



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

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

SGREIT recorded stable DPU of 1.13 cents for 2Q FY19/20

HIGHLIGHTS

- **DPU for 2Q FY19/20 remains stable at 1.13 cents, unchanged from 2Q FY18/19 and 1Q FY19/20**
- **Performance of Singapore retail portfolio improved with an NPI gain of 1.4% y-o-y and full occupancy¹ achieved at Wisma Atria Property (Retail). Retail tenant sales at Wisma Atria Property also increased by 13.0% y-o-y in 2Q FY19/20**
- **In Malaysia, the planned asset enhancements of Starhill Gallery are progressing on schedule**
- **A new S\$2 billion multicurrency debt issuance programme was established in January 2020**

SINGAPORE, 29 January 2020 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the three months ended 31 December 2019 (2Q FY19/20). Revenue for SGREIT Group in 2Q FY19/20 was S\$48.7 million, declining 4.5% over the previous corresponding period of three months ended 31 December 2018 (2Q FY18/19). Net property income (NPI) for SGREIT Group decreased by 5.9% over 2Q FY18/19 to S\$37.2 million. The decline in revenue and NPI for 2Q FY19/20 was mainly attributed to the rental rebate extended to the master tenant during the asset enhancement period of Starhill Gallery in Malaysia. As per the Circular to Unitholders dated 25 April 2019, the income disruption resulting from the planned asset enhancement will be largely mitigated by the Manager receiving part of its base management fees in units. Excluding Starhill Gallery, revenue and NPI for SGREIT Group in 2Q FY19/20 decreased marginally by 0.4% and 0.6% over 2Q FY18/19 respectively.

Income available for distribution for 2Q FY19/20 remained stable at S\$25.2 million, unchanged from 2Q FY18/19. Distribution per Unit (DPU) for 2Q FY19/20 is at 1.13 cents, same as 2Q FY18/19. This represents an annualised distribution yield of 6.18%². Unitholders can expect to receive their 2Q FY19/20 DPU on 28 February 2020. Book closure date is on 6 February 2020 at 5.00 pm.

¹ Based on commenced leases as at reporting date.

² Based on the closing unit price of S\$0.725 as at 31 December 2019.

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Overview of Starhill Global REIT's financial results

(S\$ million)	2Q FY19/20	2Q FY18/19	Y-O-Y Change (%)	YTD FY19/20	YTD FY18/19	Y-O-Y Change (%)
Gross revenue	48.7	51.0	(4.5)	96.7	103.1	(6.2)
Gross revenue (excluding Starhill Gallery)	46.6	46.8	(0.4)	93.2	94.5	(1.4)
Net property income	37.2	39.5	(5.9)	74.1	79.9	(7.3)
Net property income (excluding Starhill Gallery)	35.2	35.4	(0.6)	70.8	71.6	(1.1)
Income available for distribution	25.2	25.2	0.0	50.5	51.4	(1.7)
Income to be distributed to Unitholders	24.7 ³	24.6	0.3	49.4	49.7	(0.7)
Distribution per Unit (cents)						
- For the period	1.13	1.13	-	2.26	2.28	(0.9)
- Annualised	4.48	4.48	-	4.48	4.52	(0.9)

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said: "Global situation remains fluid although there are buds of progressive development. Nevertheless, we take this opportunity to rejuvenate our assets. Our asset in Malaysia, namely Starhill Gallery, is currently being developed into an integrated development, in line with global trend. Asset enhancement works are currently progressing on schedule and Starhill Gallery remains partially open as redevelopment works are set in stages. It is expected to be completed by the end of 2021, in time for the full opening of the new Sungai Buloh-Serdang-Putrajaya (SSP) Line in 2022."

Mr Ho Sing, CEO of YTL Starhill Global, said: "Our Singapore retail portfolio recorded higher revenue and NPI year-on-year (y-o-y) in 2Q FY19/20. Wisma Atria Property (Retail) achieved full occupancy¹ as at 31 December 2019 as we welcome new tenants. Wisma Atria Property also saw its tenant sales rising 13.0% y-o-y in the quarter. The establishment of the new S\$2 billion multicurrency debt issuance programme would allow us to tap wider sources of funding for future opportunities."

³ Approximately S\$0.4 million of income available for distribution for 2Q FY19/20 (2Q FY18/19: S\$0.5 million) has been retained for working capital requirements.

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 64.8% of total revenue, or S\$31.6 million in 2Q FY19/20. NPI for 2Q FY19/20 declined by 0.5% y-o-y to S\$25.0 million, mainly due to lower contributions from the office portfolio, partially offset by higher contributions from Wisma Atria Property (Retail). Singapore retail portfolio registered an actual occupancy of 99.6%¹ as at 31 December 2019. Wisma Atria Property (Retail) is fully occupied¹ as at 31 December 2019. Retail tenant sales for Wisma Atria Property grew 13.0% y-o-y despite a decline of 3.7% y-o-y in footfall traffic in 2Q FY19/20. Meanwhile, actual occupancy for the Singapore office portfolio stood at 89.2%¹ as at 31 December 2019 compared to 93.6%¹ as at 30 September 2019, mainly attributed to the pre-termination of a single tenant at Ngee Ann City Property.

SGREIT's Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 22.5% of total revenue, or S\$11.0 million in 2Q FY19/20. SGREIT Group has long-term leases with Myer Pty Ltd and David Jones Limited, contributing approximately 6.8% and 4.5% of its portfolio gross rents respectively as at 31 December 2019. NPI for 2Q FY19/20 was S\$6.5 million, 4.8% lower than in 2Q FY18/19, mainly due to the depreciation of the Australian dollar against Singapore dollar and lower contributions from Myer Centre Adelaide (Retail), partially offset by higher contributions from the Australia's office portfolio. Actual occupancy of the Australia's office portfolio rose to 94.5%¹ as at 31 December 2019, from 75.2%¹ as at 30 September 2019.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 10.3% of total revenue, or S\$5.0 million in 2Q FY19/20. NPI for 2Q FY19/20 was S\$4.8 million. The lower contribution from the Malaysia Properties for 2Q FY19/20 was mainly due to the rental rebate extended to the master tenant during the asset enhancement period of Starhill Gallery. Starhill Gallery remains partially open as redevelopment works are set in stages. The asset enhancement works to convert Starhill Gallery into an integrated development with hotel and retail elements are progressing on schedule, with substantial demolition works completed. Upon the completion of the asset enhancement, Starhill Gallery will be renamed "The Starhill". The asset enhancement works are expected to be completed by end 2021.

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China, and two properties located in central Tokyo, Japan, contributed 2.4% of total revenue, or S\$1.1 million in 2Q FY19/20. NPI for 2Q FY19/20 was S\$0.9 million, 2.3% higher than in 2Q FY18/19.



Maintains strong financial position

SGREIT maintains its strong financial position with stable gearing level at 36.3% and hedged about 89% of its borrowings as at 31 December 2019. SGREIT's average debt maturity is approximately 2.9 years as at 31 December 2019. In January 2020, SGREIT established a new S\$2 billion multicurrency debt issuance programme which will enable SGREIT to tap wider sources of funding. The new programme allows SGREIT to issue perpetual securities, on top of medium term notes.

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About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, China, and Japan, valued at about S\$3.1 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China, and two properties in Tokyo, Japan. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio, through proactive leasing efforts and creative asset enhancements.

Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect wholly-owned subsidiary of YTL Corporation Berhad.

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