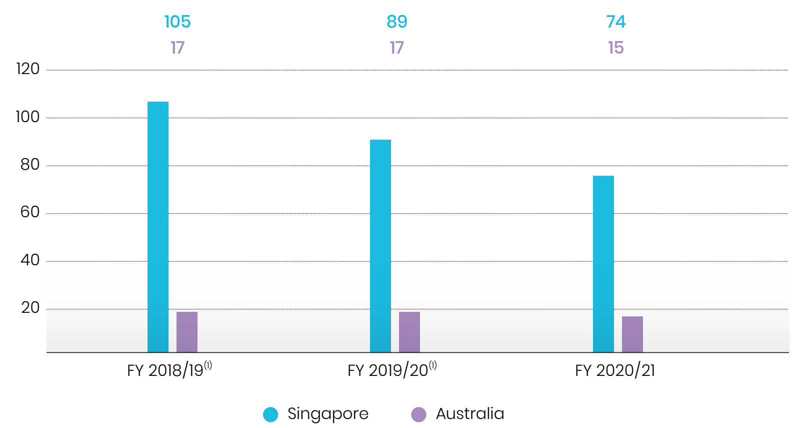
increase energy efficiency. Additionally, motion sensors have been installed on every LED fixture at the mid-landing of all staircases, which switch off the lights automatically after 30 seconds if there is no activity. Furthermore, in FY 2020/21, we also completed the overhaul of three less-efficient chiller systems at Wisma Atria which will reduce energy consumption.

In Australia, we continue to progressively upgrade our existing infrastructure with energy saving alternatives. Work is currently in progress to upgrade two escalators at the retail podium of Myer Centre Adelaide.

We have stipulated in our fit-out guide for tenants of Myer Centre Adelaide that only LED fittings would be approved at the design stage to ensure the use of energy efficient fittings.

In FY 2020/21, some of the food court light fittings were replaced with LED to save energy. The project was completed in May 2021.

WATER WITHDRAWAL (ML)



The fluorescent lighting in the main mall of Perth's Plaza Arcade has been replaced with energy-efficient LED lighting. To reduce electricity consumption, the property management has implemented an electricity schedule that only turns on required lights at night.

In Malaysia, fluorescent lights have been replaced by LED lights in all parking places and common areas of both complexes. In addition, the master tenant requires that incoming tenants use LED lights in their fit-out or renovation works. Also, one parking lot has been reserved for electric vehicles at Lot 10 for green-conscious drivers.

Note:
(i) Data for Australia has been restated to account for consumption at the common areas of the properties only.

GHG Emissions

GHG emissions, or carbon emissions, result from the use of purchased electricity (Indirect Scope 2 Emissions) and fuel and refrigerants (Direct Scope 1 Emissions) in our properties. As part of our climate strategy, we measure and monitor Scope 1 and Scope 2 emissions relating to the properties within our operational control. The total Scope 1 and Scope 2 emissions in FY 2020/21 in Singapore amounted to 2,560 metric tonnes of CO_2e. The total emission for our boundary properties in Australia was 3,419 metric tonnes of CO_2e for the same period. This is our first year of reporting emissions. As the next step, we will establish an emissions target in FY 2021/22.

Water Conservation

We are committed to constantly improving water efficiency in our properties. We have carried out a water risk analysis using the WRI's Aqueduct tool and identified Singapore, Adelaide and Malaysia as areas where the water stress score is projected to be 'high' or 'extremely high' in the year 2030. Therefore, we will be working to develop water conservation strategies to enhance the water resilience of our properties in these locations.

WATER

WATER USAGE FY 2020/21

16.6%

Reduction in water consumption at Group's properties within this report y-o-y in FY 2020/21

Target and Performance

In FY 2020/21, Wisma Atria registered a 16.9% reduction in water consumption y-o-y. There was also a 14.7% reduction in water consumption at our Australia Properties. Overall, there was a 16.6% decrease on a portfolio level y-o-y in FY 2020/21. This is mostly due to reduced usage of common facilities such as toilets due to a fall in shopper traffic as a result of COVID-19.

In Singapore, for Wisma Atria, our target is to replace 80% of fittings with 3-tick water-efficient fittings in FY 2021/22 and 100% replacement by FY 2022/23. We also aim to conduct a gap analysis in FY 2021/22, which will include the setting of water-related targets, with a goal to achieve Green Building status in six to eight years.

In Australia, we will be installing water-saving taps and reducing water temperatures in customer toilets in Myer Centre Adelaide. Also, our roadmap for NABERS Retail rating will include water-related targets. Our target is to achieve a NABERS rating for Myer Centre Adelaide (Retail) in the next six to eight years. In FY 2021/22, we plan to enhance our engagement with tenants in Singapore and Australia to encourage water conservation.

Water Conservation Initiatives

In Singapore, property managers attended the Water Efficiency Manager Course to develop their skills and knowledge about water conservation. Our properties in Singapore have also achieved Water Efficient Building Certification from the Public Utilities Board ("PUB"), Singapore's national water agency.

We have progressively increased the proportion of high-grade reclaimed water ("NEWater") used in our malls in Singapore. NEWater is now used for cooling towers, fire protection systems such as sprinklers and wet risers, taps for AHU rooms, bin centre and ad-hoc cleaning like façade cleaning.

Wisma Atria in Singapore boasts water-saving features and fittings approved by the PUB's Water Efficiency Labelling Scheme ("WELS"). Our buildings are also equipped with Water Efficiency Management Plans ("WEMPs"), which help the Manager understand how water is used within the building and identify ways to reduce water usage and increase water efficiency. As mandated by PUB, private water meters have been installed at critical areas to provide an early warning of possible water leaks and monitor water consumption. These measures reduce water consumption and save costs for tenants.

SUSTAINABILITY REPORT

Waste Management

Waste is generated in our properties mainly by our tenants. Therefore, we encourage our tenants to reduce and recycle their waste. We appoint licensed contractors to collect and safely dispose of waste at our Singapore Properties in compliance with local regulations.

Target and Performance

Our waste-related targets focus on tenant engagement and awareness. Targets for FY 2021/22 include tenant engagement and education to encourage recycling via circulars, and posters to encourage recycling of paper, plastic and carton waste. In Singapore, our target is to establish a food waste management system in Wisma Atria by 2024.

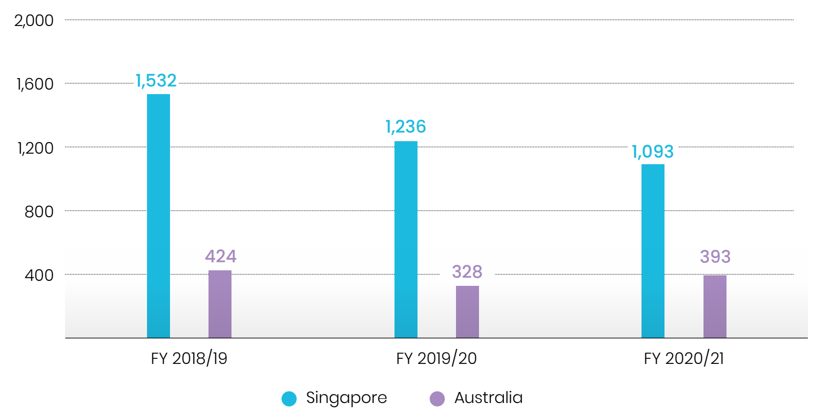
We collected 1,486 tonnes of waste from our Singapore and Australia Properties in FY 2020/21. A total of 115 tonnes of waste was recycled, representing 7.8% of our total waste.

In Singapore, our e-waste collection campaign aims to collect e-waste from our tenants in Wisma Atria. The programme has received a positive response. In FY 2020/21, a total of 550 kg of e-waste, such as information technology (IT) peripherals, was collected for recycling. Since the launch in FY 2018/19, the total weight of e-waste collected is 1,675kg.

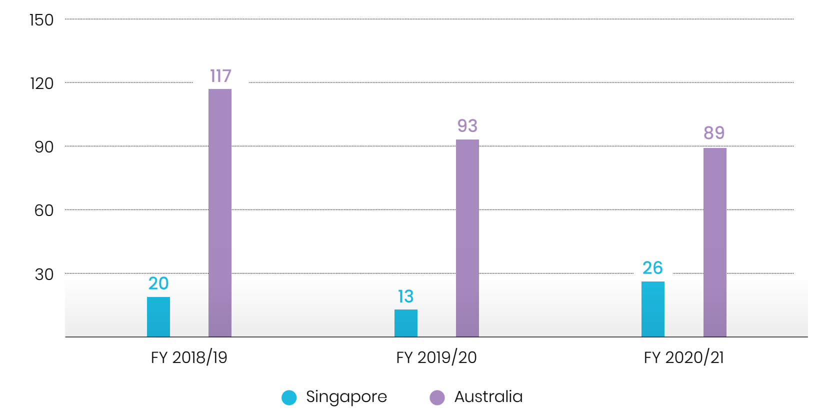
Lot 10 Hutong is also participating in the YTL Group SNAP campaign (Say No to All Plastics), focusing on F&B takeaway plastic related containers, cutlery, cups, bags, etc., to reduce plastic waste.

In Australia, waste from Plaza Arcade and David Jones Building is collected by the City of Perth. We support these recycling efforts by working with the City of Perth to place recycling bins at Plaza Arcade. Waste generated at Myer Centre Adelaide is collected for recycling by our waste removal contractor, Veolia Environment Services SA, who collects, sorts and delivers the waste to the respective facilities for recycling. In addition, Myer Centre Adelaide has a compactor dedicated to cardboard waste, and recycles cooking oil. The Myer Centre has a dedicated cardboard skip to collect carton waste. On average, 25% (or approx. 8,000 kg) of the site's waste is diverted from landfill and taken to a recycling facility.

NON-HAZARDOUS WASTE GENERATED
(metric tons)



TOTAL RECYCLED WASTE
(metric tons)



Environmental Compliance

We are committed to abiding by all applicable environmental rules and regulations. Our ongoing target is to strive for zero non-compliance with environmental laws. There were no cases of non-compliance with environmental regulations in the reported period.

Initiatives

Earth Hour Participation

Date: 27 March 2021

As a dedicated supporter of the Earth Hour cause, we switch off the façade lights of our properties such as Wisma Atria, Lot 10 and The Starhill annually and continued to do so this year. Some mall tenants also participated and turned off non-essential lights from 8.30 p.m. to 9.30 p.m. in support of Earth Hour. This year, Wisma Atria was the only Orchard Road mall to be featured in the post-event report of Singapore's First Virtual Earth Hour event hosted online by World Wide Fund for Nature ("WWF") Singapore. Together, we play our part to contribute to the global movement and raise awareness about global warming.

EARTH HOUR AT WISMA ATRIA

Before

After

Initiatives

Recycling Bins

Date: Ongoing

In Singapore, to encourage tenants and employees to recycle more, we have provided recycling bins at the Wisma Atria office building and the bin centre.

In Malaysia, we have been encouraging the public to recycle their pre-owned clothes, handbags, belts, linen and soft toys. For example, recycling bins have been placed at Lot 10 in an initiative organised in collaboration with Kloth Cares by Kloth Lifestyle, a sustainable fashion brand based in Malaysia. The collection drive reduces the waste sent to landfills and extends the life of clothing items, avoiding the ecological impact of manufacturing new clothes. Old fabrics are repurposed in a variety of ways, including donations to underserved communities, usage as clothing and industrial wiring cloth, conversion to refuse-derived fuel as designed fuel, and even repurposing to produce blankets and other products.

Lot 10 collected 7,000 kg of fabric in FY 2020/21, and close to 12,000 kg since June 2017.

The National Cancer Council Malaysia ("MAKNA"), Malaysia Association for the Blind ("MAB"), and Recycle Community Malaysia Lestari ("RCOMM Lestari") receive all proceeds from the sale of items in this campaign.

SUSTAINABILITY REPORT

Empowering Our People

Our Approach

- Creating a well-balanced workplace that is healthy and safe
- Fostering fair and equitable workplace conditions
- Caring for our employees through active engagement
- Nurturing human capital through learning and development

Our employees are our greatest asset. We are committed to empowering and developing our people to be their best. Accordingly, our human resource policies promote a fair, inclusive and safe working environment. Our people-centric business philosophy is reflected in SGREIT's values statement, where two of the six operating principles - Fulfilment for our people and Teamwork - relate to our employees.

Employees

As at 30 June 2021, the Manager has 31 employees(1), all located in Singapore, holding permanent positions and no temporary employees. We have only one part-time employee for the reported period.

In FY 2020/21, we hired three new employees, resulting in a hiring rate of 9.7%.

Diversity and Inclusion

Our human resource policies promote diversity and inclusion at the workplace. With a diverse portfolio of properties located in Singapore, Australia, Malaysia, Japan and China, we consider cultural diversity a strength. Women account for 58.1% of the Manager's employee base. Women also hold 64.3% of managerial roles and 25.0% of the senior management roles. New hires in FY 2020/21 comprised 66.7% female employees. Our workforce is also representative of diverse age groups.

Employee Well-being

Our employees' health and well-being are vital areas for us. In the persisting COVID-19 pandemic, our people's health, welfare and well-being have become ever more critical. We have taken several measures to ensure our employees remain safe, healthy and well supported as they mostly worked from home due to lockdowns or other restrictions imposed by the local government to control outbreaks.

We believe in nurturing a pleasant and friendly work culture to promote a happy and satisfying workplace. We have implemented ongoing programmes that support work-life balance, bonding and teamwork.

The Manager provides government-paid maternity and paternity leave to all eligible female and male employees in Singapore. In FY 2020/21, one male and one female employee were entitled to parental leave. Other employee benefits include medical insurance, birthday leave, wedding leave and vouchers, childbirth vouchers, and service awards.

PROTECTING EMPLOYEES FROM COVID-19

Working closely with regulatory agencies, we have implemented a range of measures to protect our employees. Some of the measures included the following:

- Split teams and staggered working hours to avoid crowding in offices and public transport
- Work-from-home arrangements for employees where possible
- Company-provided surgical masks and individual thermometers
- Enhanced cleaning of high-touch points and placing hand sanitisers at these touchpoints
- Encouraging employees to participate in webinars and workshops on mental health during World Mental Health Month in October
- A paid day off for staff when they take their COVID-19 vaccination
- Employees were given a one-off cash allowance to facilitate the work-from-home arrangement

Read more about our COVID-19 measures on page 82.

Note:

(1) SGREIT is managed by YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore.

	FY 2020/21		
	Male	Female	Total
Parental Leave			
a. Total no. of employees that were entitled to parental leave	1	1	2
b. Total no. of employees that took parental leave	1	1	2
c. Total no. of employees that returned to work after parental leave ended	1	1	2
d. Total no. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	No employees took parental leave in FY 2019/20		
e. i) Return to work rate	100%	100%	100%
ii) Retention rate	No employees took parental leave in FY 2019/20		
Total no. of employees that took Childcare Leave	5	7	12

Talent Management and Development

We are committed to investing in our people's learning and development to help them realise their full potential. We believe ongoing training drives productivity, personal and professional development and employee satisfaction. Our investment in training also means that our people are future-ready by constantly updating their skills and knowledge to stay relevant.

Our employees get regular opportunities to attend training, workshops and seminars on management, technical skills, communication, leadership and other topics relevant to their work.

Due to the COVID-19 pandemic and the safe management measures implemented locally and globally, we encourage employees to participate in online learning and training.

Target and Performance

Our target is to provide average 25 hours of training per employee. In FY 2020/21, the average training hours per employee was 27.2 hours, up from 20.9 hours achieved in FY 2019/20. Our target is to maintain 75 hours of average training hours per employee over the three-year block beginning in FY 2020/21.

Performance Management

A fair and objective performance management system is essential for maintaining high-performance teams. Therefore, our performance appraisal system measures performance, recognises employee achievements, and identifies areas of development. The annual performance appraisal process covers all employees to assess performance against established objectives.

We recognise each employee for their valuable contributions at work, highlight areas for development, and set realistic goals for the next review period during staff appraisal.
In FY 2020/21, all employees participated in the annual appraisal exercise.

Occupational Health and Safety

We are committed to promoting a safety culture among our employees and contractors who perform various services in our properties. We do so by identifying and mitigating safety and health hazards through preventive measures and staff training. In line with local building safety regulations, we engage in regular inspections for safety, health and hygiene. We require external contractors to abide by safety-related rules while performing work in our properties.

For its workplace safety measures, the Manager was awarded a BizSAFE Level 3 Certification by the Workplace Safety and Health Council, Singapore, in September 2018 with a three-year validity. BizSAFE Level 3 recognises that a company has put in place systems to manage workplace risks and complies with WSH (Risk Management) Regulations. The Manager plans to renew the certification in September 2021.

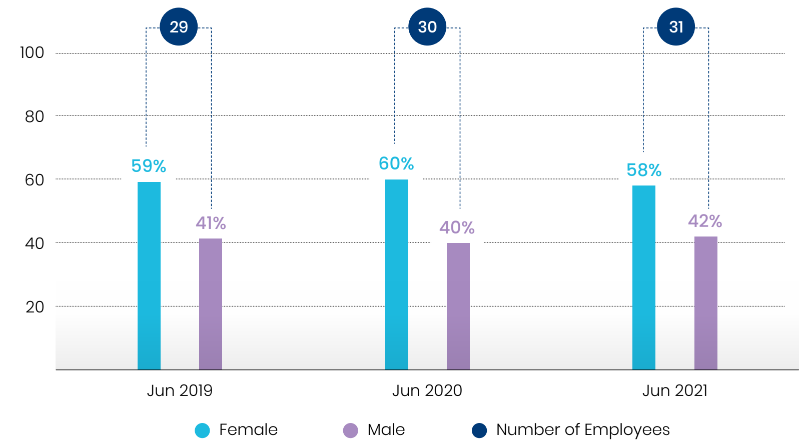
There were no incidents of fatal accidents, severe workplace injury or occupational diseases among our employees or onsite contractors in the reported period. Total man-hours worked amounted to 64,120 hours.

EMPLOYEE TRAINING		
FY 2020/21 Target	**FY 2020/21 Performance**	**FY 2021/22 Target**
Average 25 hours per employee	27.2 training hours per employee	Average 25 hours per employee

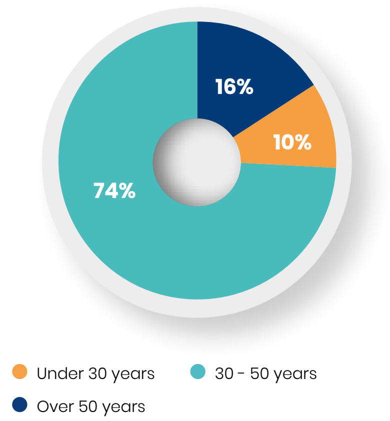
OCCUPATIONAL HEALTH AND SAFETY		
FY 2020/21 Target	**FY 2020/21 Performance**	**FY 2021/22 Target**
Zero accidents involving severe injuries		
No incidents of occupational diseases		
Zero work-related fatalities		

SUSTAINABILITY REPORT

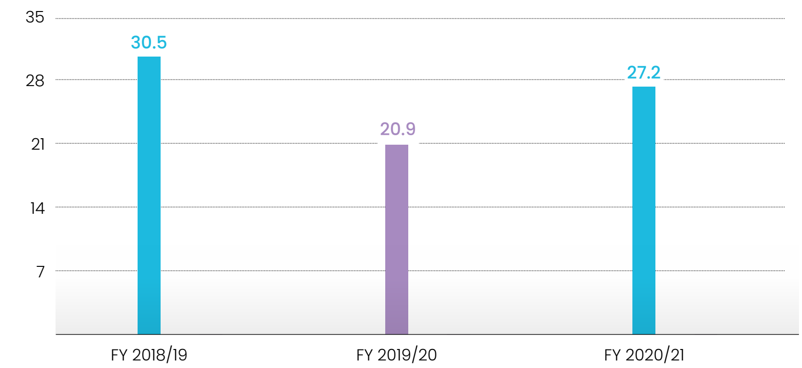
TOTAL EMPLOYEES BY GENDER



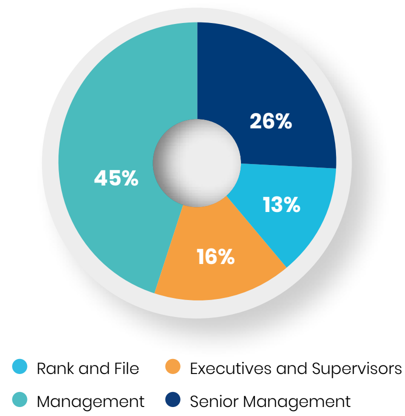
EMPLOYEES BY AGE GROUP (As at Jun 2021)



AVERAGE TRAINING HOURS PER EMPLOYEE (FULL-TIME EMPLOYEES)



EMPLOYEE BY EMPLOYMENT CATEGORY (As at Jun 2021)



Average Training Hours per Employee by Category and Gender (Full-time Employees)	FY 2020/21 Male	Female
Rank and file	0.0	7.7
Executives and Supervisors	25.0	44.6
Management	31.7	24.1
Senior Management	22.9	56.0
Average	**26.9**	**27.4**

TOTAL NUMBER OF EMPLOYEES
By Employment Category and Gender

Employment Type	Jun 2019 % Male	Jun 2019 % Female	Jun 2020 % Male	Jun 2020 % Female	Jun 2021 % Male	Jun 2021 % Female
Rank and file	0%	100%	0%	100%	0%	100%
Executives and Supervisors	50%	50%	40%	60%	40%	60%
Management	36%	64%	36%	64%	36%	64%
Senior Management	71%	29%	71%	29%	75%	25%

TOTAL EMPLOYEES
31

TOTAL NUMBER OF EMPLOYEES
By Employment Category and Age Group

Employment Type	Jun 2019 < 30 years	Jun 2019 30 - 50 years	Jun 2019 > 50 years	Jun 2020 < 30 years	Jun 2020 30 - 50 years	Jun 2020 > 50 years	Jun 2021 < 30 years	Jun 2021 30 - 50 years	Jun 2021 > 50 years
Rank and file	25%	50%	25%	25%	50%	25%	25%	50%	25%
Executives and Supervisors	25%	75%	0%	20%	80%	0%	20%	80%	0%
Management	21%	79%	0%	14%	86%	0%	7%	93%	0%
Senior Management	0%	71%	29%	0%	57%	43%	0%	50%	50%

EMPLOYEE HIRES IN FY 2020/21
By Age Group and Gender

Employment Type	Age group	Male	Female	Total	%
Hires	Below 30	0	0	0	0%
	30-50	0	2	2	67%
	Above 50	1	0	1	33%
	Total	**1**	**2**	**3**	**100%**
	% Gender	**33%**	**67%**		

TOTAL HIRES
3

EMPLOYEE TURNOVER IN FY 2020/21
By Age Group and Gender

Employment Type	Age group	Male	Female	Total	%
Turnovers	Below 30	0	0	0	0%
	30-50	0	2	2	100%
	Above 50	0	0	0	0%
	Total	**0**	**2**	**2**	**100%**
	% Gender	**0%**	**100%**		

TOTAL TURNOVER
2

SUSTAINABILITY REPORT

Enriching Communities

Our Approach

- Strive to positively impact and enrich the lives of people in the communities where we operate

We are committed to making a positive contribution to the local communities we operate in through corporate social responsibility initiatives. Despite the challenges imposed by the COVID-19 restrictions, we continued our community engagement where possible.

An Inspiring Christmas at Wisma Atria's Christmas 2020

Wisma Atria was decked out in pink Christmas decorations, and featured a model train, which ran around a lighted Christmas town crafted from reclaimed wood chips and plant fibres. Christmas gift wrap, distributed via the mall's spend-and-redeem tiers, was made from recycled materials.

Singapore Water Day 2021

In March 2021, Wisma Atria collaborated with PUB to raise awareness for climate change. The outdoor steps at Wisma Atria building were lit blue for the entire month as part of this initiative.

Walk for Rice and Sing It Louder Concert screening

Wisma Atria sponsored airtime on its façade screen and contributed S$2,500 worth of vouchers to the "Walk for Rice" and "Sing It Louder" concert screening charity events. Both were part of a collaboration with Harvest Care Centre and South East Community Development Council to help less privileged youth and families residing in South East District who were affected by COVID-19.

"Kita Jaga Kita"

In collaboration with The Little Giant, Lot 10 in Malaysia held the "Kita Jaga Kita" pop-up market. The initiative was organised to support home-grown entrepreneurs and small business owners. A total of 24 vendors participated in this event held in October 2020, which was well-received.

1

2

3

4

1. Sustainable christmas decorations at Wisma Atria.
2. The outdoor steps at Wisma Atria were lit blue for the entire month of March for Singapore Water Day.
3. Participants deposit check point maps for the Virtual Walk for Rice.
4. The "Sing it Louder" concert screening in support of Harvest Care Centre and the South East Community Development Council.

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	403-2 Hazard identification, risk assessment, and incident investigation	91
	403-3 Occupational health services	91
	403-4 Worker participation, consultation, and communication on occupational health and safety	91

GRI Standard	Disclosure	Page Number(s)
Management Approach Disclosures 2018 *(continued)*	403-5 Worker training on occupational health and safety	91
	403-6 Promotion of worker health	90
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	91
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	91
	403-9 Work-related injuries	75, 91
	403-10 Work-related ill health	75, 91
TRAINING AND EDUCATION		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	78
	103-2 The management approach and its components	78, 91
	103-3 Evaluation of the management approach	91, 92
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	91, 92
	404-3 Percentage of employees receiving regular performance and career development reviews	91
DIVERSITY AND EQUAL OPPORTUNITIES		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	78
	103-2 The management approach and its components	78, 90
	103-3 Evaluation of the management approach	90
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	90
LOCAL COMMUNITIES		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78
	103-2 The management approach and its components	78, 94
	103-3 Evaluation of the management approach	94
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	94
CUSTOMER HEALTH AND SAFETY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	78
	103-2 The management approach and its components	78, 81
	103-3 Evaluation of the management approach	81
GRI 416: Customer	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	81
CUSTOMER PRIVACY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	78
	103-2 The management approach and its components	78, 83
	103-3 Evaluation of the management approach	83
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	83
SOCIO-ECONOMIC COMPLIANCE		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	78
	103-2 The management approach and its components	78, 84
	103-3 Evaluation of the management approach	84
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	84

SASB INDEX

Real Estate Sustainability Accounting Standard.

Topic	SASB Code	Accounting Metric	Property Subsector	FY 2020/21
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Shopping Centre (N761)	30.4%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Shopping Centre (N761)	(1) 34,512GJ (2) 100% (3) 0%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Shopping Centre (N761)	-1.0%
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Shopping Centre (N761)	(1) 7.2% (2) Not applicable in SG and AUS
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Shopping Centre (N761)	Pg 85
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Shopping Centre (N761)	(1) 30.4% (2) 22.8%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Shopping Centre (N761)	(1) 88,576m^3 (2) 16.6%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Shopping Centre (N761)	-16.6%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Shopping Centre (N761)	Pg 87
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Shopping Centre (N761)	Not reported
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Shopping Centre (N761)	Not reported
	IF-RE-410a.3	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	Shopping Centre (N761)	Not reported
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Shopping Centre (N761)	Not reported
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Shopping Centre (N761)	Not reported

Activity Metric	Property Subsector	FY 2020/21	SASB Code
Number of assets, by property subsector	Shopping Centre (N761)	4	IF-RE-000.A
Leasable floor area, by property subsector	Shopping Centre (N761)	1,224,436 sq ft	IF-RE-000.B
Percentage of indirectly managed assets, by property subsector	Shopping Centre (N761)	0%	IF-RE-000.C
Average occupancy rate, by property subsector	Shopping Centre (N761)	93.8%	IF-RE-000.D

Note:
Reported data refers to the following four properties that we have covered in this report: Wisma Atria (Singapore), Myer Centre Adelaide, David Jones Perth and Plaza Arcade Perth (Australia).

TCFD DISCLOSURES

TCFD DISCLOSURES

From this report, we have started aligning our sustainability report with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The following table indicates our progress toward TCFD recommended reporting.

Code	TCFD Recommendations	2020 Disclosures
GOVERNANCE		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	79
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	80
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	80
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	80
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not reported
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	80
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	80
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	79, 80
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	79, 80
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	74, 86
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	87

CORPORATE GOVERNANCE

MANAGER OF STARHILL GLOBAL REIT

YTL Starhill Global REIT Management Limited was appointed the Manager of Starhill Global REIT in accordance with the terms of the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended, supplemented or restated from time to time) ("Trust Deed").

The Manager of Starhill Global REIT has general power of management over the assets of Starhill Global REIT. The primary role of the Manager is to set the strategic direction of Starhill Global REIT and to make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT ("Trustee"), on acquisitions, divestments and enhancement of the assets of Starhill Global REIT, in accordance with its stated business strategy and the terms of the Trust Deed. Other important functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Starhill Global REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for Starhill Global REIT at arm's length;

2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions (the purpose of these plans is to manage the performance of Starhill Global REIT's assets);

3. ensuring compliance with applicable laws and regulations and the Trust Deed;

4. attending to all communications with Unitholders; and

5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager and not by Starhill Global REIT.

The Trust Deed provides *inter alia* for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the Monetary Authority of Singapore ("MAS") to conduct REIT management activities under the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2018 ("Code") in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. The Manager has complied with the principles and provisions of the Code in all material aspects. Where there are differences, an explanation has been provided in that section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code of Collective Investment Schemes ("CIS Code") (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore are complied with, and that the Manager's obligations in the Trust Deed are honoured.

(A) BOARD MATTERS

1. The Board's Conduct of Affairs

Principle 1:
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Board of Directors of the Manager ("Board") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives, providing leadership and setting strategic objectives for the management team of the Manager ("Management"), which is led by the Chief Executive Officer ("CEO"). In turn, Management is responsible for executing the strategic objectives and day-to-day operations of the Manager and is held accountable to the Board for its performance.

The Board oversees the achievement of all goals such as Starhill Global REIT's DPU targets and other long-term targets that the Board sets for Management so as to deliver long-term sustainable returns to Unitholders. All Board members participate in matters relating to amongst others, corporate governance, business operations and risk management, financial performance and compliance with requirements in the listing rules of the SGX-ST, the CIS Code (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and other applicable rules and regulations.

The Board has adopted a set of internal controls with approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories, amongst others and this is clearly communicated to Management in writing. Some matters that specifically require Board approval include the issue of new Units in Starhill Global REIT, income distributions and other returns to Unitholders, acquisitions and divestments. Apart from these matters which the Board has specifically reserved authority, the Board approves transactions exceeding certain threshold limits, while delegating authority for matters below those limits to Management so as to facilitate operational efficiency.

The Board has also established a system of internal controls and an enterprise risk management framework. The application of the policies and protocol under the framework is further described on page 70.

Each Director is a fiduciary and must act honestly and objectively in the best interests of Unitholders. In furtherance of this principle, the Board has adopted a code of conduct and ethics ("Board Charter") by which all Directors must comply. This sets the appropriate tone from the top and desired organisational culture and ensures proper accountability within the Manager.

The Board Charter holds Directors to high standards of ethical conduct. This includes requiring Directors not to allow himself to be placed in a position of real or apparent conflict of interest. In the event a Director faces a real or apparent conflict of interest, he must disclose this to the Board and recuse himself from meetings and abstain from voting on decisions involving the matter. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of the Unitholders. The Manager has also adopted guidelines, details of which are set out on pages 114 to 115, for related party transactions and dealing with conflicts of interests.

Directors must also perform their duties with due care, skill and diligence and must ensure that they possess the relevant knowledge to do so. This includes having a good understanding of their directorship duties (including their roles as Executive, Non-Executive and Independent Directors), the business of Starhill Global REIT and the environment in which it operates.

A Director with multiple board representations is expected to ensure sufficient time and attention is given to the affairs of the Manager and Starhill Global REIT. A Director must attend and actively participate in all meetings of the Board or Board Committees (if applicable) unless their attendance is impractical. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary and thus should not be prescriptive. A sufficient safeguard is to require each Director to confirm his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments.

CORPORATE GOVERNANCE

In addition, in cases where the Director(s) have multiple listed board representations, the Board conducts an annual review to ensure that they are able to and have been devoting sufficient time and attention to discharge their responsibilities adequately. Each Director confirmed his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments. Notwithstanding that some of the Directors have multiple listed board representations, the Board is satisfied that every Director is able to and has been adequately carrying out his duties as a Director of the Manager.

Directors' Development

Directors are provided with opportunities to develop and maintain their skills and knowledge to ensure that they are able to perform their duties to the best of their abilities. The Manager bears the full costs of training and development.

The Manager has in place an orientation programme aimed at familiarising new Directors with their directorship duties, the business activities and strategic directions of Starhill Global REIT, the corporate governance and risk management structure and practices, as well as their disclosure obligations as Directors. Newly appointed Directors are briefed on their roles and responsibilities as Directors of the Manager, and of the business activities and strategic directions of Starhill Global REIT. Directors who have no prior experience as a Director of an issuer listed on SGX-ST will be provided training on the roles and responsibilities of a Director of a listed issuer in accordance with the listing rules of the SGX-ST. No new Directors were appointed during FY 2020/21.

Upon appointment, Directors also receive a formal letter of appointment setting out the Director's duties, obligations and responsibilities, together with the Trust Deed and latest annual report of Starhill Global REIT and are acquainted with Key Management Personnel ("KMP") who have authority and are responsible for executing the strategic objectives and day-to-day operations of the Manager.

During their appointment, Directors are provided access to programmes, courses and seminars including those organised by the Singapore Institute of Directors ("SID"). Changes to regulations, policies, accounting standards and other relevant matters and their implications are also monitored closely. Where those changes have a significant impact on Starhill Global REIT and its obligations of continuing disclosure, the Directors will be briefed during Board meetings or by the circulation of Board papers so as to ensure that the Directors are up to date on all matters which may affect the performance of their duties.

The Board has reviewed the current training and professional development programmes in place for all Directors and is satisfied that they are adequate.

Board Committees

In the discharge of its functions, the Board is supported by an Audit Committee ("AC") that provides independent oversight of Management and which also serves to ensure that there are appropriate checks and balances. With effect from 1 August 2021, the Nominating and Remuneration Committee ("NRC") was established and will be responsible to make recommendations to the Board on the nomination, appointment/re-appointment of Directors and members of the Board Committees, as well as remuneration matters of the Directors and executive officers, that have been undertaken by the Board before 1 August 2021. All Board Committees have clear written terms of reference setting out its composition, authorities and duties including reporting back to the Board. The names of the committee members, their terms of reference, any delegation of the Board's authority to make decisions and their duties and responsibilities are set out on pages 104 to 112.

Meetings of the Board and Board Committees

Board meetings are scheduled and held at least once every quarter. In addition to scheduled meetings, the Board and Board Committees may also hold ad hoc meetings wherever required. If physical meetings cannot be held, the Constitution of the Manager permits the Board and Board Committee meetings to be held by way of teleconference and videoconference and decisions may also be made by way of a written resolution.

Directors attend and actively participate in Board and Board Committee meetings. Five Board meetings and seven AC meetings were held in FY 2020/21 and all Directors were present, or if any Director was unavailable, he would attend a separate meeting on the same matter. Prior to Board and Board Committee meetings and on an ongoing basis, Management provides Directors with complete, adequate and timely information so as to enable them to make informed decisions to discharge their duties and responsibilities. Board and Board Committee papers and agenda are provided to each Director in advance of Board and Board Committee meetings so that Directors can review and consider the matters being tabled beforehand. The management accounts of Starhill Global REIT are also provided to the Board on a quarterly basis to enable the Board to keep abreast of Starhill Global REIT's financial performance. In addition, as and when any significant matter arises, Management promptly brings these matters to the Board's attention and provides the Board with the relevant financial information.

During Board meetings, Management provides the Board with regular updates on financial results, market and business developments and business and operational information. The Board also reviews and approves the release of Starhill Global REIT's financial results. The Board may also meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board will generally review matters which have an impact on the business risks and management of liability of Starhill Global REIT, and acts on comments and recommendations from the auditors of Starhill Global REIT.

In the year under review, the number of Board and AC meetings held and attended by each Board member is as follows:

	Board	Audit Committee	Nominating & Remuneration Committee
	No. of meetings held in FY 2020/21: 5	No. of meetings held in FY 2020/21: 7	No. of meetings held in FY 2020/21: None, as the NRC was formed after FY 2020/21
	Attended	Attended	Attended
Tan Sri (Sir) Francis Yeoh	5[(1)]	NA	NA
Mr Ho Sing	5	NA	NA
Dato' Yeoh Seok Kian	5	NA	NA
Mr Tan Bong Lin	5	7	NA
Mr Ching Yew Chye	5	7	NA
Mr Tan Woon Hum	5	7	NA

Note:
(1) A separate meeting was organised for the Chairman prior to one of the Board meetings.

Where necessary, senior members of Management participate in Board and Board Committee meetings to provide additional insights and to respond to any queries from Directors. Directors have separate and independent access to senior members of Management and the company secretary at all times. Directors also have access to independent professional advice (legal, financial or otherwise) where appropriate or necessary, with the cost borne by the Manager or Starhill Global REIT, as appropriate.

The company secretary of the Manager will render necessary assistance to Directors and will ensure that the Board and Board Committee procedures are followed and that applicable laws and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flow between the Board and the Board Committees and between Management and Non-Executive Directors and advising the Board and Board Committees on all governance matters. The company secretary also attends all Board and Board Committee meetings of the Manager to take minutes, which record the key issues discussed and decisions made thereon. Minutes of Board and AC meetings are circulated to all Board members for their information. The appointment and removal of the company secretary is a Board reserved matter.

CORPORATE GOVERNANCE

2. Board Composition and Guidance

Principle 2:
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

The Board is satisfied that there is a strong independent element on the Board that allows it to make decisions in the best interests of the Unitholders notwithstanding Independent Directors do not make up a majority of the Board. This is because the Board comprises six members, three of whom are Independent Directors. This means that to attain a majority for any resolution to be passed, the approval of at least one of the Independent Directors would first have to be obtained.

In addition, Mr Tan Bong Lin has been appointed as the Lead Independent Director. He has, among others, the discretion to hold meetings with the other two Independent Directors (without the presence of Management) as he deems appropriate or necessary and provide feedback to the Chairman. More importantly, he also has the duty to provide leadership to the other Directors in situations where the Chairman faces any real or apparent conflict of interest. Independent Directors also hold meetings with the auditors regularly without the presence of Management.

The Board assesses annually and as and when circumstances require, the independence of each Director in accordance with the requirements of the Code and accompanying Practice Guidance, the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCBR"), and the listing manual of the SGX-ST. A Director is considered to be independent if he:

1. is independent in conduct, character and judgment;

2. has no relationship with the Manager, its related corporations, its substantial shareholders being shareholders who have interests in voting shares with 5.0% or more of the total votes attached to all voting shares, Starhill Global REIT's substantial Unitholders being Unitholders who have interests in voting Units with 5.0% or more of the total votes attached to all voting Units of Starhill Global REIT, or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgment in the best interests of the Unitholders;

3. is independent from any management and business relationship with the Manager and Starhill Global REIT;

The composition of the Board and the Board Committees as at 1 August 2021 is set out below:

Name of Director	Board	Audit Committee	Nominating & Remuneration Committee
Tan Sri (Sir) Francis Yeoh	Non-Executive Chairman (Non-Independent)	–	Member
Mr Ho Sing	Executive Director & Chief Executive Officer (Non-Independent)	–	–
Dato' Yeoh Seok Kian	Non-Executive Director (Non-Independent)	–	Member
Mr Tan Bong Lin	Lead Independent Director (Non-Executive) (Independent)	Chairman	Member
Mr Ching Yew Chye	Non-Executive Director (Independent)	Member	Member
Mr Tan Woon Hum	Non-Executive Director (Independent)	Member	Chairman

4. is not a substantial shareholder of the Manager, or a substantial Unitholder;

5. has not served on the Board for a continuous period of nine years or longer;

6. is not employed by the Manager, any of its related corporations, or the Trustee for the current or any of the past three financial years; and

7. does not have an immediate family member who is employed or has been employed by the Manager, any of its related corporations, or the Trustee for the past three financial years.

Mr Ching Yew Chye has disclosed that he is the Independent Non-Executive Chairman of AIA General Berhad and AIA Berhad. AIA General Berhad is a subsidiary of AIA Berhad, which is in turn a wholly-owned subsidiary of AIA Group Limited, a substantial Unitholder. Despite the foregoing, the Board has assessed Mr Ching's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded, given that Mr Ching is not an Executive but an Independent Director of AIA General Berhad and AIA Berhad and is not appointed on the Board as a nominee of any AIA entities. He is also not a Director of AIA Group Limited, the substantial Unitholder, and the businesses of Starhill Global REIT and each of AIA General Berhad, AIA Berhad or AIA Group Limited are distinctly different and there are unlikely to be any competing interests.

Mr Tan Woon Hum has disclosed that he is a partner of M/s Shook Lin & Bok LLP ("SLB"), which provides services to the Trustee from time to time. As there were no legal fees paid to SLB by Starhill Global REIT in FY 2019/20 and FY 2020/21, and Mr Tan will not be personally involved in legal services to be provided by SLB for Starhill Global REIT, the Board has assessed Mr Tan Woon Hum's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

Mr Tan Bong Lin is an Independent Non-Executive Director of APAC Realty Limited ("APAC Realty"). APAC Realty provides real estate brokerage services, franchise arrangements, and training, valuation and other ancillary services. APAC Realty provides leasing agency services to Starhill Global REIT and real estate salesperson training courses to YTL Starhill Global Property Management Pte. Ltd., a related company of the Manager, from time to time. The aggregate amount of fees paid to APAC Realty for leasing agency services and training courses in FY 2019/20 and FY 2020/21 is insignificant, and is also insubstantial, relative to the revenue of APAC Realty, and the total amount of leasing agency fees paid by Starhill Global REIT. Mr Tan's directorship in APAC Realty is Non-Executive in nature and he is not involved in its day-to-day management. He will also recuse himself from any issues and/or matters arising from the provision of any of the above services by APAC Realty to Starhill Global REIT. Based on the above, the Board has assessed Mr Tan Bong Lin's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

As such, none of the Independent Directors have any relationships which are likely to affect his independent business judgment and ability to act in the best interests of all Unitholders as a whole.

Board Diversity

The size of the Board and core competencies of its members in various fields of accounting, finance, business management and legal, together with their relevant industry knowledge and strategic planning experience, effectively serve Starhill Global REIT and the Manager. Therefore, the Board's policy is to embrace diversity so as to ensure that the Board is consistently comprised of experienced and well-qualified Directors who possess an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity to avoid groupthink and foster constructive debate. This allows Management to benefit from the diverse and objective perspectives on issues that are brought before the Board with a healthy exchange of ideas and views between the Board and Management.

Consistent with the Board's policy to embrace diversity, the composition of the Board (including the selection of candidates for new appointments as part of the Board's renewal process) is determined in accordance with the following principles:

1. the Board should comprise of Directors with a broad range of commercial experience including expertise in fund management and experience in all facets of the property or real estate industry; and

2. at least half of the Board should comprise of Independent Directors.

CORPORATE GOVERNANCE

While the Board is presently composed of Directors of the same gender, it has always been the policy of the Board to appoint new Directors without regard to gender, as the Board believes the ultimate choice should primarily be based on merit. In addition, gender diversity among KMP ensures that alternative and constructive views are provided to the Board during the decision-making process. Please refer to pages 24 to 25.

The profiles of the Directors are set out on pages 22 to 23. The Board is of the view that its current composition comprises persons who, as a group, provide the necessary core competencies and that the current Board size is appropriate, taking into consideration the scale, nature and scope of Starhill Global REIT's operations. The composition of the Board is also reviewed regularly to ensure that it has the appropriate mix of expertise and experience.

The Non-Executive Directors participate in setting and developing strategies and goals for Management and reviewing and assessing Management's performance.

The Independent Directors led by Mr Tan Bong Lin meet regularly without the presence of Management. Mr Tan Bong Lin provides feedback to the Board where appropriate enabling Management to benefit from the Independent Directors' external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with Management through a healthy exchange of ideas and views to help shape the strategic process.

3. Chairman and Chief Executive Officer

Principle 3:
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman and CEO are held by separate persons in order to maintain an effective segregation of duties so as to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman, Tan Sri (Sir) Francis Yeoh, and the CEO, Mr Ho Sing, are not immediate family members.

The clear separation of the roles and responsibilities between the Chairman and the CEO are set out in writing. The Chairman facilitates active Board discussion on matters concerning the business of Starhill Global REIT and ensures that the Board satisfactorily oversees and evaluates the implementation of Starhill Global REIT's strategy, policies, business plans and Board decisions. In addition, the Chairman ensures that the members of the Board receive complete, adequate and timely information, facilitates the effective contribution of the Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance. The CEO works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for executing the day-to-day operations of Starhill Global REIT.

As Mr Tan Bong Lin has been appointed as Lead Independent Director, he has the discretion to hold meetings with the other two Independent Directors (without the presence of Management) as he deems necessary and he will provide feedback to the Non-Executive Chairman, where appropriate. He also has the duty to provide leadership in situations where the Chairman faces any real or apparent conflict of interest. The Lead Independent Director is also available to shareholders of the Manager and Unitholders where they have concerns and for which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate.

4. Board Membership

Principle 4:
The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

For FY 2020/21, the Manager did not establish a nominating committee ("NC") as the Board undertook the function of an NC, including assessing the independence of the Independent Directors on an annual basis. The Manager, taking into account the capacity of the Board to undertake the responsibilities of an NC in light of the activities and scale of the business of Starhill Global REIT, the fact that Independent Directors constitute half of the Board of the Manager and that the nomination 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 NC. The

Independent Directors constitute half the Board and therefore play a substantial role in ensuring the objectivity and independence of the decision-making process in respect of nomination.

The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of a nominating and remuneration committee under the listing manual of the SGX-ST does not apply to REITs if the REIT complies with regulations made under the SFA relating to Board composition of a REIT Manager. As the Manager complies with Regulation 13D of the SFLCBR relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committee have been substantively addressed.

Following the establishment of the NRC, with effect from 1 August 2021, the NRC makes recommendations to the Board on matters relating to:

1. the review of succession plans for Directors including the appointment or replacement of the Chairman, the CEO and the Chief Financial Officer ("CFO");

2. the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

3. the review of training and professional development programmes for the Board and its Directors; and

4. the appointment of Directors (including alternate Directors, if any).

The NRC comprises five members, out of whom three are Independent Directors. The members of the NRC as at 1 August 2021 are Mr Tan Woon Hum (Chairman), Tan Sri (Sir) Francis Yeoh, Dato' Yeoh Seok Kian, Mr Tan Bong Lin and Mr Ching Yew Chye.

During FY 2020/21, Unitholders were given the right to endorse the appointment of the Directors of the Manager by way of ordinary resolution passed at the AGMs of Unitholders pursuant to an undertaking given by YTL Corporation Berhad to the Trustee dated 21 August 2020 ("Undertaking"). Accordingly, the Directors were put forth for Unitholders' endorsement of appointment at SG REIT's AGM held on 28 October 2020. Succession of Directors is therefore carried out when a Director indicates his desire to retire or resign or when the Director's appointment has not been endorsed or re-endorsed (whichever applicable) by the Unitholders at the relevant AGM. Notwithstanding that the appointments of Tan Sri (Sir) Francis Yeoh and Mr Ho Sing were endorsed by Unitholders on 28 October 2020 and the Undertaking requires the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Starhill Global REIT after the relevant general meeting at which such Director's appointment was last endorsed, the Manager is seeking the re-endorsement of the appointments of Tan Sri (Sir) Francis Yeoh and Mr Ho Sing at the AGM to be held in 2021 so that eventually at any one AGM, only one-third of the Directors will seek re-endorsement. Pursuant to Rule 720(6) of the listing manual of the SGX-ST, information relating to the Directors to be re-endorsed is provided on pages 119 to 124 of this Annual Report.

All Board appointments are approved by the Board and selection and appointment is based on merit. The NRC will make recommendations to the Board on these matters from 1 August 2021. The criteria used by the Manager to identify and evaluate potential new Directors include:

1. integrity;

2. relevant expertise (sector and functional) and the degree to which his or her skill set complements the skill set of the other Board members;

3. reputation and standing in the market;

4. in the case of prospective Independent Directors, independence based on the criteria in the Code, the SFLCBR and the listing manual of the SGX-ST;

5. the fit and proper criteria issued by MAS;

6. potential Directors of both genders will be considered, but the ultimate choice will primarily be based on merit; and

7. the Director should have adequate time to discharge his duties.

Any Director may source for and nominate new Directors to be appointed by the Board, through their extensive network and contacts. If necessary, the Board or NRC may seek advice from the SID or external search consultants. Prior to FY 2020/21, new potential Directors of both genders were sourced through contacts and recommendations, including recommendations from the SID, contacts from Directors, and recommendations from relevant industry professionals.

CORPORATE GOVERNANCE

No new Directors or alternate Directors were appointed during FY 2020/21. The independence of the Independent Directors was assessed by the Board on an annual basis and as and when circumstances require. With effect from 1 August 2021, the NRC took over the Board's role of assessing independence of the Independent Directors. Directors are also required to report to the Board any addition to or change in their other appointments, their relationships with the Manager, its related corporations, its substantial shareholders, substantial Unitholders or the Manager's officers, if any, or any other change in circumstances which may affect their independence or judgment and ability to act in the interests of all Unitholders as a whole. In the event the Board, having taken into account the views of the NRC, determines that such Directors are independent notwithstanding the existence of such relationships, the Manager will disclose the relationships and its reasons in the Annual Report.

The NRC ensures that new Directors are aware of their duties and obligations (1. "The Board's Conduct of Affairs") and decides if a Director is able to and has been adequately carrying out his or her duties (5. "Board Performance"). The listed company Directorships and principal commitments of each Director are disclosed on pages 22 to 23.

5. Board Performance

Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Manager believes that the performance of the Manager and the Board, is reflected in the long-term success of Starhill Global REIT. Reviews of Board performance are conducted once a year. Directors are required to complete a questionnaire evaluating the Board and the Board Committees. With effect from 1 August 2021, the NRC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and the contributions by each individual Director to the Board's effectiveness.

The questionnaire covers objective performance criteria for the evaluation of the Board as a whole, the Board Committees and the contribution by the Chairman and each individual Director in areas such as Board composition, access to information, Board processes, risk management, Board training and development, understanding of the business, strategic planning and any specific areas where improvements may be made. The Company Secretary compiles Directors' responses to the questionnaire into a consolidated report and with effect from 1 August 2021, the NRC will evaluate and discuss the results of the annual Board performance review with a view towards improving the effectiveness of the Board. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2020/21. No external facilitators have been engaged.

In conducting the review of the performance of the Board, the Board Committees and each Director, the Manager believes that contributions from each Director go beyond his attendance at Board and committee meetings. Contributions by an individual Board member take other forms, which includes providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of a formal environment of Board or Board Committee meetings.

(B) REMUNERATION MATTERS

1. Procedures for Developing Remuneration Policies

Principle 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

2. Level and Mix of Remuneration

Principle 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

3. Disclosure on Remuneration

Principle 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

For FY 2020/21, the Manager did not establish a remuneration committee ("RC") as the Board undertook the function of an RC. The Manager, taking into account the capacity of the Board to undertake the responsibilities of an RC in light of the activities and scale of business of Starhill Global REIT, the fact that Independent Directors constitute half of the Board of the Manager and 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.

Following the establishment of the NRC, with effect from 1 August 2021, the NRC supports the Board in the remuneration matters of the Manager in accordance with the NRC's terms of reference. The NRC's terms of reference, among other matters, set out the scope and authority in performing the functions of a remuneration committee. This includes, the NRC reviewing and making recommendations to the Board on 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 bonus amount payable to all employees and the corporate performance targets for payment of 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 CEO recused himself from Board deliberations relating to his remuneration. Directors' fees are subject to approval by the Board of Directors and the shareholders of the Manager.

Each Director abstains from voting in respect of the fees payable to their respective selves.

The Board or NRC seeks expert advice on remuneration and governance matters from external consultants, where necessary. The Board or NRC will ensure that existing relationships between the group and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the external remuneration consultants.

During FY 2020/21, the Manager did not engage any remuneration consultant. The remuneration of Directors and staff of the Manager is paid by the Manager from the fees it receives from Starhill Global REIT and not by Starhill Global REIT itself.

To support the business growth and aspirations, the Manager is committed to strengthen its leadership capability and organisational effectiveness through talent management. It ensures that a significant and appropriate proportion of the Executive Director's and KMP's remuneration is structured by linking total compensation directly to the achievement of organisational and individual performance goals, while giving consideration to the equitability and market competitiveness of its remuneration practices so as to align performance-based remuneration with the interests of shareholders and other stakeholders and promote the long-term success of Starhill Global REIT.

In determining the mix of different forms of remuneration for executive officers, the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between fixed and performance-related components.

Total remuneration comprises the following components:

- fixed remuneration comprises base salary, Central Provident Fund contributions, Annual Wage Supplement and benefits and allowances;
- 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 achievement of Starhill Global REIT's DPU, the Manager's profit after tax targets and other long-term targets approved by the Board, with substantial emphasis on the performance of Starhill Global REIT to align employee interests with the interests of Unitholders. In approving the variable bonus for FY 2020/21, 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 2020/21; and
- a long-term deferred bonus scheme, awarded wholly in cash, is put in place to retain selected management executives and talent who are key in the business operation. The scheme focuses on strengthening its organisational capability and leadership core, with the objective of encouraging loyalty and ensuring that decisions are taken with a long-term view in mind.

CORPORATE GOVERNANCE

No share/unit option schemes or share/unit schemes have been implemented. The Board has reviewed the remuneration components above and is satisfied that there is reasonable mitigation of any potential misalignment of interests, taking into account: (i) the Board's discretion (including the requirement for approval by not less than a majority of Independent Directors) to determine whether the remuneration payable is in line with the remuneration policy; (ii) the substantial emphasis placed on the performance of Starhill Global REIT; and (iii) the absence of any remuneration payment in the form of shares or interest in the controlling Unitholder or its related entities.

The remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent, and their responsibilities. For FY 2020/21, remuneration of Non-Executive Directors comprised entirely of Directors' fees payable in cash. The Directors' fees take into account industry practices and norms on remuneration. Each Director is paid a basic fee and the Chairman of the Board, AC and NRC are paid a higher fee in view of the greater responsibility carried by that office. The CEO does not receive Directors' fees as he receives employee remuneration from the Manager. Each Director will be remunerated based on their level of responsibilities on the Board, the AC and NRC, in accordance with the following framework for FY 2020/21 (save that fees for the NRC below will only take effect for FY 2021/22):

Fee Structure		Fees (per annum)
Board of Directors	Non-Executive Chairman	S$100,000
	Non-Executive Director	S$63,000
Audit Committee	Chairman and Lead Independent Director	S$10,000
	Member	S$5,000
Nominating and Remuneration Committee	Chairman	S$2,600
	Member	S$1,300

The total amount of Directors' fees (gross before netting off withholding tax) payable to the Non-Executive Directors for FY 2020/21 are as follows:

Name of Director	FY 2020/21
Tan Sri (Sir) Francis Yeoh	S$100,000
Dato' Yeoh Seok Kian	S$63,000
Mr Tan Bong Lin	S$73,000
Mr Ching Yew Chye	S$68,000
Mr Tan Woon Hum	S$68,000

The Manager is cognisant of the requirement to disclose (i) the CEO's remuneration, (ii) the remuneration of at least the top five KMP (who are not the CEO or Directors), in bands no wider than S$250,000 and (iii) the aggregate total remuneration paid to the top five KMP. The Board has assessed and decided against the disclosure of the remuneration of the CEO and KMP (who are not the CEO or Directors) on a named basis, whether in exact quantum or in bands of S$250,000 and of the aggregate total remuneration paid to the top five executive officers because it is not in the Manager's best interest to do so, taking into account *inter alia* the commercial sensitivity and confidential nature of remuneration matters, the presence of highly competitive conditions for talent in the industry, which is relatively small, the importance of ensuring stability and continuity of business operations of Starhill Global REIT with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent on a long-term basis. The non-disclosure will not be prejudicial to the interests of Unitholders as sufficient information is provided on the Manager's remuneration policy to enable Unitholders to understand the link between the remuneration paid to the CEO and KMP (who are not the CEO or Directors) and performance.

As such, the Manager adopts a remuneration philosophy that is directed towards the attraction, retention and motivation of competent employees, key talents and the Directors to provide good stewardship of the Manager and KMP to successfully manage Starhill Global REIT for the long-term.

There were no employees of the Manager who was a substantial shareholder of the Manager, a substantial Unitholder or are immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial Unitholder and whose remuneration exceeds S$100,000 during FY 2020/21. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

(C) ACCOUNTABILITY AND AUDIT

1. Risk Management and Internal Controls

Principle 9:
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Effective risk management is a fundamental part of Starhill Global REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value and it is the responsibility of the Board to determine the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation.

In furtherance of this objective, Management has in place an enterprise risk management ("ERM") framework and policies, which have been approved by the Board, that provide a structured approach to identifying and managing the material risks that could arise in the course of managing Starhill Global REIT. The ERM framework and policies are monitored and reviewed by the Board as and when appropriate, and major developments and significant revisions to the ERM framework or policies will be submitted to the Board for approval. An independent consultant also reviews the ERM framework and the identified risks and control activities, and provides a report to the Board once every two years. Material risks at both the Manager and Starhill Global REIT levels are managed through this ERM framework. Application of the policies and protocol under the ERM framework in respect of Starhill Global REIT assets and operations is further described on page 70.

The Manager has also put in place a system of internal controls, compliance procedures and processes to safeguard Starhill Global REIT's assets and Unitholders' interests, manage risks and ensure compliance with high standards of corporate governance.

The AC has been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by Management with respect to the business operations of the Manager, Starhill Global REIT and the assets of Starhill Global REIT. Financial risk management is exercised in accordance with a robust policy. The AC and the Board, with the assistance of the internal and external auditors, review the adequacy and effectiveness of Starhill Global REIT's system of risk management and internal controls that address material risks, including material financial, operational, compliance and information technology risks. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviewed the measures taken by Management on the recommendations made by the internal and external auditors.

The Board has received assurance from the CEO and CFO of the Manager that the financial records of Starhill Global REIT have been properly maintained and the consolidated financial statements give a true and fair view of Starhill Global REIT's operations and finances.

In addition, the Board has also received assurance from the CEO and other KMP who are responsible for various aspects of risk management and internal controls that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2021 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, and the assurance from the CEO and CFO of the Manager, the Board with the concurrence of the AC is of the opinion that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2021 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The CEO and the CFO of the Manager have obtained similar assurances from the function heads of the Manager. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC for FY 2020/21.

CORPORATE GOVERNANCE

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute, assurance that Starhill Global REIT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

2. Audit Committee

Principle 10:
The Board has an Audit Committee which discharges its duties objectively.

The AC is established by the Board from among the Directors of the Manager and currently comprises three members, all of whom are Independent Directors. The members of the AC as at 30 June 2021 are Mr Tan Bong Lin (Chairman), Mr Ching Yew Chye and Mr Tan Woon Hum. The members of the AC, collectively, have recent and relevant accounting and financial management expertise or experience and are qualified to discharge the AC's responsibilities. No former partner or Director of the Manager's existing auditing firm or audit corporation is a member of the AC within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or Director of the auditing corporation, or for as long as he has any financial interest in the auditing firm or auditing corporation.

The AC assists the Board in overseeing the ERM framework and any matters of significance affecting financial reporting and internal controls of Starhill Global REIT.

The terms of reference for the AC include:

1. reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of Starhill Global REIT and any announcements relating to Starhill Global REIT's financial performance;
2. reviewing at least annually the adequacy and effectiveness of the Manager's internal controls and risk management systems;
3. reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
4. monitoring the procedures in place to ensure compliance with applicable legislation, the listing manual of the SGX-ST and the Property Funds Appendix;
5. reviewing and making recommendations to the Board in relation to the financial statements and the audit report;
6. monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the relevant regulations;
7. making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of such auditors;
8. ensuring that the internal audit function is adequately resourced through outsourcing the appointment to a reputable firm where appropriate and approving their appointment, removal and remuneration;
9. reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the outsourced internal audit function and ensuring that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management; and
10. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Manager has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the Manager on misconduct or wrongdoing relating to Starhill Global REIT, the Manager and its officers. The AC is responsible for ensuring the implementation, regular review and updating of the Manager's whistle blowing policy. The policy is in place to ensure that employees of the Manager and any other persons such as the vendors are provided with well-defined and accessible channels to report on potential or actual improprieties in financial or other operational matters as well as serious wrongdoings or malpractice, and breach of business conduct and ethics, in confidence, and for the independent investigation of any reports by employees and any other persons and appropriate follow-up action. Reports may be made to the compliance officer and to the Chairman of the AC via email at whistleblowing@ytlstarhill.com. All reports are made or marked "Strictly Private & Confidential" and will be received and dealt with in strictest confidence. The whistle-blowing policy objects to and does not tolerate nor condone any retaliatory action taken against the whistleblower who acts in good faith and without malice. To protect the whistleblower against any detrimental or unfair treatment, the Manager may institute disciplinary action or assist the whistle-blower who is an employee in taking a legal action, against any employee or person found to have taken such retaliatory action. However, the Manager does not condone frivolous, mischievous or malicious allegations. The AC has absolute discretion to determine how the whistleblowing report should be dealt with or resolved (including without limitation, whether details of the report need to be disclosed to the Board or other parties). The AC may, *inter alia*, conduct its own investigation or review; engage any third parties to take remedial action, to commence or conduct further investigations or review as deemed appropriate; or take any other action as the AC may determine in the best interests of the Manager and the Group.

The AC is responsible for the nomination of external auditors and internal auditors, and reviewing the adequacy and effectiveness of existing audits in respect of cost, scope and performance. The AC meets with the internal auditor at least once a year and with the external auditor at least once every quarter without the presence of Management, to discuss any matters which the AC or the auditors believe should be discussed privately without the presence of Management.

The AC has appointed PricewaterhouseCoopers Risk Services Pte. Ltd. to perform the internal audit functions. The internal auditor subscribes to, and is guided by the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("IIA") and its standards are aligned with the standards set by the IIA. For FY 2020/21, the AC has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was independent, effective, adequately resourced and has appropriate standing within Starhill Global REIT and the Manager.

The internal auditor reviews internal controls to ensure they address related risks, and reports directly to the AC. Management is responsible for addressing issues identified by the internal auditor. The internal auditor will also audit and report on the appropriateness and effectiveness of processes for the management of interested person transactions at least once a year. The internal auditor has unrestricted access to the AC, and access to the Manager's and Starhill Global REIT's documents, records, properties and personnel, where relevant to their work.

The Trustee has a right to review internal audit reports so as to ascertain that the Property Funds Appendix has been complied with and the AC is authorised to investigate any matters within its terms of reference. The AC has unfettered access to and cooperation from Management and to reasonable resources to enable it to discharge its functions. The AC has also reviewed all non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid and payable to the external auditor for FY 2020/21 and the breakdown into audit fees and non-audit fees are set out on page 169. Pursuant to Rule 1207(6)(c) of the listing manual of the SGX-ST, the Manager confirms that Starhill Global REIT has complied with Rules 712 and 715 of the listing manual in relation to the appointment of the external auditor.

During FY 2020/21, the AC performed independent reviews of the financial statements of Starhill Global REIT before the announcement of Starhill Global REIT's financial results, including key areas of management judgment.

The AC also reviewed and approved both the internal auditor's and the external auditor's audit plans of Starhill Global REIT for FY 2020/21. The audit findings and recommendations put up by the internal auditor and the external auditor were reported and discussed at the AC meetings.

The AC meets at least once every quarter. A total of seven AC meetings were held in FY 2020/21.

CORPORATE GOVERNANCE

As part of its oversight role over financial reporting, the AC has reviewed the following key audit matter identified by the external auditor:

Significant matter	How the AC reviewed the matter and what decisions were made
Valuation of investment properties	The AC reviewed the outcomes of the annual external valuation process and discussed the details of the valuation of Starhill Global REIT's investment properties with the Management and the external auditor. The AC had a robust discussion with Management and the professional valuers to review the methodology, bases and assumptions used in arriving at the valuation of the Singapore, Australia and Malaysia investment properties (the "Key Investment Properties"). The work performed by the external auditor was considered by the AC, including their assessment of the appropriateness of the valuation methodologies and assumptions applied in the valuation of the Key Investment Properties. No significant matter came to the attention of the AC in the course of the review, other than the valuations of investment properties being subject to significant estimation uncertainty given the constantly evolving impact from the COVID-19 pandemic. Please refer to pages 153 to 154 of the Annual Report for further details.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

1. Shareholder Rights and Conduct of General Meetings

Principle 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

2. Engagement with Shareholders

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

For FY 2020/21, the Manager provided Unitholders with half year and annual financial statements, as well as first and third quarter business updates. The Board, with the support of Management, is responsible for providing a balanced and informed assessment of Starhill Global REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. Financial reports and other material information are disseminated to Unitholders through announcements to SGX-ST via SGXNET, Starhill Global REIT's website and where applicable, press releases, of the performance, position and prospects of Starhill Global REIT.

All Unitholders can access the electronic copy of the Starhill Global REIT Annual Report which is published via SGXNET as well as Starhill Global REIT's website. Prior to an Annual General Meeting ("AGM"), all Unitholders will receive a notice of AGM and an accompanying request form containing instructions on accessing the Annual Report online with the option of receiving a printed version. As and when an Extraordinary General Meeting of the Unitholders is to be held, each Unitholder is sent a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. Unitholders are invited to attend these meetings to put forward any questions they may have on the matters on the agenda. Proxy forms containing voting rules and procedures are provided to Unitholders. During the meeting, Unitholders are also briefed on the detailed voting procedures and to ensure transparency, the Manager conducts electronic poll voting and all votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each poll.

An independent scrutineer is also appointed to validate the vote tabulation procedures. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET.

Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings are also announced on SGXNET. The Manager is in full support of Unitholder participation at AGMs. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than two proxies to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it.

All members of the Board, representatives of the Trustee, the Manager's senior management and the external auditor of Starhill Global REIT are in attendance at such general meetings. All Directors attended the general meetings held during their tenure in FY 2020/21. Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings or about the conduct of audit and the preparation and content of the auditors' report. Resolutions put to the general meeting are separate unless they are interdependent and linked so as to form one significant proposal, and the reasons and material implications are explained in the notice of meeting. Minutes of general meetings record the key issues discussed and decisions made thereon including any substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting and the response from the Board and Management. These Minutes are made available to Unitholders at their request. As all Unitholders are entitled to receive these Minutes, the Manager believes that this is consistent with the intent to treat all Unitholders fairly and equitably.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Due to the current COVID-19 situation in Singapore, the AGM held in FY 2020/21 and the AGM to be held in FY 2021/22 was and will be convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the chairman of the meeting as proxy at the AGM) are set out in the notice of AGM. Minutes of the AGM and responses to relevant and substantial questions from Unitholders were subsequently published on SGXNET and made available on Starhill Global REIT's website.

The Manager's current distribution policy is to distribute at least 90% of Starhill Global REIT's taxable income to its Unitholders or any other minimum level to qualify for tax transparency, as allowed by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has in place a dedicated team performing the investor relations function and has developed an investor relations policy ("Communications Policy"), the cornerstone of which is delivery of timely and full disclosure of all material information relating to Starhill Global REIT by way of announcements via SGXNET in the first instance and then including the announcements on Starhill Global REIT's website at www.starhillglobalreit.com. The Communications Policy sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions. Unitholders are welcome to engage the Manager beyond general meetings by contacting the Investor Relations and Corporate Communications department, whose contact details are set out on Starhill Global REIT's website at www.starhillglobalreit.com. This allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. Where there is inadvertent disclosure of material information made to a select group, the Manager will make the same disclosure publicly to all others as promptly as possible, where appropriate or necessary. More details on the Manager's investor relations activities and efforts are set out on page 71.

CORPORATE GOVERNANCE

Starhill Global REIT's website contains recent announcements, press releases, presentations, and past and current reports to Unitholders. The website also provides visitors with the option of signing up for a free email alert service on public materials released by the Manager in relation to Starhill Global REIT.

The Manager also participates in investor conferences locally and overseas as part of its efforts to cultivate and maintain regular contact with investors and analysts and to build interest in and strengthen the branding of Starhill Global REIT.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

1. Engagement with Stakeholders

Principle 13:
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall strategy to ensure that the best interests of the Unitholders are served. In line with this approach, the Manager's key areas of focus in relation to the management of stakeholder relationships include sustainability and environmental and social responsibility in the business and operations of Starhill Global REIT.

The Manager has arrangements in place to identify and engage with its material stakeholder groups to gather feedback and engage with its material stakeholder groups on issues of sustainability and environmental and social responsibility that are significant and material to them. This includes maintaining Starhill Global REIT's website at www.starhillglobalreit.com, which facilitates communication and engagement with various stakeholders. The Board has considered and reviewed sustainability issues in the environment, social and governance aspects of the business of Starhill Global REIT. More information on the material sustainability issues of Starhill Global REIT are set out on pages 72 to 97.

(F) ADDITIONAL INFORMATION

1. Dealing with Related Party Transactions

(i) Review procedures for related party transactions

The Manager has established internal control procedures to ensure that transactions involving the Trustee, as trustee for Starhill Global REIT, and any Interested Person or Interested Party as defined in the listing manual of the SGX-ST and the Property Funds Appendix respectively ("Related Party Transactions") are undertaken on normal commercial terms and will not be prejudicial to the interests of Starhill Global REIT or the Unitholders. As a general rule, the Manager would have to demonstrate to the AC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures are followed:

1. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review by the AC;

2. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for Starhill Global REIT, with third parties which are unrelated to the Manager; and

3. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review and prior approval of the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the listing manual of the

SGX-ST and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning Starhill Global REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager or Starhill Global REIT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Starhill Global REIT or Unitholders and are in accordance with all applicable requirements of the Property Funds Appendix and/or the listing manual of the SGX-ST relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Starhill Global REIT. If the Trustee is to sign any contract with a related party of the Manager or Starhill Global REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the listing manual of the SGX-ST relating to interested person transactions as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to real estate investment trusts.

(ii) Internal control procedures

The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by Starhill Global REIT. The Manager has incorporated into its internal audit plan a review of all Related Party Transactions entered into by Starhill Global REIT.

The AC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The AC periodically reviews all Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the listing manual of the SGX-ST and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the AC. If a member of the AC or any Director has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The Manager discloses in Starhill Global REIT's Annual Report the aggregate value of Related Party Transactions (equal to or exceeding S$100,000 each in value) entered into during the relevant financial year.

2. Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest issues which may arise in managing Starhill Global REIT:

1. the Manager will not manage any other real estate investment trust which invests in the same type of properties as Starhill Global REIT;
2. executive officers will be employed by the Manager or measures will be put in place to mitigate any potential conflict;
3. all resolutions in writing of the Directors of the Manager in relation to matters concerning Starhill Global REIT must be approved by a majority of the Directors, including at least one Independent Director;
4. at least half of the Board shall comprise of Independent Directors;
5. all Related Party Transactions must be reviewed by the AC and/or approved by a majority of the AC in accordance with the materiality thresholds and procedures outlined above. If a member of the AC has an interest in a transaction, he will abstain from voting;
6. Directors disclose promptly all interests in a transaction or proposed transaction;
7. in respect of matters in which a Director of the Manager or his Associates (as defined in the listing manual of the SGX-ST) have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Manager and must exclude such interested Director; and
8. the Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates have a material interest.

CORPORATE GOVERNANCE

The Directors of the Manager are under a fiduciary duty to Starhill Global REIT to act in its best interests in relation to decisions affecting Starhill Global REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) on the matter. If the said law firm is of the opinion that the Trustee has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its Independent Directors) have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

3. Dealing in Starhill Global REIT Units

Each Director of the Manager is required to give notice to the Manager of his acquisition of units or of changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or changes in interest. All dealings in units by Directors of the Manager are announced via SGXNET.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units during the following periods:

1. a one-month period preceding the announcement of the half year and full year financial statements;
2. a two-week period preceding the announcement of Starhill Global REIT's business updates for the first and third quarters; or
3. any period when there exists any matter which constitutes non-public price-sensitive information in relation to the securities of Starhill Global REIT.

The Directors and employees of the Manager are advised not to deal in the Units on short-term considerations. In addition, the Manager will announce via SGXNET the particulars of its holdings in the Units and any changes thereto within one business day after the date on which it acquires or disposes of any Units, as the case may be. The Manager will also not deal in the Units during the period commencing one month before the public announcement of Starhill Global REIT's annual and half-year financial results and two weeks before the public announcement of Starhill Global REIT's business updates for the first and third quarter, and ending on the date of announcement of the relevant results.

4. Fees payable to the Manager

The Manager is entitled to the following fees:

(i) Base Fee

The Base Fee covers the operational and administrative expenses incurred by the Manager in executing its responsibilities to manage Starhill Global REIT's portfolio. The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) as defined on page 138 ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Manager may opt to receive the Base Fee in respect of its properties in cash or Units or a combination of cash and Units (as it may determine). The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of Units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

(ii) Performance Fee

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are reinvested in the Trust) of the Units (expressed as the "Trust Index") in any Financial Year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming reinvestment of all distributions) of a benchmark index ("Benchmark Index"). The Performance Fee is calculated in two tiers as follows:

1. A Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust; and

2. A Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust.

The Performance Fee, whether payable in any combination of cash and Units or solely in cash or Units, will be payable annually in arrears within 30 days after the last day of each financial year. Please refer to pages 138 to 139 for further details on the Performance Fee.

The Performance Fee is based on accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the Units, such that where the accumulated return for the Trust Index exceeds the total return of the Benchmark Index, the Manager will be paid a Performance Fee. The interests of the Manager are therefore aligned with the interests of the Unitholders as the Performance Fee would be commensurate with the value that the Manager delivers to Unitholders in the form of such accumulated return. In addition, the Manager has to ensure that the Trust Index outperforms the Benchmark Index. This motivates and incentivises the Manager to grow the accumulated return to Unitholders and outperform the Benchmark Index on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives, disciplined investments and prudent capital and risk management. By pegging performance fee to accumulated return, the Manager will not take on excessive short-term risks that will affect returns to Unitholders.

(iii) Acquisition Fee

The Manager is entitled to an Acquisition Fee as set out in clause 15.2 of the Trust Deed. This is earned by the Manager upon completion of an acquisition. The fee seeks to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet Starhill Global REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man-hours spent in evaluating the transactions.

The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of Starhill Global REIT.

The Acquisition Fee is calculated at 1.0% of the value of the real estate acquired and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager shall elect). The Acquisition Fee is payable to the Manager 14 days after the completion of the relevant acquisition. Please refer to page 139.

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of Units which shall not be sold within one year from the date of issuance. This motivates the Manager to ensure that any acquisitions from interested parties perform and contribute to Unitholders' returns.

(iv) Divestment Fee

The Manager is entitled to a Divestment Fee as set out in clause 15.3 of the Trust Deed. This is earned by the Manager upon completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and to recycle capital and optimise Starhill Global REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, sourcing for buyers, due diligence efforts and man-hours spent in the course of the transactions.

In accordance to clause 15.3 of the Trust Deed, the Divestment Fee is calculated at 0.5% of the value of the real estate divested and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect).

The Divestment Fee is payable as soon as practicable after the completion of the relevant divestment. Please refer to page 139.

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager shall be in the form of Units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

CORPORATE GOVERNANCE

(v) Development Management Fee
The Manager is entitled to charge a development management fee equivalent to 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager on behalf of Starhill Global REIT (the "Development Management Fee"), as set out in Clause 15.6 of the Trust Deed. In addition, when the estimated total project costs are greater than S$200.0 million, the Trustee and the Independent Directors of the Manager will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

A Development Management Fee is chargeable for all development projects undertaken by the Manager on behalf of Starhill Global REIT which include the redevelopment of an existing property. However, the Manager will not receive a Development Management Fee for activities involving refurbishment, retrofitting and renovations.

The Manager believes that having the ability to execute a development strategy when an attractive opportunity arises is beneficial to Unitholders as development projects can potentially provide significant returns to augment the income derived from the acquisitions and thus also contribute to improving the net asset value of Starhill Global REIT's portfolio, as the case may be, and provide growing distributions to Unitholders. Unlike outright acquisitions of completed income-producing properties, the process of property development is more complex as it requires a longer gestation period and involves the management and supervision of significant construction activity. The services rendered for a development project is significantly more than the services rendered for an acquisition.

The Development Management Fee shall be payable in the form of cash and/or Units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project costs is finalised.

Development management may at times contain certain aspects of project management. In order to ensure that there is no double-payment of fees for the same services provided, where Development Management Fees are payable to the Manager, there will not be any additional project management fees payable to the project manager and vice versa. Please refer to pages 139 to 140.

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
Date of Appointment	31 December 2008	20 April 2010
Date of last endorsement of appointment	28 October 2020	28 October 2020
Age	67	55
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has approved each Director's appointment based on an assessment of their qualification and experience and is satisfied that they will be able to contribute to the Company and Starhill Global REIT.	
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	The appointment of Mr Ho is Executive and he assists the Chairman and the Board in the formulation of business, investment and operational strategies for Starhill Global REIT and the implementation of these strategies, including overseeing investment and asset management strategies.
Job Title	Non-Executive Chairman and Nominating and Remuneration Committee Member	Executive Director and Chief Executive Officer

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS (CONTINUED)

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
Professional qualifications	Bachelor of Science (Hons) Degree in Civil Engineering, Kingston University, United Kingdom Honorary Doctorate of Engineering, Kingston University, United Kingdom in 2004 Honorary Degree of Doctor of Laws, University of Nottingham	Bachelor of Science degree in Aerospace Engineering, University of Texas, Austin, USA Stanford Executive Program, Stanford University in 2002
Working experience and occupation(s) during the past 10 years	Tan Sri (Sir) Francis Yeoh became the Managing Director of YTL Corp in 1988 till 29 June 2018 when he was redesignated as Executive Chairman. Tan Sri (Sir) Francis Yeoh is the Executive Chairman of Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad) and the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri (Sir) Francis Yeoh is also an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, and is a director of YTL Industries Berhad.	Mr Ho was the General Manager, International Investment at Guocoland Limited during 2007 – 2010. From 2010 to present, Mr Ho has held the appointment of CEO and Executive Director of YTL Starhill Global REIT Management Limited.

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
Other Principal Commitments Including Directorships		
1. Past (for the last 5 years)	None	None
2. Present	YTL Corp, Executive Chairman YTL Power International Berhad and YTL Land & Development Berhad, Executive Chairman Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad), Executive Chairman YTL e-Solutions Berhad, Executive Chairman and Managing Director YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT, Executive Chairman Wessex Water Services Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, Chairman The Hongkong and Shanghai Banking Corporation Limited, Independent Non-Executive Director YTL Industries Berhad, Director	Bitwave Pte Ltd

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS (CONTINUED)

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
Any prior experience as a director of an issuer listed on the Exchange?	Yes YTL Starhill Global REIT Management Limited	Yes YTL Starhill Global REIT Management Limited UMS Holdings
Shareholding interest in the listed issuer and its subsidiaries	No	150,000 units in Starhill Global REIT (direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes Tan Sri (Sir) Francis Yeoh and Dato' Yeoh Seok Kian are brothers Tan Sri (Sir) Francis Yeoh is also the Executive Chairman of YTL Corp and the son of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, both substantial Unitholders of Starhill Global REIT	No
Conflict of Interest (including any competing business)	The directorships held by Tan Sri (Sir) Francis Yeoh in YTL Corp and its subsidiaries	No

Note:
For more details, please refer to pages 22 to 23 of this Annual Report on the Board of Directors.

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS (CONTINUED)

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Tan Sri (Sir) Francis Yeoh	Mr Ho Sing
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
I. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
II. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
III. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
IV any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of YTL Starhill Global REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2005, as supplemented by a first supplemental deed dated 20 April 2006, an amended and restated deed dated 8 August 2007, a second amended and restated deed dated 10 December 2007, a second supplemental deed dated 22 April 2010, a third supplemental deed dated 7 June 2010, a fourth supplemental deed dated 17 March 2014, a third amending and restating deed dated 4 August 2016, a fifth supplemental deed dated 27 October 2017, a sixth supplemental deed dated 29 October 2019 and a seventh supplemental deed dated 28 October 2020 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year ended 30 June 2021 covered by these financial statements, set out on pages 131 to 184 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
27 August 2021

STATEMENT BY THE MANAGER

In the opinion of the board of directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 131 to 184, comprising the balance sheets, statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and of the Trust, the investment properties portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to give a true and fair view of the financial position of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 30 June 2021, the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended 30 June 2021 in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
YTL Starhill Global REIT Management Limited

Ho Sing
Director

Singapore
27 August 2021

INDEPENDENT AUDITORS' REPORT

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

Report on the financial statements

Opinion
We have audited the financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheet and investment properties portfolio statement of the Group and the balance sheet of the Trust as at 30 June 2021, and the statements of total return, distribution statements, statements of movements in unitholders' funds of the Group and the Trust, and the cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 131 to 184.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement, statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and financial position of the Trust as at 30 June 2021, and the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion
We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:
As at 30 June 2021, the Group's investment properties portfolio comprises 10 properties which amounted to $2,965 million (2020: $2,941 million) representing 96% (2020: 95%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques which include the capitalisation and discounted cash flow approaches.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation and discount rates i.e. a small change in the assumptions may have a significant impact to the valuation.

Certain valuation reports obtained from the external valuers also highlighted that real estate sectors in certain jurisdictions are experiencing significantly lower levels of transaction activity and liquidity due to Coronavirus Disease 2019 ("COVID-19") pandemic. Consequently, less certainty and a higher degree of caution should be attached to these valuations than would normally be the case. Values may change more rapidly and significantly than during standard market conditions and the external valuers have also recommended to keep the valuations of these properties under frequent review.

Our response:
We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We also assessed the competency, capability and objectivity of these valuers.

We obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties. We considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the external valuers and challenged the key assumptions applied, including capitalisation and discount rates, by comparing them to market comparables, historical data and available industry data, as well as understand how the implications of the COVID-19 pandemic were considered in the valuations.

We have also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and the fair values.

Our findings:

The Group has a formalised process for appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers. The Group has also assessed the valuers' independence in carrying out their work.

The valuation methodologies used are comparable to methods used in the prior year and those used for similar property types, and the key assumptions applied are within the reasonable range of available market data as at the date of valuation. The disclosures in the financial statements relating to the assumptions and the material uncertainty paragraph included by the external valuers in their valuation reports are appropriate.

Other information

YTL Starhill Global REIT Management Limited, the Manager of the Trust ("the Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tan Chun Wei (Chen Junwei).

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 August 2021

BALANCE SHEETS

As at 30 June 2021

	Note	Group		Trust	
		2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Non-current assets					
Investment properties	4	**2,964,648**	2,941,261	**2,008,704**	2,063,099
Plant and equipment	5	**29**	51	**21**	34
Interests in subsidiaries	6	**–**	–	**659,123**	519,701
Derivative financial instruments	7	**1,303**	–	**1,303**	–
Trade and other receivables	8	**185**	–	**–**	–
		2,966,165	2,941,312	**2,669,151**	2,582,834
Current assets					
Derivative financial instruments	7	**91**	1	**91**	1
Trade and other receivables	8	**5,008**	22,280	**5,386**	15,474
Cash and cash equivalents	9	**108,323**	117,442	**50,913**	67,025
		113,422	139,723	**56,390**	82,500
Total assets		**3,079,587**	3,081,035	**2,725,541**	2,665,334
Non-current liabilities					
Trade and other payables	10	**22,799**	23,536	**18,093**	17,689
Derivative financial instruments	7	**7,324**	20,408	**5,020**	12,465
Deferred tax liabilities	11	**6,795**	6,340	**–**	–
Borrowings	12	**1,105,353**	1,056,015	**927,150**	750,606
Lease liabilities	13	**341**	818	**248**	718
		1,142,612	1,107,117	**950,511**	781,478
Current liabilities					
Trade and other payables	10	**41,514**	39,344	**28,467**	29,323
Derivative financial instruments	7	**2,489**	305	**689**	305
Income tax payable		**2,418**	2,428	**–**	–
Borrowings	12	**–**	161,971	**–**	161,971
Lease liabilities	13	**457**	381	**457**	381
		46,878	204,429	**29,613**	191,980
Total liabilities		**1,189,490**	1,311,546	**980,124**	973,458
Net assets		**1,890,097**	1,769,489	**1,745,417**	1,691,876
Represented by:					
Unitholders' funds	14	**1,790,478**	1,769,489	**1,645,798**	1,691,876
Perpetual securities holders' funds	15	**99,619**	–	**99,619**	–
Units in issue ('000)	16	**2,214,204**	2,191,127	**2,214,204**	2,191,127
Net asset value per unit ($) based on:					
– Units issued and issuable at the end of the year		**0.81**	0.81	**0.74**	0.77

The accompanying notes form an integral part of these financial statements.

FINANCIALS

STATEMENTS OF TOTAL RETURN

Year ended 30 June 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Gross revenue	17	**181,287**	180,773	**114,006**	114,606
Property operating expenses	18	**(46,550)**	(48,657)	**(26,638)**	(24,798)
Net property income		**134,737**	132,116	**87,368**	89,808
Interest income from fixed deposits and bank balances		**451**	945	**119**	189
Interest income from subsidiaries		**–**	–	**5,711**	5,067
Dividend income from subsidiaries	19	**–**	–	**4,989**	25,373
Management fees	20	**(15,500)**	(15,402)	**(14,524)**	(14,493)
Performance fees	20	**–**	–	**–**	–
Trust expenses	21	**(3,924)**	(4,724)	**(2,763)**	(3,623)
Finance expenses	22	**(41,411)**	(39,864)	**(28,021)**	(26,510)
		74,353	73,071	**52,879**	75,811
Change in fair value of derivative instruments		**12,755**	(8,926)	**8,466**	(8,140)
Foreign exchange (loss)/gain		**(1,033)**	483	**(543)**	3,300
Change in fair value of investment properties	4	**(28,095)**	(160,671)	**(59,043)**	(54,751)
Impairment loss on investment in subsidiaries	6	**–**	–	**–**	(100,000)
Total return for the year before tax and distribution		**57,980**	(96,043)	**1,759**	(83,780)
Income tax	23	**(1,462)**	(1,369)	**(698)**	(681)
Total return for the year after tax, before distribution		**56,518**	(97,412)	**1,061**	(84,461)
Less: Amount reserved for distribution to perpetual securities holders		**(2,088)**	–	**(2,088)**	–
Non-tax deductible items and other adjustments		**33,747**	174,766	**89,204**	161,815
Income available for distribution		**88,177**	77,354	**88,177**	77,354
Earnings per unit (cents)					
Basic	24	**2.47**	(4.46)	**(0.05)**	(3.87)
Diluted	24	**2.47**	(4.46)	**(0.05)**	(3.87)

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 30 June 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Income available for distribution at the beginning of the year		**59,203**	55,233	**59,203**	55,233
Total return after tax, before distribution		**56,518**	(97,412)	**1,061**	(84,461)
Less: Amount reserved for distribution to perpetual securities holders		**(2,088)**	–	**(2,088)**	–
Net tax and other adjustments (Note A below)		**33,747**	174,766	**89,204**	161,815
Income available for distribution		**147,380**	132,587	**147,380**	132,587
Distributions during the year:					
Unitholders					
Distribution of 1.10 cents per unit for the period 1 April to 30 June 2019		**–**[1]	(23,993)	**–**[1]	(23,993)
Distribution of 1.13 cents per unit for the period 1 July to 30 September 2019		**–**[1]	(24,679)	**–**[1]	(24,679)
Distribution of 1.13 cents per unit for the period 1 October to 31 December 2019		**–**[1]	(24,712)	**–**[1]	(24,712)
Distribution of 0.70 cents per unit for the period 1 January to 30 June 2020		**(15,365)**[1]	–	**(15,365)**[1]	–
Distribution of 1.88 cents per unit for the period 1 July to 31 December 2020		**(41,428)**[1]	–	**(41,428)**[1]	–
		(56,793)	(73,384)	**(56,793)**	(73,384)
Income available for distribution at the end of the year		**90,587**	59,203	**90,587**	59,203
Number of units issued and issuable ('000)	16	**2,217,828**	2,194,652	**2,217,828**	2,194,652
Distribution Per Unit for the year (cents)		**3.95**[2]	2.96[2]	**3.95**[2]	2.96[2]

Note A – Net tax and other adjustments

	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Non-tax deductible/ (chargeable) items and other adjustments:				
– Management fees paid/payable in units	**8,133**	8,116	**8,133**	8,116
– Finance costs	**1,171**	685	**1,466**	981
– Sinking fund contribution	**1,549**	1,548	**1,549**	1,548
– Depreciation	**13**	4	**13**	4
– Change in fair value of derivative instruments	**(12,363)**	8,318	**(8,073)**	7,532
– Change in fair value of investment properties	**28,095**	160,671	**59,043**	54,751
– Deferred tax	**109**	156	**–**	–
– Impairment loss on investment in subsidiaries	**–**	–	**–**	100,000
– Foreign exchange loss/(gain)	**738**	(111)	**(172)**	(2,724)
– Other items	**6,302**	(4,621)	**7,230**	(4,248)
– Net overseas income not distributed to the Trust, net of amount received	**–**	–	**20,015**	(4,145)
Net tax and other adjustments	**33,747**	174,766	**89,204**	161,815

Notes:

(1) Following the change of the distribution frequency to semi-annual distributions, distributions paid to its unitholders during the year ended 30 June 2021 were for the periods from 1 January to 30 June 2020 and 1 July to 31 December 2020.

(2) Approximately $7.7 million (or 0.35 cents per unit) of the income available for distribution for the year ended 30 June 2020 was deferred, as allowed under the COVID-19 relief measures. This has been fully released in the distributions declared for the year ended 30 June 2021.

The accompanying notes form an integral part of these financial statements.

FINANCIALS

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 30 June 2021

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Unitholders' funds at the beginning of the year	**1,769,489**	1,930,021	**1,691,876**	1,841,605
Operations				
Change in unitholders' funds resulting from operations, before distributions	**56,518**	(97,412)	**1,061**	(84,461)
Amount reserved for distribution to perpetual securities holders	**(2,088)**	–	**(2,088)**	–
Increase/(Decrease) in unitholders' funds resulting from operations	**54,430**	(97,412)	**(1,027)**	(84,461)
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	**11,762**	(573)	**–**	–
Transfer of translation differences from total return arising from hedge accounting [1]	**4,209**	(1,447)	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(4,361)**	4,168	**–**	–
Net gain recognised directly in unitholders' funds	**11,610**	2,148	**–**	–
Unitholders' transactions				
Management fees paid in units	**6,114**	6,226	**6,114**	6,226
Management fees payable in units	**2,019**	1,890	**2,019**	1,890
Distribution reinvestment plan [2]	**3,609**	–	**3,609**	–
Distributions to unitholders	**(56,793)**	(73,384)	**(56,793)**	(73,384)
Decrease in unitholders' funds resulting from unitholders' transactions	**(45,051)**	(65,268)	**(45,051)**	(65,268)
Unitholders' funds at the end of the year	**1,790,478**	1,769,489	**1,645,798**	1,691,876
Perpetual securities holders' funds				
Balance at the beginning of the year	**–**	–	**–**	–
Issue of perpetual securities	**100,000**	–	**100,000**	–
Issuance cost	**(550)**	–	**(550)**	–
Total return attributable to perpetual securities holders	**2,088**	–	**2,088**	–
Distribution to perpetual securities holders	**(1,919)**	–	**(1,919)**	–
Balance at the end of the year	**99,619**	–	**99,619**	–

Notes:

(1) The Group designated its JPY and AUD loans as net investment hedges for part of its Japan and Australia operations. Correspondingly, the foreign currency differences on the JPY and AUD loans were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan and Australia operations.

(2) These represent 7,042,361 (2020: Nil) units issued in March 2021 as part payment of distribution for 1 July to 31 December 2020 through distribution reinvestment plan.

The accompanying notes form an integral part of these financial statements.

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 30 June 2021

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate(12) 2021 %	At valuation 2021 $'000	At valuation 2020 $'000	Percentage of unitholders' funds 2021 %	Percentage of unitholders' funds 2020 %
Group										
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	51 years	391/391B Orchard Road, Singapore 238874	Retail/ Office	**99.7/92.1**	**1,130,000(5)**	1,130,000	**63.1**	63.9
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	40 years	435 Orchard Road, Singapore 238877	Retail/ Office	**96.5/85.0**	**878,000(5)**	932,000	**49.0**	52.7
Myer Centre Adelaide(1)	Freehold	–	–	14-38 Rundle Mall, Adelaide, Australia	Retail/ Office	**93.6/94.2**	**243,507(6)**	216,418	**13.6**	12.2
David Jones Building(1)	Freehold	–	–	622-648 Hay Street Mall, Perth, Australia	Retail	**98.9**	**146,508(7)**	137,415	**8.2**	7.8
Plaza Arcade(1)	Freehold	–	–	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	**72.9**	**49,004(7)**	40,794	**2.7**	2.3
The Starhill(2)	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/ Hotel(11)	**100.0**	**279,763(8)**	245,240	**15.6**	13.9
Lot 10 Property(2)	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	55 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/ Office	**100.0**	**147,005(8)**	147,958	**8.2**	8.3
China Property(3)	Leasehold	Leasehold estate expiring on 27 December 2035	14 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	**100.0**	**29,760(9)**	28,432	**1.7**	1.6
Ebisu Fort(4)	Freehold	–	–	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**44,377(10)**	45,350	**2.5**	2.6
Daikanyama(4)	Freehold	–	–	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**15,927(10)**	16,455	**0.9**	0.9
Investment properties – fair value							**2,963,851**	2,940,062	**165.5**	166.2
Investment properties – right-of-use assets							**797**	1,199	**0.1**	0.1
Total investment properties							**2,964,648**	2,941,261	**165.6**	166.3
Other assets and liabilities (net)							**(1,074,551)**	(1,171,772)	**(60.0)**	(66.3)
Net assets							**1,890,097**	1,769,489	**105.6**	100.0
Perpetual securities holders' funds							**(99,619)**	–	**(5.6)**	–
Unitholders' funds							**1,790,478**	1,769,489	**100.0**	100.0

Notes:

(1) David Jones Building, Plaza Arcade and Myer Centre Adelaide (the "Australia Properties") were acquired on 20 January 2010, 1 March 2013 and 18 May 2015 respectively.
(2) The Starhill and Lot 10 Property (the "Malaysia Properties") were acquired on 28 June 2010.
(3) China Property was acquired on 28 August 2007.
(4) The Japan Properties comprise two properties as at 30 June 2021. Daikanyama and Ebisu Fort were acquired on 30 May 2007 and 26 September 2007 respectively.
(5) The valuation of the Trust's Wisma Atria Property and Ngee Ann City Property were based on the valuation performed by CBRE Pte. Ltd. as at 30 June 2021.
(6) Based on the valuation performed by Knight Frank Valuations as at 30 June 2021 and translated at the exchange rate of A$0.99 : $1.00 (2020: A$1.04 : $1.00).
(7) Based on the valuation performed by Colliers International (WA) Pty Ltd as at 30 June 2021 and translated at the exchange rate of A$0.99 : $1.00 (2020: A$1.04 : $1.00).
(8) Based on the valuation performed by Nawawi Tie Leung Property Consultants Sdn Bhd as at 30 June 2021 and translated at the exchange rate of RM3.09 : $1.00 (2020: RM3.07 : $1.00).
(9) Based on the valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 30 June 2021 and translated at the exchange rate of RMB4.81 : $1.00 (2020: RMB5.06 : $1.00).
(10) Based on the valuation performed by JLL Morii Valuation & Advisory K.K. as at 30 June 2021 and translated at the exchange rate of JPY82.25 : $1.00 (2020: JPY77.18 : $1.00).
(11) The Starhill is currently undergoing asset enhancement works which is expected to be completed before end of 2021. The mall is currently undergoing asset enhancement works to convert it into an integrated development comprising retail and hotel elements.
(12) Based on commenced leases as at 30 June 2021.

The Manager believes that the above independent valuers have appropriate professional qualifications and experience in the location and category of the Group's investment properties being valued. Full valuations of the above properties were performed as at year-end.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2021

	Group	
	2021 $'000	2020 $'000
Cash flows from operating activities		
Total return for the year before tax and distribution	**57,980**	(96,043)
Adjustments for:		
Finance income	**(451)**	(945)
Depreciation	**22**	14
Management fees paid/payable in units	**8,133**	8,116
Finance expenses	**41,411**	39,864
Change in fair value of derivative instruments	**(12,755)**	8,926
Foreign exchange loss/(gain)	**1,033**	(483)
Change in fair value of investment properties	**28,095**	160,671
Operating income before working capital changes	**123,468**	120,120
Trade and other receivables	**13,530**	(12,891)
Trade and other payables	**6,460**	(2,381)
Income tax paid	**(1,241)**	(2,023)
Net cash from operating activities	**142,217**	102,825
Cash flows from investing activities		
Capital expenditure on investment properties	**(34,937)**	(29,723)
Purchase of plant and equipment	**–**	(38)
Interest received on deposits	**473**	932
Net cash used in investing activities	**(34,464)**	(28,829)
Cash flows from financing activities		
Borrowing costs paid	**(44,261)**	(39,079)
Proceeds from borrowings	**405,729**	522,156
Repayment of borrowings	**(523,544)**	(439,732)
Net proceeds from issuance of perpetual securities	**99,450**	–
Payment of lease liabilities	**(387)**	(443)
Distributions paid to unitholders	**(53,184)**	(73,384)
Distributions paid to perpetual securities holders	**(1,919)**	–
Net cash used in financing activities	**(118,116)**	(30,482)
Net (decrease)/increase in cash and cash equivalents	**(10,363)**	43,514
Cash and cash equivalents at the beginning of the year	**117,442**	72,946
Effects of exchange rate differences on cash	**1,244**	982
Cash and cash equivalents at the end of the year	**108,323**	117,442

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 27 August 2021.

1. GENERAL

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Starhill Global REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

The Trust has entered into several significant service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property management fees and leasing commission

YTL Starhill Global Property Management Pte. Ltd. (the "Property Manager") is entitled to receive a fee of 3.0% per annum of gross revenue of the Wisma Atria Property and Ngee Ann City Property ("Singapore Properties") (excluding GST) for the provision of property management, lease management as well as marketing and marketing co-ordination services. The Property Manager's fee is to be paid on a monthly basis in arrears.

The Property Manager is also entitled to receive leasing commission at the rates set out below when it secures a tenant or a tenancy renewal:

(i) one month's base rental for securing a tenancy of three years or more;

(ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;

(iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;

(iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;

(v) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and

(vi) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.

Property management fees also include fees payable mainly to third party property managers of the Australia Properties and Japan Properties.

NOTES TO THE FINANCIAL STATEMENTS

(b) Management fees

Management fees include fees payable to the Manager, third party asset manager of the Japan Properties, as well as servicer of the Malaysia Properties.

Under the Trust Deed, the Manager is entitled to receive a base fee and a performance fee as follows:

Base fee

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders.

The Value of Trust Property means:

(i) the value of all authorised investments of the Group other than real estate related assets;

(ii) the value of real estate related assets of any entity held by the Group if such holding is less than 30.0% of the equity of such entity; and

(iii) where the Group invests in 30.0% or more of a real estate related asset of any entity, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, the Group's proportionate interest in the value of the underlying real estate of the entity issuing the equity which comprises the real estate related asset.

The Manager may opt to receive the Base Fee in respect of its properties in cash or units or a combination of cash and units (as it may determine).

The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

Performance fee

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units (expressed as the "Trust Index") in any financial year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index.

The Performance Fee is calculated in two tiers as follows:

- a Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust; and

- a Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index shall be referred to as outperformance.

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears. If a trigger event occurs in any financial year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether structured in cash or in the form of units) to which it might otherwise have been entitled for that financial year in cash, which shall be calculated, as if the end of the financial year was the date of occurrence of the trigger event, in accordance with Clause 15.1.4 of the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

The management fees (Base Fee and Performance Fee, including any accrued Performance Fee which has been carried forward from previous financial years but excluding any acquisition fee or divestment fee) to be paid to the Manager in respect of a financial year, whether in cash or in units or a combination of cash and units, is capped at an amount equivalent to 0.8% per annum of the Value of the Trust Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future financial years. If, at the end of a financial year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that financial year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the benchmark index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

(c) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of 1.0% of the value of the real estate acquired. For any acquisition made by the Group in Singapore, any payment to third party agents or brokers in connection with the acquisition shall be borne by the Manager, and not additionally out of the Group. For any acquisition made by the Group outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.

The Manager is entitled to receive a divestment fee of 0.5% of the value of the real estate divested. For any divestment made by the Group in Singapore, any payment to third party agents or brokers in connection with the divestment shall be borne by the Manager, and not additionally out of the Group. For any divestment made outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge a divestment fee of 0.5% of the sale price. The Manager also receives acquisition fees and divestment fees in instances other than an acquisition and divestment of real estate.

(d) Development management fee

Under the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs (excluding GST) incurred in development projects undertaken and managed by the Manager on behalf of the Group ("Development Management Fee").

In addition, when the estimated total project costs are greater than $200 million, the Trustee and the independent directors of the Manager (the "Independent Directors"), will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

NOTES TO THE FINANCIAL STATEMENTS

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

The Development Management Fee shall be payable in the form of cash and/or units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project costs is finalised.

(e) Trustee's fee

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders. The Trustee's fee is payable out of the deposited property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is less than 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 6 – Impairment on interests in subsidiaries
- Notes 7 and 26 – Valuation of financial instruments

2.5 Adoption of new/revised FRS

The Group has adopted the new standards and amendments which became effective for financial year beginning on or after 1 July 2020. The adoption of these amendments to standards and interpretations do not have a significant impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group and the Trust to all periods in these financial statements and have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss in the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries

Subsidiaries are entities controlled by the Group and include entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific transaction where the substance of the relationship is that the Group controls the entity. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Interests in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transactions. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss in the statement of total return except for the differences arising on the translation of a financial liability designated as a hedge of the net investment in foreign operation (see below).

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to profit or loss in the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in profit or loss in the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

Hedge of a net investment in foreign operation

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss in the statement of total return as part of the gain or loss on disposal.

3.3 PLANT AND EQUIPMENT

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment, and is recognised in profit or loss in the statement of total return.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss in the statement of total return as incurred.

Depreciation

Depreciation of plant and equipment is recognised in profit or loss in the statement of total return on a straight-line basis over their estimated useful lives of two to five years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition, and subsequently at fair value with any changes therein recognised in profit or loss in the statement of total return. Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code ("Property Fund Appendix") issued by MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

3.5 Intangible asset

Goodwill

Goodwill and bargain purchase may arise upon the acquisition of subsidiaries.

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss in the statement of total return.

Goodwill arising on the acquisition of subsidiaries (if any) is presented in intangible asset. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment.

3.6 Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets into the following measurement category: amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

A financial asset at amortised cost, which is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Non-derivative financial liabilities

Financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise borrowings, trade and other payables, and lease liabilities.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

NOTES TO THE FINANCIAL STATEMENTS

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. The Group does not adopt hedge accounting for its derivative financial instruments as at 30 June 2021.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss in the statement of total return.

Certain derivatives and non-derivative financial instruments can be designated as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, documentation of the risk management objective and strategy for undertaking the hedge is required, including the economic relationship between the hedged item and the hedging instrument, and whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3.7 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Group are deducted directly against unitholders' funds.

3.8 Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the perpetual securities are classified as equity.

Any distributions made are directly debited from equity. Expenses directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset under its investment properties, and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein recognised in profit or loss in the statement of total return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

NOTES TO THE FINANCIAL STATEMENTS

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Simplified approach

The Group applies the simplified approach to provide loss allowances for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when a tenant or a counterparty is unable to settle its financial and contractual obligations to the Group in full, as and when they fall due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the tenant or counterparty;
- a breach of contract such as a default by the tenant or counterparty; or
- it is probable that the tenant or counterparty will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

3.11 Employee benefits

Short-term employee benefit obligations, including contributions to defined contribution pension plans, if any, are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss in the statement of total return.

A liability is recognised for the amount expected to be paid under short-term cash bonus where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised in profit or loss in the statement of total return on the date that the Trust's right to receive payment is established.

3.13 Finance income and finance expenses

Finance income comprises mainly interest income on funds invested. Interest income is recognised in profit or loss in the statement of total return, using the effective interest method.

Finance expenses comprises mainly interest expense on borrowings and lease liabilities, and amortisation of loan acquisition expenses. All borrowing costs are recognised in profit or loss in the statement of total return using the effective interest method.

3.14 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Property operating expenses comprise mainly property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, marketing expenses, administrative expenses, impairment loss on trade receivables as well as property management fees and leasing commission which are based on the applicable formula stipulated in Note 1(a).

Management fees

Management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is described in Note 1(e).

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss in the statement of total return except to the extent that it relates to a business combination, or items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred as well as current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling dated 20 May 2005 ("Tax Ruling") on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to unitholders that are made out of the taxable income of the Trust. However, where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual unitholders or foreign funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for such distributions.

A qualifying unitholder is a unitholder who is:

(i) a Singapore-incorporated company which is a tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or

(v) a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

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A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

A foreign fund is one who is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act for income tax purposes and:

(i) who does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units are not obtained from that operation.

The Trust is exempt from Singapore income tax under Section 13(12) of the Income Tax Act on the following income:

(i) dividends;

(ii) interest on shareholder's loans; and

(iii) foreign-sourced trust distribution

payable by its subsidiaries out of underlying rental income derived from the overseas investment properties. This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The Trust's distribution policy is to distribute at least 90% of its annual taxable income to its Unitholders or any other minimum level as allowed under the tax ruling issued by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

For any remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as retained taxable income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution. Under the COVID-19 relief measures announced by IRAS, the Trust will have until 31 December 2021 to distribute at least 90% of the annual taxable income derived in the year ended 30 June 2020. As at 30 June 2021, the Trust has distributed more than 90% of its deferred taxable income derived from the year ended 30 June 2020.

The above Tax Ruling does not apply to gains from sale of real properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. INVESTMENT PROPERTIES

	Group $'000	Trust $'000
At 1 July 2019	3,064,861	2,116,000
Recognition of right-of-use assets following the adoption of FRS 116 *Leases*	791	679
Adjusted balance at 1 July 2019	3,065,652	2,116,679
Additions, straight-line rental and other adjustments	31,157	1,171
Change in fair value of investment properties	(160,671)	(54,751)
Translation differences	5,123	–
At 30 June 2020	2,941,261	2,063,099
Additions, straight-line rental and other adjustments	34,794	4,648
Change in fair value of investment properties[1]	(28,095)	(59,043)
Translation differences	16,688	–
At 30 June 2021	**2,964,648**	**2,008,704**

[1] Represents fair value adjustments on the investment properties including right-of-use assets as at 30 June 2021, following the property revaluation exercise in June 2021.

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and experience in the location and category of property being valued. The Group has a framework with respect to the measurement of fair values of its investment properties, which is regularly reviewed by the Manager.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards, and included a material valuation uncertainty clause due to the disruption to the market at that date caused by the COVID-19 outbreak. The inclusion of this clause indicates that there is substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuers have based their valuations prove to be inaccurate. The carrying amounts of the Group's investment properties were current as at 30 June 2021 only and may change significantly after the balance sheet date if the impact of the COVID-19 outbreak worsens.

The valuers have used valuation techniques which include the capitalisation and discounted cash flow approaches, in arriving at the fair value as at the balance sheet date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

As at 30 June 2021, investment properties with a carrying value of approximately $573.3 million (2020: $747.0 million) are mortgaged to secure credit facilities for the Group.

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Fair value hierarchy

The Group's and the Trust's investment properties of approximately $2,963.9 million (2020: $2,940.1 million) and $2,008.0 million (2020: $2,062.0 million) respectively (excluding the carrying amount of lease liabilities of approximately $0.8 million and $0.7 million respectively) as at 30 June 2021 are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2021:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.50% to 7.00% (2020: from 3.50% to 6.87%) • Discount rates from 3.30% to 8.50% (2020: from 3.30% to 7.20%)	The estimated fair value would increase if capitalisation rates and discount rates decrease.

Key unobservable inputs correspond to:

- Capitalisation rates largely derived from comparable transactions.
- Discount rates, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

5. PLANT AND EQUIPMENT

	Group $'000	Trust $'000
Cost:		
At 1 July 2019	884	790
Additions	38	38
Translation differences	1	–
At 30 June 2020	923	828
Translation differences	5	–
At 30 June 2021	**928**	**828**
Accumulated depreciation:		
At 1 July 2019	(858)	(790)
Depreciation charge	(14)	(4)
Translation differences	–	–
At 30 June 2020	(872)	(794)
Depreciation charge	(22)	(13)
Translation differences	(5)	–
At 30 June 2021	**(899)**	**(807)**
Carrying amount:		
At 1 July 2019	26	–
At 30 June 2020	51	34
At 30 June 2021	**29**	**21**

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2021 $'000	2020 $'000
Equity investments at cost	**553,471**	539,461
Less: allowance for impairment loss	**(134,400)**	(134,400)
	419,071	405,061
Loans to subsidiaries	**307,052**	181,640
Less: allowance for impairment loss	**(67,000)**	(67,000)
	240,052	114,640
	659,123	519,701

Loans to subsidiaries are unsecured and include an interest-free portion of approximately $8.3 million (2020: $8.6 million). Loans to subsidiaries are measured at amortised cost, where the carrying amounts approximate their fair values and the settlement of these amounts is neither planned nor likely to occur in the foreseeable future.

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the carrying amount of the Trust's interests in subsidiaries. The recoverable amount was estimated based on the fair value of the subsidiaries' net assets as at the reporting date, which is classified in Level 3 of the fair value hierarchy. The impairment on the net carrying amount of the loans to subsidiaries has been measured on the 12-month expected credit loss basis.

The movement in the allowance for impairment loss in respect of interests in the subsidiaries was as follows:

	Trust	
	2021 $'000	2020 $'000
At 1 July	**(201,400)**	(101,400)
Impairment loss recognised	**–**	(100,000)
At 30 June	**(201,400)**	(201,400)

Details of the subsidiaries are as follows:

		Effective interest	
Name of subsidiary	**Country of incorporation**	**2021 %**	2020 %
Starhill Global REIT Japan SPC One Pte Ltd(1)	Singapore	**100**	100
Starhill Global REIT Japan SPC Two Pte Ltd(1)	Singapore	**100**	100
Starhill Global REIT MTN Pte Ltd(1)	Singapore	**100**	100
SG REIT (M) Pte Ltd(1)	Singapore	**100**	100
SG REIT (WA) Pte Ltd(1)	Singapore	**100**	100
Starhill Global REIT One TMK(2)	Japan	**100**	100
Starhill Global ML K.K.(3)	Japan	**100**	100
Top Sure Investment Limited(4)	Hong Kong	**100**	100
Chengdu Xin Hong Management Co., Ltd(4)	China	**100**	100
SG REIT (WA) Trust(2)	Australia	**100**	100
SG REIT (WA) Sub-Trust1(2)	Australia	**100**	100
SG REIT (SA) Sub-Trust2(2)	Australia	**100**	100
Ara Bintang Berhad(2)	Malaysia	**100**	100

(1) Audited by KPMG LLP
(2) Audited by other member firms of KPMG International
(3) Not required to be audited by the laws of the country of incorporation
(4) Audited by other auditors

NOTES TO THE FINANCIAL STATEMENTS

7. DERIVATIVE FINANCIAL INSTRUMENTS

	2021		2020	
	Contract notional amount $'000	**Fair value $'000**	Contract notional amount $'000	Fair value $'000
Group				
Non-current assets				
Interest rate swaps	**115,200**	**1,303**	–	–
Current assets				
Interest rate caps	**–**	**–**	81,600	–
Foreign exchange forwards	**3,600**	**91**	1,100	1
	3,600	**91**	82,700	1
	118,800	**1,394**	82,700	1
Non-current liabilities				
Interest rate swaps	**313,900**	**7,324**	574,200	20,408
Current liabilities				
Interest rate swaps	**321,500**	**2,489**	–	–
Foreign exchange forwards	**–**	**–**	10,100	305
	321,500	**2,489**	10,100	305
	635,400	**9,813**	584,300	20,713
Trust				
Non-current assets				
Interest rate swaps	**115,200**	**1,303**	–	–
Current assets				
Interest rate caps	**–**	**–**	81,600	–
Foreign exchange forwards	**3,600**	**91**	1,100	1
	3,600	**91**	82,700	1
	118,800	**1,394**	82,700	1
Non-current liabilities				
Interest rate swaps	**250,300**	**5,020**	375,000	12,465
Current liabilities				
Interest rate swaps	**175,000**	**689**	–	–
Foreign exchange forwards	**–**	**–**	10,100	305
	175,000	**689**	10,100	305
	425,300	**5,709**	385,100	12,770

The Group has entered into various derivative transactions under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the balance sheet as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. Upon the occurrence of a termination event resulting in the set-off of related derivatives in the balance sheet as at 30 June 2021, the impact would be approximately $0.9 million (2020: $1,000) decrease in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2021 and 30 June 2020, the Group's derivative financial assets and liabilities are not subject to an election for netting of payments under the enforceable master netting arrangements. The Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The net fair value of the derivative financial instruments represents 0.47% (2020: 1.17%) and 0.26% (2020: 0.75%) of the Group's and Trust's unitholders' funds as at 30 June 2021. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 12.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Non-current				
Trade receivables	**185**	–	**–**	–
Current				
Trade receivables	**3,272**	10,857	**2,341**	2,607
Deposits	**113**	250	**113**	250
Other receivables[1]	**870**	10,566	**2,610**	12,338
	4,255	21,673	**5,064**	15,195
Prepayments	**753**	607	**322**	279
	5,008	22,280	**5,386**	15,474
	5,193	22,280	**5,386**	15,474

[1] Balance as at 30 June 2020 included the grant receivable from the Singapore government in relation to property tax rebates and other cash grants as part of the COVID-19 relief measures. These grant receivable has been fully received during the year ended 30 June 2021.

Concentration of credit risk relating to trade receivables is limited due to the Group's and the Trust's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's and the Trust's investment properties, where applicable. As at 30 June 2021, the Group and the Trust have security deposits of approximately $27.5 million (2020: $28.7 million) and $23.4 million (2020: $23.6 million) respectively.

There is no impairment loss arising from the Group's and the Trust's deposits and other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are interest income receivable from its subsidiaries of approximately $2.2 million (2020: $2.5 million) as at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was:

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Singapore	**2,895**	12,643	**5,064**	15,195
Australia	**1,392**	5,702	**–**	–
Malaysia	**4**	3,194	**–**	–
Others	**149**	134	**–**	–
	4,440	21,673	**5,064**	15,195

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2021 $'000	**Impairment losses 2021 $'000**	Gross 2020 $'000	Impairment losses 2020 $'000
Group				
Not past due	**2,301**	**(290)**	6,439	–
Past due 0 – 30 days	**545**	**(64)**	5,256	(1,147)
Past due 31 – 120 days	**507**	**(123)**	4,299	(3,990)
More than 120 days	**2,098**	**(1,517)**	758	(758)
	5,451	**(1,994)**	16,752	(5,895)

	Gross 2021 $'000	**Impairment losses 2021 $'000**	Gross 2020 $'000	Impairment losses 2020 $'000
Trust				
Not past due	**944**	**–**	1,320	–
Past due 0 – 30 days	**468**	**–**	988	–
Past due 31 – 120 days	**351**	**–**	378	(79)
More than 120 days	**1,423**	**(845)**	144	(144)
	3,186	**(845)**	2,830	(223)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
At 1 July	**(5,895)**	(719)	**(223)**	(216)
Impairment loss recognised	**(2,389)**	(5,604)	**(1,876)**	(147)
Utilised[(1)]	**6,584**	465	**1,254**	140
Translation differences	**(294)**	(37)	**–**	–
At 30 June	**(1,994)**	(5,895)	**(845)**	(223)

(1) Utilisation of the above existing allowance account comprised approximately $4.4 million rental rebates for eligible tenants of the Australia Properties affected by COVID-19 pandemic during the year ended 30 June 2021.

The Group's and the Trust's historical experience in the collection of trade receivables falls largely within the recorded allowances. Due to these factors and evaluations performed, the Manager believes that, apart from the above and subject to the extent of the COVID-19 pandemic, no additional significant credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as at 30 June 2021. These trade receivables are partially covered by security deposits, bank/ corporate guarantees and allowance for impairment.

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Cash at bank and in hand	**79,822**	89,498	**40,913**	62,018
Fixed deposits with financial institutions	**28,501**	27,944	**10,000**	5,007
	108,323	117,442	**50,913**	67,025

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Non-current				
Security deposits[1]	**21,152**	21,180	**17,457**	17,491
Deferred income	**1,647**	2,356	**636**	198
	22,799	23,536	**18,093**	17,689
Current				
Trade payables	**4,502**	3,381	**1,624**	2,216
Accrued expenses	**9,062**	5,364	**3,813**	1,709
Amounts due to:				
– the Manager[2]	**1,150**	1,072	**1,150**	1,072
– the Property Manager[2]	**429**	392	**429**	392
– the Trustee[2]	**163**	120	**163**	120
Interest payable	**1,902**	3,344	**1,671**	2,861
Security deposits[1]	**6,378**	7,514	**5,945**	6,135
Deferred income	**496**	421	**317**	177
Others[3]	**17,432**	17,736	**13,355**	14,641
	41,514	39,344	**28,467**	29,323
	64,313	62,880	**46,560**	47,012

(1) Represent cash deposits received from tenants to secure leases of the Group's and the Trust's investment properties.

(2) The amounts due to the Manager, Property Manager and Trustee are mainly trade in nature, unsecured and interest free.

(3) Comprise mainly (i) rental receipts collected in advance and rental rebates issued/issuable to eligible tenants; (ii) deferred grant liability from the Singapore government's property tax rebates and other cash grants, to be passed on to eligible tenants, and (iii) other taxes payable to the various tax authorities.

The Group's and the Trust's exposure to liquidity and currency risks related to trade and other payables are disclosed in Notes 12 and 26.

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11. DEFERRED TAX LIABILITIES

	Group	
	2021 $'000	2020 $'000
Deferred tax liabilities[1]	**6,795**	6,340

(1) The deferred tax liabilities relate to the China Property and has been estimated on the basis of an asset sale at the current book value.

Movement in deferred tax liabilities of the Group (prior to offsetting of balances) during the year was as follows:

	At 1 July $'000	Recognised in statement of total return (Note 23) $'000	Translation differences $'000	At 30 June $'000
Group				
2021				
Deferred tax liabilities				
Investment properties	**6,340**	**109**	**346**	**6,795**
2020				
Deferred tax liabilities				
Investment properties	6,168	156	16	6,340

12. BORROWINGS

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Non-current				
Secured borrowings	**170,509**	297,152	**–**	–
Unsecured borrowings	**939,268**	761,726	**931,025**	752,941
Unamortised loan acquisition expenses	**(4,424)**	(2,863)	**(3,875)**	(2,335)
	1,105,353	1,056,015	**927,150**	750,606
Current				
Unsecured borrowings	**–**	162,000	**–**	162,000
Unamortised loan acquisition expenses	**–**	(29)	**–**	(29)
	–	161,971	**–**	161,971
Total borrowings (net of borrowing costs)	**1,105,353**	1,217,986	**927,150**	912,577

The contractual terms of the Group's and the Trust's borrowings, which are measured at amortised cost are disclosed below. The Group's and the Trust's exposure to interest rate, currency and liquidity risks, is disclosed in Note 26.

Reconciliation of liabilities arising from financing activities

	Borrowings $'000	Interest payable $'000	Lease liabilities $'000	Net derivative financial (assets)/ liabilities $'000	Total $'000
Group					
At 1 July 2020	1,217,986	3,344	1,199	20,712	1,243,241
Changes from financing cash flows					
Borrowing costs paid	(3,389)	(29,360)	–	(11,512)	(44,261)
Proceeds from borrowings	405,729	–	–	–	405,729
Repayment of borrowings	(523,544)	–	–	–	(523,544)
Payment of lease liabilities	–	–	(387)	–	(387)
Total changes from financing cash flows	(121,204)	(29,360)	(387)	(11,512)	(162,463)
Other changes					
Effects of exchange rate differences	6,716	–	6	461	7,183
Change in fair value of derivative instruments	–	–	–	(12,755)	(12,755)
Amortisation of loan acquisition expenses	1,855	–	–	–	1,855
Finance expenses	–	27,706	30	11,513	39,249
Others	–	212	(50)	–	162
Total other changes	8,571	27,918	(14)	(781)	35,694
Balance at 30 June 2021	**1,105,353**	**1,902**	**798**	**8,419**	**1,116,472**
At 1 July 2019	1,132,108	3,320	791	11,130	1,147,349
Changes from financing cash flows					
Borrowing costs paid	(1,045)	(33,304)	–	(4,730)	(39,079)
Proceeds from borrowings	522,156	–	–	–	522,156
Repayment of borrowings	(439,732)	–	–	–	(439,732)
Payment of lease liabilities	–	–	(443)	–	(443)
Total changes from financing cash flows	81,379	(33,304)	(443)	(4,730)	42,902
Other changes					
Effects of exchange rate differences	3,185	–	(1)	167	3,351
Change in fair value of derivative instruments	–	–	–	8,926	8,926
Amortisation of loan acquisition expenses	1,314	–	–	–	1,314
Finance expenses	–	33,085	25	5,219	38,329
Others	–	243	827	–	1,070
Total other changes	4,499	33,328	851	14,312	52,990
Balance at 30 June 2020	1,217,986	3,344	1,199	20,712	1,243,241

NOTES TO THE FINANCIAL STATEMENTS

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2021					
Group					
JPY term loan facility[1]	JPY	0.69	2024	**44,985**	**44,985**
SGD term loan facilities[1]	SGD	1.03 – 1.66	2022 & 2026	**490,000**	**490,000**
SGD revolving credit facilities[1][2]	SGD	0.87 – 2.39	2022, 2023, 2024 & 2026	**–**	**–**
A$ term loan facility[1]	A$	1.81 – 1.84	2026	**101,040**	**101,040**
Singapore MTNs[3]	SGD	3.14 – 3.40	2023, 2025 & 2026	**295,000**	**295,000**
Japan bond[4]	JPY	0.57 – 0.63	2025	**8,243**	**8,243**
Australia loan[5]	A$	1.71 – 1.80	2023	**63,655**	**63,655**
Malaysia MTN[6]	RM	5.50	2024	**106,854**	**106,854**
				1,109,777	**1,109,777**
Trust					
JPY term loan facility[1]	JPY	0.69	2024	**44,985**	**44,985**
SGD term loan facilities[1]	SGD	1.03 – 1.66	2022 & 2026	**490,000**	**490,000**
SGD revolving credit facilities[1][2]	SGD	0.87 – 2.39	2022, 2023, 2024 & 2026	**–**	**–**
A$ term loan facility[1]	A$	1.81 – 1.84	2026	**101,040**	**101,040**
Intercompany loans[3]	SGD	3.14 – 3.40	2023, 2025 & 2026	**295,000**	**295,000**
				931,025	**931,025**
2020					
Group					
JPY term loan facility[1]	JPY	0.69 – 0.85	2024	47,941	47,941
SGD term loan facilities[1]	SGD	1.09 – 2.91	2021 & 2022	410,000	410,000
SGD revolving credit facilities[1][2]	SGD	1.48 – 2.39	2021, 2022 & 2024	62,000	62,000
Singapore MTNs[3]	SGD	3.14 – 3.50	2021, 2023, 2025 & 2026	395,000	395,000
Japan bond[4]	JPY	0.57	2021	8,785	8,785
Australia loans[5]	A$	1.51 – 2.96	2021 & 2023	189,605	189,605
Malaysia MTN[6]	RM	4.48 – 5.50	2024	107,547	107,547
				1,220,878	1,220,878
Trust					
JPY term loan facility[1]	JPY	0.69 – 0.85	2024	47,941	47,941
SGD term loan facilities[1]	SGD	1.09 - 2.91	2021 & 2022	410,000	410,000
SGD revolving credit facilities[1][2]	SGD	1.48 – 2.39	2021, 2022 & 2024	62,000	62,000
Intercompany loans[3]	SGD	3.14 – 3.50	2021, 2023, 2025 & 2026	395,000	395,000
				914,941	914,941

(1) The Group has in place the following unsecured loan facilities as at 30 June 2021, comprising:

(i) five-year unsecured loan facilities with a club of various banks, comprising (a) outstanding term loan of $240 million (maturing in September 2022) (2020: outstanding four-year and five-year term loans of $150 million and $260 million respectively) and (b) $50 million (2020: $240 million) committed revolving credit facilities (maturing in September 2022). There is no amount outstanding on these revolving credit facilities as at the reporting date (2020: $40 million outstanding).

(ii) five-year unsecured loan facilities with a club of various banks, comprising (a) outstanding term loans of $250 million (maturing in February 2026) drawn in February 2021 and (b) $200 million committed revolving credit facilities (maturing in February 2026). There is no amount outstanding on these revolving credit facilities as at the reporting date.

(iii) five-year unsecured term loan facility of JPY3.7 billion ($45.0 million) (2020: JPY3.7 billion ($47.9 million)) (maturing in September 2024) with a bank.

(iv) five-and-a-half-year unsecured term loan facility of A$100 million ($101.0 million) (maturing in November 2026) drawn in May and June 2021 with two banks.

The interest rate on the above unsecured loan facilities was largely hedged via interest rate swaps as at 30 June 2021.

(2) The Group has in place various unsecured and committed revolving credit facilities of $170 million (maturing between March 2022 and June 2024) (2020: $80 million and maturing in March 2022), of which no amount is outstanding as at the reporting date (2020: $12 million outstanding). In addition, the Group has no amount outstanding from its other unsecured revolving credit facilities as at the reporting date (2020: $10 million outstanding).

(3) The Group has outstanding medium-term notes ("MTN") of $195 million (2020: $295 million) as at 30 June 2021 issued by Starhill Global REIT MTN Pte Ltd under its $2 billion multicurrency MTN programme originally established in 2008, comprising:

(i) $125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (issued in May 2015 and maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrears.

(ii) $70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (issued in October 2016 and maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears.

The $100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (issued in February 2014) have been fully redeemed upon maturity in February 2021.

In addition, as at 30 June 2021, the Group has outstanding $100 million unsecured five-year Singapore MTN (the "2020 Series 001 Notes") (issued in June 2020 and maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrears, issued under its $2 billion multicurrency debt issuance programme established in 2020.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms.

(4) At the reporting date, the Group has JPY678 million ($8.2 million) (2020: JPY678 million ($8.8 million)) Japan bond outstanding and maturing in August 2025. Whilst no security has been pledged, the bondholders of the Japan bond have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the Japan bond prior to other creditors out of the assets of the issuer (Starhill Global REIT One TMK).

(5) The Group has outstanding term loan of A$63 million ($63.7 million) (2020: A$63 million ($60.3 million)) (maturing in July 2023) as at 30 June 2021, which was hedged via interest rate swaps and is secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. Following the full repayment of the A$135 million (2020: A$135 million ($129.3 million)) secured term loan during the year ended 30 June 2021, the mortgage on Myer Centre Adelaide has been duly released.

(6) The Group has an outstanding unrated five-year fixed-rate senior medium-term notes ("Senior MTN") of RM330 million ($106.9 million) as at 30 June 2021 (2020: RM330 million ($107.5 million)). The Senior MTN bear a fixed coupon rate of 5.50% per annum and have an expected maturity in September 2024 and legal maturity in March 2026. The notes are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

FINANCIALS

NOTES TO THE FINANCIAL STATEMENTS

The contractual maturities by type of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, were as follows:

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Cash flows Within 1 to 5 years $'000	Cash flows After 5 years $'000
Group						
2021						
Non-derivative financial liabilities						
JPY term loan facility	12	**44,985**	**(46,010)**	**(315)**	**(45,695)**	**–**
SGD term loan facilities	12	**490,000**	**(512,287)**	**(6,945)**	**(505,342)**	**–**
A$ term loan facility	12	**101,040**	**(111,194)**	**(1,849)**	**(7,402)**	**(101,943)**
Singapore MTNs	12	**295,000**	**(328,207)**	**(9,598)**	**(247,507)**	**(71,102)**
Japan bond	12	**8,243**	**(8,460)**	**(51)**	**(8,409)**	**–**
Australia loan	12	**63,655**	**(65,951)**	**(1,101)**	**(64,850)**	**–**
Malaysia MTN	12	**106,854**	**(125,982)**	**(5,877)**	**(120,105)**	**–**
Trade and other payables	10	**49,926**	**(52,788)**	**(28,849)**	**(22,225)**	**(1,714)**
Lease liabilities	13	**798**	**(849)**	**(282)**	**(508)**	**(59)**
		1,160,501	**(1,251,728)**	**(54,867)**	**(1,022,043)**	**(174,818)**
Derivative financial liabilities						
Interest rate swaps	7	**9,813**	**–**	**–**	**–**	**–**
– inflow		**–**	**1,246**	**764**	**475**	**7**
– outflow		**–**	**(13,683)**	**(8,931)**	**(4,651)**	**(101)**
		9,813	**(12,437)**	**(8,167)**	**(4,176)**	**(94)**
		1,170,314	**(1,264,165)**	**(63,034)**	**(1,026,219)**	**(174,912)**
2020						
Non-derivative financial liabilities						
JPY term loan facility	12	47,941	(49,369)	(335)	(49,034)	–
SGD term loan facilities	12	410,000	(419,089)	(4,768)	(414,321)	–
SGD revolving credit facilities	12	62,000	(62,487)	(62,487)	–	–
Singapore MTNs	12	395,000	(441,314)	(113,108)	(254,906)	(73,300)
Japan bond	12	8,785	(8,849)	(51)	(8,798)	–
Australia loans	12	189,605	(195,961)	(3,041)	(192,920)	–
Malaysia MTN	12	107,547	(132,714)	(5,915)	(126,799)	–
Trade and other payables	10	46,783	(50,995)	(25,695)	(22,145)	(3,155)
Lease liabilities	13	1,199	(1,278)	(424)	(792)	(62)
		1,268,860	(1,362,056)	(215,824)	(1,069,715)	(76,517)
Derivative financial liabilities						
Interest rate swaps	7	20,408	–	–	–	–
– inflow		–	1,939	1,050	889	–
– outflow		–	(23,031)	(12,199)	(10,832)	–
Foreign exchange forwards	7	305	–	–	–	–
– inflow		–	9,769	9,769	–	–
– outflow		–	(10,060)	(10,060)	–	–
		20,713	(21,383)	(11,440)	(9,943)	–
		1,289,573	(1,383,439)	(227,264)	(1,079,658)	(76,517)

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000	After 5 years $'000
Trust						
2021						
Non-derivative financial liabilities						
JPY term loan facility	12	**44,985**	**(46,010)**	**(315)**	**(45,695)**	**–**
SGD term loan facilities	12	**490,000**	**(512,287)**	**(6,945)**	**(505,342)**	**–**
A$ term loan facility	12	**101,040**	**(111,194)**	**(1,849)**	**(7,402)**	**(101,943)**
Intercompany loans	12	**295,000**	**(328,207)**	**(9,598)**	**(247,507)**	**(71,102)**
Trade and other payables	10	**34,840**	**(36,643)**	**(17,457)**	**(19,186)**	**–**
Lease liabilities	13	**705**	**(737)**	**(266)**	**(471)**	**–**
		966,570	**(1,035,078)**	**(36,430)**	**(825,603)**	**(173,045)**
Derivative financial liabilities						
Interest rate swaps	7	**5,709**	**–**	**–**	**–**	**–**
– inflow		**–**	**1,076**	**649**	**420**	**7**
– outflow		**–**	**(9,069)**	**(5,744)**	**(3,224)**	**(101)**
		5,709	**(7,993)**	**(5,095)**	**(2,804)**	**(94)**
		972,279	**(1,043,071)**	**(41,525)**	**(828,407)**	**(173,139)**
2020						
Non-derivative financial liabilities						
JPY term loan facility	12	47,941	(49,369)	(335)	(49,034)	–
SGD term loan facilities	12	410,000	(419,089)	(4,768)	(414,321)	–
SGD revolving credit facilities	12	62,000	(62,487)	(62,487)	–	–
Intercompany loans	12	395,000	(441,314)	(113,108)	(254,906)	(73,300)
Trade and other payables	10	33,944	(35,932)	(16,543)	(19,389)	–
Lease liabilities	13	1,099	(1,157)	(409)	(748)	–
		949,984	(1,009,348)	(197,650)	(738,398)	(73,300)
Derivative financial liabilities						
Interest rate swaps	7	12,465	–	–	–	–
– inflow		–	1,334	748	586	–
– outflow		–	(14,121)	(7,650)	(6,471)	–
Foreign exchange forwards	7	305	–	–	–	–
– inflow		–	9,769	9,769	–	–
– outflow		–	(10,060)	(10,060)	–	–
		12,770	(13,078)	(7,193)	(5,885)	–
		962,754	(1,022,426)	(204,843)	(744,283)	(73,300)

The maturity analyses show the undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their contractual maturity.

NOTES TO THE FINANCIAL STATEMENTS

13. LEASES INCLUDING LEASE LIABILITIES

(i) Leases as lessee

The Group recognised its existing operating lease arrangements as right-of-use assets of $0.8 million as at 30 June 2021 (2020: $1.2 million) as presented within investment properties (Note 4), with the corresponding lease liabilities recorded in the balance sheet.

	2021 $'000	2020 $'000
Amounts recognised in profit or loss in the statement of total return		
Leases under FRS 116		
Interest expense on lease liabilities	**30**	25
Change in fair value of right-of-use assets	**357**	418

	2021 $'000	2020 $'000
Amounts recognised in statement of cash flows		
Total cash outflow for leases	**387**	443

(ii) Leases as lessor

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group $'000	**Trust $'000**
2021		
Within one year	**170,528**	**108,113**
One to two years	**149,299**	**86,134**
Two to three years	**126,024**	**67,229**
Three to four years	**104,148**	**47,910**
Four to five years	**46,584**	**3,517**
More than five years	**377,801**	**13**
Total	**974,384**	**312,916**
2020		
Within one year	171,962	115,945
One to two years	150,950	92,158
Two to three years	127,919	68,667
Three to four years	109,234	53,304
Four to five years	96,744	42,579
More than five years	412,682	306
Total	1,069,491	372,959

14. UNITHOLDERS' FUNDS

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Net assets attributable to unitholders[(1)]	**1,849,640**	1,840,261	**1,645,798**	1,691,876
Foreign currency translation reserve[(2)]	**(59,162)**	(70,772)	**–**	–
	1,790,478	1,769,489	**1,645,798**	1,691,876

(1) Included in the net assets attributable to unitholders is approximately $2.8 million (2020: $2.8 million) retained to satisfy certain legal reserve requirements in China.

(2) The foreign currency translation reserve comprises (i) the foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; (ii) the transfer of translation differences arising from hedge accounting; and (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

15. PERPETUAL SECURITIES HOLDERS' FUNDS

On 15 December 2020, the Trust issued $100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed final redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and any unpaid distributions are non-cumulative. These perpetual securities are classified as equity instruments. The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the holders of ordinary units in the Trust, but junior to the claims of all other present and future creditors of the Trust.

If the Trust does not pay any scheduled distribution on the perpetual securities, the Trust shall not declare or pay any distribution or other payment to the unitholders, or make redemption, reduction, cancellation, buy-back or acquisition of units.

16. UNITS IN ISSUE

	Group and Trust	
	2021 No. of units '000	2020 No. of units '000
At 1 July	**2,191,127**	2,181,204
Issue of units:		
– Management fees paid in units (base fee)[(1)]	**16,034**	9,923
– Distribution reinvestment plan[(2)]	**7,043**	–
At 30 June	**2,214,204**	2,191,127
Units to be issued:		
– Management fees paid in units (base fee)[(3)]	**3,624**	3,525
Total issued and issuable units at 30 June	**2,217,828**	2,194,652

(1) During the year ended 30 June 2021, the Trust issued 16,034,142 (2020: 9,922,713) units at the issue price ranging from $0.4353 to $0.5637 (2020: $0.4834 to $0.7449) per unit, as partial satisfaction of the above base management fees to the Manager.

(2) During the year ended 30 June 2021, the Trust issued 7,042,361 (2020: Nil) units at an issue price of $0.5123 per unit pursuant to the distribution reinvestment plan.

(3) An estimated 3,624,404 (2020: 3,524,668) units are issuable by the Trust to the Manager as at 30 June 2021, as partial satisfaction of the base management fees for the period from 1 April to 30 June 2021 (2020: 1 April to 30 June 2020).

NOTES TO THE FINANCIAL STATEMENTS

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Attend all unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or of the unitholders representing not less than 10% of the issued units) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;
- Receive income and other distributions attributable to the units held; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him.

The restrictions of a unitholder include the following:

- A unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A unitholder has no right to request the Trust to redeem his units while the units are listed on SGX-ST.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any units in the Trust. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

17. GROSS REVENUE

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Property rental income[1]	**177,255**	175,416	**110,195**	109,334
Turnover rental income	**1,728**	2,003	**1,518**	1,938
Other income	**2,304**	3,354	**2,293**	3,334
	181,287	180,773	**114,006**	114,606

(1) Included rental assistance of approximately $9.1 million (2020: $12.8 million) for eligible tenants of the Group to cushion the impact of the COVID-19 pandemic for the year ended 30 June 2021.

18. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Maintenance and sinking fund contributions	**6,486**	6,614	**6,408**	6,538
Property management fees	**5,377**	5,274	**3,421**	3,459
Property tax	**19,309**	19,424	**11,988**	12,058
Depreciation expense	**22**	14	**14**	4
Leasing and upkeep expenses	**10,428**	9,500	**1,154**	1,069
Marketing expenses	**1,287**	832	**988**	684
Impairment loss recognised on trade receivables	**2,389**	5,604	**1,876**	147
Administrative expenses and others[1]	**1,252**	1,395	**789**	839
	46,550	48,657	**26,638**	24,798

(1) For the year ended 30 June 2021, grant income and corresponding grant expense of $1.6 million (2020: $15.2 million) have been recognised in relation to the rental relief for eligible tenants from the Singapore government as part of the COVID-19 relief measures.

19. DIVIDEND INCOME FROM SUBSIDIARIES

Represents dividend income from certain subsidiaries (Note 6).

20. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan Properties and fees payable to the servicer of the Malaysia Properties, which is a wholly-owned subsidiary of the Manager. Base Fee paid/payable to the Manager for the year ended 30 June 2021 amounted to approximately $14,524,000 (2020: $14,493,000). Approximately $103,000 (2020: $54,000) and $873,000 (2020: $855,000) were paid/payable to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the year ended 30 June 2021 respectively. The Manager has elected for the years ended 30 June 2021 and 30 June 2020 to receive part of the Manager's base management fees in units.

No performance fee was earned by the Manager for the years ended 30 June 2021 and 30 June 2020. The performance of the Trust Index was approximately 143% and 139% below the Benchmark Index as at 30 June 2021 and 30 June 2020 respectively.

21. TRUST EXPENSES

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Auditor's remuneration	**346**	395	**225**	240
Trustee's fees	**470**	478	**470**	478
Others[(i)]	**3,108**	3,851	**2,068**	2,905
	3,924	4,724	**2,763**	3,623

(i) Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately $127,000 (2020: $166,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately $197,000 (2020: $189,000) for the year ended 30 June 2021.

22. FINANCE EXPENSES

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Interest costs	**39,526**	38,525	**26,528**	25,507
Amortisation of borrowing costs	**1,855**	1,314	**1,466**	981
Interest expense on lease liabilities	**30**	25	**27**	22
	41,411	39,864	**28,021**	26,510

NOTES TO THE FINANCIAL STATEMENTS

23. INCOME TAX

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Current tax				
Current year	**1,353**	1,213	**698**	681
Deferred tax				
Origination of temporary differences	**109**	156	**–**	–
	1,462	1,369	**698**	681
Reconciliation of effective tax rate				
Total return before tax and distribution	**57,980**	(96,043)	**1,759**	(83,780)
Income tax using Singapore tax rate of 17% (2020: 17%)	**9,857**	(16,327)	**299**	(14,243)
Net effect of different tax rates in other countries	**1,072**	2,777	**–**	–
Withholding tax	**1,128**	1,010	**698**	681
Income not subject to tax	**(10,388)**	(121)	**–**	–
Non-deductible and other items	**12,154**	25,201	**12,062**	25,414
Tax transparency	**(12,361)**	(11,171)	**(12,361)**	(11,171)
	1,462	1,369	**698**	681

24. EARNINGS PER UNIT

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Earnings attributable to unitholders[1]	**54,430**	(97,412)	**(1,027)**	(84,461)
Basic earnings per unit (cents)[2]	**2.47**	(4.46)	**(0.05)**	(3.87)
Earnings per unit on a fully diluted basis (cents)[3]	**2.47**	(4.46)	**(0.05)**	(3.87)

(1) Net of amount reserved for distribution to perpetual securities holders.

(2) In computing the basic earnings per unit for the year ended 30 June 2021, the earnings attributable to unitholders and the weighted average number of units of 2,201,954,047 (2020: 2,185,030,567) during the year ended 30 June 2021 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,201,944,117 (2020: 2,184,991,834); and (ii) estimated units issuable for the settlement of unpaid base management fees.

(3) In computing the diluted earnings per unit for the year ended 30 June 2021, the weighted average number of units in issue of 2,201,944,117 (2020: 2,184,991,834) during the year ended 30 June 2021 are used and adjusted to include the potential dilutive units assuming issuance of estimated 3,624,404 (2020: 3,524,668) units for the settlement of unpaid base management fees.

25. OPERATING SEGMENTS

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the senior management of the Manager, which is the Group's Chief Operating Decision Maker ("CODM") on a regular basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

All of the Group's reportable segments are investment properties located in Singapore, Adelaide and Perth-Australia, Kuala Lumpur-Malaysia, and others (consisting of China Property in Chengdu and two properties in Tokyo, Japan). The segments are as follows:

- Wisma Atria Property
- Ngee Ann City Property
- Australia Properties
- Malaysia Properties
- Other Properties

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, non-property expenses, finance expenses and income tax expense.

Performance is measured based on the net property income of each operating segment, which is the gross revenue less property operating expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment net property income is used to measure performance as such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no transactions between reportable segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below.

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	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Group				
Revenue and expenses				
External revenue	**50,493**	55,768	**63,513**	58,838
Depreciation of plant and equipment	**13**	4	**–**	–
Reportable segment net property income	**35,877**	42,598	**51,491**	47,210
Other material non-cash items:				
Change in fair value of investment properties	**(58,949)**	(46,400)	**(94)**	(8,351)
Unallocated items:				
Finance income				
Non-property expenses				
Finance expenses				
Change in fair value of derivative instruments				
Foreign exchange (loss)/gain				
Total return for the year before tax				
Income tax				
Total return for the year				
Assets and liabilities				
Reportable segment assets	**880,991**	940,348	**1,130,903**	1,135,694
Unallocated assets				
Total assets				
Reportable segment liabilities	**(19,903)**	(20,198)	**(23,318)**	(22,362)
Unallocated liabilities				
Total liabilities				
Other segmental information				
Capital expenditure	**4,190**	159	**120**	169
Non-current assets	**878,725**	933,133	**1,130,000**	1,130,000

Australia Properties (Australia)		Malaysia Properties (Malaysia)		Other Properties (China/Japan)		Total	
2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
44,316	43,189	**18,259**	18,299	**4,706**	4,679	**181,287**	180,773
–	–	**–**	–	**9**	10	**22**	14
26,434	21,338	**17,363**	17,397	**3,572**	3,573	**134,737**	132,116
20,675	(103,861)	**8,268**	(2,121)	**2,005**	62	**(28,095)**	(160,671)
						451	945
						(19,424)	(20,126)
						(41,411)	(39,864)
						12,755	(8,926)
						(1,033)	483
						57,980	(96,043)
						(1,462)	(1,369)
						56,518	(97,412)
440,785	400,601	**426,822**	396,443	**90,321**	90,494	**2,969,822**	2,963,580
						109,765	117,455
						3,079,587	3,081,035
(8,150)	(5,598)	**(5,026)**	(6,140)	**(4,670)**	(4,379)	**(61,067)**	(58,677)
						(1,128,423)	(1,252,869)
						(1,189,490)	(1,311,546)
2,787	3,950	**27,553**	25,409	**287**	74	**34,937**	29,761
439,204	394,627	**426,768**	393,198	**90,165**	90,354	**2,964,862**	2,941,312

NOTES TO THE FINANCIAL STATEMENTS

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of The Starhill and Lot 10 Property), and others (consisting of the China Property in Chengdu and two properties in Tokyo, Japan). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

The four largest tenants located at Ngee Ann City Property, Malaysia Properties (including some office leases at Singapore Properties), Myer Centre Adelaide and David Jones Building accounted for approximately 22.6%, 15.3%, 7.4% and 5.2% (2020: 22.1%, 15.2%, 7.0% and 4.6%) of the Group's gross rent as at 30 June 2021 respectively.

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective when managing capital is to be prudent and optimise unitholders' return through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. As at 30 June 2021, the Group's gearing ratio is 36.1% (2020: 39.7%) and the interest coverage ratio based on trailing 12 months' interest expenses (excluding distribution attributable to perpetual securities holders) is 2.8 times (2020: 2.9 times), which were computed per the guidelines prescribed under the Property Fund Appendix issued by MAS.

There were no changes in the Group's approach to capital management during the current year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest costs, foreign currency net income and foreign currency investments.

The Group has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial risk management policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

The carrying amount of financial assets represents the Group's and the Trust's respective maximum exposure to credit risk, before taking into account any collateral held. The maximum exposure to credit risk by type of financial assets at the reporting date was:

		Group		Trust	
	Note	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Derivative financial instruments	7	**1,394**	1	**1,394**	1
Trade and other receivables	8	**4,440**	11,924	**5,064**	5,446
Cash and cash equivalents	9	**108,323**	117,442	**50,913**	67,025
		114,157	129,367	**57,371**	72,472

The Group has established credit procedures for its tenants, obtains security deposits and/or bank/ corporate guarantees (where applicable), and monitors their balances on an ongoing basis. Where applicable, credit evaluations are performed by the Group before lease agreements are entered into with tenants.

The tenant profile of the Group is generally well-diversified, except for four (2020: four) largest tenants (Note 25), which accounted for approximately 50.5% (2020: 48.9%) of the Group's gross rent as at 30 June 2021.

The Group and the Trust held cash and cash equivalents of approximately $108.3 million and $50.9 million respectively as at 30 June 2021 (2020: $117.4 million and $67.0 million respectively), largely with financial institutions which are regulated. Given these banks' sound credit ratings of between BBB+ to AA- or its equivalent issued by international rating agencies, the Group does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. As at 30 June 2021, the Group has undrawn and committed revolving credit facilities of up to $420 million (2020: $268 million), as well as cash and cash equivalents of approximately $108.3 million (2020: $117.4 million).

In addition, the Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

NOTES TO THE FINANCIAL STATEMENTS

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian dollar ("A$"), Malaysian ringgit ("RM"), Chinese renminbi ("RMB") and Japanese yen ("JPY").

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments as at balance sheet date are as follows:

	A$ $'000	RM $'000	RMB $'000	JPY $'000	Total $'000
Group					
2021					
Net balance sheet exposure	**305,896**	**322,891**	**30,801**	**12,004**	**671,592**
2020					
Net balance sheet exposure	213,768	294,719	28,903	17,209	554,599

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its financial instruments as at balance sheet date are as follows:

	A$ $'000	RM $'000	RMB $'000	JPY $'000	Total $'000
Trust					
2021					
Net balance sheet exposure	**(90,582)**	**–**	**–**	**(43,578)**	**(134,160)**
2020					
Net balance sheet exposure	795	–	–	(46,015)	(45,220)

Income hedging

Approximately 63% (2020: 63%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2021. The Group has used a combination of local currency denominated loans and short-term foreign exchange forward contracts to partially hedge its overseas net income.

The Group continues to proactively monitor the exchange rates and may use foreign exchange forward contracts or other suitable financial derivatives to hedge the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

In managing the currency risks associated with the capital values of the Group's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible, to provide a natural currency hedge. As the investments in overseas assets are generally long-term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

Net investment hedges in Japan and Australia

As at 30 June 2021, the Group's investment in its Japan and Australia subsidiaries are partially hedged by a JPY-denominated unsecured bank loan of JPY3.7 billion ($45.0 million) (2020: JPY3.7 billion ($47.9 million)) and an A$-denominated unsecured bank loan of A$100.0 million ($101.0 million) which mitigates the currency risk arising from the subsidiaries' net assets. These loans are designated as net investment hedges.

The Group determines the existence of an economic relationship between the above hedging instruments and hedged items based on the currency and amount. The Group has assessed the effectiveness of the above hedging relationships at the reporting date by comparing changes in the carrying amount of the loans that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operations due to movements in the exchange rate.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group $'000	Trust $'000
2021		
A$	**(30,590)**	**9,058**
RM	**(32,289)**	**–**
RMB	**(3,080)**	**–**
JPY	**(1,200)**	**4,358**
Financial derivatives		
– A$	**363**	**363**
2020		
A$	(21,377)	(79)
RM	(29,472)	–
RMB	(2,890)	–
JPY	(1,721)	4,601
Financial derivatives		
– A$	892	892

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Interest rate risk

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group may hedge a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

The Group has hedged approximately 91% (2020: 91%) of its debt as at 30 June 2021 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.28% (2020: 3.23%) per annum as at 30 June 2021.

As at 30 June 2021, the Group has largely hedged its exposure to changes in interest rates on its variable rate borrowings by the use of existing interest rate swaps, with a notional contract amount of $440 million (2020: $375 million) and A$208 million (2020: A$208 million), whereby it receives a variable rate equal to the Singapore swap offer rate and Australia bank bill swap bid rate on the notional amount and pays a fixed interest rate ranging from 0.65% to 2.41% (2020: 1.71% to 2.41%) per annum.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR" reform). The Group has exposure to IBORs on some of its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Manager monitors the various timelines and methods for the Group's transition to alternative rates. The Manager also evaluates whether such contracts will need to be amended as a result of IBOR reform and how to manage such communication with counterparties, including the negotiation of new fall-back clauses in its existing ISDA Master Agreements.

Sensitivity analysis

A change of 1% in interest rate at the reporting date would increase/(decrease) total return by the amounts shown below, arising mainly as a result of lower/higher interest expense on variable rate borrowings that are not hedged by interest rate swaps, and changes in fair value of the interest rate derivatives. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return	
	1% increase $'000	**1% decrease $'000**
Group		
2021		
Variable rate instruments	**(1,032)**	**124**
Financial derivatives	**11,191**	**(11,534)**
	10,159	**(11,410)**
2020		
Variable rate instruments	(1,537)	280
Financial derivatives	9,288	(9,466)
	7,751	(9,186)
Trust		
2021		
Variable rate instruments	**(950)**	**119**
Financial derivatives	**9,626**	**(9,759)**
	8,676	**(9,640)**
2020		
Variable rate instruments	(1,449)	274
Financial derivatives	5,805	(5,701)
	4,356	(5,427)

Measurement of fair values

Financial derivatives

The fair values of financial derivatives are estimated based on banks' quotes. These quotes are largely tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market rates for a similar instrument at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings, trade and other payables, and lease liabilities.

Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is not included below.

		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL $'000	Amortised cost $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group							
2021							
Financial assets measured at fair value							
Derivative financial instruments	7	**1,394**	**–**	**–**	**–**	**1,394**	**–**
Financial assets not measured at fair value							
Trade and other receivables[1]	8	**–**	**4,440**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**–**	**108,323**	**–**	**–**	**–**	**–**
		–	**112,763**	**–**			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(9,813)**	**–**	**–**	**–**	**(9,813)**	**–**
Financial liabilities not measured at fair value							
Trade and other payables[2]	10	**–**	**–**	**(22,396)**	**–**	**–**	**–**
Security deposits	10	**–**	**–**	**(27,530)**	**–**	**(27,653)**	**–**
Variable rate borrowings (excluding medium term notes)	12	**–**	**–**	**(704,233)**	**–**	**(704,233)**	**–**
Medium term notes	12	**–**	**–**	**(401,120)**	**–**	**(428,362)**	**–**
Lease liabilities	13	**–**	**–**	**(798)**	**–**	**–**	**–**
		–	**–**	**(1,156,077)**			

(1) Excluding prepayments.

(2) Excluding security deposits, deferred income and other items.

	Note	Carrying amount: Mandatorily at FVTPL $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
Group							
2020							
Financial assets measured at fair value							
Derivative financial instruments	7	1	–	–	–	1	–
Financial assets not measured at fair value							
Trade and other receivables[1]	8	–	11,924	–	–	–	–
Cash and cash equivalents	9	–	117,442	–	–	–	–
		–	129,366	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(20,713)	–	–	–	(20,713)	–
Financial liabilities not measured at fair value							
Trade and other payables[2]	10	–	–	(18,089)	–	–	–
Security deposits	10	–	–	(28,694)	–	(28,936)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(716,404)	–	(716,404)	–
Medium term notes	12	–	–	(501,582)	–	(534,894)	–
Lease liabilities	13	–	–	(1,199)	–	–	–
		–	–	(1,265,968)			

(1) Excluding grant receivable and prepayments.

(2) Excluding security deposits, deferred income and other items.

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		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL $'000	Amortised cost $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Trust							
2021							
Financial assets measured at fair value							
Derivative financial instruments	7	**1,394**	**–**	**–**	**–**	**1,394**	**–**
Financial assets not measured at fair value							
Trade and other receivables[1]	8	**–**	**5,064**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**–**	**50,913**	**–**	**–**	**–**	**–**
		–	**55,977**	**–**			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(5,709)**	**–**	**–**	**–**	**(5,709)**	**–**
Financial liabilities not measured at fair value							
Trade and other payables[2]	10	**–**	**–**	**(11,438)**	**–**	**–**	**–**
Security deposits	10	**–**	**–**	**(23,402)**	**–**	**(23,425)**	**–**
Variable rate borrowings (excluding medium term notes)	12	**–**	**–**	**(632,781)**	**–**	**(632,781)**	**–**
Medium term notes	12	**–**	**–**	**(294,369)**	**–**	**(316,782)**	**–**
Lease liabilities	13	**–**	**–**	**(705)**	**–**	**–**	**–**
		–	**–**	**(962,695)**			

(1) Excluding prepayments.

(2) Excluding security deposits, deferred income and other items.

	Note	Carrying amount: Mandatorily at FVTPL $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
Trust							
2020							
Financial assets measured at fair value							
Derivative financial instruments	7	1	–	–	–	1	–
Financial assets not measured at fair value							
Trade and other receivables[1]	8	–	5,446	–	–	–	–
Cash and cash equivalents	9	–	67,025	–	–	–	–
		–	72,471	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(12,770)	–	–	–	(12,770)	–
Financial liabilities not measured at fair value							
Trade and other payables[2]	10	–	–	(10,318)	–	–	–
Security deposits	10	–	–	(23,626)	–	(23,692)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(518,410)	–	(518,410)	–
Medium term notes	12	–	–	(394,167)	–	(423,294)	–
Lease liabilities	13	–	–	(1,099)	–	–	–
		–	–	(947,620)			

(1) Excluding grant receivable and prepayments.

(2) Excluding security deposits, deferred income and other items.

27. CAPITAL COMMITMENTS

Capital commitments (contracted but not provided) as at 30 June 2021 comprise of approximately $13.9 million (2020: $4.3 million) capital expenditure, professional fees and interior upgrading works for the Group's investment properties, and approximately $4.8 million (2020: $32.3 million) remaining costs of asset enhancement works for The Starhill in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTIES

During the financial year, other than related party information shown elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Property rental income from the Manager and Property Manager	**961**	983	**961**	983
Property rental income from related parties of the Manager[(1)]	**19,245**	19,264	**986**	965
Leasing commission fees paid to the Property Manager	**(755)**	(737)	**(755)**	(737)
Property management fees paid to the Property Manager	**(3,421)**	(3,459)	**(3,421)**	(3,459)
Management fees paid to the Manager	**(14,524)**	(14,493)	**(14,524)**	(14,493)
Trustee fees paid to the Trustee	**(470)**	(478)	**(470)**	(478)
Reimbursements paid to the Property Manager	**(678)**	(772)	**(678)**	(772)
Costs of the asset enhancement works paid to related party of the Manager[(2)]	**(27,401)**	(25,178)	**–**	–
Servicer fees paid to a wholly-owned subsidiary of the Manager	**(873)**	(855)	**–**	–

(1) Net of rental assistance of approximately $1.7 million (2020: $0.9 million) to cushion the impact of the COVID-19 pandemic.

(2) Comprises costs paid/payable to related party of the Manager for the asset enhancement works for The Starhill in Malaysia.

29. SUBSEQUENT EVENT

Subsequent to the year ended 30 June 2021, the Manager declared a distribution of 2.07 cents per unit in respect of the period from 1 January 2021 to 30 June 2021, which is payable on 24 September 2021.

30. FINANCIAL RATIOS

	Group	
	2021 %	2020 %
Ratio of expenses to weighted average net assets[(1)]	**1.05**	1.05
Portfolio turnover rate[(2)]	**–**	–

(1) The ratios are computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and exclude property related expenses, finance expenses and the performance component of the Manager's fees.

(2) The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net assets.

31. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations that have been issued as of the balance sheet date but are not yet effective for the year ended 30 June 2021 have not been applied in preparing these financial statements. The adoption of these following new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- FRS 117 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *COVID-19-Related Rent Concessions* (Amendment to FRS 116)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to FRS 110 and FRS 28)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRS(I)s 2018 – 2020*

STATISTICS OF UNITHOLDERS

As at 27 August 2021

ISSUED AND FULLY PAID UNITS

Number of issued and fully paid Units	2,217,585,902
Voting rights	One vote per Unit
Number/Percentage of treasury Units	Nil
Number/Percentage of subsidiary holdings	Nil
Market capitalisation	S$1,319,463,612 (based on closing price of S$0.595 per Unit on 27 August 2021)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	57	0.36	1,796	0.00
100 - 1,000	714	4.52	592,666	0.03
1,001 - 10,000	7,949	50.33	46,482,325	2.09
10,001 - 1,000,000	7,022	44.47	372,249,555	16.79
1,000,001 and above	50	0.32	1,798,259,560	81.09
Total	**15,792**	**100.00**	**2,217,585,902**	**100.00**

LOCATION OF UNITHOLDINGS

Country	No. of Unitholders	%	No. of Units	%
Singapore	15,034	95.20	2,179,020,928	98.26
Malaysia	590	3.74	32,907,153	1.48
Others	168	1.06	5,657,821	0.26
Total	**15,792**	**100.00**	**2,217,585,902**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Raffles Nominees (Pte.) Limited	862,989,616	38.92
2	Citibank Nominees Singapore Pte Ltd	395,232,616	17.82
3	DBS Nominees (Private) Limited	191,065,839	8.62
4	DBSN Services Pte. Ltd.	46,774,411	2.11
5	YTL Starhill Global REIT Management Limited	42,276,991	1.91
6	HSBC (Singapore) Nominees Pte Ltd	37,921,504	1.71
7	OCBC Securities Private Limited	24,881,560	1.12
8	CGS-CIMB Securities (Singapore) Pte. Ltd.	20,705,570	0.93
9	United Overseas Bank Nominees (Private) Limited	20,481,075	0.92
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	14,958,342	0.67
11	Maybank Kim Eng Securities Pte. Ltd.	11,918,669	0.54
12	OCBC Nominees Singapore Private Limited	10,749,433	0.48
13	Phillip Securities Pte Ltd	9,840,258	0.44
14	DBS Vickers Securities (Singapore) Pte Ltd	8,719,140	0.39
15	KGI Securities (Singapore) Pte. Ltd.	8,487,008	0.38
16	Soon Li Heng Civil Engineering Pte Ltd	7,300,000	0.33
17	DB Nominees (Singapore) Pte Ltd	7,203,908	0.32
18	BNP Paribas Nominees Singapore Pte. Ltd.	6,521,700	0.29
19	BPSS Nominees Singapore (Pte.) Ltd.	5,939,467	0.27
20	UOB Kay Hian Private Limited	5,702,955	0.26
Total		**1,739,670,062**	**78.43**

OTHERS

STATISTICS OF UNITHOLDERS

As at 27 August 2021

SUBSTANTIAL UNITHOLDINGS

As at 27 August 2021

Name	Direct interest		Deemed interest		Total No. of Units	%[(1)]
	No. of Units	%[(1)]	No. of Units	%[(1)]		
Starhill Global REIT Investments Limited	539,840,000[(2)]	24.34	–	–	539,840,000	24.34
YTL Cayman Limited	18,000,000[(3)]	0.81	582,116,991[(4)]	26.25	600,116,991	27.06
YTL Corporation Berhad	210,195,189[(5)]	9.48	628,103,159[(6)]	28.32	838,298,348	37.80
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	838,298,348[(7)]	37.80	838,298,348	37.80
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	838,298,348[(7)]	37.80	838,298,348	37.80
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	838,298,348[(7)]	37.80	838,298,348	37.80
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	–	–	838,298,348[(7)]	37.80	838,298,348	37.80
AIA Singapore Private Limited	137,620,400[(8)]	6.21	–	–	137,620,400	6.21
AIA Company Limited	–	–	137,620,400[(9)]	6.21	137,620,400	6.21
AIA Group Limited	–	–	137,620,400[(9)]	6.21	137,620,400	6.21
AIA Investment Management Private Limited	–	–	137,620,400[(10)]	6.21	137,620,400	6.21
AIA Investment Management Holding Company Private Limited	–	–	137,620,400[(11)]	6.21	137,620,400	6.21

Notes:

(1) The percentage interest is based on total issued Units of 2,217,585,902 as at 27 August 2021.
(2) This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(3) This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(4) Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and 42,276,991 Units held by YTL Starhill Global REIT Management Limited ("YSGRM").
(5) This relates to 210,195,189 Units held through nominee, Raffles Nominees (Pte) Limited.
(6) Deemed interest in in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 42,276,991 Units held by YSGRM and 27,986,168 Units held by Business & Budget Hotels (Penang) Sdn Bhd ("BBHP").
(7) Deemed interest in 210,195,189 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 42,276,991 Units held by YSGRM and 27,986,168 Units held by BBHP.
(8) This relates to the 137,620,400 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
(9) Deemed interest in 137,620,400 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
(10) AIA Investment Management Private Limited assumed investment management of the Units for its clients.
(11) AIA Investment Management Holding Company Private Limited holds deemed interest because it has direct control of AIA Investment Management Private Limited that holds the deemed interest.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 July 2021

Name Of Director	Direct interest		Deemed interest	
	No. of Units	%[(1)]	No. of Units	%
Tan Sri (Sir) Francis Yeoh	–	–	–	–
Ho Sing	150,000	–[(2)]	–	–
Dato' Yeoh Seok Kian	–	–	–	–
Tan Bong Lin	–	–	–	–
Ching Yew Chye	–	–	–	–
Tan Woon Hum	–	–	–	–

Notes:

(1) The percentage interest is based on total issued Units of 2,214,203,651 as at 21 July 2021.
(2) Less than 0.01%.

FREE FLOAT

Under Rule 723 of the listing manual of SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on information made available to the Manager as at 27 August 2021, approximately 55% of the Units were held in the hands of the public. Rule 723 of the listing manual of the SGX-ST has accordingly been complied with.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
Trustee fees[3]		470	–
YTL Corporation Berhad and its subsidiaries and/or associates	Direct and deemed interest in 37.80% of Units in Starhill Global REIT and indirect holder of all the shares of the Manager, and its subsidiaries and/or associates		
Management fees[2][3]		14,524	–
Property management fees and reimbursements[1]		4,854	–
Managing agent and ancillary service fees[4]		2,133	–
Rental income[5]		5,279	-
Servicer fees[3]		873	-
Rental rebates[6]		1,632	-
Variation in security deposit arrangement[7]		2,319	-
Extension of time for the asset enhancement works[8]		2,326	–
Total		**34,410**	–

Notes:

(1) The total estimated fees and charges payable under the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 17 August 2005, as amended) for the extended term of five years from 20 September 2020 was aggregated for purposes of Rules 905 and 906 of the SGX-ST listing manual during the year ended 30 June 2020 and accordingly, such fees and charges will not be subject to aggregation in subsequent financial years, to the extent that there is no subsequent change to the rates and/or basis of determining such fees and charges.

(2) The Manager has elected to receive, in respect of the year ended 30 June 2021, part of its base management fees in the form of units with the balance in cash. Details are as follows:

For Period	Issue Date	Units Issued	Issue Price* S$	Total Value S$'000
Base Management Fee				
1 July 2020 to 30 September 2020	29-Oct-20	4,709,448	0.4353	2,050
1 October 2020 to 31 December 2020	29-Jan-21	3,926,874	0.5228	2,053
1 January 2021 to 31 March 2021	27-Apr-21	3,566,690	0.5637	2,011
1 April 2021 to 30 June 2021	30-Jul-21	3,382,251	0.5972	2,019
		15,585,263		**8,133**

* Based on the volume weighted average price for a Unit for all trades in the ordinary course of trading on the SGX-ST for the last ten trading days immediately preceding the date of issue of the Units to the Manager.

(3) The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) (save for the extension described in Note 1 above) are deemed to have been specifically approved by Unitholders upon subscription of Units and are therefore not subject to Rules 905 and 906 of the SGX-ST listing manual to the extent that there is no subsequent change to the fees (or the basis of determining the fees) charged under the trust deed, which will adversely affect Starhill Global REIT. In addition, the entry into the Servicer Agreement dated 6 May 2010 in relation to the acquisition of The Starhill and Lot 10 Property was approved by Unitholders at the extraordinary general meeting held on 4 June 2010 and the servicer fees payable thereunder will not be subject to Rules 905 and 906 of the SGX-ST listing manual, to the extent that there is no subsequent change to the rates for such fees.

(4) Relates to the total contract sum entered into during the year ended 30 June 2021 in relation to the common property of Wisma Atria.

(5) Rental income is for the entire period of the lease.

(6) Relates to the total amount of rental rebates granted to the master tenant, Katagreen in respect of the MTA dated 18 March 2019 for Lot 10 Property during the year ended 30 June 2021.

(7) Relates to the conversion of one month's cash deposit to bank guarantee by the master tenant, Katagreen under the MTAs of the Malaysia Properties.

(8) Relates to the postponement of the rental increments under The Starhill's MTA with Katagreen expiring in December 2038, following the extension of time for the completion of the asset enhancement works at The Starhill by two months. For more details, please refer to the circular to Unitholders dated 25 April 2019.

GLOSSARY

A

AEW
The asset enhancement works for The Starhill, details of which are set out in paragraph 2.6.1 of the Circular to Unitholders dated 25 April 2019

AGM
Annual general meeting

Australia Properties
Myer Centre Adelaide, David Jones Building and Plaza Arcade

B

Benchmark Index
Provided by FTSE International Limited. Comprises all the REITs contained in the FTSE All Cap Singapore universe

Board
Board of Directors of the Manager

C

CBD
Central Business District

CDP
The Central Depository (Pte) Limited

CEO
Chief Executive Officer

CFO
Chief Financial Officer

China Property
A four-level retail building (plus a mezzanine floor) forming part of a mixed use commercial development in Chengdu, China

Circuit Breaker
A stay-at-home order implemented as a preventive measure by the Singapore Government in response to the COVID-19 pandemic in the country

CIS Code
Code on Collective Investment Scheme issued by MAS pursuant to section 321 of the Securities and Futures Act (Cap. 289)

CPF
Central Provident Fund

COVID-19
An infectious disease caused by a newly discovered coronavirus which spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes

D

David Jones
David Jones Pty Limited

David Jones Building
A four-level property known as David Jones Building which includes a heritage-listed building that was formerly known as Savoy Hotel

Delta variant
A variant of concern of COVID-19 which rapidly takes off and spreads between people more efficiently compared to earlier COVID-19 variants

DPU
Distribution Per Unit

DRP
Distribution Reinvestment Plan

E

EGM
Extraordinary general meeting

F

F&B
Food and beverage

Fitch Ratings
Fitch, Ratings Inc.

FTSE
FTSE International Limited

FY
Financial year

FY 2016/17 or FY 16/17
Period of 12 months from 1 July 2016 to 30 June 2017

FY 2017/18 or FY 17/18
Period of 12 months from 1 July 2017 to 30 June 2018

FY 2018/19 or FY 18/19
Period of 12 months from 1 July 2018 to 30 June 2019

FY 2019/20 or FY 19/20
Period of 12 months from 1 July 2019 to 30 June 2020

FY 2020/21 or FY 20/21
Period of 12 months from 1 July 2020 to 30 June 2021

FY 2021/22 or FY 21/22
Period of 12 months from 1 July 2021 to 30 June 2022

G

GDP
Gross domestic product

GFA
Gross floor area

GLA
Gross lettable area

Group or SGREIT Group
Starhill Global REIT and its subsidiaries

GST
Goods and services tax

I

IPO
Initial public offering

IRAS
Inland Revenue Authority of Singapore

Isetan
Isetan (Singapore) Limited or Isetan of Japan Sdn. Bhd.

J

Japan Properties
Daikanyama and Ebisu Fort

K

Katagreen
Katagreen Development Sdn. Bhd.

L

Lot 10 Property
137 strata parcels and two accessory parcels within Lot 10 shopping centre

M

Malaysia Properties
The Starhill and Lot 10 Property

Manager
YTL Starhill Global REIT Management Limited

Markor
Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store

MAS
Monetary Authority of Singapore

Movement Control Order or MCO
A movement restriction order implemented as a preventive measure by the Malaysia Government in response to the COVID-19 pandemic

MRT
Mass Rapid Transit

MTAs
The master tenancy agreements for Malaysia Properties

MTN
Medium term notes

Myer
Myer Pty Ltd

Myer Centre Adelaide
An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings

N

NA
Not applicable

NAV
Net asset value attributable to Unitholders

Ngee Ann City
The building known as 'Ngee Ann City' comprising a commercial complex with 18 levels of office space in the twin office tower blocks (Towers A and B) and a seven-storey podium with three basement levels comprising retail and car parking space

Ngee Ann City Property
Four strata lots in Ngee Ann City located on:

a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block;
b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and
c) Whole of Level 21 to Level 24 of Tower B (office)

NLA
Net lettable area

NM
Not meaningful

NPI
Net property income

P

Perth Properties
David Jones Building and Plaza Arcade

Plaza Arcade
A three-storey heritage-listed retail building known as Plaza Arcade located next to David Jones Building

pm
Per month

Portfolio
Singapore Properties, Australia Properties, Malaysia Properties, China Property and Japan Properties

Property Funds Appendix
Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts

Property Manager
YTL Starhill Global Property Management Pte. Ltd.

psf
Per square foot

psfpm
Per square foot per month

Q

q-o-q
Quarter-on-quarter

R

RCF
Revolving credit facility

REIT
Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust

S

S-REITs
Singapore Real Estate Investment Trusts

SGX-ST
Singapore Exchange Securities Trading Limited

Singapore Properties
Ngee Ann City Property and Wisma Atria Property

SME
Small and medium-sized enterprises

sq ft
Square feet

sq m or m²
Square metre

Starhill Global REIT, SGREIT or SGR
Starhill Global Real Estate Investment Trust

T

The Starhill
Formerly a shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements. Post-asset enhancement, the mall will be an integrated development with four lower floors of retail and three upper floors of hospitality use.

Toshin
Toshin Development Singapore Pte. Ltd.

Trustee
Unless the context otherwise requires, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT

U

Unit
A unit representing an undivided interest in Starhill Global REIT. Where the context so requires, the definition includes a Unit of a class of Units

Unitholders
The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units

W

Wisma Atria
The building known as 'Wisma Atria' comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office block

Wisma Atria Property
257 strata lots in Wisma Atria

Y

y-o-y
Year-on-year

YTL Corp
YTL Corporation Berhad

YTL Group
YTL Corp and its subsidiaries

OTHERS

A$
Australian dollars, the official currency of Australia

JPY or Yen
Japanese yen, the official currency of Japan

RM or Ringgit
Malaysian ringgit, the official currency of Malaysia

RMB or Renminbi
Chinese renminbi, the official currency of China

S$, SGD and cents
Singapore dollars and cents, the official currency of Singapore

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

1H, 2H
Where applicable, refers to the periods from 1 July to 31 December; and 1 January to 30 June

All values are expressed in Singapore currency unless otherwise stated.

CORPORATE DIRECTORY

MANAGER

YTL Starhill Global REIT
Management Limited
391B Orchard Road
#21-08 Ngee Ann City Tower B
Singapore 238874
Phone: +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

DIRECTORS

Tan Sri (Sir) Francis Yeoh
(Non-Executive Chairman)

Mr Ho Sing
(CEO & Executive Director)

Dato' Yeoh Seok Kian
(Non-Executive Director)

Mr Tan Bong Lin
(Lead Independent Director)

Mr Ching Yew Chye
(Independent Director)

Mr Tan Woon Hum
(Independent Director)

AUDIT COMMITTEE

Mr Tan Bong Lin
(Chairman)

Mr Ching Yew Chye
(Member)

Mr Tan Woon Hum
(Member)

NOMINATING AND REMUNERATION COMMITTEE

Mr Tan Woon Hum
(Chairman)

Tan Sri (Sir) Francis Yeoh
(Member)

Dato' Yeoh Seok Kian
(Member)

Mr Tan Bong Lin
(Member)

Mr Ching Yew Chye
(Member)

JOINT COMPANY SECRETARIES

Mr Lam Chee Kin

Mr Lim Wai Pun

Mr Abdul Jabbar bin Karam Din

TRUSTEE

Registered Address
HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #48-01
Singapore 018983

Correspondence Address
HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #45-01
Singapore 018983
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UNIT REGISTRAR

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
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Phone: +65 6536 5355
Fax : +65 6438 8710

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Phone : +65 6213 3388

Partner in charge:
Mr Tan Chun Wei (Chen Junwei)
(With effect from FY 2020/21)

SGX CODE

Starhill Gbl

WEBSITE

www.starhillglobalreit.com

NOTICE OF ANNUAL GENERAL MEETING

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders ("**Unitholders**") of Starhill Global Real Estate Investment Trust ("**SGR**") will be convened and held by way of electronic means on **Thursday, 28 October 2021 at 11.00 a.m. (Singapore Time)** to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of SGR (the "**Trustee**"), the Statement by YTL Starhill Global REIT Management Limited, as manager of SGR (the "**Manager**") and the Audited Financial Statements of SGR for the financial year ended 30 June 2021 and the Auditors' Report thereon. *(Ordinary Resolution 1)*

2. To re-appoint Messrs KPMG LLP as the Auditors of SGR and to hold office until the conclusion of the next AGM of SGR, and to authorise the Manager to fix their remuneration. *(Ordinary Resolution 2)*

3. To re-endorse the appointments of the following directors of the Manager ("**Directors**") pursuant to the undertaking dated 21 August 2020 provided by YTL Corporation Berhad to the Trustee:

   (a) Tan Sri (Sir) Francis Yeoh; and *(Ordinary Resolution 3)*
   (b) Mr Ho Sing. *(Ordinary Resolution 4)*

(Please see Explanatory Note 1)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 5)*

   (a) (i) issue units in SGR ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

   (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

   (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting SGR (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 2)

5. That: *(Ordinary Resolution 6)*

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of SGR not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of SGR is held;

(ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the market repurchase(s) are made or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase(s);

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units in the case of both market repurchase and off-market repurchase; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of SGR to give effect to the transactions contemplated and/or authorised by this Resolution.

(Please see Explanatory Note 3)

BY ORDER OF THE BOARD
YTL Starhill Global REIT Management Limited
(Company Registration No. 200502123C)
As Manager of Starhill Global Real Estate Investment Trust

Lim Wai Pun / Lam Chee Kin
Joint Company Secretaries
Singapore
24 September 2021

Explanatory Notes:

1. *Ordinary Resolutions 3 and 4*

YTL Corporation Berhad had on 21 August 2020 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to include in the agenda for the annual general meeting of Unitholders to be held in 2020, the resolutions to endorse the appointment of each person who is a Director;
- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third annual general meeting of SGR after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director at any time either to fill a vacancy or as an addition to the existing board of Directors) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next annual general meeting of SGR immediately following his/her appointment; and
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of SGR where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict YTL Corporation Berhad or the Manager from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- YTL Corporation Berhad remains as the holding company (as defined in the Companies Act of Singapore, Chapter 50 of Singapore) of the Manager; and
- YTL Starhill Global REIT Management Limited remains as the manager of SGR.

The appointments of Tan Sri (Sir) Francis Yeoh and Mr Ho Sing were last endorsed by Unitholders on 28 October 2020 and the Manager is seeking the re-endorsement of the appointments of Tan Sri (Sir) Francis Yeoh and Mr Ho Sing at the AGM to be held in 2021.

Detailed information on Tan Sri (Sir) Francis Yeoh and Mr Ho Sing can be found in the "Board of Directors" section of SGR's Annual Report FY 2020/21. Tan Sri (Sir) Francis Yeoh will, upon re-endorsement, continue to serve as Non-Executive Chairman of the Board and member of the Nominating and Remuneration Committee. Mr Ho Sing will, upon re-endorsement, continue to serve as Executive Director and the Chief Executive Officer.

The details of all current directorships in other listed companies and other principal commitments of Tan Sri (Sir) Francis Yeoh and Mr Ho Sing are set out in pages 22 to 23 and pages 119 to 124 of SGR's Annual Report FY 2020/21.

2. *Ordinary Resolution 5*

The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

NOTICE OF ANNUAL GENERAL MEETING

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 5 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fundraising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

3. *Ordinary Resolution 6*

Ordinary Resolution 6 above, if passed, will empower the Manager from the date of the AGM of SGR until (i) the date on which the next annual general meeting of SGR is held, (ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of SGR not exceeding in aggregate 2.5% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Letter to Unitholders dated 24 September 2021, unless such authority is revoked or varied by the Unitholders in a general meeting.

Important Notice:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will be sent to Unitholders by post and electronic means via publication on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

2. In view of the COVID-19 situation in Singapore, Unitholders will not be able to attend the AGM in person. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out below. Any reference to a time of day is made by reference to Singapore time.

3. Unitholders, CPF and SRS investors will be able to participate in the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders, CPF and SRS investors must pre-register at SGR's pre-registration website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html from now till 11.00 a.m. on 25 October 2021 to enable the Manager to verify their status as Unitholders.

   Following the verification, authenticated Unitholders, CPF and SRS investors will receive an email, which will contain login credentials as well as the link to access the live audio-visual webcast or the toll-free number for the audio-only stream for the AGM proceedings, by 11.00 a.m. on 27 October 2021. Unitholders, CPF and SRS investors who do not receive an email by 11.00 a.m. on 27 October 2021 but have registered by the 25 October 2021 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355, or by email to SGREIT@boardroomlimited.com.

4. Unitholders, CPF and SRS investors will not be able to ask questions during the AGM live audio-visual webcast or audio-only stream. Unitholders, CPF and SRS investors may submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM. Unitholders, CPF and SRS investors may submit questions electronically by 11.59 p.m. on 21 October 2021 in the following manner:

   (a) via SGR's pre-registration website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html; or

   (b) via email to the following email address: SGREIT@boardroomlimited.com.

   Unitholders who submit questions via email must provide the following information:

   (a) the Unitholder's full name (as per NRIC/Passport);

   (b) the Unitholder's correspondence address; and

   (c) unitholding type(s) (e.g., via CDP, CPF or SRS).

   The Manager will endeavour to address all substantial and relevant questions submitted in advance of the AGM prior to or during the AGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the AGM on SGR's website and the SGX-ST's website prior to the AGM. The Manager will publish the minutes of the AGM on SGR's website and the SGX-ST's website and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

5. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed via publication on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the proxy form will also be sent to Unitholders by post.

   Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:

   (a) if submitted by post, to be lodged at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to the Unit Registrar at SGREIT@boardroomlimited.com,

   in either case, by not later than 11.00 a.m. on 26 October 2021, being not less than forty-eight (48) hours before the time appointed for the AGM.

   A Unitholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

7. Persons who hold Units through relevant intermediaries (as defined below), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM. In addition, CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 19 October 2021, being seven (7) working days before the date of the AGM.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for AGM in order for the Depositor to be entitled to participate and appoint the Chairman of the AGM as proxy to vote at the AGM.

9. The Chairman of the AGM, as proxy, need not be a Unitholder of SGR.

10. The Annual Report FY 2020/21 and the Letter to Unitholders dated 24 September 2021 (in relation to the renewal of the Unit Buy-Back Mandate) may be accessed at SGR's website as follows:

    (a) the Annual Report FY 2020/21 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Annual Report FY 2020/21"; and

    (b) the Letter to Unitholders dated 24 September 2021 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Letter to Unitholders in Relation to the Renewal of the Unit Buy-Back Mandate".

11. Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html for the latest updates on the status of the AGM.

    Personal Data Privacy

12. By submitting an instrument appointing the Chairman as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

Annual General Meeting

(Before completing this form, please read the notes behind)

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

IMPORTANT

This Proxy Form may be accessed at Starhill Global REIT's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will be made available on Singapore Exchange Securities Trading Limited's (the "SGX-ST") website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Proxy Form will also be sent to unitholders.

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 24 September 2021 will be sent to unitholders by post and electronic means via publication on Starhill Global REIT's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM.
3. **In view of the current Covid-19 situation in Singapore, a unitholder will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the AGM as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 19 October 2021, being seven (7) working days before the date of the AGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

Personal data privacy

By submitting an instrument appointing the Chairman of the AGM as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 24 September 2021.

I/We ______________________________ (Name(s) and NRIC Number(s)/Passport Number(s)/

Company Registration Number) of ______________________________ (Address)

being a unitholder/unitholders of Starhill Global Real Estate Investment Trust ("**SGR**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy to attend and to vote for me/us on my/our behalf at the AGM of SGR to be convened and held by way of electronic means **on Thursday, 28 October 2021 at 11.00 a.m. (Singapore Time)** and at any adjournment thereof. I/We direct the Chairman of the AGM as my/our proxy to vote for or against the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	No. of Votes For*	No. of Votes Against*	Abstain*
	ORDINARY BUSINESS			
1.	Adoption of the Trustee's Report, the Manager's Statement, the Audited Financial Statements of SGR for the financial year ended 30 June 2021 and the Auditors' Report thereon. (Ordinary Resolution 1)			
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration. (Ordinary Resolution 2)			
3.	To re-endorse the appointment of Tan Sri (Sir) Francis Yeoh as Director. (Ordinary Resolution 3)			
4.	To re-endorse the appointment of Mr Ho Sing as Director. (Ordinary Resolution 4)			
	SPECIAL BUSINESS			
5.	Authority to issue Units and to make or grant convertible instruments. (Ordinary Resolution 5)			
6.	To approve the Unit Buy-Back Mandate. (Ordinary Resolution 6)			

* If you wish the Chairman of the AGM as your proxy to exercise all your votes "For" or "Against" or abstain from voting on a resolution, please tick (✓) within the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to "Abstain" from voting in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this ____________ day of ____________ 2021

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

1st fold (this flap for sealing) Glue all sides firmly. Stapling & spot sealing is disallowed.

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 07894

YTL Starhill Global REIT Management Limited
(as Manager of Starhill Global REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. **In view of the current COVID-19 situation in Singapore, a unitholder will not be able to attend the AGM in person.** If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This Proxy Form may be accessed at Starhill Global REIT's website at https://www.starhillglobalreit.com/ir_agm_egm.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements. In appointing the Chairman of the AGM as proxy, a unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
2. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 19 October 2021, being seven (7) working days before the date of the AGM.
3. The Chairman of the AGM, as proxy, need not be a unitholder of Starhill Global REIT.
4. A unitholder should insert the total number of units held. If the unitholder has units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, that number of units should be inserted. If the unitholder has units registered in the unitholder's name in the Register of Unitholders of Starhill Global REIT, that number of units should be inserted. If the unitholder has units entered against or registered in the unitholder's name in both the Depository Register and Register of Unitholders of Starhill Global REIT, the unitholder should insert the aggregate number of units. If no number is inserted, this Proxy Form will be deemed to relate to all the units held by the unitholder.
5. The Proxy Form appointing the Chairman of the AGM as proxy must be submitted to the Manager c/o Starhill Global REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
   (a) if submitted electronically, be submitted via email to Starhill Global REIT's Unit Registrar at SGREIT@boardroomlimited.com; or
   (b) if submitted by post, be lodged at the office of Starhill Global REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

   in either case, by 11.00 a.m. on 26 October 2021, being 48 hours before the time fixed for the AGM.

   A unitholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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In view of the COVID-19 situation in Singapore, unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.
9. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of unitholders whose units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the unitholder, being the appointor, is not shown to have units entered against the unitholder's name in the Depository Register not less than 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Manager.

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STARHILL GLOBAL REIT

This Annual Report for the financial year ended 30 June 2021 has been prepared by YTL Starhill Global REIT Management Limited (Company Registration No. 200502123C) as the Manager of Starhill Global REIT. This report does not contain investment advice nor is it an offer to invest in units of Starhill Global REIT.

Whilst every care has been taken in relation to the accuracy of this report, no warranty is given or implied. This report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend that potential investors speak with their financial and/or other professional advisers.

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, the Trustee, or any of their 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. Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. 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 indicative of the future performance of Starhill Global REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This document may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED

Company Registration No. 200502123C

www.starhillglobalreit.com