



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

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

## **SGREIT reports 2H FY20/21 DPU of 2.07 cents, and full year FY20/21 DPU of 3.95 cents**

### **HIGHLIGHTS**

- **DPU stood at 2.07 cents<sup>1</sup> while NPI increased 20.2% year-on-year in 2H FY20/21**
- **Full year DPU at 3.95 cents<sup>2</sup> with a rise in NPI of 2.0% year-on-year in FY20/21**
- **Portfolio occupancy remained resilient at 96.7%<sup>3</sup> while retail portfolio occupancy was at 97.5%<sup>3</sup>, on the back of new tenant demand**
- **Gearing stable at 36.1%; no term debt maturities until September 2022**

**SINGAPORE, 29 July 2021** – YTL Starhill Global, the manager of SGREIT (Manager), is pleased to report the results for the second half (2H FY20/21) and full financial year ended 30 June 2021 (FY20/21). On an annual basis, gross revenue for SGREIT Group grew 0.3% year-on-year (y-o-y) from S\$180.8 million in the financial year ended 30 June 2020 (FY19/20) to S\$181.3 million in FY20/21. Net property income (NPI) increased by 2.0% y-o-y, from S\$132.1 million in FY19/20 to S\$134.7 million in FY20/21. Gross revenue for SGREIT Group for 2H FY20/21 increased 10.5% y-o-y to S\$92.9 million. NPI for 2H FY20/21 was at S\$69.8 million, up 20.2% compared to the second half of the financial year ended 30 June 2020 (2H FY19/20). The increase was mainly attributed to lower rental assistance for eligible tenants affected by the COVID-19 pandemic and the appreciation of the Australian dollar against the Singapore dollar.

Income available for distribution for 2H FY20/21 was S\$44.9 million, an increase of 67.3% as compared to 2H FY19/20, mainly due to the higher NPI, adjustment to reflect the timing difference of property tax refunds in Singapore and a one-off capital allowance claim in the previous corresponding period. In view of the emergence of the Delta variant and resurgence of COVID-19 cases, as a measure of

<sup>1</sup> Includes 0.21 cents from the release of FY19/20's deferred distributable income as allowed under COVID-19 relief measures.

<sup>2</sup> Includes 0.35 cents from the release of FY19/20's deferred distributable income as allowed under COVID-19 relief measures.

<sup>3</sup> Based on committed leases as at 30 June 2021.

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prudence and taking into account the Wisma Atria Property's ongoing interior upgrading works, the Manager will retain S\$3.6 million of the income available for distribution for 2H FY20/21. The Manager will also be paying out the remaining S\$4.6 million (or 0.21 cents per unit) of FY19/20's deferred distributable income of S\$7.7 million (or 0.35 cents per unit).

Distribution per Unit (DPU) to Unitholders for 2H FY20/21 was 2.07 cents, including the 0.21 cents from FY19/20's deferred distributable income. Excluding the effects of the deferred portion, the DPU for 2H FY20/21 was 77.1% higher y-o-y. On an annual basis, DPU for FY20/21 was 3.95 cents, which represents an annual yield of 7.1% based on the closing unit price of S\$0.56 as at 30 June 2021. Excluding the effects of the deferred portion of 0.35 cents, the DPU for FY20/21 was 8.8% higher y-o-y. SGREIT will be activating its Distribution Reinvestment Plan (DRP) for the 2H FY20/21 distribution. The issue price of new units for this DRP will be announced on or around 6 August 2021. Unitholders can expect to receive their 2H FY20/21 DPU on 24 September 2021. Record date is on 6 August 2021 at 5.00 pm.

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

#### Overview of Starhill Global REIT's financial results

(S\$ million)	2H FY20/21	2H FY19/20	Y-O-Y Change (%)	FY 20/21	FY 19/20	Y-O-Y Change (%)
Gross revenue	92.9	84.1	10.5	181.3	180.8	0.3
Net property income	69.8	58.0	20.2	134.7	132.1	2.0
Income available for distribution	44.9	26.9	67.3	88.2	77.4	14.0
Income to be distributed to Unitholders <sup>4</sup>	45.9	15.4	198.8	87.3	64.8	34.9
<b>Distribution per Unit (cents)</b>						
Total payout (including deferred portion <sup>4</sup> )	2.07	0.70	195.7	3.95	2.96	33.4
Total payout (excluding effects of deferred portion <sup>4</sup> )	1.86	1.05	77.1	3.60	3.31	8.8

Tan Sri Dato' (Dr) Francis Yeoh, Chairman of YTL Starhill Global, said: "The rise in COVID-19 cases due to the emergence of new variants has led to numerous lockdowns in many countries, dampening global economies. The recent lockdowns in Australia and re-implementation of Phase 2 (Heightened

<sup>4</sup> Approximately S\$3.6 million and S\$8.5 million of income available for distribution for 2H and FY20/21 has been retained for working capital requirements respectively. This also includes the release of S\$3.1 million (0.14 cents) and S\$4.6 million (0.21 cents) for 1H and 2H FY20/21 distribution respectively, totaling S\$7.7 million or 0.35 cents per unit relating to FY19/20's deferred distributable income.



Alert) in Singapore underscore the fluidity of the situation. Global economic recovery remains uncertain, and will be dependent on the effective rollout of vaccines worldwide. Working in close partnership with our tenants, we continue to adopt the appropriate strategies to mitigate the effects of the pandemic.”

Mr Ho Sing, CEO of YTL Starhill Global, said: “Shopper traffic and tenants’ sales gained momentum between January and May 2021. However, the surge in COVID-19 cases put this positive trend on hold. Nevertheless, we continue to reposition our assets for the future. We attracted new tenants and are rejuvenating our malls to cater to evolving consumer preferences. Interior upgrading works in Wisma Atria are ongoing, while the asset enhancement works at The Starhill, Malaysia are on schedule and will be completed by the end of this year. Despite the uncertainty of the situation, our retail portfolio occupancy, based on committed leases, remained stable at 97.5% as at 30 June 2021. With the health and safety of our tenants and customers as a priority, we will continue to monitor and respond readily to the evolving situation resulting from the pandemic.”

#### **Review of portfolio performance**

SGREIT’s Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 63.4% of total revenue, or S\$58.8 million in 2H FY20/21. In spite of the Phase 2 (Heightened Alert) measures implemented between 16 May and 13 Jun 2021, NPI for 2H FY20/21 was at S\$45.3 million, a 14.5% increase from 2H FY19/20, mainly due to lower rental assistance y-o-y, which partially mitigated the effects of lower occupancy and rents at the Wisma Atria Property (Retail), coupled with higher operating expenses. The lower rental assistance was partly attributed to the reversal of allowance for rebates for the master lease at Ngee Ann City Property (Retail) in 2H FY20/21. Tenant sales and shopper traffic at the Wisma Atria Property (Retail) improved in 2H FY20/21 y-o-y, but were affected by the restrictions during the Phase 2 (Heightened Alert) from May 2021. Overall, in FY20/21, tenant sales and shopper traffic fell 13.4% and 30.0% y-o-y respectively. In FY20/21, tenant sales and shopper traffic were below pre-COVID-19 levels, registering a 28.7% and 48.0% fall from FY18/19 levels respectively. This is due to the decline in tourist arrivals, default work from home arrangement and other safe distancing measures. The Singapore retail and office portfolio remained resilient with a committed occupancy of 99.3% and 91.5% respectively as at 30 June 2021.

The re-positioning strategy for the Wisma Atria Property is ongoing, attracting popular retail and food and beverage (F&B) brands, which include Haidilao Hot Pot, Bonchon, Mr Coconut, Roti Mum and The Providore. The mall is also undergoing interior upgrading works amounting to approximately S\$15 million, to maintain its appeal as a premier lifestyle mall.

SGREIT’s Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, the David Jones Building and the adjoining Plaza Arcade in Perth, Western Australia, contributed 24.3% of total



revenue, or S\$22.6 million in 2H FY20/21. NPI for 2H FY20/21 rose 76.2% y-o-y to S\$14.0 million, mainly due to the reversal of allowance for rental arrears and rebates following the rental collection from tenants, as well as the appreciation of the Australian dollar against the Singapore dollar. However, this increase was partially offset by higher operating expenses mainly due to a one-off reinstatement of unutilised area in Myer Centre Adelaide, as well as lower occupancy and rents. As at 30 June 2021, Australia's retail portfolio registered stable actual occupancy of 94.4%, with anchor tenants Myer and David Jones comprising 58.6% of the total Australia portfolio. The remaining space at Level 4 of Myer Centre Adelaide is being activated to accommodate the expansion of an existing tenant leading to a higher committed occupancy of 93.8% as at 30 June 2021.

SGREIT's Malaysia portfolio, comprising The Starhill and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 9.8% of total revenue, or S\$9.1 million in 2H FY20/21. NPI for 2H FY20/21 contracted by 1.5% y-o-y to S\$8.7 million. Despite various Movement Control Orders (MCOs) imposed due to COVID-19, our Malaysia portfolio attracted new tenants in FY20/21. Lot 10 saw the opening of Jonetz by Don Don Donki, the first such store in Kuala Lumpur. Upon completion of asset enhancement works at The Starhill scheduled for December 2021, the luxury mall will feature Taiwan's renowned lifestyle bookstore chain, Eslite Spectrum, as its anchor tenant. The 70,191 sq ft store targeted to open in 2022 will be first of its kind in Southeast Asia. The flagship outlet will occupy the whole of Level One, and will include an F&B outlet overlooking the Starhill Piazza. The Starhill will also feature new flagship boutiques such as Balmain, Philipp Plein, Tom Ford, Stefano Ricci and Paul & Shark among others, and returning brands with new concepts.

The balance of SGREIT's portfolio, which comprises a property in Chengdu, China, and two properties located in central Tokyo, Japan, contributed 2.5% of total revenue, or S\$2.4 million in 2H FY20/21. NPI for 2H FY20/21 was S\$1.7 million.

### **Capital management**

As part of its proactive capital management, SGREIT successfully completed its first DRP in March 2021, which provides an option for the REIT to conserve cash reserves for working capital requirements and enhance its financial flexibility. Gearing remains stable at 36.1% as at 30 June 2021. The average debt maturity was extended to 3.3 years, with no term debt refinancing requirements until September 2022. As at 30 June 2021, SGREIT has available undrawn committed revolving credit facilities for its working capital requirements.



### **Impact of the COVID-19 pandemic**

Singapore implemented Phase 2 (Heightened Alert) on 16 May 2021, in response to a surge in locally transmitted cases. During this phase, dining in was not allowed at F&B establishments, and the occupancy limit at retail shops was reduced<sup>5</sup>. Subsequently, on 14 June 2021, Phase 3 (Heightened Alert) was introduced, where two persons could dine in together at F&B establishments<sup>6</sup>. As at 22 July 2021, the country has reverted to Phase 2 (Heightened Alert), due to a surge in community cases<sup>7</sup>. The country continues to roll out its vaccination programme, with plans to progressively ease measures for vaccinated persons<sup>8</sup>.

In Australia, vaccinations have been offered in a phased approach since February 2021<sup>9</sup>. Due to an increase in linked cases to an existing cluster, South Australia recently entered a seven day lockdown, which ended on 27 July 2021<sup>10</sup>. Malaysia announced on 27 June 2021 that its full lockdown will be extended until new daily COVID-19 cases fall below 4,000<sup>11</sup>. Rental assistance for eligible tenants in the Group affected by the COVID-19 pandemic, including allowance for rental arrears and rebates for Australia Properties, amounted to approximately S\$9.6 million in FY20/21.

The Group's portfolio is characterised by its quality master retail leases in Singapore and Malaysia which make up about 34.1% of revenue in FY20/21. Office portfolio contributed another 14.7% of revenue in FY20/21. Additionally, as at 30 June 2021, the weighted average portfolio lease expiry by net lettable area stood at 7.9 years while retail leases expiring in the financial year ending 30 June 2022 comprised 13.5% of gross retail rent. The Group's retail portfolio committed occupancy remained stable at 97.5% as at 30 June 2021.

SGREIT's unaudited financial results for 2H FY20/21 and FY20/21 are available on its website ([www.starhillglobalreit.com](http://www.starhillglobalreit.com)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

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<sup>5</sup> Gov.sg, Additional restrictions under Phase 2 (Heightened Alert) to minimise transmission, 14 May 2021.

<sup>6</sup> Gov.sg, (Updated 18 Jun 2021) Gradual re-opening to Phase 3 (Heightened Alert) from 14 June 2021, 10 June 2021.

<sup>7</sup> Ministry of Health, Going back to Phase 2 (Heightened Alert), 20 July 2021.

<sup>8</sup> The Straits Times, Singapore to review COVID-19 rules in early August, ease measures for vaccinated people if situation under control, 26 July 2021.

<sup>9</sup> Australian Government Department of Health, First COVID-19 vaccinations in Australia, 21 February 2021.

<sup>10</sup> ABC News, South Australia records no new COVID-19 cases after lockdown, warning issued over 'hoax' text messages, 28 July 2021.

<sup>11</sup> The Straits Times, Malaysia's COVID-19 lockdown to be extended beyond June 28: PM Muhyiddin, 28 June 2021.



### **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\$3.0 billion.*

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

*Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited, of which all of its shares are indirectly held by YTL Corporation Berhad.*

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