



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 8 August 2005 (as amended))

MANAGED BY

YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED

(Company Registration Number 200502123C)

25 September 2020

To: The Unitholders of Starhill Global Real Estate Investment Trust

Dear Sir/Madam

1 INTRODUCTION

1.1 Summary

We refer to the proposed Ordinary Resolution 10 ("**Resolution 10**") and the proposed Extraordinary Resolution 11 ("**Extraordinary Resolution 11**") under the "Special Business" section of the notice dated 25 September 2020 (the "**Notice of AGM**") convening the annual general meeting of Starhill Global Real Estate Investment Trust ("**SGR**") to be held by way of electronic means, on Wednesday, 28 October 2020 at 11 a.m. ("**AGM**").

Ordinary Resolution 10 relates to the proposed renewal of the unit buy-back mandate of YTL Starhill Global REIT Management Limited, as manager of Starhill Global REIT (the "**Manager**"). The Manager's existing mandate to exercise its powers to procure the repurchases of units in SGR ("**Units**") for and on behalf of SGR without the prior specific approval of the holders of Units ("**Unitholders**") in a general meeting was approved by Unitholders at the annual general meeting of SGR that was held on 29 October 2019, and such mandate expires on 28 October 2020, being the date of the AGM. In this regard, the Manager seeks approval from Unitholders at the AGM in relation to the renewal of the mandate to exercise its powers to procure the repurchases of Units for and on behalf of SGR without the prior specific approval of Unitholders in a general meeting (the "**Unit Buy-Back Mandate**").

Extraordinary Resolution 11 relates to the proposed implementation of a distribution reinvestment plan to provide Unitholders with an option to make an election to receive distributions in the form of Units instead of cash (the "**Distribution Reinvestment Plan**"), together with an accompanying amendment to the trust deed dated 8 August 2005 constituting SGR (as amended) (the "**Trust Deed**") to amend the timeframe for the payout of distributions from 60 days to 90 days after the end of the distribution period (as set out in **Appendix B** of this Letter) (the "**DRP Supplement**").

1.2 This Letter

The purpose of this Letter is to provide Unitholders with information relating to the above proposals which will be tabled at the AGM.

1.3 Advice to Unitholders

Unitholders should note that by approving the resolution relating to the Unit Buy-Back Mandate, they will be renewing the authority of the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

(See “The Proposed Renewal of the Unit Buy-Back Mandate” in paragraph 2 of this Letter for further details.)

Unitholders should note that by approving the resolution relating to the Distribution Reinvestment Plan, they will be authorising the Manager to allot and issue new Units in connection with the Distribution Reinvestment Plan, on the terms and conditions set out in paragraph 3 and Appendix A of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

(See “The Proposed Implementation of the Distribution Reinvestment Plan” in paragraph 3 and **Appendix A** of this Letter for further details.)

If a Unitholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.4 Singapore Exchange Securities Trading Limited (the “SGX-ST”)

SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

2 ORDINARY RESOLUTION 10: THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

2.1 Rationale for the Unit Buy-Back Mandate

The approval of the renewal of the Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of SGR would give the Manager the flexibility to undertake repurchases of Units (“**Unit Buy-Back**”) of up to the 2.5% limit described in paragraph 2.2.1 of this Letter at any time, during the period when the Unit Buy-Back Mandate is in force.

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (i) the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value (“**NAV**”) per Unit; and
- (ii) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, offset the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 2.5% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that the Manager may not necessarily repurchase Units, and Unit Buy-Backs may not necessarily be carried out to the entire 2.5% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of SGR and the Unitholders.

Rule 723 of the Listing Manual requires SGR to ensure that at least 10.0% of its Units are at all times held by the public (the “**Public Float**”). As at 28 August 2020, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Public Float is approximately 55.0%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ approval of the Unit Buy-Back Mandate and the repurchases of Units thereunder.

2.2 Authority and Limits on the Unit Buy-Back Mandate

The authority conferred on the Manager and the limits placed on the repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

2.2.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 2.5% of the total number of issued Units as at the date of the AGM.¹

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 2,194,958,278 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 54,873,956 Units (representing 2.5% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

2.2.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (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 provisions of the Trust Deed to be held; or
- (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

(the “**Mandate Duration**”).

Under the Trust Deed and the prevailing laws and regulations of Singapore, SGR is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within four months from the financial year end of SGR.

¹ Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, SGR does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of SGR hold any Units. There is also only one class of units in SGR.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

2.2.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) (“**Market Repurchases**”); and/or
- (ii) off-market repurchase(s) (“**Off-Market Repurchases**”).

Market Repurchases refer to repurchases of Units by the Manager effected 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, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Unit repurchases;

- (iv) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (the “**Code**”) or other applicable takeover rules;
- (v) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (vi) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (vii) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

2.2.4 Repurchase Price

The Manager has the discretion to determine the repurchase price for a repurchase of Units under a Unit buy-back mandate, subject to such repurchase price not exceeding:

- (i) in the case of a Market Repurchase (in accordance with Rule 884 of the Listing Manual), 105.0% of the Average Closing Price (as defined herein) of the Units; and
- (ii) in the case of an Off-Market Repurchase, 110.0% of the Average Closing Price of the Units,

(the “**Maximum Price**”), in either case, excluding Related Expenses of such repurchase.

For the purposes of this paragraph 2.2.4:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days (as defined herein), 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 calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

2.3 Status of Repurchased Units

Under the Trust Deed, a Unit repurchased by way of a Unit buy-back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

2.4 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase, on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

2.5 Sources of Funds

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise SGR's internal sources of funds, external borrowings or a combination of both to finance the Manager's repurchase of Units on behalf of SGR pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

2.6 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit ("**DPU**") as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

SGR's total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of SGR and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of SGR and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-Back Mandate with a view

to enhancing the DPU and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of SGR.

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit buy-back on SGR are based on the assumptions set out below:

- (i) 54,873,956 Units (representing approximately 2.5% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 July 2019;
- (ii) 2,194,958,278 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased:
 - (a) in the case of Market Repurchases by the Manager at the Maximum Price of S\$0.462 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required for the repurchase of the 54,873,956 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$25.4 million; and
 - (b) in the case of Off-Market Repurchases by the Manager at the Maximum Price of S\$0.484 per Unit (being 110.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required for the repurchase of the 54,873,956 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$26.6 million; and
- (iv) the Unit Buy-Back Mandate has been effective since 1 July 2019;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded solely by non-current external borrowings; and
- (vii) SGR's frequency of distribution to Unitholders is on a semi-annual basis.

Based on the assumptions set out above, the financial effects of the repurchase of 54,873,956 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate by way of (A) Market Repurchases and (B) Off-Market Repurchases, are set out below based on the audited consolidated financial statements of SGR and its subsidiaries (the “**SGR Group**”) for the financial year ended 30 June 2020 (“**FY2019/20**” and the audited consolidated financial statements of the SGR Group for FY2019/20, the “**FY2019/20 Audited Financial Statements**”):

	FY2019/20 Audited Financial Statements	Pro forma financial effects of Unit repurchases on the FY2019/20 Audited Financial Statements	
		Market Repurchases	Off-Market Repurchases
Net Assets (S\$ million)	1,769.5	1,743.4	1,742.1
Current Assets (S\$ million)	139.7	139.0	138.9
Current Liabilities (S\$ million)	204.4	204.4	204.4
Number of issued Units (as at the Latest Practicable Date) (million)	2,195.0	2,140.1	2,140.1
<u>Financial Ratios</u>			
Adjusted NAV per Unit (excluding outstanding distributable income*) (S\$)	0.80	0.81	0.81
Distribution* per Unit (cents)	2.96	2.99	2.99
Aggregate Leverage (%)	39.7%	40.6%	40.6%

* For illustrative purpose, this excludes the deferred distributable income of approximately S\$7.7 million for 2H FY2019/20, as allowed under the COVID-19 relief measures for Singapore real estate investment trusts announced by the Inland Revenue Authority of Singapore.

Unitholders should note that the financial effects set out in the table above are based on the FY2019/20 Audited Financial Statements and are presented strictly for illustrative purposes only. The results of the SGR Group for FY2019/20 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 2.5% of the total number of issued Units, the Manager may not necessarily repurchase the entire 2.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

2.7 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 Units Repurchased by the Manager

As at the Latest Practicable Date, the Manager has not repurchased any Units under the existing Unit buy-back mandate immediately preceding the AGM.

2.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of SGR at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of SGR during the period commencing

one month before the announcement of the SGR Group half year and full year financial statements. Additionally, the Manager will not repurchase Units for and on behalf of SGR during the period commencing two weeks before the announcement of the SGR Group first quarter and third quarter financial statements, when the Manager issues voluntary business updates.

2.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

2.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of SGR and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

2.10.2 Persons Acting in Concert

Applying the Code to SGR, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of SGR.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company ("**(A)**");
 - (b) the parent company of (A) ("**(B)**");
 - (c) the subsidiaries of (A) (each, "**(C)**");
 - (d) the fellow subsidiaries of (A) (each, "**(D)**");
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, "**(E)**");
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and

- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

2.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted¹, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in SGR, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in SGR, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution relating to the Unit Buy-Back Mandate.

Based on the interests of the Substantial Unitholders (as defined herein) in Units recorded in the Register of Substantial Unitholders and information available to the Manager as at the Latest Practicable Date and before the purchase of Units, YTL Corporation Berhad and parties acting in concert with it (the “**YTL Group**”) have unitholdings (direct and deemed) of 831,795,345 Units (37.90%).

The unitholdings of YTL Group after the repurchase of Units assuming:

- (a) the Manager purchases 54,873,956 Units, being the maximum limit of 2.5% of the issued Units under the Unit Buy-Back Mandate; and
- (b) there is no other change in the number of Units held by the YTL Group as at the Latest Practicable Date,

will be 831,795,345 Units (38.87%).

In the above illustration, as at the Latest Practicable Date, the voting rights of the YTL Group may increase from 37.90% to 38.87% in the event the Manager purchases 54,873,956 Units, being the maximum limit of 2.5% of the issued Units under the Unit Buy-Back Mandate. In the event that YTL Corporation Berhad’s and its concert parties’ voting rights increase by more than 1.0% in any period of 6 months, the YTL Group will become obligated to make a mandatory take-over offer under Rule 14 of the Code.

¹ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

The Manager intends to monitor and limit the extent of its repurchases under the Unit Buy-Back Mandate such that the voting rights of the YTL Group will not increase by more than 1.0% of the issued Units in any period of 6 months.

Save as disclosed above, none of the Substantial Unitholders would become obliged to make a take-over offer for SGR under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 2.5% of its issued Units as at the Latest Practicable Date.

Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

2.11 Unitholders' Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders for the resolution relating to the renewal of the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of the resolution relating to the renewal of the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with the provisions of the Trust Deed and all applicable laws and regulations including, but not limited to the Listing Manual.

3 EXTRAORDINARY RESOLUTION 11: THE PROPOSED IMPLEMENTATION OF THE DISTRIBUTION REINVESTMENT PLAN

3.1 Rationale for the Distribution Reinvestment Plan

The Distribution Reinvestment Plan, when adopted, will provide an opportunity for Unitholders to make an election to receive distributions in the form of Units instead of cash.

The Distribution Reinvestment Plan will enable Unitholders to acquire additional Units without having to incur brokerage fees, stamp duties (if any) and other transaction costs. SGR will also benefit from the participation by Unitholders in the Distribution Reinvestment Plan as, to the extent that Unitholders elect to receive distributions in the form of Units, the cash which would otherwise be payable by way of distributions may be retained to fund the continuing growth and expansion of SGR. The retention of cash and the issue of Units pursuant to the Distribution Reinvestment Plan (the "**DRP Units**") in lieu of cash distributions under the Distribution Reinvestment Plan will also enlarge SGR's capital base, strengthen its working capital reserves and improve the liquidity of Units.

3.2 Availability of the Distribution Reinvestment Plan

The Distribution Reinvestment Plan may be applied from time to time to any distribution declared by SGR as the Manager may determine in its discretion.

An announcement will be made by the Manager as soon as practicable following its determination that the Distribution Reinvestment Plan is to apply to a particular distribution, and in any event, by no later than the day on which the SGX-ST is open for trading in securities (a “**Market Day**”) immediately following the Record Date (as defined herein) for the distribution.

Notwithstanding any provisions of the Distribution Reinvestment Plan, if at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any distribution and before the allotment and issue of DRP Units in respect of such distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of such distribution, the Manager may, in its absolute discretion and as it may deem fit in the interests of SGR and without assigning any reason therefor, cancel the application of the Distribution Reinvestment Plan to such distribution. In such event, the distribution shall be paid in cash to Unitholders in the usual manner.

3.3 Election to Receive Distributions in the Form of Units in lieu of Cash

For each distribution which the Manager has determined that Unitholders may elect to receive DRP Units credited as fully paid in respect of their entitlement to the distribution, the Manager may, at its discretion, provide Unitholders with either:

- (i) the following two choices in respect of such distribution:
 - (a) elect to receive a cash distribution on the existing Units held; or
 - (b) elect to receive an allotment of DRP Units credited as fully paid in lieu of the cash amount of the distribution entitlement; or
- (ii) the following three choices in respect of such distribution:
 - (a) elect to receive a cash distribution on the existing Units held;
 - (b) elect to receive an allotment of DRP Units credited as fully paid in lieu of the cash amount of the distribution entitlement; or
 - (c) elect to receive an allotment of DRP Units credited as fully-paid in lieu of part of the cash amount of the distribution entitlement and the remaining distribution entitlement in cash.

A Unitholder will, at the discretion of the Manager, receive one or more notices of election (“**Notice(s) of Election**”) in relation to all of his holding of Units through which the Unitholder may indicate whether they wish to participate in the Distribution Reinvestment Plan. Unitholders will receive the Qualifying Distribution in cash if they do not choose to participate in the Distribution Reinvestment Plan.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive DRP Units in respect of their entitlements to all future Qualifying Distributions, to which each Notice of Election relates. Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should such a feature be available to Unitholders in the future. Accordingly, until such permanent election feature is available, a Unitholder has to complete such Notice(s) of Election every time a distribution to which the Distribution Reinvestment Plan applies (as may be determined by the Manager) (the

“**Qualifying Distribution**”) is announced by the Manager. Unitholders receiving more than one Notice of Election may also choose to elect to participate in respect of all or part of their holding of Units to which one Notice of Election relates and elect not to participate in respect of all or part of their holding of Units to which any other Notice of Election relates. A Unitholder receiving more than one Notice of Election and wishing to receive Units in respect of his entitlement to the Qualifying Distribution for all Units held by him must complete all Notices of Election received by him and return the completed Notices of Election to the Unit Registrar within the stipulated time period.

The DRP Units to be issued pursuant to the Distribution Reinvestment Plan will rank *pari passu* in all respects with the existing Units then in issue save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Fractional entitlements to the DRP Units will be rounded down to the nearest whole unit, with the fractional entitlements disregarded, or otherwise dealt with in such manner as the Manager may deem fit, including (a) retaining the residual balance as part of SGR’s deposited property or (b) distributing the residual balance to participating Unitholders in cash.

3.4 Pricing of the DRP Units

For the purpose of calculating the number of DRP Units to be allotted to Unitholders, the issue price of a new Unit shall not be set at more than 10.0% discount (or such other discount as may be prescribed by the SGX-ST from time to time), nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the period of 10 Market Days immediately prior to, and ending on, the Record Date (the “**Price Determination Period**”).

Consequently (where the Distribution Reinvestment Plan is to apply to a particular distribution), it will not be possible until after the close of business on the relevant Record Date to determine the exact number of DRP Units to which Unitholders electing to receive DRP Units will be entitled. An announcement will be made setting out the issue price of a new Unit to be used in the calculation of Unitholders’ entitlements to the DRP Units in respect of such distribution. In addition, Notices of Election will be sent to Unitholders after the Record Date.

3.5 Eligibility

All Unitholders are eligible to participate in the Distribution Reinvestment Plan, subject to the restrictions on Overseas Unitholders (as defined below), more particularly described in paragraph 4.4 of the Distribution Reinvestment Plan Statement in Appendix A and except that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders, as the Manager may in its discretion determine, and further subject to the requirement that such participation by the Unitholders will not result in a breach of any other restriction on such Unitholders’ holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Trust Deed.

3.6 Obligation to Extend Take-over Offer

The attention of Unitholders is drawn to Rule 14 of the Singapore Code on Take-overs and Mergers. In particular, a Unitholder should note that he may be under an obligation to extend a take-over for SGR if:

- (i) he acquires, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, whether at one time or different times, Units which (together with Units held or acquired by him or persons acting in concert with him) carry 30.0% or more of the voting rights of SGR; or
- (ii) he, together with persons acting in concert with him, holds Units carrying not less than 30.0% but not more than 50.0% of the voting rights of SGR, and he or any person acting in concert with him, acquires in any period of six months, additional Units carrying more than 1.0% of the voting rights of SGR by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution.

Unitholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of Units through their participation in the Distribution Reinvestment Plan are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

3.7 Unitholders Resident outside Singapore

The DRP Units have not been, and will not be, registered under the United States Securities Act 1933 (the “**U.S. Securities Act**”) and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States.

Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, the Distribution Reinvestment Plan may, at the discretion of the Manager, not be offered to Unitholders with registered mailing addresses outside Singapore as at the relevant Record Date for a Distribution and who have not provided to The Central Depository (Pte) Limited (“**CDP**”) (in the case of overseas Unitholders who are Depository Unitholders) or the Unit Registrar (in the case of overseas Unitholders who are Non-Depository Unitholders), not later than three Market Days (or such other cut-off date as the Manager may determine) prior to the relevant Record Date with mailing addresses in Singapore for the service of notices and documents (“**Overseas Unitholders**”). No Overseas Unitholder shall have any claim whatsoever against SGR, the Trustee, the Manager, the Unit Registrar or CDP as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholder. If the Manager has decided not to offer the Distribution Reinvestment Plan to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession the Distribution Reinvestment Plan Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them.

Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan should provide an address in Singapore for the service of notices and documents to the CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 (in the case of Overseas Unitholders who are Depository Unitholders) or the Unit Registrar

(in the case of Overseas Unitholders who are Non-Depository Unitholders) (or such other address as may be announced by the Manager from time to time) not later than three Market Days prior to the Record Date (or such other cut-off date as the Manager may determine). Unitholders should note that all correspondence and notices will be sent to their last registered addresses with CDP. Unitholders which are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

3.8 Crediting of DRP Units

It is expected that the DRP Units will be credited to the relevant securities accounts of Unitholders, on or about the payment date for the relevant distribution, which in any event shall be no later than 90 calendar days after the Distribution Calculation Date (as defined herein) for the relevant Distribution Period (as defined herein).

Unitholders should note that in approving the Distribution Reinvestment Plan, the DRP Units will be credited to the relevant securities accounts of Unitholders, on or about the payment date for the relevant distribution, which in any event shall be no later than 90 calendar days after the end of the distribution period.

3.9 Taxation

The Manager, SGR, the Trustee, the Unit Registrar and CDP take no responsibility for the tax liabilities of Unitholders who choose to participate in the Distribution Reinvestment Plan or the tax consequences of any election made by Unitholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Unitholders if they are in doubt or required.

The Manager, SGR, the Trustee, the Unit Registrar and CDP take no responsibility for the correctness or accuracy of any information as to tax liability contained in the Distribution Reinvestment Plan Statement set out in Appendix A of this Letter. Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as at the date hereof, under the income tax legislation in Singapore, a Unitholder's tax liability will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Distribution Reinvestment Plan.

3.10 Distribution Date

Clause 1.1 of the Trust Deed defines "Distribution Date" as a Business Day (as defined herein) which is no later than 60 days after the Distribution Calculation Date for the relevant Distribution Date. In order to facilitate the implementation of the Distribution Reinvestment Plan, if and when approved, the Manager is proposing to amend the definition of "Distribution Date" to amend the timeframe for the payout of distributions from 60 days to 90 days after the end of the Distribution Calculation Date. By approving the Distribution Reinvestment Plan, Unitholders are deemed to also approve the DRP Supplement.

The extra time is required to enable the Manager to effectively deal with the added complexity of the logistical and administrative procedures involved in processing a distribution reinvestment plan for a real estate investment trust such as returning and processing the tax declaration forms.

For the avoidance of doubt, notwithstanding that the timeframe for the payout of the distributions is amended from 60 days to 90 days, the Manager will comply with Rule 862(5) of the Listing Manual (which states that the distribution payment date for a distribution where a Distribution Reinvestment Plan is offered must be not more than 35 market days, after the Record date).

(The details of the DRP Supplement can be found in Appendix B of this Letter.)

3.11 Odd Lots

A Unitholder who elects to receive DRP Units in lieu of the cash amount of the Qualifying Distribution may receive such DRP Units in odd lots. Unitholders who receive odd lots of DRP Units and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) Unit.

3.12 Underwriting of the Distribution Reinvestment Plan

The Manager may, at its discretion, arrange for the Distribution Reinvestment Plan to be fully or partially underwritten. If the Distribution Reinvestment Plan is fully underwritten, the number of Units which would be issued by the Manager under the Distribution Reinvestment Plan would be the number of Units which would be issued if all the Unitholders elect to participate in the Distribution Reinvestment Plan regardless of the actual number of Unitholders who elect to participate in the Distribution Reinvestment Plan.

An underwritten Distribution Reinvestment Plan would provide the Manager with a significant amount of certainty in relation to the capital structure of SGR post-implementation of the plan and would allow the Manager to maximise the benefit of the Distribution Reinvestment Plan in strengthening its balance sheet.

The Manager will comply with such requirements as may be imposed by the SGX-ST (including the Listing Manual requirements in relation to the discount limits and the limits regarding the issuance of the Units), with respect to the subscription by an underwriter for DRP Units which have not been issued to Unitholders, as a result of certain Unitholders opting to receive part or all of a Qualifying Distribution in cash or not making any particular election) and/or the Monetary Authority of Singapore from time to time in connection with the underwriting of the Distribution Reinvestment Plan (unless otherwise waived).

3.13 Modification and Termination

The Distribution Reinvestment Plan may be modified or terminated at any time by the Manager as it deems fit on giving notice in writing to all Unitholders by way of an announcement on the website of SGX-ST, except that no modification shall be made without the prior approval of the SGX-ST.

3.14 Application for Listing on the SGX-ST

The Manager shall make the necessary applications for the listing of the new Units to be issued and allotted under the Distribution Reinvestment Plan on the SGX-ST at the relevant time. For the avoidance of doubt, the approval of the SGX-ST for the listing and quotation of the new Units to be issued and allotted under the Distribution Reinvestment Plan is not to be taken as an indication of the merits of the Distribution Reinvestment Plan, the Manager or SGR.

3.15 General

It should be noted that the grant of the right to participate in the Distribution Reinvestment Plan to elect to receive DRP Units in lieu of cash in respect of any Qualifying Distribution will be made to all Unitholders, including the Manager, the directors of the Manager (“**Directors**”), Substantial Unitholders (as defined herein) and other interested persons of SGR who hold Units, subject to the restrictions referred to in paragraphs 3.5 and 3.7 above.

The Manager will comply with the Listing Manual when implementing the Distribution Reinvestment Plan.

(The terms and conditions of the Distribution Reinvestment Plan are set out in **Appendix A** of this Letter.)

3.16 Unitholders’ Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders for the resolution relating to the implementation of the proposed Distribution Reinvestment Plan.

Important:

Unitholders should note that by voting in favour of the resolution relating to the implementation of the proposed Distribution Reinvestment Plan, they will be authorising the Manager to allot and issue new Units in connection with the Distribution Reinvestment Plan from time to time, such number of new Units as may be required to be allotted and issued pursuant to the Distribution Reinvestment Plan, unless such authority is revoked or varied by Unitholders in a general meeting, on the terms and conditions set out in paragraph 3 and Appendix A of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

4 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

4.1 Interests of Directors

Based on the Register of Directors’ Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the directors of the Manager (“**Directors**”) as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%(¹)
	No. of Units	%(¹)	No. of Units	%(¹)		
Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping	–	–	–	–	–	–
Mr Ho Sing	150,000	0.007	54,000 ⁽²⁾	0.002	204,000	0.009
Dato’ Yeoh Seok Kian	–	–	–	–	–	–
Mr Tan Bong Lin	–	–	–	–	–	–
Mr Ching Yew Chye	–	–	–	–	–	–
Mr Tan Woon Hum	–	–	–	–	–	–

Notes:

(1) The percentage interest is based on total issued Units of 2,194,958,278 as at the Latest Practicable Date.

(2) Mr Ho Sing is deemed interested in the 54,000 Units held by his spouse, Ms Tay Soo Sien.

4.2 Interests of Substantial Unitholders

Based on the information available to the Manager, the direct and deemed interests and voting rights of the Substantial Unitholders of SGR as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%(¹)
	No. of Units	%(¹)	No. of Units	%(¹)		
YTL Hotels & Properties Sdn Bhd	130,140,379 ⁽²⁾	5.93	–	–	130,140,379	5.93
Starhill Global REIT Investments Limited	539,840,000 ⁽³⁾	24.59	–	–	539,840,000	24.59
YTL Cayman Limited	18,000,000 ⁽⁴⁾	0.82	566,531,728 ⁽⁵⁾	25.81	584,531,728	26.63
YTL Corporation Berhad	80,054,810 ⁽⁶⁾	3.65	742,658,275 ⁽⁷⁾	33.83	822,713,085	37.48
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	822,713,085 ⁽⁸⁾	37.48	822,713,085	37.48
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	822,713,085 ⁽⁸⁾	37.48	822,713,085	37.48
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	822,713,085 ⁽⁸⁾	37.48	822,713,085	37.48
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	–	–	822,713,085 ⁽⁸⁾	37.48	822,713,085	37.48
AIA Singapore Private Limited	158,070,000 ⁽⁹⁾	7.20	–	–	158,070,000	7.20
AIA Company Limited	–	–	158,070,000 ⁽¹⁰⁾	7.20	158,070,000	7.20
AIA Group Limited	–	–	158,070,000 ⁽¹⁰⁾	7.20	158,070,000	7.20
AIA Investment Management Private Limited	–	–	158,070,000 ⁽¹¹⁾	7.20	158,070,000	7.20

Notes:

- (1) The percentage interest is based on total issued Units of 2,194,958,278 as at the Latest Practicable Date.
- (2) This relates to the 130,140,379 Units held through nominee, Raffles Nominees (Pte) Limited.
- (3) This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte) Limited.
- (4) This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte) Limited.
- (5) Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited (“SGRIL”) and 26,691,728 Units held by YTL Starhill Global REIT Management Limited (“YSGRM”).
- (6) This relates to 80,054,810 Units held through nominee, Raffles Nominees (Pte) Limited.
- (7) Deemed interest in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 26,691,728 Units held by YSGRM, 130,140,379 Units held by YTL Hotels & Properties Sdn Bhd (“YTLHP”) and 27,986,168 Units held by Business & Budget Hotels (Penang) Sdn Bhd (“BBHP”).
- (8) Deemed interest in 80,054,810 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 26,691,728 Units held by YSGRM, 130,140,379 Units held by YTLHP and 27,986,168 Units held by BBHP.
- (9) This relates to the 158,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
- (10) Deemed interest in 158,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
- (11) AIA Investment Management Private Limited assumed investment management of the Units for its clients.

5 DIRECTORS' RECOMMENDATIONS

5.1 The Proposed Renewal of the Unit Buy-Back Mandate

Having considered the relevant factors, including the rationale for the proposed renewal of the Unit Buy-Back Mandate as set out in paragraph 2 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolutions relating to the renewal of the Unit Buy-Back Mandate.

5.2 The Proposed Implementation of the Distribution Reinvestment Plan and the DRP Supplement

Having considered the relevant factors, including the rationale for the proposed implementation of the Distribution Reinvestment Plan and the DRP Supplement as set out in paragraph 3 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolutions relating to the implementation of the Distribution Reinvestment Plan and the DRP Supplement.

6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Unit Buy-Back Mandate and the proposed implementation of the Distribution Reinvestment Plan, SGR and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

7 DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection at the registered office of the Manager for so long as SGR is in existence.

Yours faithfully

YTL Starhill Global REIT Management Limited
(as manager of Starhill Global REIT)
(Company Registration No. 200502123C)

Ho Sing
Executive Director and Chief Executive Officer

IMPORTANT NOTICE

This Letter does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Starhill Global REIT in Singapore or any other jurisdictions. The value of 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. 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 Letter 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

If you have sold or transferred all your Units, you should immediately forward this Letter, together with the Notice of AGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

%	:	Per centum or Percentage
AGM	:	The annual general meeting of Unitholders to be held by way of electronic means on Wednesday, 28 October 2020 at 11 a.m., to approve the matters set out in the Notice of Annual General Meeting
Average Closing Price	:	The average of the closing market prices of the Units over the last five Market Days, on which transactions in 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)
Business Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
CDP	:	The Central Depository (Pte) Limited
Code	:	The Singapore Code on Take-overs and Mergers
date of the making of the offer	:	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
Directors	:	Directors of the Manager
Distribution Calculation Date	:	means 30 June and 31 December in each year or such other date or dates as the Manager may determine
Distribution Date	:	means a Business Day which is no later than 60 days (or in the event that the resolution relating to the Distribution Reinvestment Plan is passed, 90 days) after the Distribution Calculation Date for the relevant Distribution Period
Distribution Period	:	the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or, as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of the termination of SGR

Distribution Reinvestment Plan	:	The proposed distribution reinvestment plan to provide Unitholders with an option to make an election to receive distributions in the form of Units instead of cash
Distribution Reinvestment Plan Statement	:	The Distribution Reinvestment Plan statement contained in Appendix A of this Letter
DRP Supplement	:	The proposed supplement to the Trust Deed for the purpose of amending the definition of “Distribution Date” in the Trust Deed as set out in Appendix B of this Letter
DRP Units	:	The Units which would be issued by the Manager under the Distribution Reinvestment Plan if Unitholders elect to participate in the Distribution Reinvestment Plan
DPU	:	Distribution per Unit
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
FY2019/20	:	The financial year ended 30 June 2020
FY2019/20 Audited Financial Statements	:	The audited consolidated financial statements of the SGR Group (as herein defined) for FY2019/20
Latest Practicable Date	:	28 August 2020, being the latest practicable date prior to the printing of this Letter
Letter	:	This Letter dated 25 September 2020
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	YTL Starhill Global REIT Management Limited, in its capacity as manager of SGR
Mandate Duration	:	Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: <ul style="list-style-type: none"> (i) the date on which the next annual general meeting of SGR (as herein defined) is held; (ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated

Market Day	:	A day on which the SGX-ST is open for trading in securities
Market Repurchases	:	Repurchases of Units made by way of market repurchases
Maximum Price	:	Means <ul style="list-style-type: none"> (i) in the case of a Market Repurchase (in accordance with Rule 884 of the Listing Manual), 105.0% of the Average Closing Price of the Units; and (ii) in the case of an Off-Market Repurchase, 110.0% of the Average Closing Price of the Units, in either case, excluding Related Expenses of such repurchase.
NAV	:	Net asset value
Notice of AGM	:	The notice dated 25 September 2020 convening the AGM of SGR
Notice of Election	:	The notice of election in relation to the Distribution Reinvestment Plan in which the Unitholder elects to receive new Units in respect of part or all of his entitlement to the Qualifying Distribution
Off-Market Repurchases	:	Repurchases of Units made by way of off-market repurchases
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Overseas Unitholders	:	Unitholders with registered mailing addresses outside Singapore as at the relevant Record Date for a Distribution and who have not provided to CDP (in the case of overseas Unitholders who are Depository Unitholders) or the Unit Registrar (in the case of overseas Unitholders who are Non-Depository Unitholders), not later than three (3) Market Days (or such other cut-off date as the Manager may determine) prior to the relevant Record Date with mailing addresses in Singapore for the service of notices and documents
Price Determination Period	:	the period of 10 Business Days immediately prior to, and ending on, the relevant Record Date
Public Float	:	Refers to the percentage of Units held by the public
Qualifying Distribution	:	A distribution to which the Distribution Reinvestment Plan applies, as may be determined by the Manager
Record Date	:	The date to be determined by the Manager on which the register of Unitholders will be closed for the purpose of determining the entitlements of Unitholders to a distribution

Related Expenses	:	Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
S\$ and cents	:	Singapore dollars and cents
SGX-ST	:	Singapore Exchange Securities Trading Limited
SGR	:	Starhill Global Real Estate Investment Trust
SGR Group	:	SGR and its subsidiaries
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Trust Deed	:	The trust deed dated 8 August 2005 constituting SGR, as amended, varied, or supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of SGR
Unit	:	A unit representing an undivided interest in SGR
Unit Buy-Back	:	The repurchase of Units pursuant to the Unit Buy-Back Mandate
Unit Buy-Back Mandate	:	The proposed unit buy-back mandate of the Manager to be renewed by way of an Ordinary Resolution in a general meeting, to exercise its powers to procure the repurchases of Units for and on behalf of SGR without the prior specific approval of Unitholders at a general meeting
Unitholders	:	The registered holders for the time being of a Unit, including person(s) 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
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
U.S. Securities Act	:	United States Securities Act 1933
YTL Group	:	YTL Corporation Berhad and parties acting in concert with it

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Letter figures and percentages are rounded off where applicable.

DISTRIBUTION REINVESTMENT PLAN STATEMENT



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 8 August 2005 (as amended))

1. DISTRIBUTION REINVESTMENT PLAN STATEMENT

This Distribution Reinvestment Plan Statement (the “**Statement**”) contains the terms and conditions (the “**Terms and Conditions**”) of the Starhill Global Real Estate Investment Trust (“**Starhill Global REIT**”) Distribution Reinvestment Plan (the “**Distribution Reinvestment Plan**”) under which persons registered in the register of Unitholders, or as the case may be, the Depository Register (as defined in paragraph 4.2 below) as holders of such units in Starhill Global REIT (the “**Unitholders**”) may elect to receive fully paid new units in Starhill Global REIT (the “**Units**”, and the new Units, the “**New Units**”) in lieu of all or part only of the cash amount of any distribution (including any interim, final, special or other distribution) (the “**Distribution**”) which is declared on the Units held by them (after the deduction of applicable income tax, if any).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Statement.

2. SUMMARY OF MAIN FEATURES

The Distribution Reinvestment Plan provides Unitholders with the option to elect to receive New Units in lieu of all or part only of the cash amount of any Distribution declared on their holding of Units (after the deduction of applicable income tax, if any).

Under the present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable by Participating Unitholders (as defined in paragraph 4.5 below) on New Units allotted and issued under the Distribution Reinvestment Plan.

All Unitholders are eligible to participate in the Distribution Reinvestment Plan subject to the restrictions on Overseas Unitholders (as defined in paragraph 4.2 below), more particularly described in paragraph 4.4 below, and except for such other Unitholders or class of Unitholders as YTL Starhill Global REIT Management Limited, as manager of Starhill Global REIT (the “**Manager**”), may in its discretion decide.

Unitholders may elect to participate in respect of all or part of their holding of Units to which each Notice of Election (as defined in paragraph 4.6 below) relates in respect of any Qualifying Distribution (as defined in paragraph 4.2 below).

Unitholders receiving more than one (1) Notice of Election may elect to participate in respect of all or part of their holding of Units to which one (1) Notice of Election relates and elect not to participate in respect of all or part of their holding of Units to which any other Notice of Election relates.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive New Units in respect of their entitlements to all future Qualifying Distributions, to which each Notice of Election relates. Unitholders should note that there is presently no permanent election feature available under the Distribution Reinvestment Plan and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

The Manager may, in its absolute discretion, determine that the Distribution Reinvestment Plan will apply to any particular Distribution. An announcement will be made by the Manager as soon as practicable following the determination by the Manager that the Distribution Reinvestment Plan is to apply to a particular Distribution, and in any event, by no later than the next Market Day (as defined in paragraph 4.2 below) immediately following the Record Date (as defined in paragraph 4.2 below) in respect of the particular Distribution. Unless the Manager has determined and announced that the Distribution Reinvestment Plan will apply to any particular Distribution, the Distribution concerned will be paid in cash to the Unitholders in the usual manner.

The New Units to be allotted and issued under the Distribution Reinvestment Plan will rank *pari passu* in all respects with the existing Units then in issue save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Unitholders participating in the Distribution Reinvestment Plan will receive, on or about each Distribution Date (as defined in paragraph 4.2 below) of a Qualifying Distribution, notification letters setting out, *inter alia*, the number of New Units allotted to them under the Distribution Reinvestment Plan.

The listing of and permission to deal in New Units issued to Unitholders under the Distribution Reinvestment Plan on the Main Board of the SGX-ST is subject to the approval of the SGX-ST.

3. HOW TO PARTICIPATE

Participation in the Distribution Reinvestment Plan is optional and not transferable.

A Unitholder wishing to receive New Units in respect of any Qualifying Distribution to which a Notice of Election received by him relates should complete the Notice of Election and return it, no later than the date and time to be specified by the Manager in respect of the Qualifying Distribution, to the unit registrar of Starhill Global REIT, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (Telephone number: +65 6536 5355) (or such other address as may be announced by the Manager from time to time).

A Unitholder receiving more than one (1) Notice of Election and wishing to receive New Units in respect of all of his entitlement to the Qualifying Distribution in respect of all of his holding of Units must complete and sign all Notices of Election received by him and return the completed and signed Notices of Election, no later than the date and time to be specified by the Manager in respect of the Qualifying Distribution, to the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (Telephone number: +65 6536 5355) (or such other address as may be announced by the Manager from time to time).

To be effective in respect of any Qualifying Distribution to which a Notice of Election relates, such duly completed and signed Notice of Election must be received by the Unit Registrar, no later than the date and time to be specified by the Manager in respect of that Qualifying Distribution. The Unit Registrar's records of the level of a Unitholder's participation will be conclusive evidence of the matters so recorded.

By submitting a Notice of Election, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by Starhill Global REIT (or its agents) and/or the Manager for all purposes in connection with the purpose of the processing and administration by Starhill Global REIT (or its agents) and/or the Manager of the Distribution Reinvestment Plan or other ancillary purposes (the "**Permitted Purposes**"), and in order for Starhill Global REIT (or its agents) and/or the Manager to comply with any applicable laws, listing rules, regulations and/or guidelines. The Unitholder further authorises Starhill Global REIT (or its agents) and/or the Manager to disclose such data to (a) the Manager's authorised representatives for all purposes in connection with any internal analysis, implementation of corporate actions and investor relations communications, and (b) the following persons and their authorised representatives, for any of the Permitted Purposes: (i) the Unit Registrar and its related corporations; (ii) CDP and its related corporations; (iii) the Unitholder's bank by whom the Unitholder's bank account is maintained for direct crediting (if applicable); and (iv) any third party with whom the Unit Registrar, CDP or any of their related corporations has service arrangements.

4. TERMS AND CONDITIONS OF THE DISTRIBUTION REINVESTMENT PLAN

4.1 Establishment

The Distribution Reinvestment Plan has been established by the Manager for the benefit of Starhill Global REIT and the Unitholders.

4.2 Terms and Conditions

The following are the terms and conditions ("**Terms and Conditions**") of the Distribution Reinvestment Plan.

In these Terms and Conditions:

"**Record Date**" shall mean the date and time to be determined by the Manager on which the register of Unitholders will be closed for the purpose of determining the entitlements of Unitholders to a Distribution;

"**Business Day**" shall mean any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading in securities;

"**CDP**" shall mean The Central Depository (Pte) Limited;

"**Depositor**" and "**Depository Register**" shall have the respective meanings ascribed to them in the Securities and Futures Act, Chapter 289 of Singapore;

"**Depository Unitholder**" means a Unitholder registered in the Depository Register;

"**Distribution Calculation Date**" shall mean 30 June and 31 December in each year or such other dates as the Manager may determine;

“Distribution Date” shall mean a Business Day which is no later than 90 days after the Distribution Calculation Date for the relevant Distribution Period (or such other period as may be specified under the Trust Deed) on which a Distribution is payable;

“Distribution Period” shall mean the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of termination of Starhill Global REIT;

“Market Day” shall mean a day on which the SGX-ST is open for trading in securities;

“Non-Depository Unitholder” means a Unitholder registered in the register of Unitholders;

“Overseas Unitholders” shall mean Unitholders with registered mailing addresses outside Singapore as at the relevant Record Date for a Distribution and who have not provided to CDP (in the case of overseas Unitholders who are Depository Unitholders) or the Unit Registrar (in the case of overseas Unitholders who are Non-Depository Unitholders), not later than three Market Days (or such other cut-off date as the Manager may determine) prior to the relevant Record Date with mailing addresses in Singapore for the service of notices and documents;

“Price Determination Period” shall mean the period of 10 Business Days immediately prior to, and ending on, the relevant Record Date;

“Qualifying Distribution” shall mean any Distribution to which the Distribution Reinvestment Plan applies, as determined by the Manager;

“S\$” or **“Singapore Dollars”** shall mean the lawful currency of Singapore;

“Securities Accounts” shall mean securities accounts maintained by Depositors with CDP but does not include securities sub-accounts;

“Take-over Code” shall mean the Singapore Code on Take-overs and Mergers, including all practice notes, rules and guidelines thereunder, as may be amended from time to time;

“Trust Deed” shall mean the trust deed dated 8 August 2005 constituting Starhill Global REIT, as amended, varied, or supplemented from time to time;

“Trustee” shall mean HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT;

“Units” shall mean an undivided interest in Starhill Global REIT as provided for in the Trust Deed;

“Unitholders” shall mean persons who are registered as holders of Units 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;

“U.S. Securities Act” shall mean the U.S. Securities Act of 1933, as amended; and

“%” or **“per cent.”** shall mean percentage or per centum.

4.3 Eligibility

All Unitholders are eligible to participate in the Distribution Reinvestment Plan, subject to the restrictions on Overseas Unitholders, more particularly described in paragraph 4.4 below, and except that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders as the Manager may in its discretion determine and further subject to the requirement that such participation by the Unitholders will not result in a breach of any other restriction on such Unitholders' holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed by the Trust Deed.

4.4 Unitholders Resident Outside Singapore

The New Units to be allotted and issued under the Distribution Reinvestment Plan have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States.

Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, the Distribution Reinvestment Plan may, at the discretion of the Manager, not be offered to Overseas Unitholders. No Overseas Unitholder shall have any claim whatsoever against Starhill Global REIT, the Manager, the Trustee, the Unit Registrar or CDP as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholders. If the Manager has decided not to offer the Distribution Reinvestment Plan to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them.

Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan should provide an address in Singapore for the service of notices and documents to The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 (in the case of Overseas Unitholders who are Depository Unitholders) or the Unit Registrar (in the case of Overseas Unitholders who are Non-Depository Unitholders) (or such other address as may be announced by the Manager from time to time), not later than three Market Days prior to the Record Date (or such other cut-off date as the Manager may determine). Unitholders should note that all correspondences and notices will be sent to their last registered mailing addresses with CDP. Unitholders which are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

4.5 Level of Participation

A Unitholder may elect to participate in the Distribution Reinvestment Plan (the "**Participating Unitholder**") in respect of all or part only of his holding of Units as at each Record Date to which each Notice of Election (as defined in paragraph 4.6 below) received by him relates for a Qualifying Distribution (the "**Participating Units**"). If the Notice of Election submitted by a Unitholder is not in order, such Unitholder will receive his Qualifying Distribution in cash. For each distribution which the Manager has determined that

Unitholders may elect to receive New Units credited as fully paid in respect of their entitlement to the distribution, the Manager may, at its discretion, provide Unitholders with either:

- (i) the following two choices in respect of such distribution:
 - (a) elect to receive a cash distribution on the existing Units held; or
 - (b) elect to receive an allotment of New Units credited as fully paid in lieu of the cash amount of the distribution entitlement; or
- (ii) the following three choices in respect of such distribution:
 - (a) elect to receive a cash distribution on the existing Units held;
 - (b) elect to receive an allotment of New Units credited as fully paid in lieu of the cash amount of the distribution entitlement; or
 - (c) elect to receive an allotment of New Units credited as fully-paid in lieu of part of the cash amount of the distribution entitlement and the remaining distribution entitlement in cash.

4.6 Notice of Election to Participate

The Manager will, at its discretion, send to each Unitholder one (1) or more notices of election (in such form as the Manager may approve) through which each Unitholder may indicate whether they wish to participate in the Distribution Reinvestment Plan (the “**Notice of Election**”).

To be effective in respect of any Qualifying Distribution, a Notice of Election duly completed and signed by the relevant Unitholder in accordance with the instructions stipulated by the Manager must be received by the Unit Registrar by the date and time to be specified by the Manager in respect of that Qualifying Distribution. A Unitholder receiving two (2) or more Notices of Election may elect to receive New Units in respect of his entitlement to which one (1) Notice of Election relates and decline to receive New Units in respect of his entitlement to which any other Notice of Election relates.

A Unitholder receiving two (2) or more Notices of Election and wishing to receive New Units in respect of all of his entitlement to the Qualifying Distribution in respect of all his holding of Units must complete and sign all the Notices of Election received by him in accordance with the instructions stipulated by the Manager and return the completed and signed Notices of Election, no later than the date and time to be specified by the Manager in respect of the Qualifying Distribution, to the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (Telephone number: +65 6536 5355) (or such other address as may be announced by the Manager from time to time).

A Notice of Election to participate in the Distribution Reinvestment Plan in any other form will not be accepted by the Unit Registrar. If a Notice of Election is received after the date and time specified by the Manager for the receipt of such Notices of Election for any particular Qualifying Distribution, the Notice of Election will not, unless otherwise determined by the Manager, be effective for that Qualifying Distribution.

A Notice of Election in respect of any Qualifying Distribution shall not, upon its receipt by the Unit Registrar, be withdrawn or cancelled.

The Manager is under no obligation to correct invalid Notices of Election on behalf of any Unitholder or to provide any reason for rejecting any Notice of Election.

By electing to participate in the Distribution Reinvestment Plan, the Participating Unitholder unconditionally:

- (a) warrants to the Manager that it has the legal right and full power and authority to participate in the Distribution Reinvestment Plan and that its participation in the Distribution Reinvestment Plan will not result in a breach of any law or regulation by which it is bound;
- (b) acknowledges that the Manager may at any time in its discretion determine that the Participating Unitholder's Notice of Election or other form ("**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (c) acknowledges that the Manager may in its discretion reject any Form;
- (d) acknowledges that the Manager has not provided the Participating Unitholder with investment or other advice and that the Manager does not have any obligation to provide any advice in connection with the Distribution Reinvestment Plan;
- (e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Distribution Reinvestment Plan; and
- (f) submits to the exclusive jurisdiction of the Singapore courts,

in each case, at all times until termination of the Distribution Reinvestment Plan or of the Participating Unitholder's participation in the Distribution Reinvestment Plan.

4.7 Extent of Application of Distribution Reinvestment Plan to each Distribution

The Manager may determine, in its absolute discretion, in respect of any Distribution, whether the Distribution Reinvestment Plan shall apply to such Distribution. If, in its absolute discretion, the Manager has not determined that the Distribution Reinvestment Plan is to apply to a particular Distribution, such Distribution shall be paid in cash to Unitholders in the usual manner notwithstanding their elections under the Distribution Reinvestment Plan.

4.8 Unit Entitlement

By electing to participate in the Distribution Reinvestment Plan in respect of any Notice of Election received by him, a Participating Unitholder elects in respect of any Qualifying Distribution (after the deduction of any applicable income tax) to which such Notice of Election relates to receive Units in lieu of the cash amount of the Qualifying Distribution.

In respect of any Qualifying Distribution, the number of New Units to be allotted and issued to the Participating Unitholder electing to receive New Units in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{(U \times D_1) - (U \times D_1 \times T)}{V} + \frac{(U \times D_2)}{V} + \frac{(U \times D_3)}{V} + \frac{(U \times D_4)}{V}$$

(each component rounded down to the nearest whole Unit)

Where:

- N = the number of New Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.
- U = the number of Participating Units held by the Participating Unitholder as at the Record Date for which such Notice of Election relates.
- D₁ = is the taxable income component of the Qualifying Distribution to which such Notice of Election relates.
- D₂ = is the tax-exempt income component of the Qualifying Distribution to which such Notice of Election relates.
- D₃ = is the capital component of the Qualifying Distribution to which such Notice of Election relates.
- D₄ = is the other gains component of the Qualifying Distribution to which such Notice of Election relates.
- T = is the applicable income tax rate.
- V = the issue price of a New Unit, which shall for the purpose of calculating the number of New Units to be allotted and issued as fully paid to the Participating Unitholder, pursuant to the Distribution Reinvestment Plan, be an amount in Singapore Dollars determined by the Manager (the “**Relevant Amount**”), which Relevant Amount shall be as permitted under the Listing Manual, or any other applicable legislation, which is currently set at not more than a ten per cent. (10%) discount (or such other discount as may be permitted by the Listing Manual) to, nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed the volume-weighted average traded price per Unit for all trades on the SGX-ST, for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the Distribution Reinvestment Plan to such Distribution.

The Manager shall have full power to make such provisions as it thinks fit where the number of New Units calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded down to the nearest whole Unit with the fractional entitlements disregarded, or otherwise dealt with in such manner as it may deem fit, including (a) retaining the residual balance as part of SGR’s deposited property or (b) distributing the residual balance to participating Unitholders in cash.

4.9 Terms of Allotment

Unless the Manager otherwise determines, all New Units to be allotted under the Distribution Reinvestment Plan will be allotted as fully paid. All such New Units shall upon allotment and issue, rank *pari passu* in all respects with all existing Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Participating Unitholders who are Non-Depository Unitholders will receive confirmation notes confirming the number of New Units issued to them and the date of such issue under the Distribution Reinvestment Plan. Participating Unitholders who are Depository Unitholders will have the New Units credited to their Securities Accounts maintained with CDP.

4.10 Odd Lots

A Unitholder who elects to receive New Units under the Distribution Reinvestment Plan in lieu of the cash amount of the Qualifying Distribution may receive such New Units in odd lots. Unitholders who receive odd lots of New Units under the Distribution Reinvestment Plan and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) Unit.

4.11 Notification Letter to Participating Unitholders

A notification letter will be sent to each Participating Unitholder on or about each Distribution Date, which in any event shall be no later than 90 calendar days (or such other period as may be specified under the Trust Deed) after the Distribution Calculation Date for the relevant Distribution Period, or such other period as the Manager may decide, detailing, among other things (a) the number of Participating Units held by the Participating Unitholder in respect of his Notice of Election and (b) the number of New Units to be allotted to the Participating Unitholder under the Distribution Reinvestment Plan.

4.12 Cost to the Participating Unitholders

Under the present law in Singapore, brokerage or other transaction costs and stamp duty will not be payable by Participating Unitholders on New Units allotted and issued under the Distribution Reinvestment Plan.

4.13 Cancellation of Application of the Distribution Reinvestment Plan

Notwithstanding any provision in these Terms and Conditions, if at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any particular Distribution and before the allotment and issue of New Units in respect of that Distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of such Distribution, the Manager may, at its absolute discretion and as it may deem fit in the interest of Starhill Global REIT and without assigning any reason therefor, cancel the application of the Distribution Reinvestment Plan to the Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual manner. Unitholders should note that in the event the application of the Distribution Reinvestment Plan to a Distribution is cancelled, the date of payment of the Distribution in cash may be delayed.

4.14 Modification, Suspension and Termination of the Distribution Reinvestment Plan

The Distribution Reinvestment Plan may be modified, suspended (in whole or in part) or terminated at any time by the Manager as it deems fit, provided that notice in writing is given to all Unitholders by way of an announcement on the website of SGX-ST, except that no modification shall be made without the prior approval of the SGX-ST.

4.15 General Administration of the Distribution Reinvestment Plan

The Manager may implement the Distribution Reinvestment Plan in the manner it deems fit.

The Manager has the power to:

- (i) determine procedures, rules and regulations for administration of the Distribution Reinvestment Plan consistent with these Terms and Conditions;
- (ii) settle in such manner as it thinks fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Distribution Reinvestment Plan) which may arise in connection with the Distribution Reinvestment Plan, whether generally or in relation to any Participating Unitholder or any Units and the determination of the Manager will be conclusive and binding on all Unitholders and other persons to whom the determination relates;
- (iii) delegate to any one or more persons, for such period and on such conditions as the Manager may determine, the exercise of any of their powers or discretions under or in respect of the Distribution Reinvestment Plan and references to a decision, opinion or determination of the Manager include a reference to the decision, opinion or determination of the person or persons to whom the Manager has delegated its authority for the purposes of administering the Distribution Reinvestment Plan; and
- (iv) waive strict compliance by the Manager or any Unitholder with any of these Terms and Conditions.

4.16 Takeover Implications

The attention of Unitholders is drawn to Rule 14 of the Take-over Code. In particular, a Unitholder should note that he may be under an obligation to extend a take-over offer for Starhill Global REIT if:

- (a) he acquires, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, whether at one time or different times, Units which (taken together with Units held or acquired by him or persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of Starhill Global REIT; or
- (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights of Starhill Global REIT and he, or any person acting in concert with him, acquires in any period of six months additional Units carrying more than one per cent. (1%) of the voting rights of Starhill Global REIT by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution.

Unitholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of Units through their participation in the Distribution Reinvestment Plan are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

4.17 Governing Law

This Statement, the Distribution Reinvestment Plan and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

4.18 Notices and Statements

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Manager to a Participating Unitholder shall be given in accordance with the applicable provisions of the Trust Deed.

5. LISTING ON THE SGX-ST

The Manager shall make the necessary applications for the listing of the New Units to be issued and allotted under the Distribution Reinvestment Plan on the SGX-ST. Approval of such applications from the SGX-ST is not to be taken as an indication of the merits of the Distribution Reinvestment Plan, the New Units, Starhill Global REIT, the Trustee or the Manager.

6. TAXATION

The Manager, Starhill Global REIT, the Trustee, the Unit Registrar and CDP take no responsibility for the tax liabilities of Participating Unitholders or the tax consequences of any election made by Unitholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Unitholders if they are in any doubt or if required.

The Manager, Starhill Global REIT, the Trustee, the Unit Registrar and CDP take no responsibility for the correctness or accuracy of any information as to tax liability set out in this Statement.

7. OTHER ITEMS

The New Units are offered on the Terms and Conditions set out in this Statement and in the applicable provisions of the Trust Deed. There are no other terms other than those implied by law or set out in publicly registered documents.

8. ENQUIRIES

Enquiries regarding any aspect of the Distribution Reinvestment Plan should be directed to:

YTL Starhill Global REIT Management Limited
c/o Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
(Telephone number: +65 6536 5355)

9. LIABILITY OF STARHILL GLOBAL REIT, THE MANAGER AND THE TRUSTEE

Notwithstanding anything herein, neither Starhill Global REIT nor its subsidiaries, the Manager, the Trustee nor any officer, agent or representative of the Manager or the Trustee shall under any circumstances be liable or responsible to any Participating Unitholder for any loss, damage, cost, charge, claim, demand, judgment, action, proceeding, expense or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) (collectively, "**Liability**") or alleged Liability in connection with or as a result, directly or indirectly, of the establishment or operation of the Distribution Reinvestment Plan or participation in the Distribution Reinvestment Plan or in relation to any matter in connection with the Distribution Reinvestment Plan, including any delay in

allotting or issuing any New Units or applying for their listing. No representation or warranty is given in respect of any Units, Starhill Global REIT, the Trustee or their respective subsidiaries or associated companies, or the Manager, or that listing of the Units will be obtained.

The Notice of Election shall be deemed to have been duly given to Unitholders if sent by post to the Unitholders' last registered mailing addresses with CDP (in the case of Unitholders who are Depository Unitholders) or the Unit Registrar (in the case of Unitholders who are Non-Depository Unitholders), and shall be deemed to have been given two days after posting. The Manager will not be liable or responsible for any Liability if the despatched Notices of Election are not received by Unitholders, or if the Notices of Election completed by Unitholders are not received by the Unit Registrar.

Unitholders who do not receive the Notice of Election within three Market Days from the date of despatch as announced by the Manager and who would like to participate in the Distribution Reinvestment Plan may wish to obtain a copy of the same from the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (Telephone number: +65 6536 5355) (or such other address as may be announced by the Manager from time to time).

THE PROPOSED DRP SUPPLEMENT TO THE TRUST DEED

The proposed form of the amendments to the Trust Deed, subject to Unitholders passing the resolution to approve the proposed Distribution Reinvestment Plan is as set out below. For the avoidance of doubt, all terms and definitions used in this Appendix B shall have the same meaning and construction as stated in the Trust Deed.

- that the definition of “Distribution Date” set out in Clause 1.1 of the Trust Deed be amended to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

“**Distribution Date**” means a Business Day which is no later than 90~~60~~ days after the Distribution Calculation Date for the relevant Distribution Period;”

