SGX-ST Announcement

ANNUAL GENERAL MEETING TO BE HELD ON 28 OCTOBER 2021
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

YTL Starhill Global REIT Management Limited, as manager (the "**Manager**") of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**"), wishes to thank all unitholders of Starhill Global REIT ("**Unitholders**") who submitted their questions in advance of the Annual General Meeting to be held by way of electronic means on 28 October 2021 at 11.00 a.m. (Singapore time).

Please refer to Annex A hereto for the list of substantial and relevant questions, and the Manager's responses to these questions.

By Order of the Board
YTL Starhill Global REIT Management Limited
(Company registration no. 200502123C)
(as Manager of Starhill Global Real Estate Investment Trust)

Lam Chee Kin
Joint Company Secretary
26 October 2021

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Financial Performance

No.	Questions	Responses
1.	Can the management fees payable to the manager not be in the form of units and/or at such a low issue price, which can dilute the share of unitholders and the share price over time?	The management fees were partially paid in units to stabilise the Distribution Per Unit ("DPU") and mitigate the disruption and cost resulting from the asset enhancement works of The Starhill as well as to demonstrate alignment of interest and support to minority unitholders, as set out in our circular to unitholders in relation to the Malaysia Master Tenancy Agreements and asset enhancement works for The Starhill (formerly known as "Starhill Gallery"). As such, approximately 56% of the management fees to the Manager were paid or are payable in units during the period of asset enhancement works of The Starhill. After completion of the asset enhancement works, the management fees payable in units will be progressively reduced. From June 2019 to July 2021, management fees paid in units amounted to approximately 1.3% of the unitholders' base. The issue price for the quarterly management fees paid/payable in units is determined based on the 10-day volume-weighted average price of Starhill Global REIT prior to the issuance, in accordance with the trust deed. Please refer to the Circular To Unitholders In Relation To The New Master Tenancy Agreements For Starhill Gallery And Lot 10 Property And The Asset Enhancement Works For Starhill Gallery dated 25 April 2019 on our website for more information.
2.	Will the Executive Chairman consider to pay better dividends in coming years, once earnings increases, and will he consider to reward shareholders with bonus issue?	Prior to COVID-19, Starhill Global REIT has historically paid out more than 95% of its distributable income, which is above the statutory dividend payout of 90% of taxable income. However, in view of the recent COVID-19 pandemic, the Manager retained more distributable income over the last two financial years as a measure of prudence given the fluidity of the pandemic and to strengthen its balance sheet. As at 30 June 2021, Starhill Global REIT's gearing level is 36.1% and its cash balance stood at S$108.3 million with sufficient undrawn committed revolving credit facilities to meet working capital requirements. Fitch Ratings has also affirmed Starhill Global REIT's "BBB"

	Please consider giving better dividends as the company progresses	credit rating with a stable outlook in March 2021. With a sound balance sheet and enhanced financial flexibility, we have not only navigated through the challenging times but are in a position to explore new opportunities. Once the situation stabilises, we intend to revert to our regular dividend payout rate. As a real estate investment trust, we pay out cash distributions to reward unitholders. Cash distribution gives more flexibility to unitholders, and those who wish to increase their unitholdings can choose to convert their cash distribution into new units under our Distribution Reinvestment Plan.
3.	Page 16 of the FY20/21 Annual Report shows Revenue, NPI, DPU has been falling since FY16/17. What is reason and how does management going to address?	In general, the decline in revenue, net property income ("NPI") and DPU since FY16/17 were largely attributed to lower NPI contributions from the Wisma Atria Property and Myer Centre Adelaide, disruption of rental income from asset redevelopment works at Plaza Arcade in Perth and The Starhill in Kuala Lumpur, depreciation of Australian dollar against the Singapore dollar, higher withholding taxes incurred in Malaysia, as well as rental assistance provided for eligible tenants who are affected by COVID-19, including allowance for rental rebates and arrears. For the last two financial years, we also retained a higher portion of distributable income as a measure of prudence given the COVID-19 pandemic. Going forward, shopper traffic and sales will continue to be impacted by safe distancing measures, work from home arrangements and border restrictions, in particular for malls that rely on tourism. The gradual re-opening of borders in Singapore, Malaysia and Australia coupled with higher vaccination rates bode well. However, consumers' and retailers' confidence will take a while to recover and they are likely to tread with caution in the near term. In the meantime, we will work with our tenants for a mutually sustainable outcome. The retail landscape is also rapidly evolving, making it imperative for us to enhance our assets and fine-tune the positioning of our malls so as to maintain our appeal to our shoppers. In this light, we have embarked on several asset enhancement initiatives, including the transformation of The Starhill into an integrated development comprising four retail floors and three upper floors for hospitality use as an extension of JW Marriot Hotel and more recently the interior upgrading works at Wisma Atria to revamp the common areas, lift lobbies, washrooms and atrium space.

		In addition to modernising its hardware, Starhill Global REIT has also been actively fine-tuning its tenant mix to uplift the lifestyle component of the malls with new tenants such as The Providore, Haidilao Hot Pot, and Garmin at the Wisma Atria Property, Jonetz by Don Donki at the Lot 10 Property as well as the Taiwanese lifestyle bookstore Eslite Spectrum at The Starhill.
4.	With regard to Page 153 of the FY20/21 Annual Report, can you explain the item "Additional, straight-line rental and other adjustment"?	This comprises largely capital expenditure incurred mainly for The Starhill's asset enhancement works, the Wisma Atria Property and Myer Centre Adelaide in FY20/21. Other adjustments including straight-line rental adjustments were largely attributable to the amortisation of leases and other related incentives during the current period.
5.	Could you give an update on the latest COVID-19 situation which may likely affect the portfolio performance going forward considering that many countries stand ready to reopen for business?	The rate of recovery of the global economy and the retail sector will depend on the success of the international vaccine roll-out, which will in turn enable safe distancing measures to be lifted and border restrictions eased. Additionally, consumer confidence will also take time to heal after almost two years of the pandemic which has disrupted global economies. Leasing demand has been and is likely to remain soft as retailers continue to adopt a cautious approach, preferring more clarity before committing to new leases or embarking on expansion plans. While we do see green shoots emerging as Singapore, Malaysia and Australia progressively open their borders, the path towards normalisation is expected to be gradual with no definitive timeline. Therefore, we will remain cautious and continue to exercise prudence.
6.	Can you give a forecast as to when the earning/dividends yield will return back to pre-COVID-19 levels?	
7	Please explain why so many of the properties are currently valued below our purchase price?	On a portfolio level, the latest valuation of our current portfolio as at 30 June 2021 in Singapore dollars represents a 22.4% increase, as compared to the purchase price of the properties. The valuation of the Singapore properties (which account for more than 67% of the total asset value) as at 30 June 2021 was higher than the purchase price. For the Australia and Malaysia portfolio properties, the decrease in valuation is mainly due to the depreciation of the Australian dollar and Malaysian ringgit against the Singapore dollar, and the weaker market conditions and retail outlook due to the onset of the COVID-19 pandemic.

		The remaining China and Japan properties represent about 3% of the total asset value as at 30 June 2021.

Strategy and Acquisitions

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>What other initiatives, other than the usual asset enhancement measures, is the manager pursuing to bring back shareholding value of the stock to the investors?</td><td rowspan="3">We continue to search for yield accretive acquisitions and as a form of risk diversification, we would like to further expand our office footprint. For FY20/21, office assets accounted for just 14.7% of our gross revenue. Although office assets provide a slightly lower yield when compared to retail assets, they tend to be relatively more stable, as demonstrated during the pandemic.

Since the acquisition of Myer Centre Adelaide, we have been careful in our acquisition strategy given the high valuation, low yield of global commercial properties and the intensifying competition from e-commerce. We have also been focusing more on the office sector where competition is intense. When evaluating potential acquisitions, we are mindful that the assets must be attractively priced and yield accretive with growth opportunities while preserving balance sheet strength, particularly during these uncertain times. Additionally, travel restrictions as a result of COVID-19 have also hampered our ability to conduct due diligence for prospective overseas acquisition targets.

We have concurrently focused our effort on rejuvenating our existing portfolio for organic growth. For instance, we have successfully activated part of the vacant space at Myer Centre Adelaide, revamped Plaza Arcade, introduced the first Uniqlo store in Perth and repositioned The Starhill into an integrated lifestyle development. More recently, we have also embarked on the interior upgrading of Wisma Atria to modernise the mall and maintain its appeal as a premier lifestyle mall.</td></tr>
<tr><td>2.</td><td>What is the growth plan for Starhill Global REIT? It seems that the management has no plan at all to grow the REIT, but remain as status quo in all these years. This paints a picture of a REIT in the sunset phase. How long can this last?</td></tr>
<tr><td>3.</td><td>After the pandemic, what direction is Starhill Global REIT moving in?</td></tr>
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4.	What criteria/framework does Starhill Global REIT employ when it decides to purchase a property, be it from the sponsor or otherwise?	
5.	Any updates on the purchase of Isetan's Wisma Atria strata lots?	This has been an on-going process and is part of the Manager's continuing engagement with Isetan and our regular process of evaluating various opportunities for the purposes of expanding Starhill Global REIT's portfolio.
6.	On the update acquire the neighbouring Isetan, at least we had 5 years no progress.	
7.	What's the plan with Isetan moving out? Is Starhill going ahead to convert that space into a hotel?	
8.	What is the status of the acquisition plan of the remaining stakes in Wisma Atria?	
9.	Please update if any ongoing talks with Isetan in relation to the 26% stakes in the property of Wisma Atria Orchard. Is the management still interested in it considering the current market condition?	
10.	Is Starhill Global REIT and ISETAN still in discussions regarding the potential acquisition of ISETAN's stake in Wisma Atria? What is the outcome of these discussions?	

Asset Enhancement Works at The Starhill

No.	Questions	Responses
1.	Regarding AEW in Malaysia, is the AEW cost within the initial budget?	To date, the construction cost for The Starhill asset enhancement works has been within the initial budget of RM175 million (as disclosed in the Circular to Unitholders dated 25 April 2019). However, given unforeseen Movement Control Orders (MCOs) in Malaysia resulting from the pandemic, it was announced earlier that the timeline for completion of the asset enhancement works was extended by two months which has resulted in the extension of rental rebates to the master tenant over the corresponding period of delay and postponement of rental increments. Please refer to our announcement on Starhill Global REIT's business updates for the first quarter ended 30 September 2020 on our website for more information. As at 30 September 2021, approximately 95% of the total budget has been disbursed over the construction period. Construction is progressing well and is on track to complete by December 2021.

Others

No.	Questions	Responses
1.	In your notice of AGM, unitholders will not be able to ask questions during the AGM live audio-visual webcast, furthermore unitholders are asked to vote on resolutions BEFORE they receive answers to their questions submitted. This should not be the way, especially when the technology for live voting and interactive AGM exists. Why would unit holders have to vote on resolutions before they receive answers to their questions on resolutions and have the opportunity to ask follow up questions? AGM by its very name and nature is a once a year affair for unitholders to hear from management and have their questions answered and to ask further follow up questions for clarification. Would the board of directors consider good corporate governance practice to allow unitholders this once a year opportunity?	Due to safe distancing measures arising from the COVID-19 pandemic and for the safety of our unitholders, the virtual AGM is held in place of the physical AGM. The Manager is reviewing its options to enhance communication with unitholders in a virtual AGM in the future. This year, the Manager has released this response to AGM questions earlier than last year, and prior to the time for submission of the proxy form, which can be done via email.
2.	What is the reason for seeking unitholders consent to endorse the re-election of the Chairman and CEO? Is this mandated by the company's constitution or is this mandated by the	YTL Corporation Berhad had on 21 August 2020 provided an undertaking to the Trustee to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third annual general meeting of Starhill Global REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be. Please refer to explanatory note 1 in the Notice of AGM dated 24 September 2021 for more information.

	regulatory authorities (SGX, MAS, etc)? Or Is this an initiative undertaken by the company to achieve higher standards of corporate governance by requiring that key management re-election be endorsed by unitholders?	The re-endorsement of directors for the Manager is not mandated by the Manager’s constitution nor regulations. The Manager notes that certain other REITs also practices re-endorsement of directors.

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.

Important Notice

The value of units in Starhill Global REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT), or any of their affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, loss of income or principal invested. The Manager and its affiliates do not guarantee the performance of Starhill Global REIT or the repayment of capital from Starhill Global REIT or any particular rate of return. Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST.

It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not indicative of the future performance of Starhill Global REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, outbreak of contagious diseases or pandemic, interest rate and foreign exchange trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.