STARHILL
GLOBAL REIT

Amplifying Our Potential

STARHILL GLOBAL REIT
ANNUAL REPORT FY 2021/22

About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, Japan and China, valued at about S$2,893 million[1] as at 30 June 2022.

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

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

Note:

[1] Including right-of-use assets following the adoption of FRS 116.

Vision

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

Mission

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

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

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

Values

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

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

ONLINE ANNUAL REPORT FY 2021/22
www.starhillglobalreit.com/ir_ar.html

Amplifying Our Potential

As we forge ahead with our stakeholders, we are emerging stronger through the process of building our resilience. Against the global economic backdrop, our assets are well-positioned and ready to capture new opportunities. Fortified with a solid foundation, we remain committed to drive future growth to achieve our long-term goals.

Contents

Our Strategy

Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio through proactive leasing efforts and creative asset enhancements, as well as maintaining a prudent capital management approach.

01 / Active Asset Management

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

02 / Acquisition Growth

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

03 / Prudent Capital Management

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

Key Highlights

GROSS REVENUE
(FY 2021/22)
S$186.4m

NET PROPERTY INCOME
(FY 2021/22)
S$144.7m

INCOME AVAILABLE FOR DISTRIBUTION
(FY 2021/22)
S$89.8m

DISTRIBUTION PER UNIT
(FY 2021/22)
3.80¢

NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS
(As at 30 Jun 2022)
S$1,747.4m

GEARING
(As at 30 Jun 2022)
36.2%

RESILIENT OCCUPANCY
(As at 30 Jun 2022)
95.4%[1]

Note:
[1] Based on commenced leases as at 30 June 2022.

Key Events in FY 2021/22

2021

SEPTEMBER

Issued seven-year S$125 million unsecured medium term notes maturing in September 2028 with a fixed coupon of 2.23% per annum

Inaugural President*s Design Award (P*DA) Education and Career Series
- **30 Sep**
  Wisma Atria partnered with DesignSingapore Council to organise a Portfolio Clinic Session for 18 ITE College Central students, as part of the inaugural P*DA Education and Career Series

Starhill Global REIT is included in the FTSE EPRA Nareit Global Developed Index

OCTOBER

Vogue Festival 2021 at Myer Centre Adelaide
- **8 – 10 Oct**

Entered into a three-year unsecured and committed revolving credit facility (RCF) agreement of S$50 million effective from January 2022

NOVEMBER

Christmas Light-up Ceremony at Wisma Atria
- Wisma Atria partnered ITE College Central's School of Design & Media to design a Christmas installation and light show at the mall
- The official light-up ceremony was graced by Minister of State, Ministry of Education and Ministry of Manpower, Ms Gan Siow Huang

Wisma Atria's Black Friday Sale
- **26 – 29 Nov**
  The first-ever four-day-only Black Friday Sale received an overwhelming response

President's Design Awards (P*DA) 2020 Travelling Exhibition
- **29 Nov 2021 – 3 Jan 2022**
  Featuring the newest crop of 11 award recipients, including two 'Designers of the Year' and nine 'Designs of the Year', visitors were invited to discover and celebrate the extraordinary achievements of the recipients, and learn about the impact of their creations

DECEMBER

Harley-Davidson Charity Toy Run

- **3 Dec**
  Wisma Atria was venue sponsor for the annual charity fund-raising activity in support of Canossaville Children & Community Services
- Christmas gifts, supported by mall tenants: Cotton On Kids and Turtle, as well as gift vouchers, were donated to over 120 children

Completion of Asset Enhancement works at The Starhill, transforming the mall into an integrated development comprising four retail floors and three upper floors of hospitality use

Entered into a five-and-a-half-year unsecured term loan facility agreement of S$60 million to part refinance term loans maturing in September 2022

2022

JANUARY

Roberto Coin opens its first flagship boutique in Asia at The Starhill

UNIQLO announced it would be opening its first South Australia store at Myer Centre Adelaide

"Bring Home the Magic of Chinese New Year" campaign

- Coca Cola launched a multi-faceted augmented reality (AR) campaign at the Outdoor Event Space of Wisma Atria in Singapore. Visitors were able to take and download photos of their friends and family featuring tigers

MARCH

World Water Day at Wisma Atria

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

APRIL

Entered into a five-year unsecured term loan facility agreement of S$50 million to part refinance term loans maturing in September 2022

Elevating Our Strength

Working together with our stakeholders during this challenging period has made us even stronger in the process. As we continue to thrive with them in better times, we continue to adopt a prudent capital management approach and strengthen our relationship with quality tenants that have afforded us the resiliency of our portfolio.

Prudent Capital Management

Gearing Ratio
36.2%[(1)]
and weighted average debt maturity of
3.5 years[(1)]

Healthy Liquidity
Sufficient undrawn long-term committed RCF lines to cover the outstanding debts maturing in FY 2022/23

Hedging Ratio
Fixed/hedged borrowings form
93%[(1)]
of total debts

Distribution Reinvestment Plan Implemented

Notes:
(1) As at 30 June 2022.
(2) Based on commenced leases as at 30 June 2022.
(3) Excludes tenants' option to renew or pre-terminate.

Enhanced Visibility with Investors

Inclusion into
FTSE EPRA Nareit Global Developed Index

"BBB"
corporate rating
with stable outlook affirmed by Fitch Ratings

Portfolio Occupancy
95.4%[2]

Stable Income from Quality Tenants

Resilient Retail Occupancy of
95.8%[2]

WALE of
7.2 years[2][3]
by NLA and
4.7 years[2][3]
by gross rent

Revitalising Our Growth

The ability to remain active and agile is the hallmark of our tenacity. We are poised to ride the tailwinds of economic recovery with rejuvenated assets and enhanced offerings to stay in line with consumers' expectations. We continue to seek strategic acquisition opportunities for growth.

Rejuvenation of Portfolio Assets

Transformation of The Starhill
The Starhill is now a mixed-use retail and hospitality experience after completion of Asset Enhancement Works in December 2021.

Refreshed Look of Wisma Atria
Upgrading of Wisma Atria on schedule for completion by the end of 2022, maintaining its reputation as a premier lifestyle mall.

Active Asset

Expansion of Existing Tenants
Visual effects and entertainment design school – CDW Studios, now takes up the entire level four of Myer Centre Adelaide, covering approximately 26,000 sq ft.

Acquisition Opportunities

Diversification and Stability of Income Stream
Increase office presence in key gateway cities.

Management

Building on Existing Partnerships
Collaboration with UNIQLO to open its first store in South Australia at Myer Centre Adelaide.

Fortifying Our Foundation

A strong foundation contributes to our inherent stability in uncertain times. Underpinned by a portfolio of landmark assets in prime locations, we are well-positioned to benefit from future transport networks in Singapore and Malaysia. Backed by our sponsor, we are empowered to focus on delivering long-term sustainable returns for our Unitholders.

Landmark Assets in Prime locations

Diversified Portfolio
of retail and commercial assets in
6 cities
in Asia Pacific

Master and Anchor Leases
comprises
53.2%
of gross rents
(As at 30 Jun 2022)

High Occupancy
Actual portfolio occupancy of
95.4%
(As at 30 Jun 2022)

Quality Tenants
Brands across the portfolio include Audemars Piguet, Chanel, Coach, Louis Vuitton, Off-White, Paul & Shark, Roberto Coin, Rolex, Shiatzy Chen, Tory Burch and UNIQLO.

Strategically Located Near Transport Nodes

Greater connectivity for our prime assets in Singapore and Malaysia with the upcoming Thomson-East Coast Line Orchard MRT station and Putrajaya Line respectively.

Strong Sponsor

YTL Corporation combined market capitalisation of

USD3.7 billion[1]

with

37.8%[2]

ownership of SGREIT

Notes:

[1] Market capitalisation of YTL Corporation Berhad and its listed entities in Malaysia, as at 30 June 2022.

[2] As at 30 June 2022.

Our Geographical Reach

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

6
ASIA-PACIFIC CITIES

10
NUMBER OF PROPERTIES

2.26m sq ft
RETAIL AND OFFICE SPACE

S$2,893.3m[1]
INVESTMENT PROPERTIES

SINGAPORE

619,815 sq ft

by Asset Value
(As at 30 Jun 2022)
S$1,969.1m

by Gross Revenue
(FY 2021/22)

Ngee Ann City Property
Singapore

Retail
77.9%

Office
22.1%

Wisma Atria Property
Singapore

Retail
79.9%

Office
20.1%

AUSTRALIA

920,289 sq ft

by Asset Value
(As at 30 Jun 2022)
S$422.6m

by Gross Revenue
(FY 2021/22)

Myer Centre Adelaide
Adelaide

Retail
89.8%

Office
10.2%

David Jones Building & Plaza Arcade
Perth

Retail
100%

MALAYSIA

587,452 sq ft

by Asset Value
(As at 30 Jun 2022)

S$420.7m

by Gross Revenue
(FY 2021/22)

The Starhill
Kuala Lumpur

Retail/Hotel
100%

Lot 10 Property[2]
Kuala Lumpur

Retail
100%

JAPAN

26,903 sq ft

by Asset Value
(As at 30 Jun 2022)

S$50.7m

by Gross Revenue
(FY 2021/22)

Ebisu Fort[2]
Tokyo

Retail
100%

Daikanyama[2]
Tokyo

Retail
100%

CHINA

100,854 sq ft

by Asset Value
(As at 30 Jun 2022)

S$29.3m

by Gross Revenue
(FY 2021/22)

China Property
Chengdu

Retail
100%

SGREIT'S portfolio is characterised by its master and anchor leases which make up about 53.2%[3] of gross rent.

Notes:
(1) Including right-of-use assets following the adoption of FRS 116.
(2) Largely retail with a small office component.
(3) As at 30 June 2022.

Our Business in Brief

Singapore

Ngee Ann City Property

Wisma Atria Property

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

Ngee Ann City Property

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

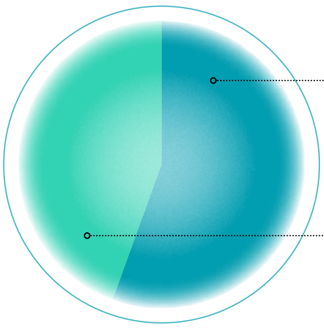
Wisma Atria Property

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

Revenue Contribution

(FY 2021/22)

S$113.2m



Ngee Ann City Property 56.0%

Wisma Atria Property 44.0%

Read more on pages 32 to 37

Australia

Myer Centre Adelaide, Adelaide

David Jones Building, Perth

Plaza Arcade, Perth

Retail and commercial assets located in the prime retail districts and pedestrian streets of the Adelaide and Perth city centres.

Myer Centre Adelaide, Adelaide

An eight-storey retail centre along the iconic Rundle Mall within Adelaide's city centre and is anchored by department store chain Myer. The asset comprises four basement levels of car park, and an office component which includes a six-storey office tower and two heritage buildings.

David Jones Building, Perth

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

Plaza Arcade, Perth

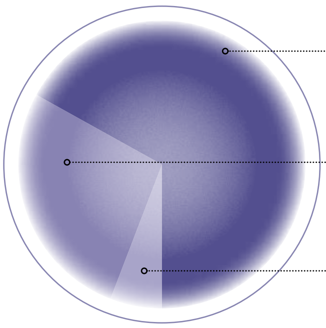
A three-storey heritage-listed retail building located next to the David Jones Building. The property is anchored by international apparel retailer, UNIQLO.

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

Revenue Contribution

(FY 2021/22)

S$42.8m



Myer Centre Adelaide, Adelaide 67.1%

David Jones Building, Perth 27.1%

Plaza Arcade, Perth 5.8%

Read more on pages 38 to 43

Malaysia

The Starhill, Kuala Lumpur

Lot 10 Property, Kuala Lumpur

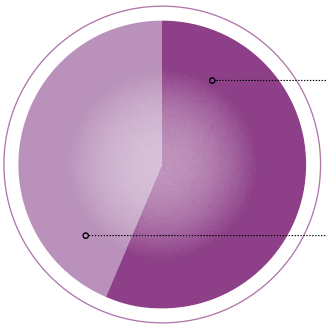
The Starhill and Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, one of Kuala Lumpur's premier shopping districts and home to many prestigious international hotels, prime office buildings and shopping complexes.

The Starhill, Kuala Lumpur
An integrated development comprising four retail floors and three upper floors of hospitality use.

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

Revenue Contribution
(FY 2021/22)

S$25.8m



The Starhill, Kuala Lumpur
56.7%

Lot 10 Property, Kuala Lumpur
43.3%

Read more on pages 44 to 47

Others-Japan and China

Ebisu Fort, Tokyo

Daikanyama, Tokyo

China Property, Chengdu

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

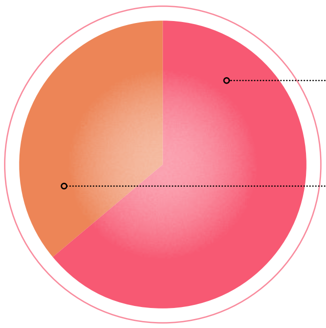
Ebisu Fort, Tokyo
A seven-storey building (with two basement levels) located in Ebisu (Shibuya Ward), Tokyo, opposite Yebisu Garden Place and a seven-minute walk from Ebisu train station.

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

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

Revenue Contribution
(FY 2021/22)

S$4.6m



Japan
64.1%

China
35.9%

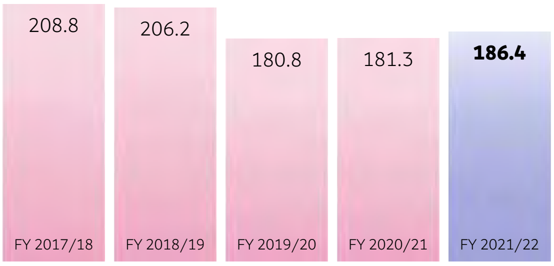
Read more on pages 48 to 49

Singapore, Australia and Malaysia Properties contributed 97.5% of revenue in FY 2021/22.

Key Figures for 5 Years

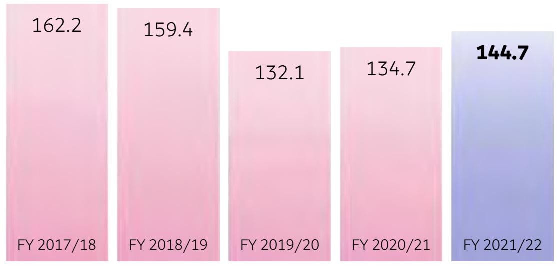
Gross Revenue (S$ million)
(FY 2021/22)

S$186.4m



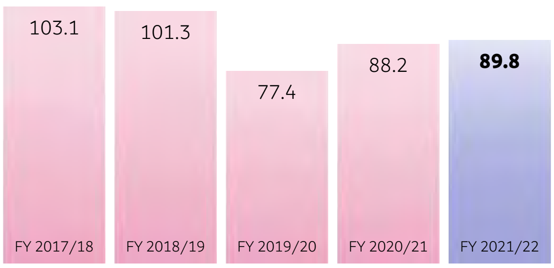
Net Property Income (S$ million)
(FY 2021/22)

S$144.7m



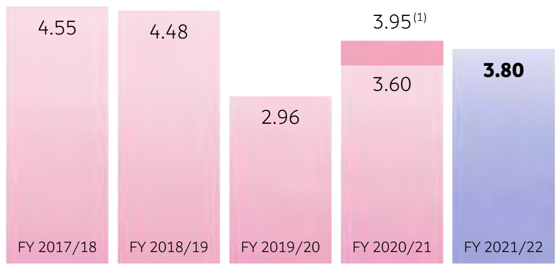
Income Available for Distribution (S$ million)
(FY 2021/22)

S$89.8m



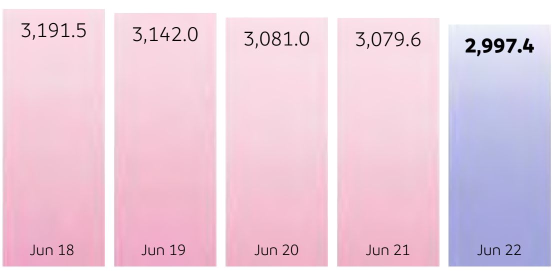
Distribution Per Unit (cents)
(FY 2021/22)

3.80¢



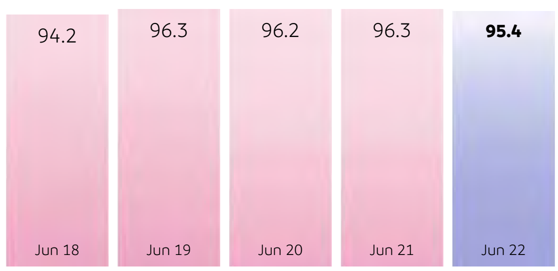
Total Assets (S$ million)
(As at 30 Jun 2022)

S$2,997.4m



Occupancy rate (%)[2]
(As at 30 Jun 2022)

95.4%[3]



Notes:

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

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

(3) Portfolio occupancy based on committed leases was 96.6% as at 30 June 2022.

Financial Summary

Statement of Total Return and Distribution for the Year:	FY 2021/22	FY 2020/21	Change (%)
Gross Revenue (S$ million)	**S$186.4**	S$181.3	2.8%
Net Property Income (S$ million)	**S$144.7**	S$134.7	7.4%
Income Available for Distribution (S$ million)	**S$89.8**	S$88.2	1.8%
Income to be Distributed to Unitholders [1] (S$ million)	**S$85.0**	S$87.3	(2.7%)
Distribution Per Unit (DPU) (excluding effects of deferred amount) [2] (cents)	**3.80 cents**	3.60 cents	5.6%
Distribution Per Unit (DPU) (including effects of deferred amount) [1][2] (cents)	**3.80 cents**	3.95 cents	(3.8%)
Distribution Yield [3] (%)	**6.6%**	7.1%	NM
	(S$0.58) [4]	(S$0.56) [4]	
Total Return (%)	**10.3%**	15.5%	NM

Notes:

[1] Approximately S$4.8 million (FY 2020/21: S$8.5 million) of income available for distribution for FY 2021/22 has been retained for working capital requirements. The distribution for FY 2020/21 includes the full release of S$7.7 million or 0.35 cents per unit relating to FY 2019/20's deferred distributable income.

[2] The computation of DPU for FY 2021/22 was based on number of units entitled to distributions comprising (i) 2,232,571,530 units for first half year of FY 2021/22 ("1H FY 2021/22"), and (ii) issued and issuable units of 2,240,430,617 for second half year of FY 2021/22 ("2H FY 2021/22") (FY 2020/21: (i) 2,203,594,600 for first half year of FY 2020/21 ("1H FY 2020/21"), and (ii) 2,217,585,902 for second half year of FY 2020/21 ("2H FY 2020/21")).

[3] Based on actual DPU of 3.80 cents (FY 2020/21: 3.95 cents) for FY 2021/22.

[4] Based on the closing unit price for the financial year.

Balance Sheet as at:	30 Jun 2022	30 Jun 2021	Change (%)
Net Asset Value attributable to Unitholders Per Unit (S$)	**S$0.78**	S$0.81	(3.7%)
Total Assets (S$ million)	**S$2,997.4**	S$3,079.6	(2.7%)
Investment Properties			
– Number of Properties	**10**	10	
– Valuation [1] (S$ million)	**S$2,893.3**	S$2,964.6	(2.4%)
Gearing (%)	**36.2%**	36.1%	NM

Note:

[1] Including right-of-use assets, following the adoption of FRS 116.

Starhill Global REIT's Unit Price and Daily Traded Volume

(1 Jul 2017 to 30 Jun 2022)

From 1 Jul 2021 to 30 Jun 2022	
Opening Price [1]	S$0.56
Closing Price [2]	S$0.58
High (25 Nov 2021)	S$0.67
Low (1 Jul 2021)	S$0.56
Volume traded (in million units)	810.88

Notes:

[1] Based on the last trading day of FY 2020/21.

[2] Based on the last trading day of FY 2021/22.

Letter to Unitholders

Emerging Stronger, Thriving Together

Mr Ho Sing
CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

Tan Sri (Sir) Francis Yeoh
PSM, KBE
CHAIRMAN

Dear Unitholders,

The financial year ended 30 June 2022 (FY 2021/22) was relatively more positive as many countries transitioned towards being COVID-19 endemic on the back of successful vaccination programmes and gradual lifting of restrictive measures. Momentum continued to pick up in the second quarter of 2022, as borders were progressively re-opened, COVID-19 distancing measures were eased further, and staff gradually returned to the office. However, during the year, other challenges including elevated geopolitical tensions and inflationary pressures have placed downward pressure on global economies.

Amid these challenges, we managed to remain strong operationally and financially for FY 2021/22. With our portfolio being largely rejuvenated and our stable financial standing, we are well placed to ride the post-pandemic recovery wave.

FINANCIAL PERFORMANCE

Group revenue of S$186.4 million for FY 2021/22 was 2.8% higher year-on-year (y-o-y) while net property income (NPI) for the Group was S$144.7 million, representing an increase of 7.4% y-o-y. The increase in NPI was attributed mainly to the cessation of rental rebates in Malaysia after completion of Asset Enhancement Works at The Starhill in December 2021. Rental assistance to eligible tenants, including allowance for rental arrears and rebates was significantly reduced from S$9.6 million in the previous corresponding period to S$4.9 million in FY 2021/22, as COVID-19 restrictive measures eased. Coupled with lower operating expenses, these partially offset lower rental contributions from Wisma Atria Property (Retail).

Income available for distribution to Unitholders for FY 2021/22 was S$89.8 million, representing an increase of 1.8% y-o-y. Income to be distributed to Unitholders after retention of S$4.8 million totalled S$85.0 million for FY 2021/22.

Distribution Per Unit (DPU) for FY 2021/22 of 3.80 cents, represents an annual yield of approximately 6.6% based on the closing unit price of S$0.58 as at 30 June 2022. Excluding the full release of FY 2019/20's deferred distributable income of S$7.7 million (or 0.35 cents per unit) in the previous corresponding period, DPU was 5.6% higher y-o-y.

"Group revenue of S$186.4 million for FY 2021/22 was 2.8% higher y-o-y while net property income for the Group was S$144.7 million, representing an increase of 7.4% y-o-y."

The Group's portfolio valuation declined marginally by 2.4% to S$2.9 billion as at 30 June 2022, mainly due to the downward revaluation for Wisma Atria Property (Retail), as well as net movement in foreign currencies.

PRUDENT CAPITAL MANAGEMENT

Our financial metrics remained strong as we ended the year with a stable gearing ratio of 36.2%. Our high average fixed/hedged debt ratio of 93% as at 30 June 2022 mitigates the impact of rising interest rates on the DPU. Based on the unhedged borrowings as at 30 June 2022, a one percent increase in floating benchmark rates will reduce DPU by 0.04 cents per annum. In addition, our staggered debt maturity profile which averages 3.5 years ensures healthy liquidity with only S$125 million medium term notes maturing in the new financial year. The Group also has sufficient undrawn long-term committed revolving credit facilities to cover this maturing debt.

PORTFOLIO PERFORMANCE

SGREIT's portfolio is diversified across geographies with assets in Singapore, Australia and Malaysia being the top revenue contributors. The portfolio comprises 10 mid- to high-end properties in six Asia-Pacific cities. Master and anchor leases accounted for more than half of the portfolio revenue. This has contributed to the stability and resilience of our portfolio, with committed retail portfolio occupancy of 96.7% as at 30 June 2022 despite the challenging environment. Aside from retail, approximately 14.4% of our revenue in FY 2021/22 was contributed by the office component, which has demonstrated its resilience throughout the pandemic and delivered higher income on the back of improved occupancy.

Overall, the gradual lifting of COVID-19 safe distancing measures and border restrictions have led to a 25.4% and 18.2% y-o-y rise in shopper traffic and tenant sales respectively at Wisma Atria Property in FY 2021/22 despite ongoing renovation works. While the recovery has been uneven among different trade segments as tourist arrivals remain below the 2019 level, it is also encouraging that overall tenant sales in 4Q FY 2021/22 have surpassed pre-pandemic levels.

A REJUVENATED PORTFOLIO

During the pandemic, we rejuvenated our portfolio to ensure that it remains current and appealing to our tenants and shoppers. Asset Enhancement Works at The Starhill in Kuala Lumpur were completed in December 2021. At a cost of approximately RM175 million, The Starhill has been transformed into an integrated commercial development with four levels of retail floors and three levels of hospitality use, which is part of an extension of the adjoining JW Marriott Hotel Kuala Lumpur. The newly minted mall attracted new flagship boutiques and lifestyle brands including Balmain, Paul & Shark, Philip Plein, Stefano Ricci, Tom Ford and the upcoming first South East Asia "Eslite Spectrum", a Taiwanese lifestyle bookstore. Key returning luxury brands with new concepts include Audemars Piguet, Louis Vuitton's first global store in Malaysia, and Rolex.

Wisma Atria Property also commenced interior upgrading works in March 2021. The renovation aims to modernise and rejuvenate the mall so that it stays relevant as a premier lifestyle mall. Completion is expected in late 2022 but meanwhile the mall remains fully operational despite ongoing works. The estimated cost of the renovation is about S$15 million.

MARKET OUTLOOK

The hospitality, tourism, aviation and retail sectors will continue their recoveries as governments ease domestic and border restrictions. Although the recovery is uneven at this juncture, we remain hopeful that the macro environment will continue its positive trajectory in the coming months.

Notwithstanding the positive developments, economic uncertainty remains as elevated geopolitical tensions and inflationary pressures have placed significant upward pressure on interest rates. In addition, rising utility costs and the tight labour market pose additional challenges in the coming year.

Letter to Unitholders

The impact from higher utility and labour costs will be partially mitigated as such costs are borne by master and anchor tenants, which account for more than half of our portfolio revenue. We were also able to secure forward utility rates for our assets in Singapore and Australia and have fixed or hedged about 93% of our borrowings as at 30 June 2022. However, rising cost of funds will make future acquisitions increasingly difficult for REITs in general. We will continue to be discerning in our expansion plans going forward and focus on assets where we are able to create value to enhance returns.

Singapore's macro-economic performance has been encouraging as Gross Domestic Product (GDP) expanded by 4.4% y-o-y in 2Q 2022. The retail sales index (excluding motor vehicle sales) grew 19.8% y-o-y, on the back of stronger domestic consumption in June 2022. International visitor arrivals for 1H 2022 grew by 1,167.0% over the same period in 2021 but remain below pre-pandemic levels amid the absence of Chinese tourists. Prime Orchard Road retail rents recorded a slower pace of decline compared to the previous quarter as the easing of COVID-19 restrictions contributed to the rent stability. Further easing of safe management and border measures will likely improve domestic spending but be partly offset by global uncertainties, rising inflation and labour crunch. The office market in Singapore has been more resilient as rents for both Grade A and B Core CBD offices rose by 7.6% and 5.2% y-o-y respectively. Limited supply, relaxation of workplace measures and healthy demand from the technology and non-bank financial sectors were drivers behind rising rental rates.

The Australian economy continues to record healthy growth, averaging 3.3% y-o-y in the 12 months ended March 2022. Retail trade grew 5.1% y-o-y on average in the 12 months ended May 2022. Adelaide CBD retail market has been relatively stable in the 12 months ended June 2022, with prime and secondary net face rents remaining unchanged although net effective rents declined y-o-y by 2.6% for prime and 6.6% for secondary locations due to higher incentives. Current economic uncertainty and further increases in interest rates will impact consumer spending. However, Adelaide CBD retail precinct remains in demand. Retail vacancy in the Perth CBD remained high with CBRE's June 2022 survey indicating a vacancy of 28%. Rents in the Perth CBD are likely to face downward pressure from high vacancy and cost of living pressures which will weigh on discretionary consumer spending.

Malaysia is emerging out of the pandemic with a GDP growth of 8.9% y-o-y in 2Q 2022 as domestic demand returns and international borders reopen. Retail sales were reported to have grown by 18.3% y-o-y in 1Q 2022. However, inflationary pressures are expected to curtail purchasing power going forward and cautious recovery in the retail market is anticipated for the medium term.

SUSTAINABILITY

SGREIT has embarked on the sustainability drive for a number of years and will continue to step up our efforts in our Environmental, Social and Governance journey. During FY 2021/22, Ngee Ann City successfully renewed its Building and Construction Authority Green Mark Platinum certification. We target to achieve green building certification for 50% of SGREIT's portfolio (by NLA) by 2030 and will introduce green initiatives for Myer Centre Adelaide (Retail) and Lot 10 in Kuala Lumpur with the goal to attain green building certification. In August 2022, we successfully attained green building certification (CASBEE) for Ebisu Fort in Tokyo. We have also identified suitable Electric Vehicle charging points at Wisma Atria which will be installed by end-2022.

CONCLUSION

We remain cautiously optimistic that the retail and commercial real estate markets will continue to experience growth, particularly in the Asia-Pacific region. With our healthy balance sheet and liquidity, and a refreshed portfolio following various renovation works during the pandemic downtime, SGREIT will forge ahead as global businesses recover. We will remain vigilant amid the constantly evolving environment and challenges but remain committed to deliver value to our stakeholders through close partnership with our tenants and partners.

ACKNOWLEDGEMENT

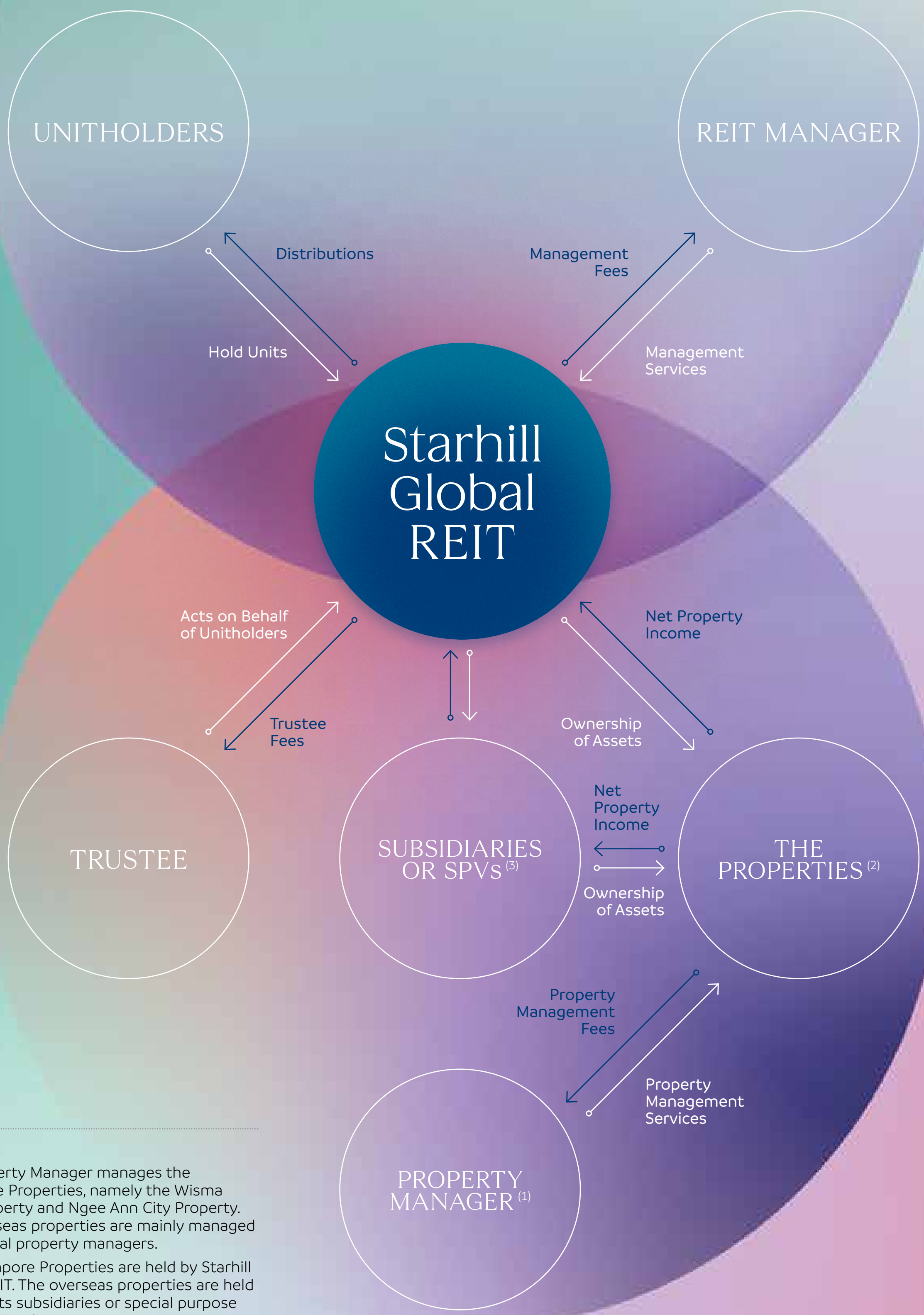
The Board and Management would like to thank our Directors for their contributions and guidance, our colleagues for their hard work, commitment and dedication, and our tenants, business partners and investors for their continued trust and support. We would also like to thank you for the continued support and confidence in SGREIT.

Tan Sri (Sir) Francis Yeoh
PSM, KBE
CHAIRMAN

Mr Ho Sing
CHIEF EXECUTIVE OFFICER
& EXECUTIVE DIRECTOR

29 August 2022

Trust Structure



Notes:

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

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

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

Board of Directors

Guiding the path for tomorrow

TAN SRI (SIR) FRANCIS YEOH MR HO SING

TAN SRI (SIR) FRANCIS YEOH
NON-EXECUTIVE CHAIRMAN

Tan Sri (Sir) Francis Yeoh joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. Tan Sri (Sir) Francis Yeoh studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri (Sir) Francis Yeoh was conferred an Honorary Degree of Doctor of Laws from the University of Nottingham. He became the Managing Director of YTL Corp Berhad Group in 1988, which under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities, i.e. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global REIT. Tan Sri (Sir) Francis Yeoh was the Managing Director of YTL Corp and YTL Power International Berhad which are listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri (Sir) Francis Yeoh is the Executive Chairman and Managing Director of YTL e-Solutions Berhad and also a Director of YTL Industries Berhad. He is also the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri (Sir) Francis Yeoh served as an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. Tan Sri (Sir) Francis Yeoh is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. Tan Sri (Sir) Francis Yeoh was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016. Tan Sri (Sir) Francis Yeoh was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005. In 2006, Tan Sri (Sir) Francis Yeoh was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri (Sir) Francis Yeoh received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy.

MR HO SING
EXECUTIVE DIRECTOR

Mr Ho Sing joined the Board on 20 April 2010. He is the Chief Executive Officer of the Manager. He works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT. He has over 28 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

DATO' YEOH SEOK KIAN MR TAN BONG LIN MR CHING YEW CHYE MR TAN WOON HUM

DATO' YEOH SEOK KIAN
NON-EXECUTIVE DIRECTOR

Dato' Yeoh Seok Kian joined the Board on 31 December 2008 and is a member of the Nominating and Remuneration Committee. He was appointed as an Executive Director of YTL Corp since 1984 and has been the Deputy Managing Director of YTL Corp until 29 June 2018 when he was redesignated as Managing Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom, as well as a Member of the Chartered Institute of Building (UK). Dato' Yeoh served as Deputy Managing Director of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

MR TAN BONG LIN
LEAD INDEPENDENT DIRECTOR

Mr Tan Bong Lin joined the Board on 1 January 2018 and is the Chairman of the Audit Committee as well as a member of the Nominating and Remuneration Committee. Mr Tan has 27 years of working experience with Wall Street investment banking and brokerage institutions. He served as the Managing Director of Citigroup Global Markets Singapore Pte Ltd from 1991 to 2007. He was also a Member of the Finance Committee of the Singapore Broadcasting Authority from 1997 to 2002. Mr Tan is a Non-Executive Independent Director of APAC Realty Limited, and is the Non-Executive Chairman and Independent Director of RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust (which is listed on the Mainboard of SGX-ST). Mr Tan holds a Bachelor of Accountancy degree from the University of Singapore in 1980.

MR CHING YEW CHYE
INDEPENDENT DIRECTOR

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

MR TAN WOON HUM
INDEPENDENT DIRECTOR

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

Executive Officers of The REIT Manager

Left to right, standing: Ms Clare Koh, Ms Celine Koh, Mr Jonathan Kuah, Ms Lim Kim Loon and Mr Stephen Yeo
Seated: Ms Alice Cheong and Mr Ho Sing

MR HO SING

CHIEF EXECUTIVE OFFICER

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

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

He has over 28 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These include senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and GuocoLand Limited.

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

MS ALICE CHEONG

CHIEF FINANCIAL OFFICER

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

Prior to joining the Manager, she was a vice president in MEAG Pacific Star Asia Pte Ltd involved in real estate acquisitions in Asia. Ms Cheong had 9 years of investment banking experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore.

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

MR STEPHEN YEO

SENIOR VICE PRESIDENT
FINANCE & ACCOUNTING

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

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

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

MS LIM KIM LOON

SENIOR VICE PRESIDENT
ASSET MANAGEMENT

Ms Lim is responsible for the management of Starhill Global REIT's portfolio. She has more than 20 years of real estate experience in property and asset management. Prior to joining the Manager, Ms Lim was the Head of Asset Management at Lendlease (Asia) and spent 11 years with ARA Trust Management as part of Suntec REIT's asset management team. Ms Lim was also previously with CapitaLand Retail Management Pte Ltd, where she was responsible for the day-to-day operations of various retail malls.

Ms Lim graduated from the National University of Singapore with a Bachelor of Science (Honours), specialising in Estate Management.

MS CLARE KOH

SENIOR VICE PRESIDENT
HEAD OF INVESTMENTS

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

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

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

MR JONATHAN KUAH

SENIOR VICE PRESIDENT
HEAD OF INVESTOR RELATIONS & CORPORATE PLANNING

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

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

Prior to joining the Manager, he spent five years with CapitaLand Limited as Vice President of Investor Relations. Mr Kuah also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various securities firms. Mr Kuah holds a Bachelor of Science degree in Business Administration (Finance) from California State University, Long Beach, USA.

MS CELINE KOH

SENIOR VICE PRESIDENT
LEGAL & COMPLIANCE

Ms. Koh is Senior Vice President, Legal & Compliance for Starhill Global REIT. She joined the Manager in December 2021 and is responsible for leading the legal, compliance and corporate governance functions of the Manager and Starhill Global REIT.

Prior to joining the Manager, Ms. Koh worked with DBS Trustee Limited and Temasek International Pte. Ltd. and with various law firms such as Allen & Overy in Singapore and Slaughter and May and Sidley Austin in Hong Kong.

Ms. Koh was admitted as an advocate and solicitor of the Supreme Court of Singapore and as a solicitor of the Supreme Court of England and Wales and read law at the University of Leeds, UK.

Property Highlights

Name	Address	Description	NLA (sq ft) (30 Jun 2022)	Title	Number of Tenants (30 Jun 2022)
Ngee Ann City Property	391/391B Orchard Road, Singapore 238874	Four strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City	Retail: 255,021 [2] Office: 139,450	Leasehold estate of 69 years, expiring on 31 March 2072	53
Wisma Atria Property	435 Orchard Road, Singapore 238877	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria	Retail: 126,456 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	130
Myer Centre Adelaide	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre, with three office buildings and four basement levels of carpark	Retail: 526,304 [3] Office: 97,959	Freehold	74
David Jones Building	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,093 (GLA)	Freehold	6
Plaza Arcade	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	36,933 (GLA)	Freehold	16
The Starhill	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	An integrated development with four lower floors of retail and three upper floors of hospitality use	333,289 [10]	Freehold	1
Lot 10 Property	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	254,163 [9][10]	Leasehold estate of 99 years, expiring on 29 July 2076	1
Ebisu Fort	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for retail and office use	18,816 [9]	Freehold	6
Daikanyama	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	8,087 [9]	Freehold	3
China Property	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	A four-storey plus mezzanine level retail building forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate, expiring on 27 December 2035	1

Notes:
(1) Based on commenced leases as at the reporting date.
(2) Includes 225,969 sq ft of gross lettable area leased to Toshin on a master tenant basis.
(3) Excludes approximately 89,000 sq ft of unactivated area on level five of the retail centre.
(4) Myer Centre Adelaide was acquired on 18 May 2015. Based on the exchange rate of A$0.95:S$1.00 at acquisition.
(5) Based on exchange rate of A$1.04:S$1.00 as at 30 June 2022.
(6) David Jones Building was acquired on 20 January 2010. Based on the exchange rate of A$0.79:S$1.00 at acquisition.
(7) Plaza Arcade was acquired on 1 March 2013. Based on the exchange rate of A$0.79:S$1.00 at acquisition.
(8) Lot 10 Property and The Starhill were acquired on 28 June 2010. Based on the exchange rate of RM2.32:S$1.00 at acquisition.

Purchase Price (S$ million)	Valuation 30 Jun 2022 (S$ million)	Occupancy Rate 30 Jun 2022 (Actual)[1]	Occupancy Rate 30 Jun 2021 (Actual)[1]	Major Tenants and Brands	Revenue FY 2021/22 (S$ million)	Revenue FY 2020/21 (S$ million)	NPI FY 2021/22 (S$ million)	NPI FY 2020/21 (S$ million)
640.0	**1,131.5**	Retail: 98.5% Office: 92.6%	Retail: 99.7% Office: 92.1%	Toshin Development Singapore Pte. Ltd. (Toshin)(master tenant), DBS Treasures Centre	**63.4**	63.5	**51.9**	51.5
663.0	**837.6**	Retail: 97.6% Office: 94.5%	Retail: 96.5% Office: 85.0%	COACH, Tory Burch, TAG Heuer, Emperor Watch & Jewellery, Food Republic, Haidilao Hot Pot	**49.9**	50.5	**37.1**	35.9
303.1 [4]	**239.3** [5]	Retail: 88.3% Office: 93.3%	Retail: 93.6% Office: 94.2%	Myer Pty Ltd (Myer), Daiso, LUSH, Kaisercraft, Da Klinic, MPC VFX	**28.7**	29.8	**16.6**	15.4
145.7 [6]	**136.9** [5]	98.5%	98.9%	David Jones Pty Limited (David Jones), Superdry, The Body Shop	**11.6**	12.0	**9.3**	9.8
61.0 [7]	**46.4** [5]	77.6%	72.9%	Uniqlo Australia Pty Ltd (UNIQLO), Outback Red	**2.5**	2.5	**1.3**	1.2
271.3 [8]	**278.0** [11]	100.0%	100.0%	Katagreen Development Sdn. Bhd. (Katagreen) (master tenant)	**14.6**	8.5	**14.2**	8.0
173.0 [8]	**142.7** [11]	100.0%	100.0%	Katagreen (master tenant)	**11.2**	9.8	**10.8**	9.4
71.3 [12]	**37.0** [13]	100.0%	100.0%	Wano KK, ILL Co., Ltd., GO-SEES Co., Ltd., Family Mart, Prime Three, Plug-In	**2.1**	2.2	**1.6**	1.7
22.8 [12]	**13.8** [13]	100.0%	100.0%	Good Design Company, NAKD, Mizutani Bicycle	**0.9**	0.8	**0.7**	0.6
70.6 [14]	**29.3** [15]	100.0%	100.0%	Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store (Markor)	**1.6**	1.7	**1.2**	1.3

(9) Largely retail with some office component.
(10) Under a master tenancy agreement with Katagreen.
(11) Based on the exchange rate of RM3.17:S$1.00 as at 30 June 2022.
(12) Daikanyama was acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007. Based on the exchange rate of JPY79.97:S$1.00 at acquisition.
(13) Based on the exchange rate of JPY97.96:S$1.00 as at 30 June 2022.
(14) China Property was acquired on 28 August 2007. Based on the exchange rate of RMB4.96:S$1.00 at acquisition.
(15) Based on the exchange rate of RMB4.81:S$1.00 as at 30 June 2022.

Property Portfolio Summary

Starhill Global REIT's portfolio comprises 10 mid- to high-end retail properties located in six key cities in five countries across the Asia-Pacific region. These properties are strategically located in good to prime locations. Backed by master and anchor leases, the portfolio has enjoyed strong occupancy rates since the REIT's listing in 2005.

Top 10 Tenants

Total Portfolio Gross Rent[1] (%)

	%	
Toshin Development Singapore Pte. Ltd.	23.7%	Ngee Ann City Property, Singapore
YTL Group[3]	15.7%	Ngee Ann City Property & Wisma Atria Property, Singapore, The Starhill & Lot 10 Property, Malaysia
Myer Pty Ltd	7.5%	Myer Centre Adelaide, Australia
David Jones Pty Limited	5.2%	David Jones Building, Australia
BreadTalk Group	2.5%	Wisma Atria Property, Singapore
Coach Singapore Pte. Ltd.	1.7%	Wisma Atria Property, Singapore
Tory Burch Singapore Pte. Ltd.	1.4%	Wisma Atria Property, Singapore
Charles & Keith Group	1.4%	Wisma Atria Property, Singapore
Emperor Watch & Jewellery	1.3%	Wisma Atria Property, Singapore
Technicolor Pty Ltd	1.2%	Myer Centre Adelaide, Australia

● Singapore ● Australia ● Malaysia

Notes:

(1) As at 30 June 2022.

(2) Excludes tenants' option to renew or pre-terminate.

(3) Consists of Katagreen, YTL Singapore Pte. Ltd., YTL Starhill Global REIT Management Limited and YTL Starhill Global Property Management Pte. Ltd.

(4) Includes the Toshin master lease.

(5) Includes the master tenancy agreements for Malaysia Properties and the anchor leases in Australia and China.

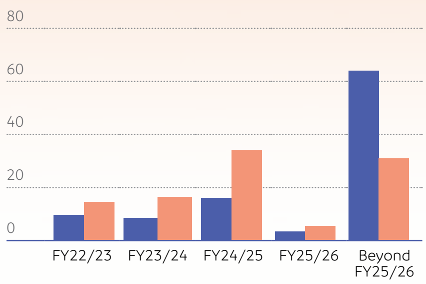
(6) Assuming that the option to renew for the third three-year term for the Lot 10 Property is exercised.

(7) Includes anchor leases with David Jones and Myer which are subject to periodic rent reviews and expire in 2032.

Portfolio Lease Expiry[1][2]

(%)

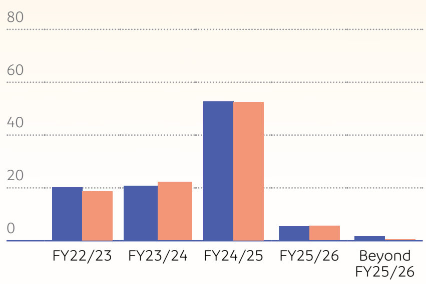
	FY22/23	FY23/24	FY24/25	FY25/26	Beyond FY25/26
By NLA	9.4	8.2	15.7[4]	3.3	63.4[5][6]
By Gross Rent	14.3	16.1	33.7[4]	5.3	30.6[5][6]



Singapore Portfolio Lease Expiry[1][2]

(%)

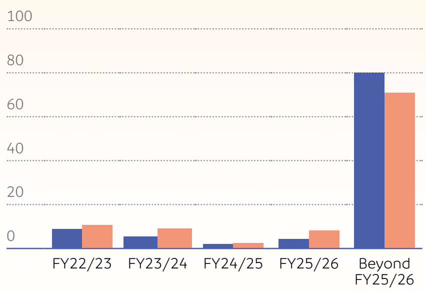
	FY22/23	FY23/24	FY24/25	FY25/26	Beyond FY25/26
By NLA	20.2	20.9	53.0[4]	5.4	0.5
By Gross Rent	18.8	22.4	52.9[4]	5.6	0.3



Australia Portfolio Lease Expiry[1][2]

(%)

	FY22/23	FY23/24	FY24/25	FY25/26	Beyond FY25/26
By NLA	8.7	5.3	1.9	4.2	79.9[7]
By Gross Rent	10.4	8.9	2.4	7.9	70.4[7]



● By NLA ● By Gross Rent

Well-positioned Assets in Prime Locations

Starhill Global REIT's portfolio comprises assets in iconic retail districts including Orchard Road in Singapore, Bukit Bintang in Malaysia, and Rundle Mall in Adelaide. The portfolio assets are also located close to key transportation nodes, making them accessible to both local shoppers and tourists.

Diversified Portfolio

The portfolio is diversified across geographies. Its assets in Singapore, Australia, and Malaysia are the top revenue contributors. Of the three geographies, Singapore is Starhill Global REIT's largest revenue contributor at 60.7% in FY 2021/22. Australia contributed 22.9% of revenue in FY 2021/22 while Malaysia contributed 13.9%. The balance of the portfolio comprises assets in Japan and China, which accounted for the remaining 2.5% of revenue in FY 2021/22. The retail component contributed 85.6% of the Portfolio's revenue in FY 2021/22, while the office component contributed 14.4%.

As at 30 June 2022, the top 10 tenants accounted for 61.6% of the Portfolio's gross rent. The top four tenants comprised master or anchor leases: Toshin, YTL Group, Myer and David Jones, accounted for 23.7%, 15.7%, 7.5% and 5.2% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

Stable Lease Profile

Collectively, the master leases and anchor leases for the Group accounted for approximately 53.2% of the Portfolio's gross rent as at 30 June 2022. These master and anchor leases provide stable rental income, while providing potential upside with periodic rent review and built-in step-up rents. The Manager actively manages the remaining short to medium-term leases of the Portfolio.

Toshin's lease at the Ngee Ann City Property, which expires in June 2025, provides for a rent review every three years.

The Malaysia Properties are under master leases , with agreements having commenced in June 2019. For both The Starhill and the Lot 10 Property, master tenancy agreements (MTAs) were signed with Katagreen, an indirect wholly-owned subsidiary of YTL Corporation Berhad. Asset Enhancement Works (AEW) on The Starhill were completed in December 2021. The lease tenures of the MTAs are approximately 19.5 years and nine years[(1)] for The Starhill and Lot 10 Property respectively from the date of commencement. The MTAs contain built-in periodic rent step-ups which provide stable rental growth. Please see the section on Operations Review of Malaysia Properties on pages 44 to 47 for further details.

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

As at 30 June 2022, the weighted average lease term expiry of the Portfolio is 7.2[(1)(2)(3)(4)] years and 4.7[(1)(2)(3)(4)] years by NLA and gross rent respectively. As at 30 June 2022, leases expiring in FY 2022/23 account for 9.4% and 14.3% of the portfolio by NLA and gross rent respectively. The weighted average lease term expiry by gross rent for leases commenced in FY 2021/22 is 2.1[(2)(3)(4)(5)] years. The proportion of gross rent attributed to these leases is approximately 11.9% of the Portfolio's monthly gross rental income as at 30 June 2022, excluding retail turnover rent.

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

Resilient Retail Occupancy

In spite of the uncertainties brought about by the COVID-19 pandemic and macroeconomic conditions such as rising interest rates, SGREIT's retail portfolio remained resilient with an occupancy rate of 95.8%[(3)]. Given the challenging retail environment, the Manager's focus is on maintaining occupancy levels.

Resilient Office Portfolio

For FY 2021/22, the overall office portfolio revenue and NPI increased 1.4% and 6.3% y-o-y respectively. Office portfolio occupancy rose to 93.4%[(3)] as at 30 June 2022 from 90.6%[(3)] a year ago, mainly due to the improvement in office occupancy for our Singapore assets as at 30 June 2022. In Singapore, the office portfolio registered a higher combined occupancy of 93.4%[(3)] as at 30 June 2022, as compared to 89.2%[(3)] as at 30 June 2021. On a committed basis, the occupancy for the total office portfolio increased to 95.9% as at 30 June 2022 compared to 92.3% as at 30 June 2021.

While global uncertainties could provide challenges to the office market, a stable domestic economic outlook and domestic fundamentals such as a "back-to-office recovery", prevailing tight vacancies and limited upcoming supply of quality office stock are expected to continue to place office market rents on a growth path[(6)].

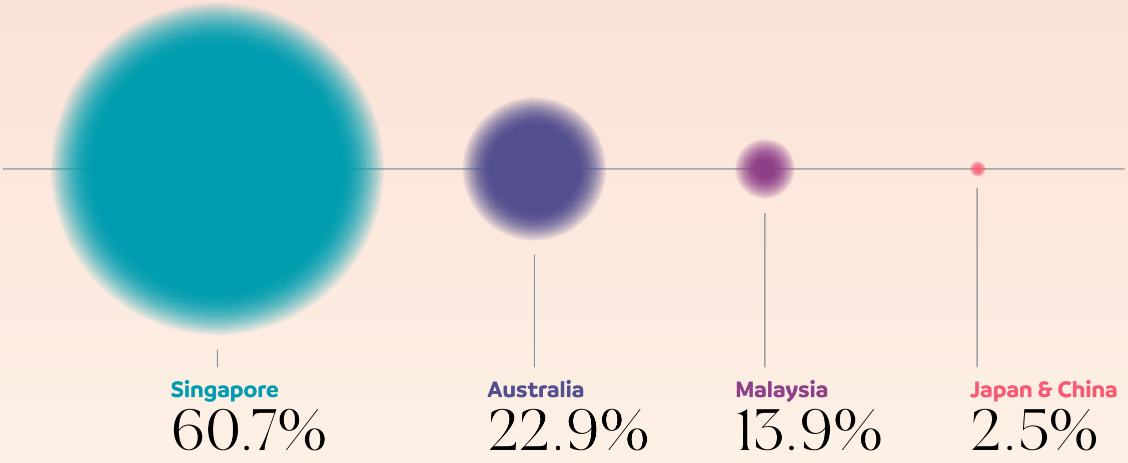
In Adelaide, new stock hitting the market in 2023 will create potential challenges and opportunities for prime assets.

Notes:

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

Property Portfolio Summary

Gross Revenue
By Country
(For FY 2021/22)



Gross Revenue
By Retail and Office
(For FY 2021/22)

- Retail 85.6%
- Office 14.4%

Portfolio Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

- Master Leases & Anchor Leases 53.2%
- Office 15.2%
- Food & Beverage 7.5%
- Fashion 6.8%
- Health & Beauty 4.9%
- Shoes & Accessories 4.4%
- Jewellery & Watches 3.1%
- General Trade 2.4%
- Services 1.4%
- Others 1.1%

Improvement in COVID-19 Situation

Portfolio assets continued to be challenged by various COVID-19 measures in 1H FY 2021/22, with varying degrees of safe distancing measures in place in various countries and limited international travel due to border restrictions. In 2H FY 2021/22, the impact of the pandemic eased due to the reopening of borders and gradual relaxation of social distancing measures in most geographies. As a result, rental assistance to eligible tenants including allowance for rental arrears and rebates for Australia Properties, were reduced from S$9.6 million in the previous corresponding period to S$4.9 million in FY 2021/22.

Notwithstanding, uncertainties remain as new waves of the COVID-19 virus continue to affect global economies, coupled with geopolitical tensions and inflationary pressures which impact overall consumer sentiment.

Recovery in Shopper Traffic and Tenant Sales at the Wisma Atria Property

In 1H FY 2021/22, shopper traffic and tenant sales continued to fluctuate as Singapore calibrated its approach to COVID-19. While shopper traffic increased by 18.9% y-o-y in 1H FY 2021/22, tenant sales declined marginally by 2.8% y-o-y due to restricted tourism activity and muted consumer sentiment arising from default work-from-home arrangements and dining-in restrictions[1]. Singapore adopted a COVID-19 endemic approach in 2H FY 2021/22, resulting in tenant sales surpassing pre-pandemic sales by 4.8% in 4Q FY 2021/22 compared to the corresponding period in 4Q FY 2018/19, despite ongoing rejuvenation works in the mall. Overall, in FY 2021/22, shopper traffic and tenant sales rose 25.4% and 18.2% y-o-y respectively, although recovery was uneven across trade categories.

Asset Enhancement Initiatives

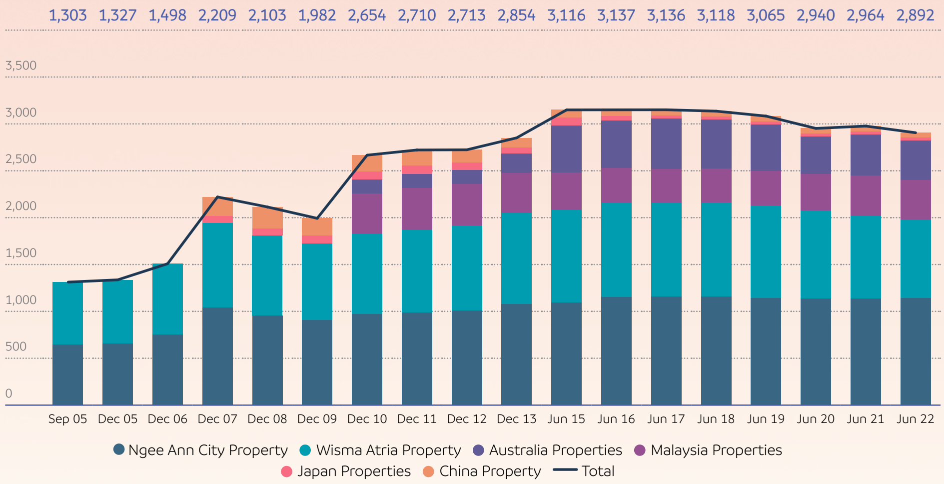
In order to elevate our assets to maintain their appeal to both tenants and shoppers, we continually refresh our properties through asset enhancement initiatives. The rejuvenation of our assets are timely, allowing us to ride on the recovery of the retail sector from the relaxation of COVID-19 measures and opening of borders.

Wisma Atria is undergoing interior upgrading works which will see refreshed common areas across all levels of the mall, with the exception of the basement. The works, which commenced in March 2021, seek to modernise and rejuvenate Wisma Atria to maintain its appeal as a premier lifestyle mall. Works are ongoing while the mall remains fully operational, and are on schedule to be completed by the end of 2022. The upgrading works of approximately S$15 million are funded by internal resources and/or borrowings.

Note:
[1] Ministry of Health.

Portfolio Valuation

(S$ million)



Description	30 Jun 2022 (S$ million)	30 Jun 2021 (S$ million)	Change (S$ million)	Change (%)
Ngee Ann City Property	1,131.5	1,130.0	1.5	0.1%
Wisma Atria Property	837.6	878.0	(40.4)	(4.6%)
Australia Properties[1]	422.6	439.0	(16.4)	(3.8%)
Malaysia Properties[2]	420.7	426.8	(6.1)	(1.4%)
Japan Properties[3]	50.7	60.3	(9.6)	(15.9%)
China Property[4]	29.3	29.8	(0.5)	(1.6%)
	2,892.4[5]	**2,963.9**[5]	**(71.5)**	**(2.4%)**

Notes:

(1) Australia Properties (David Jones Building and Plaza Arcade) in Perth and (Myer Centre Adelaide) in Adelaide translated as at 30 June 2022 at $1.04:S$1.00 (2021: A$0.99:S$1.00).

(2) Malaysia Properties (The Starhill and Lot 10 Property) in Kuala Lumpur translated as at 30 June 2022 at RM3.17:S$1.00 (2021: RM3.09:S$1.00).

(3) Japan Properties in Tokyo translated as at 30 June 2022 at JPY97.96:S$1.00 (2021: JPY82.25:S$1.00).

(4) China Property in Chengdu translated as at 30 June 2022 at RMB4.81:S$1.00 (2021: RMB4.81:S$1.00).

(5) As at 30 June 2022, the total investment properties, including the right-of-use assets, is approximately S$2,893.3 million (2021: S$2,964.6 million).

Asset Enhancement Works at The Starhill were completed in December 2021. As "Home of the Tastemakers", The Starhill is now an integrated development with four retail floors and three floors of hospitality use as an extension of the adjoining JW Marriott Hotel Kuala Lumpur. The newly refurbished mall has attracted new to market tenants as well as existing luxury tenants returning with new concepts. Notable tenants include Balmain with its first store in Malaysia, Eslite Spectrum set to open its first South East Asia store in end-2022, Kuala Lumpur's first Rolex boutique, Louis Vuitton and Shiatzy Chen.

Portfolio Asset Valuation

Starhill Global REIT's investment properties have been assessed by independent valuers at S$2,892.4 million (excluding right-of-use assets) as at 30 June 2022 (2021: S$2,963.9 million).

The y-o-y movement was largely attributed to the downward revaluation of Wisma Atria Property (Retail) and net movement in foreign currencies.

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

As at 30 June 2022, the combined valuation of the Ngee Ann City Property and the Wisma Atria Property, which comprises approximately 68.1% of the portfolio value, decreased by 1.9% to S$1,969.1 million, largely due to the challenging retail conditions in Singapore that led to lower passing and market rents. The office components for the Singapore Properties registered a mild increase in values.

The combined valuation of the Australia Properties was S$422.6 million (A$441.5 million), decreasing by S$16.4 million from that as at 30 June 2021 mainly due to the depreciation of Australian dollar against Singapore dollar. In terms of Australian dollar, the valuation has increased by A$7.0 million due to a more positive market outlook assumed for Myer Centre Adelaide. The Malaysia Properties were valued at S$420.7 million (RM1,333.0 million), a decrease of S$6.1 million compared to 30 June 2021. In Malaysian ringgit terms, valuation grew by 1.1% compared to 30 June 2021, mainly driven by higher passing rents as well as capital expenditure incurred for the AEW at The Starhill.

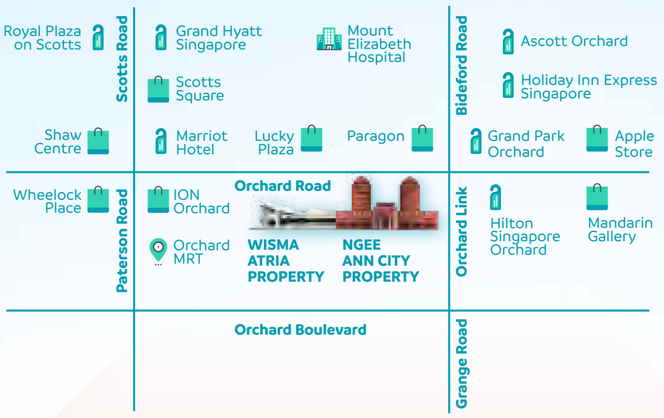
The Japan Properties were valued at S$50.7 million (JPY4,970.0 million), a decrease of S$9.6 million from the previous valuation as at 30 June 2021 mainly due to the depreciation of Japanese yen against Singapore dollar. The valuation of the China Property decreased by S$0.5 million compared to that as at 30 June 2021. As at 30 June 2022, the valuation of China Property was S$29.3 million (RMB141.0 million).

Singapore Properties

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

Starhill Global REIT's Singapore Properties are located in the heart of Orchard Road, one of the world's leading retail destinations. Patronised by tourists and locals alike, Orchard Road enjoys excellent islandwide connectivity.

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



Excellent Connectivity and Accessibility

Wisma Atria has direct basement access to Orchard MRT Station, at the heart of the Orchard Road shopping belt. Connectivity is further enhanced with Orchard MRT station set to become an interchange station connecting the North-South and Thomson-East Coast lines.

NGEE ANN CITY PROPERTY

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

ADDRESS:

391/391B Orchard Road, Singapore 238874

VISIT:

www.ngeeanncity.com.sg

WISMA ATRIA PROPERTY

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

ADDRESS:

435 Orchard Road, Singapore 238877

VISIT:

www.wismaonline.com

Ngee Ann City Property

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

Tenure

69 years

Leasehold estate

(Expiring on 31 Mar 2072)

Number of Tenants

(As at 30 Jun 2022)

53

(including a master tenant)

Purchase Price

S$640.0m

Market Valuation

(As at 30 Jun 2022)

S$1,131.5m

Total Net Lettable Area

(As at 30 Jun 2022)

394,470 sq ft

Retail

255,021 sq ft

Office

139,450 sq ft

Occupancy Rate[1]

(As at 30 Jun 2022)

Retail

98.5%

Office

92.6%

(As at 30 Jun 2021)

Retail

99.7%

Office

92.1%

Retail & Office Mix

By Gross Revenue (FY 2021/22)

Retail

77.9%

Office

22.1%

Retail Trade Mix

By Gross Rental Contribution

(As at 30 Jun 2022)

Toshin

(master tenant)

88.1%

Health & Beauty

8.8%

Services

2.5%

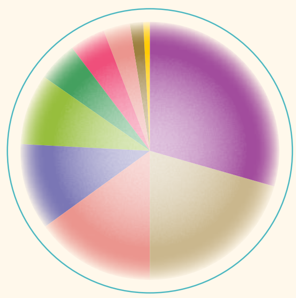
General Trade

0.6%

Office Trade Mix

By Gross Rental Contribution

(As at 30 Jun 2022)



	(%)
Retail	29.5
Real Estate & Property Services	20.5
Banking & Financial Services	15.2
Beauty/Health	10.9
Petroleum Related	8.8
Medical	4.9
Consultancy/Services	4.6
Others	3.1
Information Technology	1.7
Trading	0.8

Iconic Mall in the Heart of Orchard Road

Located on the prime stretch of Orchard Road, Ngee Ann City is an iconic shopping destination for both locals and tourists. It enjoys connectivity to Orchard MRT Station through the underground pedestrian linkway from Wisma Atria and other parts of Orchard Road through the underpasses. Ngee Ann City is also one of the largest malls along Orchard Road and offers a comprehensive range of retail offerings. The Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces in Tower B.

Home to International Luxury Retailers

The distinctive architecture of Ngee Ann City makes it one of the most prominent landmarks along Orchard Road. Ngee Ann City comprises a podium with seven levels, including two basement levels of retail, and three levels of car park. Its twin towers each host 18 levels of office space. Home to international luxury brands, Ngee Ann City's tenants include Berluti, Boss, Chanel, Goyard, Louis Vuitton and Piaget, as well as contemporary labels including GUESS, lululemon, M.A.C. and Steve Madden. With a host of popular shopping and dining options, Ngee Ann City is a shopping destination of choice for locals, tourists and business travellers.

Tenant Mix

For FY 2021/22, 77.9% of the Ngee Ann City Property's gross revenue was from retail tenants while 22.1% was from office tenants.

Retail Tenant Mix

The top contributors to the Ngee Ann City Property's retail gross rent are Toshin and DBS Bank. Toshin, being the master tenant, occupies all retail areas in the Ngee Ann City Property except level five. As at 30 June 2022, Toshin accounted for 88.1% of the gross rent of the Ngee Ann City Property (Retail). Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn wholly-owned by Takashimaya Company Limited, a listed entity on the Tokyo Stock Exchange. The Toshin master lease, which expires in 2025, provides income stability. Toshin's lease provides for a rent review every three years. If the prevailing market rent is less than the current annual rent, the current annual rent shall continue to apply. The last review was completed in June 2022, where the reviewed rent was determined to be at the current annual rent.

The Manager actively manages the beauty and wellness cluster on level five, and constantly rejuvenates the tenant mix with complementary offerings. Beauty and wellness tenants include London Weight Management, New York Skin Solutions and TK TrichoKare.

Office Tenant Mix

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

Advertising and Promotions

Ngee Ann City's large outdoor semicircular Civic Plaza[(2)] is a popular venue for events including concerts, fairs, product launches, road shows, fashion showcases, carnivals and lifestyle launches. Ngee Ann City's large event hall, Takashimaya Square[(2)], is also a popular venue for regular bazaars and events. Due to COVID-19 safe distancing measures, events were temporarily put on hold but have since resumed.

Notes:

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

(2) SGREIT does not own these areas.

Wisma Atria Property

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

Tenure

99 years

Leasehold estate

(Expiring on 31 Mar 2061)

Number of Tenants
(As at 30 Jun 2022)

130

Purchase Price

S$663.0m

Market Valuation
(As at 30 Jun 2022)

S$837.6m

Total Net Lettable Area
(As at 30 Jun 2022)

225,344 sq ft

Retail
126,456 sq ft

Office
98,889 sq ft

Occupancy Rate[1]
(As at 30 Jun 2022)

Retail
97.6%

Office
94.5%

(As at 30 Jun 2021)

Retail
96.5%

Office
85.0%

Retail & Office Mix
By Gross Revenue (FY 2021/22)

Retail
79.9%

Office
20.1%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

Food & Beverage
28.4%

Fashion
25.4%

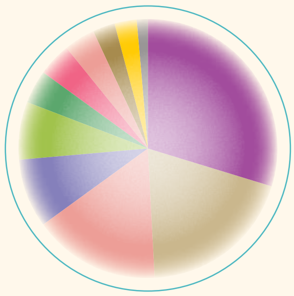
Shoes & Accessories
19.4%

Jewellery & Watches
11.7%

Health & Beauty
9.2%

General Trade
5.9%

Office Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)



	(%)
Medical	**29.9**
Real Estate & Property Services	**19.4**
Retail	**16.0**
Others	**8.7**
Banking & Financial Services	**7.2**
Consultancy/Services	**4.1**
Trading	**4.1**
Government Related	**4.1**
Information Technology	**2.8**
Aerospace	**2.6**
Beauty/Health	**1.1**

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

Retail Tenant Mix

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

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

In FY 2021/22, the Wisma Atria Property continued to refresh its tenant mix with new F&B options such as Sushiro Petit, The Providore and Wunderfolks. Exciting new shopping options were also added, including Diamond 2 and Laneige.

Amid the gradual recovery from the pandemic, the Wisma Atria Property (Retail) maintained a healthy occupancy of 97.6[1] as at 30 June 2022. Tenant sales for FY 2021/22 increased y-o-y by 18.2% to S$158.4 million while shopper traffic at Wisma Atria increased y-o-y by 25.4% to 14.6 million due to the lifting of most safe management measures and border restrictions in April 2022. In 4Q FY 2021/22, despite ongoing rejuvenation works at the mall, tenant sales surpassed pre-pandemic sales by 4.8% compared to the corresponding period in 4Q FY 2018/19. However, an uneven recovery was observed among different trade categories.

Office Tenant Mix

The Wisma Atria Property's office tower attracts tenants from the retail and services sector due to its proximity to the retail stores and boutiques along Orchard Road. Among these tenants are Ermenegildo Zegna, L'Occitane, Longchamp and Valentino. Besides the prestigious Orchard Road address and direct access to Orchard MRT Station, tenants are also in close proximity to gyms, a wide range of F&B outlets and healthcare providers. As at 30 June 2022, Wisma Atria Property (Office) was 94.5%[1] occupied.

For FY 2021/22, retail tenants contributed 79.9% of gross revenue of Wisma Atria Property while office tenants contributed 20.1%.

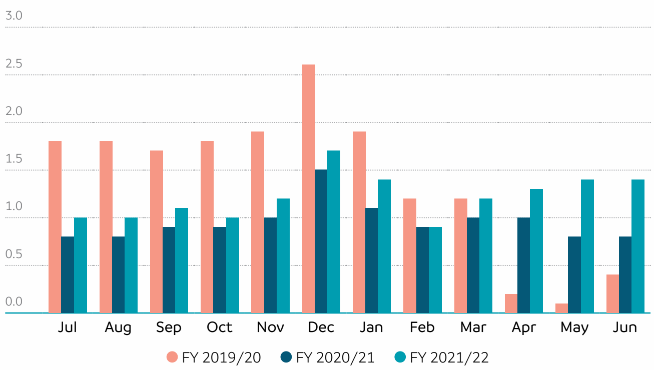
Attracting Shoppers to Wisma Atria

Various promotions and events were carried out during FY 2021/22 to encourage higher shopper traffic and to boost tenant sales. This included social media competitions, mall promotions with spend and redeem tiers and free parking.

As part of the Christmas celebrations in 2021, Wisma Atria partnered ITE College Central's School of Design & Media to design a Christmas installation, which was enhanced by a synchronised light show programmed by the students. The official light-up ceremony was graced by Minister of State, Ministry of Education and Ministry of Manpower, Ms Gan Siow Huang and featured in numerous local online publications. Wisma Atria also partnered with Coca Cola in February 2022 on an Augmented Reality display as part of the Lunar New Year celebrations. The "Bring Home the Magic of Chinese New Year" campaign used augmented technology to feature tigers that the public could take photos with. Wisma Atria's inaugural Black Friday sale was also held from 26 to 29 November 2021. The event had an overwhelming response, with the gift vouchers being fully redeemed over the weekend.

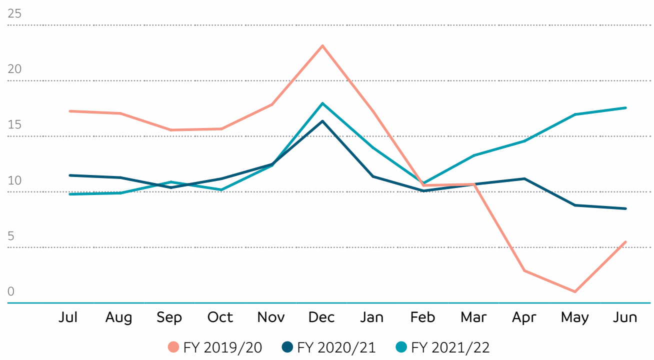
Wisma Atria Shopper Traffic

(million)



Wisma Atria Centre Sales

(S$ million)



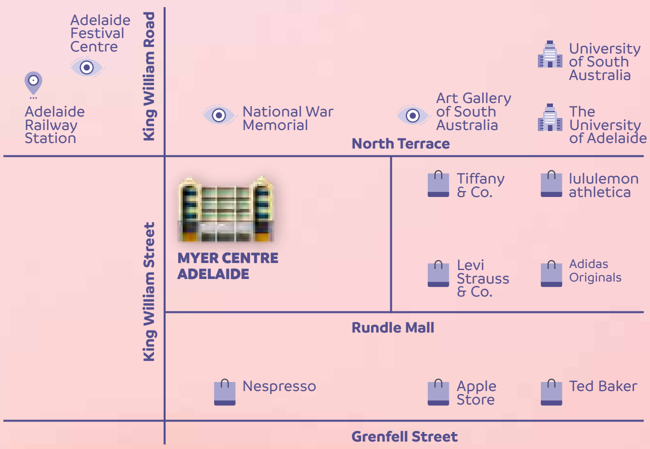
Note:

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

Australia Properties

Our assets in Adelaide and Perth are strategically located along prime pedestrian streets in the city centres.

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



ADELAIDE

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

Rundle Mall – Adelaide's Prime Shopping Precinct

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

MYER CENTRE ADELAIDE

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

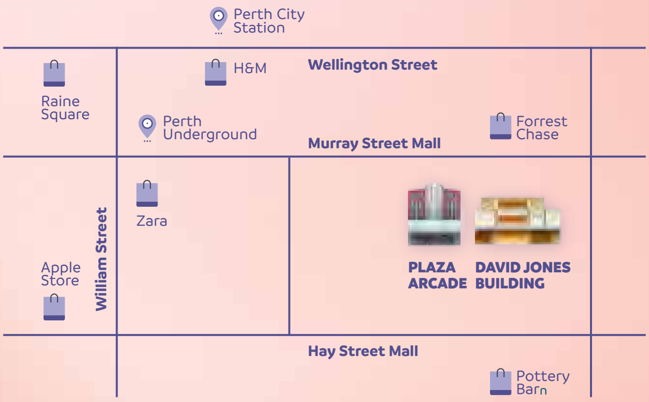
ADDRESS:
14-38 Rundle Mall, Adelaide, Australia

VISIT:
www.myercentreadelaideshopping.com.au

PERTH

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

Plans to revitalise Perth's CBD include the construction of Edith Cowan University's inner-city campus, which has received A$158 million funding injection from the federal government, the Western Australia government and the university itself. The campus is expected to attract over 10,000 students and staff upon its completion in 2025[3].



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

Situated in the heart of Perth's city centre and one of the city's most popular shopping precincts, David Jones Building and Plaza Arcade are well-placed to capitalise on pedestrian traffic from the Perth Busport and train station as well as the William Street walkway link to the Perth Cultural Centre.

International apparel retailer UNIQLO opened its first store in Perth at Plaza Arcade in August 2018. As the mall's anchor tenant, the international brand enhanced the positioning of Plaza Arcade. Major redevelopments at Raine Square and Forrest Chase as well as upgrading works to Piccadilly Arcade have been completed, with redevelopment works planned at various sites around David Jones and Plaza Arcade, including at Carillon City and a site bordered by Barrack Street, Hay Street and Murray Street . This will add vibrancy to the retail scene in Perth's city.

Notes:

(1) www.rundlemall.com
(2) CBRE Australia Research.
(3) ABC News, Scott Morrison announces funding boost for Edith Cowan University's Perth CBD campus, 17 March 2022.

PLAZA ARCADE

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

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

VISIT:
www.plazaarcade.com.au

DAVID JONES BUILDING

Four-storey heritage-listed building for retail use.

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

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

Myer Centre Adelaide

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

Tenure
Freehold

Number of Tenants
(As at 30 Jun 2022)
74
(including an anchor tenant)

Purchase Price
S$303.1m

Market Valuation
(As at 30 Jun 2022)
S$239.3m

Total Net Lettable Area
(As at 30 Jun 2022)
624,263 sq ft(1)

Retail
526,304 sq ft

Office
97,959 sq ft

Occupancy Rate(2)
(As at 30 Jun 2022)

Retail
88.3%

Office
93.3%

(As at 30 Jun 2021)

Retail
93.6%

Office
94.2%

Retail & Office Mix
By Gross Revenue (FY 2021/22)

Retail
89.8%

Office
10.2%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

Myer
(Anchor Tenant)
65.7%

Fashion
4.6%

Health & Beauty
2.4%

Food & Beverage
9.7%

Jewellery & Watches
3.7%

Services
1.8%

General Trade
7.6%

Others
3.5%

Shoes & Accessories
1.0%

Largest Shopping Mall in Adelaide's City Centre
Myer Centre Adelaide is a prominent landmark and the largest shopping centre located in the heart of Adelaide's city centre. Popular with locals and tourists, the centre is located along Rundle Mall, the city's prime retail precinct. Myer Centre Adelaide is within walking distance to the Riverbank Entertainment Precinct, which includes the Adelaide Festival Centre and the Adelaide Oval multi-sports stadium, and in close proximity to hostels, art galleries, museums and a casino. The property is surrounded by offices in the city centre. It is also in close proximity to universities such as Flinders, University of Adelaide, and University of South Australia. It is also located close to the Royal Adelaide Hospital, South Australia's largest public hospital. Anchored since 1991 by the largest Myer department store in South Australia, the 526,304 sq ft(1) retail centre houses 54 other retail tenants.

Myer Centre Adelaide (Retail)
The property comprises an eight-storey retail centre with four basement levels of car park, and an office component which includes a six-storey office tower above the retail centre and two heritage buildings.

The Myer department store occupies approximately 52.0% of Myer Centre Adelaide's NLA. It accounts for 65.7% of the gross rent for Myer Centre Adelaide (MCA) (Retail) as at 30 June 2022. It is also Starhill Global REIT's third largest tenant, contributing approximately 7.5% of portfolio gross rent as at 30 June 2022. Its long-term lease in the property, which expires in 2032, provides for an annual rent review.

An all-encompassing retail experience, the retail centre is home to international retailers including Boost Juice, Daiso and LUSH, as well as national labels such as Da Klinic, ToyWorld and W Cosmetics.

Complementing the retail offerings, MCA also offers a wide range of dining options with cafes and a lower-ground food court – the largest in Adelaide's city centre – serving fast food and international cuisines.

Most of the remaining leases at the property incorporate annual upward-only rent reviews. As at 30 June 2022, the actual occupancy rate for MCA (Retail) was 88.3%[2].

Since the acquisition, asset enhancement opportunities included the activation of the unutilised space on levels four and five. Level four has been activated and is leased to Concept Design Workshop, a visual effects and entertainment design school. Efforts to activate level five are ongoing.

MCA will also be home to South Australia's first UNIQLO outlet, which will span approximately 10,000 sq ft of retail space near the south entrance of the mall. Renovations are currently ongoing.

Myer Centre Adelaide (Office)
The office component of MCA includes Terrace Towers, a six-storey 81,117 sq ft office tower above the retail centre and two heritage buildings (Shell House and Goldsbrough House). The occupancy rate for MCA (Office) was 93.3%[2] as at 30 June 2022.

The total revenue from office leases contributed approximately 10.2% of MCA's revenue in FY 2021/22.

Notes:
[1] Excludes approximately 89,000 sq ft of unactivated space on level five of the retail centre as at 30 June 2022.
[2] Based on commenced leases as at the reporting date.

David Jones Building

Four-storey heritage-listed building for retail use

Tenure

Freehold

Market Valuation
(As at 30 Jun 2022)

S$136.9m

Number of Tenants
(As at 30 Jun 2022)

6

(including an anchor tenant)

Total Gross Lettable Area
(As at 30 Jun 2022)

259,093 sq ft

Purchase Price

S$145.7m

Occupancy Rate[1]

(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail 98.5%	Retail 98.9%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

David Jones (Anchor Tenant)	84.8%
Health & Beauty	3.6%
Fashion	10.1%
Jewellery & Watches	1.5%

Centrally located in Perth's prime retail stretch, the David Jones Building sits on a freehold site of approximately 71,473 sq ft in the Perth CBD in Australia. It enjoys dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city. Among other plans to revitalise the CBD, the City of Perth is looking to revitalise Hay Street Mall through improved infrastructure which will allow for more events and encourage more activity in the area[2].

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

As at 30 June 2022, the property's occupancy was 98.5%[1]. David Jones Pty Limited, which has a long-term lease in the building until 2032, occupies approximately 95.1% of the total gross lettable area. It accounts for 84.8% of the gross rent for David Jones Building as at 30 June 2022. David Jones is a premium retailer across the country and is owned by South African retail group Woolworths Holdings Limited. The long-term lease with David Jones provides stable income, with the benefit of an upward-only rent review every three years. Besides David Jones, five tenancies occupy a gross lettable area of about 8,799 sq ft and comprise international and national brands such as Lorna Jane, Pandora, Superdry and The Body Shop. Most of these leases also incorporate annual upward-only rent reviews.

Notes:
[1] Based on commenced leases as at the reporting date.
[2] City of Perth website.

Plaza Arcade

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

Tenure
Freehold

Market Valuation
(As at 30 Jun 2022)
S$46.4m

Number of Tenants
(As at 30 Jun 2022)
16
(including an anchor tenant)

Total Gross Lettable Area
(As at 30 Jun 2022)
36,933 sq ft

Purchase Price
S$61.0m

Occupancy Rate [(1)]

(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail 77.6%	Retail 72.9%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

- UNIQLO (Anchor Tenant) 76.8%
- Services 4.8%
- Food & Beverage 9.8%
- Fashion 3.8%
- General Trade 4.8%

Located next to the David Jones Building, Plaza Arcade is in the heart of the city centre and sits on a freehold site of approximately 27,523 sq ft. The property is one of two main thoroughfares with entrances at both Hay and Murray Street Malls and comprises a three storey heritage-listed retail building with 16 tenancies. The property has a GLA of approximately 36,933 sq ft and was 77.6%[(1)] occupied as at 30 June 2022.

Plaza Arcade is anchored by UNIQLO's first Perth store, which occupies a prominent frontage along Murray Street. The tenant mix of the asset is diversified, comprising fashion, food & beverage and services. Most leases at the property provide for rental upside from an annual upward-only rent review. This complements Perth city centre's revitalised retail offerings, which include a H&M city store and the Forrest Chase and Raine Square redevelopments which have been completed. Together with UNIQLO, these developments have transformed the area into a vibrant retail hub in the heart of the city.

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

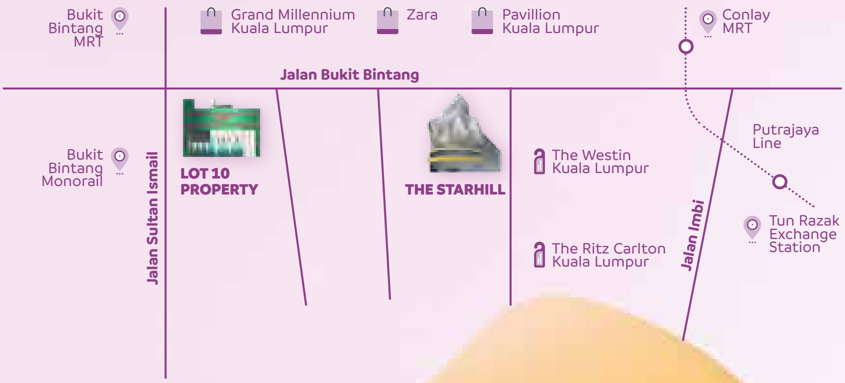
Note:
(1) Based on commenced leases as at the reporting date.

Malaysia Properties

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

The Starhill and the Lot 10 Property – in the heart of Bukit Bintang

The Starhill features a high-profile tenant base with international designer labels and luxury watch and jewellery brands. The Lot 10 Property offers young and trendy urbanites a wide range of fashion, dining and entertainment offerings. The Lot 10 Property is located beside the Bukit Bintang monorail station, with the H&M store directly connected to the station. The new Bukit Bintang MRT Station along the Kajang Line has been in operation for several years, connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city. An exit from the MRT station is located in front of the new entrance of the Lot 10 Property and Malaysia's first JONETZ by Don Don Donki store, providing commuters greater accessibility to the mall and The Starhill. In addition, Phase One of the Putrajaya Line began operation in June 2022, with Phase 2 expected to complete in early 2023. Two stations along the Putrajaya Line are within 1km of The Starhill and Lot 10 Property, putting our assets in a good position to tap on this new opportunity. The new MRT line is expected to serve a population of approximately two million people[1].



Kuala Lumpur's Premium Luxury Mall

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

THE STARHILL

An integrated development with four lower floors of retail and three upper floors of hospitality use.

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

VISIT:
thestarhill.com.my

Master Tenancy Agreements Provide Income Visibility

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

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

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

The MTAs, together with the AEW, strengthen the position of The Starhill and the Lot 10 Property, amid an increase in retail supply in Kuala Lumpur going forward. Approximately 70.6% of upcoming supply in the Klang Valley between 2022 and 2024 is expected to be in Kuala Lumpur[3].

Notes:

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

LOT 10 PROPERTY

137 strata parcels and two accessory parcels within the Lot 10 shopping centre.

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

VISIT:
lot10.com.my

The Starhill

Asset enhancements were completed in December 2021, transforming the mall into an integrated development with four lower floors of retail and three upper floors for hospitality use

Tenure
Freehold

Purchase Price
S$271.3m

Total Net Lettable Area
(As at 30 Jun 2022)
333,289 sq ft

Master Tenant
(As at 30 Jun 2022)
Katagreen

Market Valuation
(As at 30 Jun 2022)
S$278.0m

Occupancy Rate[1]

(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail/Hotel[2] 100%	Retail/Hotel[2] 100%

Luxury Retail and Lifestyle Destination
The Starhill sits on a freehold site connected to two luxury hotels: JW Marriott Hotel Kuala Lumpur and The Ritz Carlton Kuala Lumpur. Envisioned to be a luxury retail and lifestyle destination for shoppers, the iconic mall in the heart of Kuala Lumpur's famous shopping belt in Bukit Bintang, is now repositioned as The Starhill – Home of the Tastemakers. This new integrated development comprises four retail floors and three upper floors for hospitality use.

Asset Enhancement Works for The Starhill
As a condition to the MTA for The Starhill, the master tenant undertook the AEW of The Starhill at a cost of RM175 million in 2019.

The AEW was aimed at reinforcing and refreshing the mall's traditional positioning as a luxury stronghold within the Bukit Bintang precinct. The revamped mall entrance and refreshed interiors reinvigorate the mall with a modern and contemporary look, along with improved accessibility. Besides revamping retail floors, the top three levels of The Starhill have been converted into hotel rooms as an extension to the adjoining JW Marriott Hotel Kuala Lumpur, which is owned by YTL Hospitality REIT, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad.

The renovation works for The Starhill were completed in December 2021. Notable tenants and concepts include the flagship stores for Paul & Shark, Roberto Coin and Stefano Ricci, as well as a redesigned Rolex boutique.

Occupying over 70,000 sq ft covering the entire level one and a street-fronting café space at the mall entrance, is Eslite Spectrum, a renowned lifestyle bookstore chain from Taiwan. This will mark Eslite Spectrum's first voyage into South East Asia. The new store will not only feature a wide selection of books, but will also house themed restaurants and coffee shops, while showcasing upcoming brands from Taiwan and Malaysia. The store is scheduled to open in end-2022.

The Starhill also retained numerous brands that were previously tenants of the mall including Audemars Piguet, Bedat & Co, Davidoff, Louis Vuitton and Shiatzy Chen.

Notes:
[1] Based on commenced leases as at the reporting date.
[2] The Starhill has completed its asset enhancement works in December 2021 to convert three upper floors into hospitality use with hotel rooms to be operated as an extension of the adjoining JW Marriott Hotel Kuala Lumpur.

Lot 10 Property

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

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

Purchase Price
S$173.0m

Total Net Lettable Area
(As at 30 Jun 2022)
254,163 sq ft

Master Tenant
(As at 30 Jun 2022)
Katagreen

Market Valuation
(As at 30 Jun 2022)
S$142.7m

Occupancy Rate[(1)]

	(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail	100%	100%

A Lifestyle Destination for Young Urbanites
The Lot 10 Property sits on a 99-year leasehold site with a tenure expiring on 29 July 2076. Home to exciting shops and dining outlets, the Lot 10 Property offers experiences embodying youthful exuberance, creativity and fun and is positioned to appeal to the young urban individuals. The Lot 10 Property houses the first flagship H&M store in Malaysia as well as Malaysia's first flagship store of JONETZ by Don Don Donki.

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

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

Japan Properties

Starhill Global REIT's Japan portfolio consists of two contemporary commercial buildings located within walking distance of major subway stations in prime Tokyo areas.

Ebisu Fort

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

VISIT:
www.starhillglobalreit.com/ebisu-fort.html

Daikanyama

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

V ISIT:
www.starhillglobalreit.com/daikanyama.html

Tenure
Freehold

Market Valuation
(As at 30 Jun 2022)
S$50.7m

Number of Tenants
(As at 30 Jun 2022)
9

Total Net Lettable Area
(As at 30 Jun 2022)
26,903 sq ft

Purchase Price
S$94.1m

Occupancy Rate[1]

(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail 100%	Retail 100%

Retail Trade Mix
By Gross Rental Contribution
(As at 30 Jun 2022)

- Services 32.5%
- General Trade 24.2%
- Others 22.4%
- Health & Beauty 20.9%

Both Ebisu Fort and Daikanyama are located in trendy areas which appeal to expatriates and young trendy individuals. The properties are strategically located in the prime area of Ebisu and within five minutes' walk from the nearest subway stations. As at 30 June 2022, the Japan Properties are fully occupied.

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

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

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

China Property

Four-storey building plus a mezzanine for retail use

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

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

Tenure
Leasehold
(Expiring on 27 Dec 2035)

Purchase Price
S$70.6m

Total Gross Floor Area
(As at 30 Jun 2022)
100,854 sq ft

Master Tenant [1]
(As at 30 Jun 2022)
Markor

Market Valuation
(As at 30 Jun 2022)
S$29.3m

Occupancy Rate [2]

(As at 30 Jun 2022)	(As at 30 Jun 2021)
Retail 100%	Retail 100%

The China Property is located in Chengdu, the capital city of the Sichuan province. Chengdu is the third city in China with two airports, after Beijing and Shanghai.

Situated along the Second Ring Road, the China Property is in close proximity to high-end residences and offices. The Nijiaqiao MRT Station is located in front of the property and provides convenient access. The China property has a gross floor area (GFA) of approximately 100,854 sq ft and comprises four levels of retail space with a mezzanine floor. The China Property is tenanted to a sole tenant, Markor, which is one of the largest furniture retailers in China. The parent company is listed on the Shanghai Stock Exchange, with a market capitalisation of RMB5.0 billion (approximately S$1.0 billion[3]) as at 30 June 2022. The tenancy agreement, which incorporates a fixed rent with a periodic rental step-up, provides income stability amid the challenging retail landscape in Chengdu.

Notes:
(1) Under single tenancy agreement with Markor.
(2) Based on commenced leases as at the reporting date.
(3) Based on exchange rate of RMB4.81: S$1.00 as at 30 June 2022.

Independent Market Overview

Singapore

ECONOMIC OVERVIEW

Macroeconomic Overview

Singapore's Gross Domestic Product (GDP) grew by 4.4%[1] y-o-y[2] in 2Q 2022, faster than the expansion of 3.8% in the preceding quarter. The growth was mainly attributed to the progressive easing of Safe Management Measures (SMM) and travel restrictions, with large strides made in 1H 2022. On a q-o-q[3] seasonally adjusted basis, the GDP contracted slightly by 0.2% in 2Q 2022, after an increase of 0.8% in the previous quarter.

While there has been a recovery, recent global developments may potentially have an impact on the rate of growth of Singapore's economy. The ongoing Russia-Ukraine conflict has disrupted global supply chains, exacerbating global inflationary pressures as a result. Furthermore, stringent COVID-19 measures in China are likely to weigh on its economy and have also contributed to global supply-chain bottlenecks.

However, domestically, Singapore has pivoted to an endemic COVID-19 strategy and has since eased restrictions and opened borders. Most SMMs were eased on 29 March and 26 April 2022, with major moves such as the removal of group size limits for social gatherings and safe distancing requirements, making mask-wearing optional outdoors, allowing 100% of employees to return to the workplace, and the removal of capacity limits for large events and settings. On 29 August 2022, the measures were further relaxed as mask wearing was made optional in most indoor settings.

In February 2022, the Government announced the Budget for 2022 (Charting Our New Way Forward Together). S$6 billion was drawn from past reserves to continue supporting Singapore's COVID-19 public health expenditure. Additionally, while the Goods and Services Tax (GST) will be progressively raised from 7% to 9% in two phases[4], an enhanced Assurance Package of S$6.6 billion was announced to cushion its impact.

The reopening of borders and easing of SMMs in Singapore contributed to growth across most sectors except accommodation, which decreased by 5.3% y-o-y, weighed down by a decline in government demand for quarantine dedicated facilities from a year ago. The food and beverages sector recorded the strongest growth of 28.0% y-o-y in 2Q 2022, as activity was supported by the lifting of most domestic restrictions such as dine-in group size limits in end-April 2022. Other sectors such as real estate (11.7%), retail trade (11.5%), administrative and support services (9.2%) and information and communications (8.1%) also performed strongly this quarter.

The overall unemployment rate was at 2.1% in 2Q 2022 based on advance estimates[5], 0.6 percentage points lower than 2.7% in 2Q 2021.

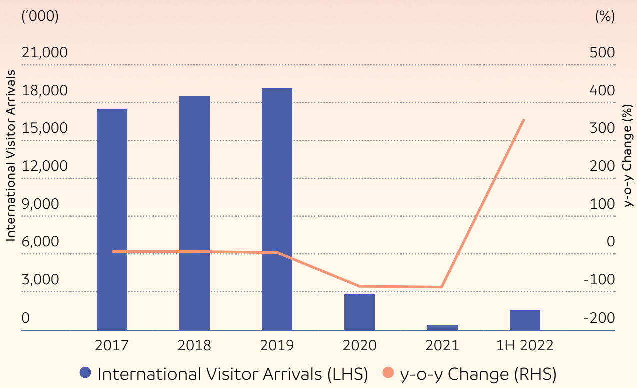
Overall, MTI narrowed its GDP growth forecast for 2022 to 3.0% to 4.0% as at August 2022, from 3.0% to 5.0% in May 2022[1]. This takes into account the performance of the Singapore economy thus far, as well as the latest global and domestic economic developments such as the Russia-Ukraine conflict and global supply disruptions against the stabilised domestic COVID-19 situation.

Singapore Tourism Arrivals

As global travel picks up in 2022, Singapore remains cautiously optimistic in the recovery of its tourism industry. Singapore navigated through the initial uncertainties of the Omicron variant in late 2021 and launched more Vaccinated Travel Lanes (VTL) in 1Q 2022, before reopening borders to all fully vaccinated travellers from 1 April 2022. As such, visitor arrivals reached 1,503,430 in 1H 2022, growing by 1,167.0% y-o-y[6]. However, this is well below pre-pandemic levels. For the same period in 2021, visitor arrivals were 118,665, as global travel restrictions and border closures were in place amidst the COVID-19 pandemic.

Singapore is expecting to hold some of its largest events in 2022 as Meetings, Incentives, Conventions and Exhibitions (MICE) activities gather steam. Additionally, the relaxed SMMs will help attract more local and international attendees. The strong pipeline of events include the Formula 1 Singapore Grand Prix 2022 and Food&Hotel Asia, which are expected to attract more than 105,000 international visitors. Furthermore, in April 2022, the Singapore Tourism Board (STB) announced that S$500 million had been set aside to support the tourism sector, with initiatives to stimulate Singapore's tourism products and business events while positioning itself as a sustainable urban destination.

Chart 1:
International Visitor Arrivals



Source: Singapore Tourism Board

Notes:

(1) Source: Ministry of Trade and Industry (MTI).
(2) Year-on-Year (y-o-y).
(3) Quarter-on-Quarter (q-o-q).
(4) GST will be raised to 8% on 1st January 2023 and 9% on 1st January 2024.
(5) Source: Ministry of Manpower (MOM).
(6) Source: Singapore Tourism Board (STB).

CBRE anticipates a steady increase in visitor arrivals in the coming months and the steady recovery of the hotel market in 2022. In line with this, in July 2022, STB forecasted that Singapore will expect 4 to 6 million visitors in 2022, with its rich calendar of events as well as new and refreshed tourism offerings. However, STB expects tourism flows to face some challenges for the rest of the year, due to the volatile global political and economic environment and the evolving health situation. That being said, STB believes that the encouraging growth in visitor arrivals and tourism receipts indicate strong pent-up demand. Thus, while remaining cautiously optimistic, CBRE expects the level of tourism and visitation to reach pre-COVID levels by late 2023 to early 2024.

Retail Sales Index

The total retail sales index (excluding motor vehicles) fell by 3.3% in June 2022 compared to May 2022, contributed by inflationary concerns. Sales dipped for most categories, with the largest drops coming from more big-ticket items. On a y-o-y basis, the index increased by 14.5%, mainly attributed to the low base in June 2021 as Phase 2 (Heightened Alert) measures were still in place. In parallel, while the F&B services index in June 2022 contracted 1.5% as compared to May 2022, it grew 48.4% y-o-y.

As SMMs were relaxed and more people frequented shopping malls, majority of retail subsectors recorded growth over the past 12 months. Trade types with the strongest growth included wearing apparel and footwear (81.8%), department stores (49.5%), watches and jewellery (47.7%), from the low base in June 2021 when there was lower tourist spending due to international travel restrictions.

As the economy emerges from the pandemic, online sales growth has normalised as more people return to the malls. The proportion of online retail (excluding motor vehicles) and F&B sales fell by 4.0 and 22.5 percentage points y-o-y to 14.6% and 25.7% respectively in June 2022. Notwithstanding, the proportion of online retail and F&B sales has grown and stabilised to about 15% and 25% respectively. This is comparatively higher than pre-COVID levels of under 8% and 15% respectively, while normalising and reducing from the peak during the Circuit Breaker of about 26% and 48% respectively.

In view of this, it can be observed that retailers are increasingly adopting omnichannel strategies, while F&B players have re-strategised their businesses to incorporate takeaways.

RETAIL MARKET OVERVIEW

Existing Supply

As at 2Q 2022, islandwide retail stock increased by 0.6% y-o-y to 66.8 million sq ft, on the back of the completion of Northshore Plaza I & II, a new generation neighbourhood centre by Housing Development Board (HDB) located in the Suburban submarket and the completion of renovation works in i12 Katong in the Fringe Area submarket[7]. In all, approximately 74.4% (49.7 million sq ft) of total retail stock is private stock as at 2Q 2022. Private retail stock in Orchard Road increased marginally by 0.1% y-o-y to 7.3 million sq ft, accounting for 10.9% of total islandwide stock as at 2Q 2022.

Future Supply

Between 2H 2022 and 2024, total new retail supply is expected to be 1.3 million sq ft. With this, the average annual completion of retail supply between full year 2022 and 2024 is approximately 0.4 million sq ft NLA, which is approximately half of the historical 5-year annual average (2017 – 2021) completion of 0.8 million sq ft NLA. The Fringe and the Outside Central Region (OCR) markets are the largest contributors to supply, accounting for 43.1% and 41.0% respectively within the same period. The Downtown Core, Rest of Central and Orchard Road micro-markets account for just 8.3%, 4.3% and 3.3% of the future supply respectively during this period.

Certain projects, such as the retail component of Guoco Midtown and the Grange Road Carpark project, which were originally due for completion in 2022, have faced delays in the completion of construction as a result of the pandemic. Overall, approximately 0.4 million sq ft of retail space is expected to be completed by the end of 2022.

Demand and Vacancy

With the easing of SMMs and the relaxation of border restrictions in 1H 2022, retailers are cautiously optimistic on the prospect of the eventual boost in domestic consumption and tourist spending. Consumers' expectations, however, have evolved significantly in the road to a "new normal".

In 1H 2022, pop-up stores proved to be popular, with Orchard Road serving as an ideal venue for the launch of these collaborations and experiential concepts. For example, the Louis Vuitton X Nike digital presentation, and the Gucci X Adidas, Guerlain and Le Matin Patisserie pop-up stores were set up in malls located along Orchard Road. Notable openings and expansions in Orchard Road in 1H 2022 included Puma's first ever South East Asia flagship store that features the works of many homegrown collaborators, Fjällräven and Ohayo Mama San. However, closures such as Cathay Cineplexes' operations at The Cathay as well as consolidations such as Kinokuniya and Filmgarde were also observed in 1H 2022 amidst cost rationalisation and evolving preferences of consumers.

In all, Orchard Road's vacancy declined by 0.6 percentage points to 11.1% on a y-o-y basis. While the suburban market continues to have relatively limited availability in retail spaces, vacancy had increased by 1.1 percentage points on a y-o-y basis to 6.3% in 2Q 2022.

Rental Values

Leasing activity remained relatively stable in 2Q 2022, backed by a gradual increase in domestic and tourist spending, amidst economic uncertainty and rising inflation. While prime rents in Orchard Road have decreased by 1.0% on a y-o-y basis in 2Q 2022, it has remained stable on a q-o-q basis at S$34.20 psf/month.

Meanwhile, the suburban market has continued to register healthy reversionary rents on the back of limited available spaces. Suburban market rents increased by 1.3% y-o-y and 0.2% q-o-q to S$30.20 psf/month in 2Q 2022.

Retail Investment Market

Retail investments totalled S$3.2 billion between 3Q 2021 and 2Q 2022, representing a 125.5% increase in volume from the previous 12 months. The increase in investment transactions was seen particularly in 1H 2022, totalling S$2.9 billion on the back of improved investor sentiments. This is underpinned by expectations of a broad-based recovery in Singapore's economy with the easing of domestic and border restrictions.

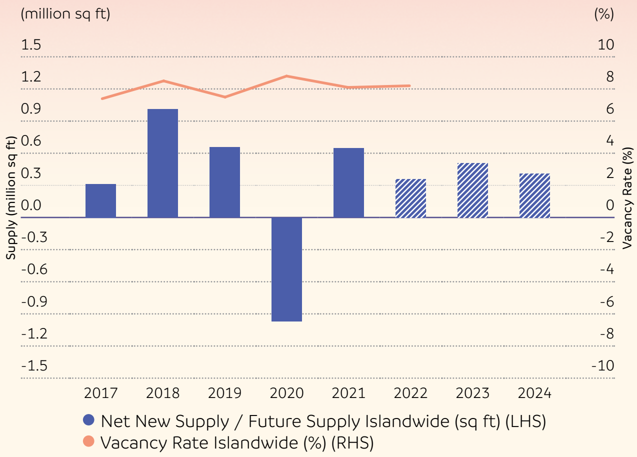
Note:

[7] CBRE does not track completions less than 20,000 sq ft.

Independent Market Overview

Chart 2:

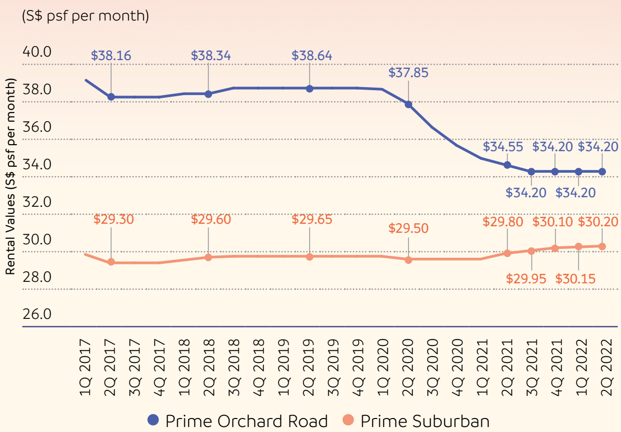
Islandwide Retail Supply and Vacancy[8]



Source: CBRE Singapore, 2Q 2022

Chart 3:

Prime Orchard Road and Prime Suburban Monthly Rental Values



Source: CBRE Singapore, 2Q 2022

Notable transactions in 1H 2022 included Lendlease Global Commercial REIT's acquisition of the remaining 68.2% interest in JEM for S$1.4 billion (S$2,329 psf), CapitaLand Integrated Commercial Trust's divestment of JCube to CapitaLand Development for S$340.0 million (S$1,619 psf), the sale of Wisteria mall by a BBR Holdings-unit to a unit of UK private equity firm, Schroders for S$208.0 million (S$1,115 psf) and Cuscaden Peak's acquisition of stakes held by Singapore Press Holdings in Seletar Mall and Woodleigh Mall for S$480.5 million (S$2,426 psf) and S$315.5 million (S$3,033 psf) respectively.

RETAIL MARKET OUTLOOK

While retail sales and the real estate market has shown positive signs over the past half a year, key challenges continue to remain in the economy. Retailers are facing manpower shortages as well as rising input costs, putting a lid on landlords' capacity to raise rents in the near term. Additionally, the emergence of new COVID-19 variants, geopolitical tensions, and the resulting disruption to supply chains and rising inflation could potentially exacerbate the challenges faced in the retail market.

However, there are positive factors that could potentially support the growth of the retail market going forward. The easing of SMMs will continue to encourage shopper traffic into Orchard Road and encourage domestic spending. Additionally, with eased border restrictions, tourist spending is likely to pick up in 2H 2022. This is in line with STB's expectations for Singapore to receive between 4 and 6 million visitors in 2022. Average new retail supply between 2022 and 2024 is 0.4 million sq ft. This is well below the historical 5-year average of 0.8 million sq ft, and 33.3% lower than that of 2021, with minimal supply from Orchard Road.

Notes:

[8] Net new supply between 2017 and 2021 as at 4Q of each year, vacancy between 2017 and 2021, 2023 and 2024 as at 4Q, 2022 as at 2Q.

[9] Includes Grade A Core and Grade B Core office stock.

With all these factors in consideration, retailers remain cautiously optimistic and CBRE expects a gradual retail rent recovery after 2H 2022.

OFFICE MARKET OVERVIEW

Existing Supply

Islandwide office stock totalled 61.7 million sq ft as at 2Q 2022, declining by 0.3% y-o-y. Core Central Business District (CBD) office stock[9] accounted for 32.0 million sq ft (or 51.8% of islandwide office stock), while Grade B islandwide office stock stood at 34.4 million sq ft (55.8% of islandwide office stock). For the period of 2Q 2022, the office component of Rochester Commons (195,000 sq ft) obtained its Temporary Occupation Permit (TOP)[7], while AXA Tower was removed from the market in view of upcoming redevelopment works.

Future Supply

From 2H 2022 to 2024, total islandwide new office supply is projected at 4.0 million sq ft NLA. Inclusive of completions in 1H 2022, the average annual islandwide office supply between full year 2022 and 2024 is projected at 1.4 million sq ft. This is largely in line with the historical 5-year average annual completion of 1.4 million sq ft NLA between 2017 and 2021. The Fringe CBD accounts for 36.7% of upcoming completions coming into the market, while the Decentralised and Core CBD Markets account for the remaining 32.2% and 31.2% respectively.

Approximately 1.0 million sq ft NLA will be completed in 2H 2022, with Guoco Midtown and the Hub Synergy Point redevelopment coming into the Fringe CBD and the office component of SJ Campus entering the Decentralised market. About 1.3 million sq ft NLA of office space will come into the market in 2023, with the expected completions of IOI Central Boulevard Towers in the Core CBD and the office component of One Holland Village in the Decentralised market.

In 2024, an estimated 1.7 million sq ft NLA of office space is slated to complete across four developments. The redevelopment of Keppel Towers and Keppel Towers 2 as well as 333 North Bridge Road are expected to enter the Fringe CBD market, while Labrador Towers and the redevelopment of Certis Paya Lebar are expected to come into the Decentralised markets.

Going forward, schemes such as the CBD Incentive (CBDI) Scheme and Strategic Development Incentive (SDI) Scheme intended for urban renewal in the CBD and strategic areas such as Orchard Road will inject more vibrancy to these areas. However, the redevelopment of older office stock under these schemes into mixed-use developments will likely result in a long-term reduction in office stock. In addition, there are no new Government Land Sales (GLS) sites with office sites available under the 2H 2022 programme, contributing further to the tightening of office supply in the CBD.

Demand and Vacancy

The relatively positive momentum of office demand from 2021 and 1Q 2022 was carried over to 2Q 2022 as Singapore eased workplace restrictions, announcing that 100% of employees may return to the office from 26 April 2022. Renewal and expansion activity has been robust from certain sectors, amidst the adaptation of the hybrid model and the recalibration of office space requirements. The technology, non-bank financial services and legal sectors remain the main source of demand for high quality office spaces. Existing robust demand and tight vacancies, coupled with limited CBD supply in the pipeline will likely contribute to the growth of rents in the Grade A office market going forward.

Net absorption from 3Q 2021 to 2Q 2022 in the Core CBD totalled 1.1 million sq ft, against a net supply of 0.6 million sq ft over the same period. Vacancy therefore tightened by 1.5 percentage points y-o-y to 6.4% in 2Q 2022. Meanwhile, net absorption in the Grade B islandwide submarket totalled -0.3 million sq ft, against net supply of -0.8 million sq ft from 3Q 2021 to 2Q 2022. This has resulted in a 1.1 percentage points y-o-y decrease in vacancy to 7.3%.

Rental Values

With robust demand and a flight-to-quality by occupiers, coupled with tight prevailing vacancies, Grade A Core CBD rents recorded a 3.2% q-o-q or 7.6% y-o-y growth to S$11.30 psf/month. This was the fastest pace of increase since the recovery in 2Q 2021. Additionally, some demand has spilled over to other submarkets, contributing to a broad-based recovery in the Grade B Core CBD and islandwide market. Grade B Core CBD rents have therefore increased 3.8% q-o-q and 5.2% y-o-y to S$8.15 psf/month while islandwide rents increased 3.4% q-o-q and 5.6% y-o-y to S$7.55 psf/month in 2Q 2022.

Office Investment Market

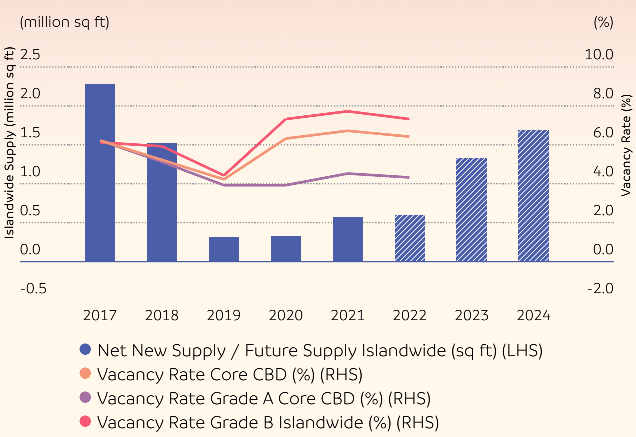
Office investments totalled S$8.4 billion between 3Q 2021 and 2Q 2022, representing a 142.6% increase from the previous 12 months. Investment volumes have increased on the back of improved investor sentiments, underpinned by expectations of a broad-based recovery in Singapore's economy.

Transactions in 1H 2022 included the acquisition of 79 Robinson Road by CapitaLand Integrated Commercial Trust and CapitaLand Open End Real Estate Fund from Southernwood Property Pte. Ltd. for S$1.3 billion (S$2,423 psf); the sale of the office component of Cross Street Exchange by Frasers Logistics and Commercial Trust to SCC Straits Pte. Ltd. for S$631.0 million (S$2,064 psf); the sale of Twenty Anson by AEW to KKR for S$595.0 million (S$2,886 psf); the sale of Income at Raffles by NTUC Income Insurance to Bright Ruby Resources for S$1.0 billion (S$3,617 psf); the sale of Westgate Tower by Sun Venture Group to AEW for S$680.0 million (S$2,230 psf); the sale of a 21% stake in AXA Tower by Kuok (Singapore), Shenton Circle, Imagine Properties, PE One and Huatland Development to CEL Shenton (10.5%) and Sing-Haiyi Emerald (10.5%) for S$352.8 million (S$1,083 psf) and the sale of Nehsons Building by Nehsons Pte. Ltd. to Kajima Corporation for S$111.1 million (S$2,200 psf).

Office Market Outlook

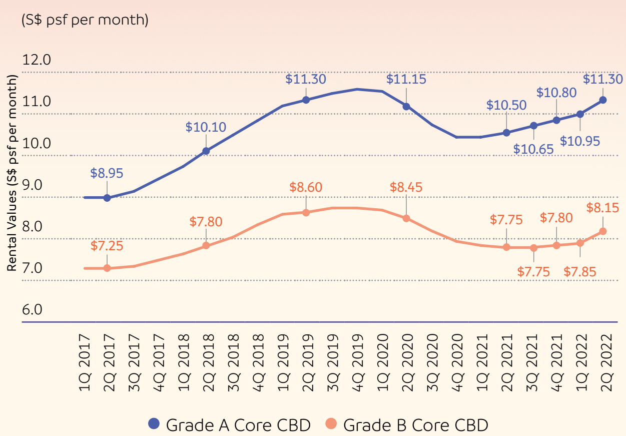
While hybrid working could potentially keep the overall office demand footprint below pre-pandemic levels, certain sectors such as the technological sector and non-bank financial services sector are expected to be major demand drivers for Grade A

Chart 4:
Islandwide Office Supply and Vacancy[10]



Source: CBRE Singapore, 2Q 2022

Chart 5:
Core CBD Monthly Rental Values



Source: CBRE Singapore, 2Q 2022

Note:

[10] Supply as at 4Q of each year, vacancy between 2017 and 2021, 2023 and 2024 is as at 4Q, while vacancy for 2022 as at 2Q.

Independent Market Overview

office spaces. The recent tech market volatility may have raised concerns of demand cooling for office space, but CBRE expects well established and financially-sound tech companies to continue to grow their footprint in Singapore. In addition, the lifting of border controls and SMMs would likely contribute to an improvement in the services sector.

Looking ahead, while global uncertainties could provide challenges to the office market, a stable domestic economic outlook and domestic fundamentals such as a "back-to-office recovery", prevailing tight vacancies and limited upcoming supply of quality office stock in the CBD will continue to place office market rents on a growth path. In addition, the absence of GLS sites with an allowable office use in the CBD, as well as the redevelopment of stock under the CBDI and SDI schemes will likely offset incoming supply over the next three years.

The Fringe CBD and Decentralised markets will continue to benefit from some spill over demand from the Grade A Core CBD market, particularly with COVID-19 workplace restrictions removed and more people returning to the office.

Australia

ECONOMIC OVERVIEW

Macroeconomic Overview

Australia's GDP grew 3.3%[11] y-o-y in the March 2022 quarter. In contrast to previous COVID-19 strains, there was continued growth in economic activity through the peak of the Omicron outbreak. As Australia has achieved high COVID-19 vaccination rates, economically damaging lockdowns are no longer being pursued, with domestic and international borders open again.

Employment conditions in Australia are very strong with unemployment rate at 3.5%[11] as at June 2022, compared to the 20-year average of 5.4%. Many businesses emerging from the pandemic are facing hiring challenges. As a result of the strong demand for workers across the economy, job vacancies in Australia have soared to a record high of 480,100[11] jobs in May 2022, more than double the pre-COVID level reported in February 2020.

South Australia's (SA) unemployment rate stood at 4.3% as of June 2022, down 100 basis points y-o-y. While this is the highest in Australia, it is well below SA's 20-year average of 5.9%. On the other hand, Western Australia's (WA) economy has been performing well, supported by the state's mining sector and high commodity prices. As a result, the labour market remains particularly tight with WA boasting one of the lowest unemployment levels in the country at 3.4% as of June 2022, compared to its 20-year average of 5.0%.

Like most advanced global economies, high inflation has become an issue in Australia forcing the Reserve Bank of Australia (RBA) to begin withdrawing its supportive monetary policy measures implemented earlier in the pandemic. The RBA has increased its cash rate to 1.85% in August 2022. Rising interest rates and high inflation remain a source of uncertainty for the outlook on consumer spending, particularly discretionary spending.

Australia Tourism Arrivals

When Australia's international borders reopened in late 2021, the number of international visitors entering the country continues to improve. In the year ended March 2022, international visitor numbers were up 702.3% to 483,057 visitors compared to the year ended March 2021 and international visitor spending was up 488.7% to A$4.9 billion. Furthermore, recent activity continues to show an improvement. In the three months ended May 2022, short term international visitor numbers totalled 637,190, an increase of 184.0% on the preceding three months ended February 2022. While these improvements are encouraging, they remain significantly below pre-COVID levels. International visitor numbers for the year ended March 2022 were down 94.0% compared to the year ended March 2020, and international visitor spending was down 88.3%.

With overseas travel effectively shelved throughout most of the pandemic, domestic travel sustained economic activity in the tourism sector. In SA, domestic visitation in the month of April 2022 was up 8.0% to 679,000 compared to April 2021 but remained 13.9% below the pre-COVID level in April 2019. Domestic visitor spending in SA in April 2022 was up 2.3% to A$562.3 million as compared to April 2021, and was up 14.3% on the pre-COVID level in April 2019.

WA had the strictest border closures in the country and only reopened its borders to domestic and international travellers in early March 2022. In WA, domestic visitation in the month of April 2022 amounted to 939,000, which was down 0.5% compared to April 2021, but remained 6.6% below the pre-COVID level in April 2019. On the other hand, domestic visitor spending in April 2022 amounted to A$912.0 million, up 17.7% y-o-y and up 9.0% compared to the pre-COVID level in April 2019.

Overall, flight delays due to staffing issues at airports have been affecting travel plans, COVID-19 and influenza outbreaks are still occurring, and long-haul flight availabilities are scarce and costly due to pent-up demand and high oil prices. These factors will continue to impact the tourism sector. The sector also faces new challenges from rising interest rates in Australia which will impact discretionary consumer spending and household savings, although the pent-up travel demand from consumers will support the sector in the short term.

Retail Trade Growth

Retail trade in Australia grew on average 5.1% y-o-y in the 12 months ended May 2022, with growth accelerating in the six months ended May 2022 to 8.3% y-o-y, as international borders reopened and COVID-19 restrictions eased. Growth across clothing, footwear and personal accessories were particularly strong in the six months ended May 2022, growing 12.4% y-o-y. There was also strength in spending on cafes, restaurants and takeaway food services which grew 12.3% y-o-y in the same period.

SA saw retail trade underperform broader Australia with growth averaging 4.0% y-o-y in the 12 months ended May 2022, while retail trade in WA was robust, growing at an average 6.6% y-o-y in the same period. That said, both SA and WA followed a similar trend to broader Australia, observing an accelerated growth in the six months ended May 2022, at an average of 6.8% and 8.5%[11][12] y-o-y respectively.

ADELAIDE RETAIL MARKET OVERVIEW

Future Supply

Between 2H 2022 and 2024, approximately 86,100 sq m of new retail developments is expected to come into the market in Adelaide, with about 82.7% located outside the CBD. Significant completions expected in 2H 2022 include Springwood Shopping Centre (4,060 sq m) and Norwood Green (1,630 sq m), both located outside the CBD. The A$350 million redevelopment of Burnside Village Shopping Centre (20,000 sq m), with its first stage originally expected to complete in 2022, has been put on hold.

There is also a trend of retail components being a part of mixed-use developments going forward. For instance, in 2023, notable mixed-use developments in the CBD include the A$450 million 60 King William Street development (1,700 sq m) and Festival Plaza (3,065 sq m), and in 2024, Eighty Eight O'Connell (6,000 sq m), a A$250 million mixed-use development which started earthworks this year, is slated for completion outside the CBD. Other future supply in 2023 include Norwood Shopping Mall, ALDI (3,825 sq m), the Parafield (3,500 sq m) and Munno Para (4,000 sq m) Large Retail Formats (LFR), all located outside of the CBD.

Demand, Vacancy and Net Absorption

State management during the height of the COVID-19 pandemic kept retailers operating and consumer confidence ablaze. For instance, Rundle Mall has recently registered a record low vacancy rate of 4.1%, down from the last reported rate of 6.5%. This number does not include stores currently being refurbished, which once completed, will tighten vacancy further.

Recent leasing activity included the relocation of existing tenants to new spaces on the back of expansion requirements.

Retail Rents

Prime shopping malls in the CBD have seen gradual increases in incentives leading to 14%. With consumer confidence expected to remain in the market and tighter vacancies, rental growth is likely to return and incentives to stabilise in the retail market. While Super Prime net face rents have decreased 2.4% y-o-y in 2Q 2022 to A$3,050 psm/annum, Prime, Secondary and Neighbourhood net face rents have remained unchanged at an average of A$1,933 psm/annum, A$898 psm/annum and A$482 psm/annum respectively. Net effective rents over 12 months have decreased by 2.6% for prime and 6.6% for secondary due to incentives increasing.

Adelaide Retail Investment Market

Most sales activity have recently been in the suburban markets, namely shopping centres. In 1H 2022, investment transactions over A$5 million totalled A$288.2 million across nine deals.

A significant deal was the sale of a 50% stake in Colonades Shopping Centre[13] in the Southern metro market by Perron Group to Melbourne based investors, Nikos Group, for A$138.2 million (A$3,121 psm, deal valued at A$276.4 million). This was for a yield of 7.2%, with anchor tenants such as Coles, Woolworths, Big W, Kmart and Aldi. Another recent major sale was the sale of Primewest's (subsidiary of Centuria Capital Group) portfolio of five neighbourhood shopping centres for A$180.0 million, of which, two of the assets were SA-based and close to full occupancy. These were the sales of Dernancourt Shopping Centre in the North Eastern suburbs for A$46.0 million (A$5,508 psm, initial yield 5.1%) and Fairview Green in the Northern suburbs for A$39.5 million (A$7,634 psm, initial yield 6.5%).

Adelaide Retail Market Outlook

The Adelaide retail market has remained resilient during the pandemic. Despite this, market uncertainty looms for both tenant and landlord, influenced by current economic conditions as well as further interest rate increases to combat inflation.

The Adelaide CBD retail precinct remains in demand and low vacancy demonstrates this. Other precincts including Rundle Street and East Terrace have minimal to no vacancy as well.

The presence of leading national and international brands in the prime CBD retail precinct, record low vacancy, the successful redevelopment of Rundle Mall Plaza, the opening of Rebel Sports and Dymocks in new spaces, refurbishments in Myer Centre, as well as the future Market Square development, will likely contribute to the expansion and attractiveness of the Adelaide retail precincts within the city.

ADELAIDE OFFICE MARKET OVERVIEW

Existing Office Supply

Adelaide's office stock totalled 1.5 million sq m as at January 2022, of which 87% is based in the CBD, with a vacancy of 14.5%. Vacancy in the Fringe market has tightened further to 10.1%. This submarket attracts very consistent tenancy profiles namely in the Financial, Construction, and Health/Medical markets, and runs along Greenhill and Fullarton Roads.

Future Supply

Close to 112,700 sq m of office spaces is currently under construction and are expected to be completed between 2022 and 2024. Most of these has been leased through expansion and consolidation of existing tenants, as opposed to new market entrants. In 2022, the Wyatt Street development (4,690 sq m) is anticipated to complete, while the influx of new developments, namely 83 Pirie Street (28,000 sq m), 60 King William Street (40,000 sq m) and Festival Plaza (40,000 sq m) are expected to enter the market in 2023. These developments are primarily located in the CBD. With tenant demands driving flight-to-quality, owners are expected to start refurbishing their assets to meet this demand. It is anticipated that backfilled spaces from existing assets will supply about 59,000 sq m of spaces in 2023, on the back of tenants moving out to take up spaces in newly completed assets.

Notes:

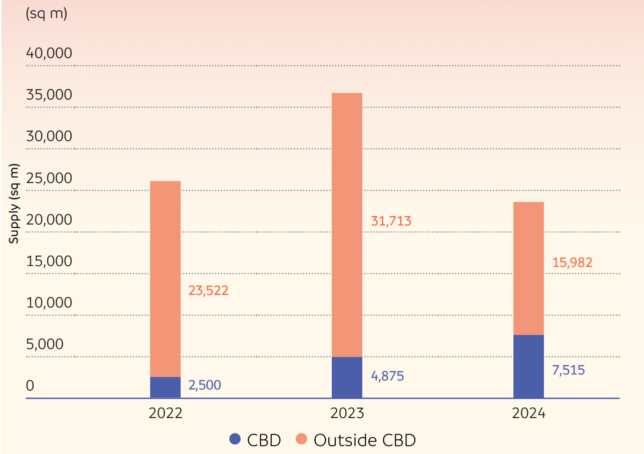
[11] Source: Australian Bureau of Statistics.

[12] Western Australia's borders reopened to domestic and international travellers in early March 2022.

[13] Vicinity Centres currently owns the other 50% stake.

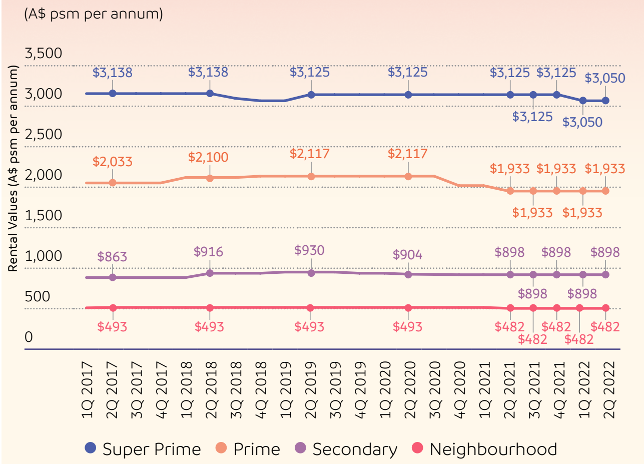
Independent Market Overview

Chart 6:
Adelaide Retail Supply Pipeline



Source: CBRE Australia Research, 2Q 2022

Chart 7:
Adelaide CBD Retail (super prime, prime and secondary) and Neighbourhood Shopping Centre Rents



Source: CBRE Australia Research, 2Q 2022

Demand, Vacancy and Net Absorption

Due to SA's minimal lockdowns and ability to keep the CBD open, recovery in terms of employees returning to work has been above the national sentiment. A Property Council Australia (PCA) Office Occupancy survey in May 2022 showed an average 30% rise in national monthly office occupancy levels. According to PCA, pre-COVID office occupancy was approximately 86% for Adelaide and 89% nationally. As of June 2022, Adelaide is at approximately 70% occupancy, well above the national average office occupancy levels of 60% and the highest nationally out of all major markets post-COVID.

There has been a recovery in office demand in Adelaide, with a positive net absorption of 17,600 sq m reported in the Adelaide CBD in January 2022, driven mainly by the health and cyber industry. As a result, vacancy tightened to 14.5% in the same period.

Office Rental Values

Adelaide prime and secondary CBD net face rents have increased 2.5% and 1.1% y-o-y over the 12 months ended June 2022, now averaging A$459 psm/annum and A$274 psm/annum. Net effective rents are averaging A$301 psm/annum for prime and A$162 psm/annum for secondary. Gross rents have increased 3.0% y-o-y over the 12 months ended June 2022, now averaging A$580 psm/annum for prime and A$383 psm/annum for secondary. Flight-to-quality has been the main driver behind this growth. In addition, new supply have strong pre-commitments and therefore, demand directed towards backfilling existing prime assets could also potentially hike up rental growth.

Adelaide Office Investment Market

Activity in 1H 2022 in the Adelaide office market comprised of the sale of 4 office CBD assets for A$186.1 million. These demonstrated asset depth coupled with sound tenant profiles and diverse yields. Yields for prime assets is currently at 6.0% (-41 bps y-o-y), while secondary yields averaged 8.2%.

Sales include 131-139 Grenfell Street to Sentinal Property Group for A$20.9 million (A$5,158 psm), 97 King William to a local private investor for A$43.0 million (A$2,845 psm), 95 Grenfell Street to Cromwell Property Group for A$81.5 million (A$7,295 psm), and lastly 30 Currie Street to Tamim Asset Management for A$40.8 million (A$4,967 psm). While yields remain relatively unchanged in 2Q 2022 across the Adelaide markets, CBRE expects them to soften in 2H 2022 as a result of higher interest rates, breaking a trend of sharp tightening of CBD yields.

Adelaide Office Market Outlook

Investment volumes are anticipated to slow down, given the current financial market conditions and further anticipated increases in interest rates with the objective to cool inflation. New stock to hit the market in 2023 will create potential challenges and opportunities for Gen1[14] assets facing major backfill, with Gen2[15] and Gen3[16] assets well positioned.

PERTH RETAIL MARKET OVERVIEW

Future Supply

The retail supply pipeline for Perth stands at approximately 146,300 sq m between 2H 2022 and 2024. The pandemic and the significant increase in construction costs have impacted Perth's retail supply leading to a large proportion of developments being placed on hold or getting delayed.

The largest development currently under construction is the 14,000 sq m Dayton Central neighbourhood centre which is expected to complete in late 2023.

Looking to 2024, the retail supply is expected to pick up particularly outside the CBD. Some major non-CBD projects expected to complete in 2024 include the extension of the Kardiya Park Shopping Centre (13,000 sq m), construction of Bunnings Warehouse Jolimont; a large format retail centre (10,100 sq m), and construction of the Nedlands Neighbourhood Centre (7,800 sq m).

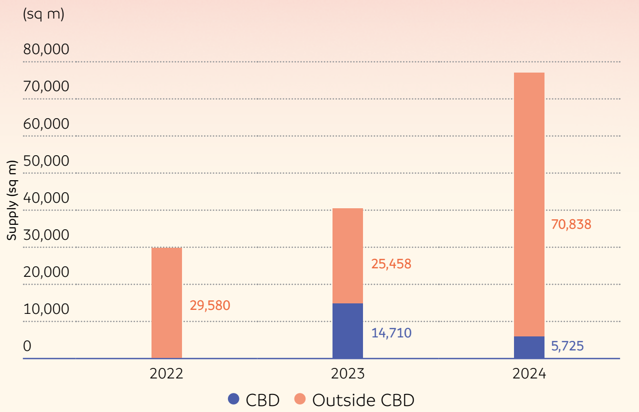
Perth Retail Rents

Perth CBD retail rents have continued to decline with super prime net face rents declining 7.4% y-o-y to A$2,731 psm/annum, prime net face rents declining 5.0% y-o-y to A$2,213 psm/annum and secondary net face rents declining 11.8% y-o-y to A$663 psm/annum in June 2022.

Notes:

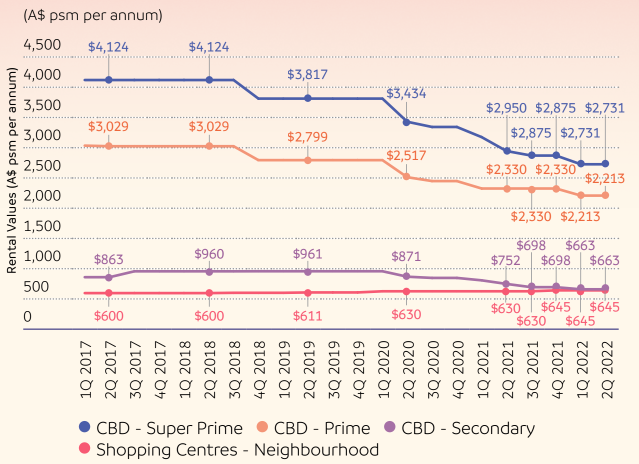
[14] Prime assets built before 2006.
[15] Prime asset built on or after 2006-2022.
[16] Prime assets completed in 2022 and/or under construction future supply.

Chart 8:
Perth Retail Supply Pipeline



Source: CBRE Australia Research, 2Q 2022

Chart 9:
Perth CBD Retail (super prime, prime and secondary) and Neighbourhood Shopping Centre Rents



CBRE Australia Research, 2Q 2022

The high CBD retail vacancy and increased work-from-home trends caused by the COVID-19 pandemic have weighed on Perth's CBD retail market rents. Looking ahead, rents in the Perth CBD are likely to continue to face downward pressure.

Perth neighbourhood shopping centre rents have benefitted from the shift in foot traffic away from the CBD and towards suburban retail centres. Neighbourhood shopping centre net face rents grew 2.4% y-o-y to A$645 psm/annum in June 2022.

Perth Retail Investment Market

Investment volumes across Perth's retail market in 1H 2022 have been relatively muted, impacted by rising interest rates and increases in the cost of debt. Investment volumes in 1H 2022 amounted to A$135.8 million, down from the A$421.3 million of retail transactions recorded in 1H 2021. The largest transaction in 1H 2022 was the sale of the vacant Carillon City by Dexus to locally based developer Fiveight for A$80.0 million (A$4,430 psm). Fiveight plans to transform Carillon City into an innovative mixed-use asset.

Perth Retail Market Outlook

Looking ahead, Perth's retail market is likely to face challenges from the heightened cost of living pressures faced by consumers due to high inflation and rising interest rates which will likely impact discretionary consumer spending. Additionally, retail vacancy in the Perth CBD remains high with CBRE's June 2022 survey indicating a vacancy rate of 28%, which is up from the vacancy rate of 26% in December 2021.

On a positive note, face rents across CBD retail assets in Perth stabilised q-o-q during 2Q 2022, and the reopened WA borders is allowing international brands seeking exposure in Perth to visit the city again, with a number having recently shown interest in expanding to Perth.

Neighbourhood retail assets seem well placed, given their low exposure to discretionary spending, and are benefiting from the shift in foot traffic away from the CBD as people continue to work from home one or two days per week.

Malaysia

ECONOMIC OVERVIEW

Macroeconomic Overview

Malaysia's GDP registered a positive growth of 3.1% in 2021, a reversal of -5.6% in 2020 as economic activities resumed with the easing of COVID-19 containment measures. In 1Q 2022, the Malaysian economy grew 5.0% q-o-q due to continual support from domestic demand, recovery in the job market and positive external demand. The economic recovery is anticipated to strengthen in the 2Q 2022, on the back of the reopening of international borders and a transition into the endemic phase in April and May respectively.

Following the normalisation of economic activities, the labour force has strengthened by 2.7% y-o-y in May 2022, recording 16.5 million persons. The unemployment rate has declined by 0.6 percentage points y-o-y to 3.9% in May 2022, indicating a gradual improvement. The labour force market is expected to be resilient and the labour shortage situation will likely improve with the entry of foreign labour into the country.

Businesses have remained cautiously optimistic with the Business Tendency Indicator registering growth albeit at a slower pace, by 3.5% in 2Q 2022 compared to 7.6% growth in 1Q 2022. While all sectors except Construction anticipated better conditions, the Wholesale & Retail Trade registering the most optimism towards its business outlook in 2Q 2022.

Inflation rate increased by 2.5% y-o-y in 1H 2022. In addition, the Malaysian Consumer Price Index increased significantly by 3.4% y-o-y to 127.4 in June 2022, surpassing the average inflation of 1.9% from January 2011 to June 2022. Meanwhile, interest rates have increased, with the upward revision of the Overnight Policy Rate to 2.25% in July 2022. This will likely continue to put upward pressure on the inflation outlook.

Independent Market Overview

Looking ahead, the Malaysian economy is expected to remain on a recovery path at a projected Gross Domestic Product (GDP) growth range of 5.3% - 6.3%[17] in 2022, supported by continued expansion in global and domestic demand. However, risks remain with further escalation of geopolitical conflicts, global inflation, a tight labour market and monetary policy, as well as heightened volatility in the financial markets.

Malaysia Tourism Arrivals

The tourism sector has been on a recovery path since October 2021, on the back of the resumption of overseas and interstate travel. As at March 2022, approximately 98,000 tourists were reported in the first quarter of 2022, 388.2% higher than the number of tourists for the same period in 1Q 2021.

With the reopening of international borders in April 2022, the Tourism, Arts and Culture Ministry targets tourist arrivals to reach 4.5 million international tourist with a revenue of RM11.1 billion in 2022. This will potentially bring an increase in retail footfall to Bukit Bintang, the established and premier shopping district in KL.

Malaysia Retail Sales Growth

Retail sales in Malaysia recorded a positive growth rate of 18.3% y-o-y in 1Q 2022, backed by major festivals. Alongside the reopening of domestic borders and positive sentiments of consumers, domestic demand has increased. Concurrently, retail activities regained their momentum, with the Consumer Sentiment Index rising 11.7 points q-o-q to 108.9 in 1Q 2022, surpassing the 100-point threshold it last did two quarters ago. Shopper traffic also recovered in retail malls, marking a sustained demand and relevance of physical stores.

By retail sub-sectors, fashion and fashion accessories and department store sub-sectors improved the most in 1Q 2022 on a y-o-y basis, increasing by 52.1% and 39.1% respectively. In addition, the furniture & furnishing, home improvement and electrical & electronics sector had maintained positive sales since early 2021. While sales in the supermarket and hypermarket sub-sectors registered a decrease of 7.6% y-o-y in 1Q 2022, business levels have gradually returned to pre-COVID-19 levels.

Since the pandemic, the market share of e-commerce platforms has grown. Malaysia's e-commerce income recorded a total of RM279 billion, an increase of 17.1% y-o-y and 4.3% q-o-q as at 3Q 2021. 85% of the country's population are active internet users; hence, online platforms or mall mobile apps have been increasing among retailers and consumers of all ages.

Kuala Lumpur/Outside Kuala Lumpur Outlook

Kuala Lumpur remains the largest commercial centre, as well as city with the most prime shopping districts. It also has the largest density of population in Malaysia. Market performance and development in Kuala Lumpur are driven by domestic consumption and local spending, and certain focused areas from international tourism, such as culture and the development of Malaysia as a health tourism destination.

Outside Kuala Lumpur is also expanding in established and new residential neighbourhoods within the Klang Valley, with the development of retail malls and expansion of retail trades catering to new neighbourhoods and the suburbs.

Note:

[17] GDP projection by Bank Negara Malaysia (BNM)

In addition, retail businesses are increasingly adapting e-commerce and technology in their operations. With this increased adaptation, businesses have adopted a multi-channel strategy, enabling them to maintain a complementary online and brick-and-mortar presence.

However, inflationary pressure has affected the country, impacting purchasing power and lifestyles. This is expected to continue in 2H 2022. Following the upward revision of the Overnight Policy Rate (OPR) to 2.25% in July 2022, the OPR is expected to be on the rise and may affect retail spending in the coming 12 months.

KUALA LUMPUR AND KLANG VALLEY RETAIL MARKET OVERVIEW

Existing Supply (Kuala Lumpur and Klang Valley/OKL)

Cumulative retail stock in Klang Valley stood at 62.5 million sq ft as at 2Q 2022, with 34.2 million sq ft (54.6% of total stock) in Kuala Lumpur and 28.3 million sq ft (45.4%) Outside Kuala Lumpur. With the refurbishment of The Starhill (former Starhill Gallery), and the completions of Mitsui Shopping Park Lalaport and Pavilion Bukit Jalil over the last twelve months, the retail stock in Kuala Lumpur has increased by 3.3 million sq ft from 30.8 million sq ft in 2Q 2021. Meanwhile, Outside Kuala Lumpur stood firm at 28.3 million sq ft with no new supply in the last twelve months.

Future Supply

Approximately 5.6 million sq ft of supply is expected to come into the Klang Valley between 2H 2022 and 2024, of which 70.6% (4.0 million sq ft) of upcoming supply is expected to come into Kuala Lumpur. Retail malls due for completion in 2022 in Kuala Lumpur include Datum Jelatek (350,000 sq ft) and Sapura Corporate retail (120,000 sq ft). In addition, Pavilion Damansara Heights (1.1 million sq ft), Warisan Merdeka Mall (0.9 million sq ft), The Exchange TRX Mall (1.3 million sq ft) and 8 Conlay Lifestyle Quarter (188,000 sq ft) are expected to be completed between 2023 and 2024.

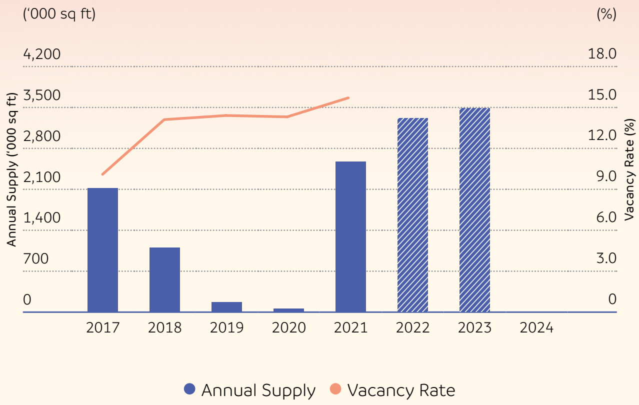
The future supply Outside Kuala Lumpur is expected to be approximately 1.7 million sq ft between 2H 2022 and 2024, with Phase 2 of IOI City Mall (1 million sq ft) and KSL Mall (650,000 sq ft) scheduled to open between 2022 and 2023.

Demand and Vacancy

The vacancy rate in Klang Valley has moderated in relation to previous years, with an increase of 1.8% y-o-y to 17.7%. Kuala Lumpur and Outside Kuala Lumpur reported vacancy rates of 18.8% (4.3 percentage points increase y-o-y) and 15.8% (4.5 percentage points decrease y-o-y) in 2Q 2022 respectively. However, leasing activity has experienced moderate growth, recovering after a series of lockdowns, with tenancy renewals observed in prime and established malls. The average annual take-up of retail space in Kuala Lumpur within the last 5 years was about 519,000 sq ft, and approximately 460,000 sq ft in the past 3 years (2019-2021). Coupled with the significant incoming supply in Kuala Lumpur of almost 4.0 million sq ft, the vacancy rate is expected to increase over the next 12 to 18 months.

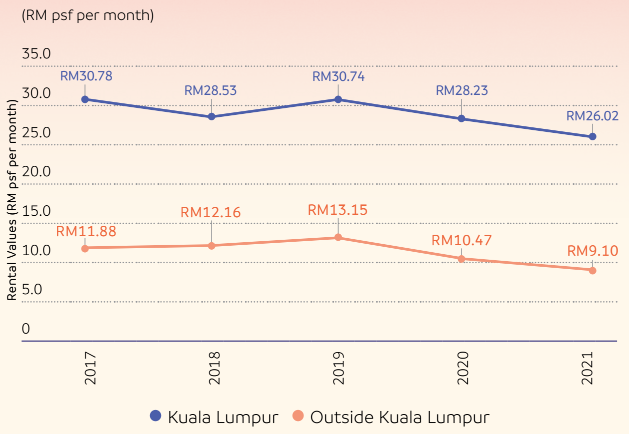
Occupancy levels in the newly opened retail malls have remained moderate. New stores that have opened include Japanese retailers Nitori, Nojima, Zoff, and Tsutaya bookstore. In addition, a few retail expansions observed in major shopping districts include Decathlon and MR DIY, while Food Republic, Harvey

Chart 10:
Annual Supply, Pipeline Supply and Vacancy in Kuala Lumpur



Source: Ministry of Tourism Malaysia, Department of Statistics Malaysia

Chart 11:
Average Prime Rental in Prime Retail Malls



Source: REIT Annual Reports 2021

Norman, Parkson and The Food Merchant have opened in Outside Kuala Lumpur retail malls.

Rental Values

Rental rebates were generally above 10% in early 2021, which has since been lowered to below 10% recently. Rental renewals, cost reduction measures and tenant mix were matters looked upon closely by mall operators. The average gross rental of prime Purpose-Built Retail across Klang Valley as at end-2021 stood at RM18.00 psf/month, RM26.02 psf/month in Kuala Lumpur and RM9.10 psf/month in Outside Kuala Lumpur. Upcoming sentiments are hopeful but remained challenged due to some economic uncertainties.

Retail Investment Market

There were no major retail transactions between 3Q 2021 and 2Q 2022.

Retail Market Outlook

The retail sector has been on the recovery during 1H 2022, alongside the full resumption of economic activities and gradual improvement in mall footfalls upon the easing of travel restrictions. However, inflationary pressure is expected to affect the purchasing power and spending lifestyles.

With the anticipated 3.5 million sq ft of future retail supply in Kuala Lumpur in 2023, pressure is expected on both occupancy and rental rates, paving the way for more competition and the need for more creative retail strategies by retail landlords.

Moving forward, the retail market is expected to recover moderately from the pandemic, underpinned by the reboot of the tourism industry and business operations.

QUALIFYING CLAUSE

This Independent Market Report is subject to the following limiting conditions:

The content of this Independent Market Report is for information only and should not be relied upon as a substitute for professional advice, which should be sought from CBRE prior to acting in reliance upon any such information.

The Independent Market Report is strictly limited to the matters contained within, and is not to be read as extending, by implication or otherwise, to any other matter in the Annual Report. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of the report.

CBRE has prepared the Independent Market Report relying on and referring to information provided by third parties including financial and market data, along with other information ("Information"). CBRE assumes that the Information is accurate, reliable and complete however CBRE has not independently verified such Information. CBRE accepts no responsibility for inaccurate Information provided by third parties and subsequent conclusions derived from such Information.

No responsibility is accepted for any loss or damage arising as a result of reliance upon this Independent Market Report. CBRE disclaims any liability in respect of any claim that may arise from any errors or omissions, or from providing such advice, opinion, judgment or information.

The Independent Market Report may not be reproduced in whole or in part without the prior written approval of CBRE.

CBRE has prepared this Independent Market Report for inclusion within the Annual Report but has not been involved in the preparation of the Annual Report. CBRE has not been required to approve or express any opinion about any part of the Annual Report other than this Independent Market Report. CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Annual Report.

Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global COVID-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Investment decisions should reflect this heightened level of volatility and caution is advised in this regard.

You should note that the conclusions set out in this report are current as at the date outlined only. Where appropriate, we recommend that market conditions are monitored closely, as we continue to track how market participants respond to current events.

Financial Review

Group	FY 2021/22 (S$'000)	FY 2020/21 (S$'000)	Change (%)
Gross revenue	**186,434**	181,287	2.8%
Property expenses	**(41,724)**	(46,550)	(10.4%)
Net property income	**144,710**	134,737	7.4%
Non-property expenses	**(56,670)**	(60,384)	(6.2%)
Net income before tax	**88,040**	74,353	18.4%
Change in fair value of derivative instruments	**19,953**	12,755	56.4%
Foreign exchange loss	**(2,358)**	(1,033)	128.3%
Change in fair value of investment properties	**(49,587)**	(28,095)	76.5%
Total return for the period before tax and distribution	**56,048**	57,980	(3.3%)
Income tax	**(2,251)**	(1,462)	54.0%
Total return for the period after tax, before distribution	**53,797**	56,518	(4.8%)
Less: Amount reserved for distribution to perpetual securities holders	**(3,850)**	(2,088)	84.4%
Non-tax deductible items and other adjustments	**39,832**	33,747	18.0%
Income available for distribution	**89,779**	88,177	1.8%
Income to be distributed to Unitholders [1][2]	**84,996**	87,339	(2.7%)
DPU (excluding effects of deferred amount)	**3.80 cents**	3.60 cents	5.6%
DPU (including effects of deferred amount) [1][2]	**3.80 cents**	3.95 cents	(3.8%)
Total operating expenses [3]	**59,922**	64,998	(7.8%)
Net assets [4]	**1,847,027**	1,890,097	(2.3%)
Total operating expenses to net assets	**3.2%**	3.4%	NM

Notes:

[1] Approximately S$4.8 million (FY 2020/21: S$8.5 million) of income available for distribution for FY 2021/22 has been retained for working capital requirements.

[2] FY 2020/21 distribution includes the full release of S$7.7 million or 0.35 cents per unit relating to FY 2019/20's deferred distributable income.

[3] Total operating expenses mainly comprise property expenses, management fees and trust expenses, including fees and charges paid to the Manager and Trustee.

[4] Net assets as at 30 June 2022 and 30 June 2021 respectively.

FINANCIAL PERFORMANCE

Group revenue of S$186.4 million for FY 2021/22 was 2.8% higher than S$181.3 million achieved in FY 2020/21. NPI for the Group was S$144.7 million, representing an increase of 7.4% over FY 2020/21. The increase in NPI was mainly due to the cessation of rental rebates in Malaysia following the completion of asset enhancement works at The Starhill in December 2021, lower rental assistance to eligible tenants of the Group including allowance for rental arrears and rebates for Australia Properties, aggregating approximately S$4.9 million in FY 2021/22 (FY 2020/21: S$9.6 million), as well as lower operating expenses, partially offset by lower rental contribution from Wisma Atria Property (Retail).

Singapore Properties contributed 60.7% of total revenue, or S$113.2 million in FY 2021/22, 0.7% lower than in FY 2020/21. NPI for FY 2021/22 was S$89.0 million, 1.9% higher than in FY 2020/21, mainly due to the lower rental assistance for eligible tenants coupled with lower allowance for rental arrears, as well as higher office occupancies, partially offset by lower rent at Wisma Atria Property (Retail).

Australia Properties contributed 22.9% of total revenue, or S$42.8 million in FY 2021/22, 3.4% lower than in FY 2020/21. NPI for FY 2021/22 was S$27.2 million, 3.0% higher than in FY 2020/21, largely attributed to the lower operating expenses including lower property tax and reinstatement costs, partially offset by lower contribution from the retail portfolio.

Malaysia Properties contributed 13.9% of total revenue, or S$25.8 million in FY 2021/22, 41.5% higher than in FY 2020/21. NPI for FY 2021/22 was S$25.0 million, 43.8% higher than in FY 2020/21. The increase in revenue and NPI was mainly due to the cessation of rental rebates for asset enhancement works at The Starhill, as well as rental assistance provided to the master tenant in FY 2020/21.

China and Japan Properties contributed 2.5% of total revenue, or S$4.6 million in FY 2021/22, 2.9% lower than in FY 2020/21. NPI for FY 2021/22 was $3.5 million, 1.8% lower than in FY 2020/21, largely attributed to higher rental rebates for China Property, as well as depreciation of JPY against S$.

Non-property expenses were S$56.7 million in FY 2021/22, 6.2% lower than in FY 2020/21, mainly in line with the lower finance costs for FY 2021/22. Finance expenses for FY 2021/22 were S$37.8 million, 8.6% lower than in FY 2020/21. This was mainly due to lower interest costs incurred on the existing borrowings and interest rate swaps, as well as the reduction of debts from the net proceeds of the perpetual securities issued in December 2020.

The net gain in fair value of derivative instruments of S$20.0 million for FY 2021/22 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings.

The net foreign exchange loss for FY 2021/22 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts.

The net loss in fair value of investment properties of S$49.6 million for FY 2021/22 was mainly in line with the downward revaluation of the Wisma Atria Property (Retail) (mainly due to lower passing and market rents).

Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The higher income tax expenses was mainly due to the higher withholding tax for the Malaysia and Australia Properties, partially offset by reversal of tax provision for the Trust's investment in Japan in FY 2021/22.

Income available for distribution for FY 2021/22 after deducting amount reserved for distribution to perpetual securities holders was S$89.8 million, an increase of 1.8% over FY 2020/21. The increase in income available for distribution was mainly due to the higher NPI including straight-lining adjustment, as well as lower finance costs and other non-property items, partially offset by the one-off adjustment to reflect the timing difference of Singapore property tax refunds in FY 2020/21, as well as

Financial Review

full period of accrued distribution to perpetual securities holders and lower management fees paid/payable in units for FY 2021/22. The income to be distributed to Unitholders for FY 2021/22 was S$85.0 million, 2.7% lower than FY 2020/21's income to be distributed which included the full release of S$7.7 million (or 0.35 cents per unit) relating to FY 2019/20's deferred distributable income. Excluding the effects of deferred amount, the income to be distributed to Unitholders for FY 2021/22 was 6.7% higher than FY 2020/21. Approximately S$4.8 million of income available for distribution for FY 2021/22 has been retained for working capital requirements. Total DPU for FY 2021/22 was 3.80 cents, representing an increase of 5.6% over DPU of 3.60 cents (excluding the effects of deferred amount) achieved in FY 2020/21. Including the effects of deferred amount, the FY 2021/22 DPU was 3.8% lower than FY 2020/21's 3.95 cents.

ASSETS AND LIABILITIES

The Group's total assets as at 30 June 2022 were S$2,997.4 million, representing a decrease of S$82.2 million or 2.7%, compared to S$3,079.6 million as at 30 June 2021, mainly due to the decrease in investment properties, cash and cash equivalents, and trade and other receivables, partially offset by the increase in derivative financial assets. The net increase in derivative financial instruments was mainly due to the increase in fair value of S$ and A$ interest rate swaps in FY 2021/22. The lower receivables were mainly due to lower net rental arrears for Singapore and Australia Properties as at 30 June 2022. The Group's portfolio of 10 prime properties across five countries was independently revalued at S$2,893.3 million (including right-of-use assets) as at 30 June 2022 (2021: S$2,964.6 million). The decrease of S$71.4 million or 2.4% was mainly due to the downward revaluation of the Wisma Atria Property (Retail) (lower passing and market rents) as at 30 June 2022, as well as net movement in foreign currencies in relation to the overseas properties for FY 2021/22. The fair values of the properties include capital expenditure incurred mainly for Myer Centre Adelaide, The Starhill's asset enhancement, and Wisma Atria Property's interior upgrading, straight-line rental adjustments, as well as other adjustments for FY 2021/22. The geographic breakdown of the portfolio by asset value as at 30 June 2022 was as follows: Singapore 68.1%, Australia 14.6%, Malaysia 14.5%, Japan 1.8%, and China 1.0%.

The Group's total liabilities as at 30 June 2022 were S$1,150.4 million, representing a decrease of S$39.1 million or 3.3%, compared to S$1,189.5 million as at 30 June 2021, mainly due to the decrease in borrowings, derivative financial liabilities, and trade and other payables. The net decrease in total borrowings was mainly due to net movement in foreign currencies. In FY 2021/22, the Group prepaid S$240 million term loan (maturing in September 2022) largely financed by the issuance of S$125 million MTN in September 2021 and drawdown of S$60 million and S$50 million unsecured term loan facilities in March 2022 and June 2022 respectively. As at 30 June 2022, the Group's gearing stands at 36.2% and interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months interest expenses is approximately 3.4 times and 3.1 times respectively.

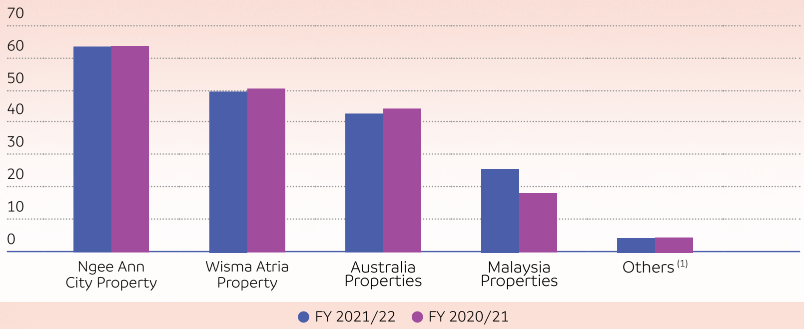
The Group's net asset value attributable to Unitholders as at 30 June 2022 was S$1,747.4 million (excluding perpetual securities holders' funds of S$99.6 million) (NAV per Unit of S$0.78), representing a decrease of S$43.1 million or 2.4%, compared to S$1,790.5 million (NAV per Unit of S$0.81) as at 30 June 2021.

CASH FLOW

Total net cash outflow (excluding effects of exchange rate differences) for FY 2021/22 was S$18.6 million, largely comprising cash outflow from financing activities of S$123.2 million and investing activities of S$19.7 million, partially offset by cash flows generated from operating activities of S$124.3 million. Cash outflow from financing activities comprised mainly repayment of borrowings and related costs, as well as distributions paid to Unitholders and perpetual securities holders, partially offset by proceeds from borrowings. The cash outflow from investing activities comprised mainly capital expenditure paid in relation to Myer Centre Adelaide, The Starhill's asset enhancement, as well as Wisma Atria Property's interior upgrading for FY 2021/22.

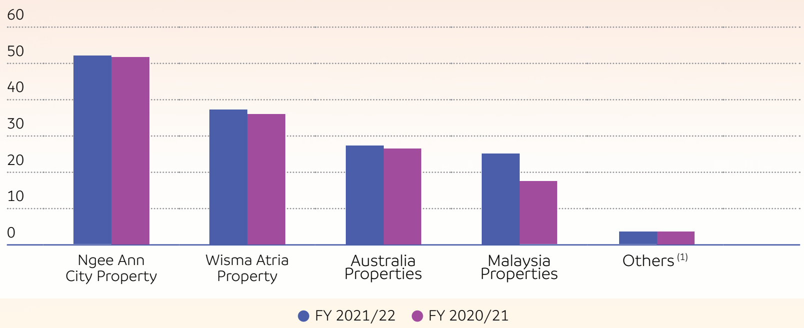
Gross Revenue
(S$ million)

	Ngee Ann City Property	Wisma Atria Property	Australia Properties	Malaysia Properties	Others [1]	Total
FY 2021/22	63.4 (34.0%)	49.9 (26.7%)	42.8 (22.9%)	25.8 (13.9%)	4.6 (2.5%)	**186.4** [4]
FY 2020/21	63.5 (35.0%)	50.5 (27.9%)	44.3 (24.4%)	18.3 (10.1%)	4.7 (2.6%)	**181.3**



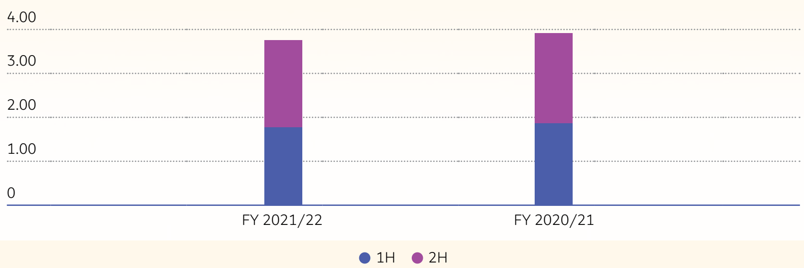
Net Property Income
(S$ million)

	Ngee Ann City Property	Wisma Atria Property	Australia Properties	Malaysia Properties	Others [1]	Total
FY 2021/22	51.9 (35.9%)	37.1 (25.6%)	27.2 (18.8%)	25.0 (17.3%)	3.5 (2.4%)	**144.7**
FY 2020/21	51.5 (38.2%)	35.9 (26.7%)	26.4 (19.6%)	17.4 (12.9%)	3.6 (2.6%)	**134.7** [4]

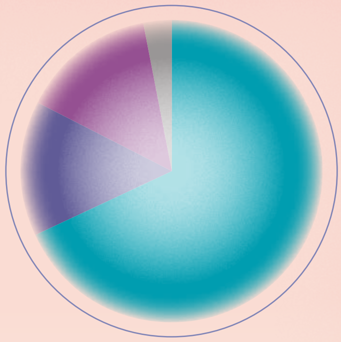


Distribution Per Unit
(cents)

	1H	2H	Total
FY 2021/22	1.78	2.02	**3.80** [3]
FY 2020/21	1.88 [2]	2.07 [2]	**3.95** [3]

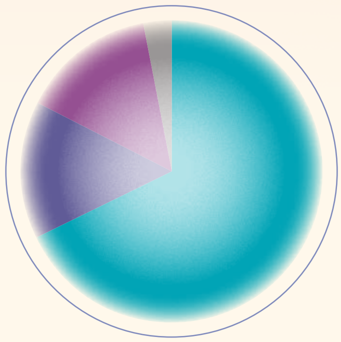


Asset Value by Country
(As at 30 Jun 2022)



Singapore	**68.1%**
Australia	**14.6%**
Malaysia	**14.5%**
Others [1]	**2.8%**

(As at 30 Jun 2021)



Singapore	67.8%
Australia	14.8%
Malaysia	14.4%
Others [1]	3.0%

Notes:

[1] Others comprise one property in Chengdu, China and two properties in Tokyo, Japan as at the reporting date.

[2] The reported numbers for FY 2020/21 comprise 1.88 cents per unit and 2.07 cents per unit for 1H FY 2020/21 and 2H FY 2020/21 respectively, which include the release of 0.14 cents per unit for 1H FY 2020/21 and 0.21 cents per unit for 2H FY 2020/21 of FY 2019/20's deferred distributable income.

[3] The computation of DPU for FY 2021/22 was based on number of units entitled to distributions comprising (i) 2,232,571,530 units for 1H FY 2021/22, and (ii) issued and issuable units of 2,240,430,617 for 2H FY 2021/22 (FY 2020/21: (i) 2,203,594,600 for 1H FY 2020/21, and (ii) 2,217,585,902 for 2H FY 2020/21).

[4] Total does not add up due to rounding.

Capital Management

PRUDENT CAPITAL MANAGEMENT TO OPTIMISE UNITHOLDERS' RETURNS

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

In September 2021, the Group issued S$125 million 7-year unsecured medium term notes (maturing in September 2028) under its S$2 billion Multicurrency Debt Issuance Programme. The net proceeds were used to prepay S$125 million of the existing outstanding S$240 million unsecured term loan, ahead of its maturity in September 2022.

In October 2021, the Group entered into a 3-year unsecured facility agreement for a committed revolving credit facility of S$50 million with RHB Bank Berhad (Singapore Branch), which was used to replace the existing S$50 million revolving credit facility line granted by the same bank from January 2022.

In December 2021 and April 2022, the Group entered into a 5.5-year and 5-year unsecured facility agreements for a term loan facility of S$60 million and S$50 million with Bank of China (Singapore Branch) and CIMB Bank Berhad (Singapore Branch) respectively. The term loan facilities were subsequently drawn down in full in March 2022 and June 2022 respectively, where the proceeds were used to refinance its remaining outstanding S$115 million term loan ahead of its maturity in September 2022.

As at 30 June 2022, Starhill Global REIT's outstanding debt stood at approximately S$1,085 million, and approximately S$2.3 billion (81%) of the Group's investment properties are unencumbered, enhancing its financial flexibility. As at 30 June 2022, the average debt maturity profile of Starhill Global REIT is approximately 3.5 years. The Group's gearing ratio remained stable at 36.2% as at 30 June 2022 and does not have debt refinancing requirement until May 2023. Additionally, the Group has sufficient long-term committed and undrawn revolving credit facility lines, which can be drawn down to fund its working capital requirements and to cover the remaining debts maturing in FY 2022/23. The Manager will continue to enhance its financial flexibility through prudent capital management.

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

INTEREST RATE RISK MANAGEMENT

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

As at 30 June 2022, Starhill Global REIT hedged about 93% of its debt by a combination of fixed rate debt and interest rate swaps. As at 30 June 2022, the weighted average interest rate was approximately 3.18% per annum and the interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months' interest expenses was 3.4 times and 3.1 times respectively. The Manager intends to continue to secure diversified funding sources from both financial institutions and capital markets when opportunities arise, and manage the replacement of its maturing interest rate swaps while keeping Starhill Global REIT's ongoing cost of debt competitive.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 30 June 2022, Starhill Global REIT is exposed to foreign exchange risk arising from its investments in Australia, Malaysia, Japan and China. The income generated from these investments and net assets are denominated in foreign currencies. In managing its currency risks associated with its foreign investments, Starhill Global REIT has adopted the following income and capital hedging strategies.

Income Hedging

Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 61% of its revenue for the year ended 30 June 2022, while the remaining 39% of its revenue is from the overseas assets. Starhill Global REIT actively monitors the exchange rates and assesses hedging on a case-by-case basis. The impact of the volatility in its two major foreign currencies, namely the Australian dollar and Malaysian ringgit on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign exchange forward contracts.

Capital Hedging

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

Debt Gearing and Other Highlights

As at 30 Jun 2022 (S$ million)

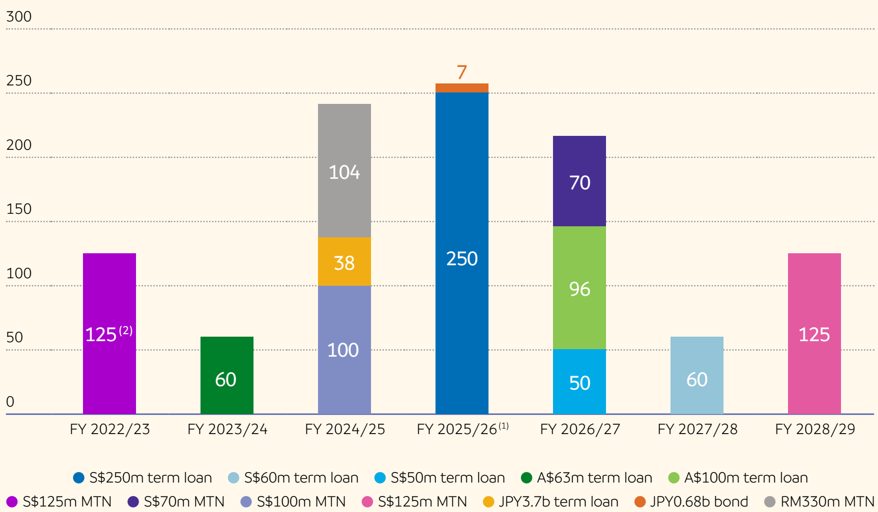
SGD term loans	S$360m
Australia term loans	S$156m
JPY term loan	S$38m
Singapore MTNs	S$420m
Malaysia MTN	S$104m
Japan bond	S$7m
Total Debt	**S$1,085m**
Perpetual securities [1]	S$100m
Gearing ratio [2]	36.2%
Fixed/hedged debt ratio [3]	93%
Unencumbered assets ratio	81%
Interest coverage ratio [4]	3.4x
Adjusted interest coverage ratio [5]	3.1x
Weighted average interest rate per annum [6]	3.18%
Starhill Global REIT corporate rating by Fitch Ratings	BBB/Stable outlook

Notes:

(1) Classified as equity instruments.
(2) Based on consolidated deposited property.
(3) Including interest rate swaps.
(4) Interest coverage ratio computed based on 12 months' trailing interest expenses as at 30 June 2022.
(5) The adjusted interest cover ratio takes into account the distribution on perpetual securities as at 30 June 2022.
(6) As at 30 June 2022. Includes interest rate derivatives but excludes upfront costs.

Debt Maturity Profile

As at 30 Jun 2022 (S$ million)



Notes:

(1) Excludes S$100 million perpetual securities (classified as equity instruments) issued in December 2020 at a fixed rate of 3.85% per annum, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter.
(2) The Group has available long-term committed and undrawn revolving credit facility lines, which is in excess of the maturing S$125 million medium term notes due in May 2023.

Risk Management

The Manager has put in place an enterprise risk management framework for Starhill Global REIT, comprising procedures and protocols to identify and initiate mitigation of enterprise risks which may arise in the management and operations of Starhill Global REIT, particularly in the areas of asset acquisitions, asset integration, financial risk management, and health and safety. To address each of these areas, the Manager has adopted policies and/or hired or designated staff with specific expertise in that area, and continues to assess the potential impact of risks which may arise and the necessary response or process to effectively mitigate those risks.

1. ASSET ACQUISITION PROCESS

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

2. ASSET INTEGRATION PROCESS

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

3. HEALTH AND SAFETY

Standard operating procedures for fire safety practices have been put in place and appropriate insurances for the properties are procured. Renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. In addition, the internal auditor reviews periodically the operating effectiveness of key controls over the fire safety arrangements of key assets. For more information on customer health and safety, please refer to pages 76 to 77 of this Annual Report.

4. FINANCIAL RISK MANAGEMENT POLICY

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

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

Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and Starhill Global REIT's activities. The policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process.

For more information on financial risk management, please refer to pages 164 to 173 of this Annual Report.

5. BUSINESS CONTINUITY PLANNING

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

6. OPERATIONAL RISK SELF ASSESSMENTS (ORSA)

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

7. RISK REPORTING

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

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

8. FRAUD RISKS

The Manager also has in place a Code of Business Ethics, Anti-Corruption Policy and Fraud Policy to guide the ethical conduct of its employees including guidelines on accepting gratuities and gifts, prevent and detect corruption and bribery and set the expectation for employees to act with honesty and integrity and to report all instances of suspected fraud. Any breach of these policies or code may result in disciplinary action including dismissal or termination of the employment contract. The Manager has established a whistleblowing policy for employees and any other persons to raise concerns and potential or actual improprieties in financial or other operational matters. The Manager conducted an independent review of its anti-corruption and business ethics processes during FY 2021/22.

Investors Relations and Communications

Starhill Global REIT keep Unitholders and the financial community abreast of its latest developments and strategic direction through equitable, timely and effective communication. The Manager employs various communication channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments. The Manager actively engages investors and analysts through regular meetings, property tours and attending conferences throughout the year. In FY 2021/22, the Manager participated in four virtual investor conferences. In total, the Manager conducted 232 investor meetings in the financial year.

As at 30 June 2022, Starhill Global REIT is covered by a total of seven research firms. Starhill Global REIT is a component stock of FTSE All-Share ST Real Estate Investment Trusts Index, FTSE ST All-Share Real Estate Index, as well as at the FTSE EPRA Nareit Global Developed Index. The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It is committed to sharing accurate information with the investing public in a timely manner.

FY 2021/22 INVESTOR RELATIONS ACTIVITIES

1Q FY 2021/22 (1 Jul 2021 to 30 Sep 2021)	• Release of financial results for FY 2020/21 • Release of Annual Report for FY 2020/21 • Release of the Sustainability Report for FY 2020/21 • Citi-SGX-REITAS REITs/Sponsors Virtual Forum
2Q FY 2021/22 (1 Oct 2021 to 31 Dec 2021)	• Release of 1Q FY 2021/22 business updates • Virtual Annual General Meeting • J.P. Morgan's APAC Virtual Retail Panel
3Q FY 2021/22 (1 Jan 2022 to 31 Mar 2022)	• Release of 1H FY 2021/22 financial results • Virtual S-REITs Corporate Day for Korean Investors
4Q FY 2021/22 (1 Apr 2022 to 30 Jun 2022)	• Release of 3Q FY 2021/22 business updates • DBS Virtual Property Conference

RESEARCH COVERAGE

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

UNITHOLDERS' ENQUIRIES

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

THE MANAGER

YTL Starhill Global REIT Management Limited
391B Orchard Road
#24-03 Ngee Ann City Tower B
Singapore 238874
Phone :+65 6835 8633
Fax :+65 6835 8644
Email :info@ytlstarhill.com
Website: www.starhillglobalreit.com

THE UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone :+65 6536 5355
Fax :+65 6438 8710
Website: www.boardroomlimited.com

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

UNITHOLDER DEPOSITORY

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

Sustainability Report

Sustainability Report Contents

Contact

We welcome feedback, suggestions and questions from our stakeholders about this report. Please direct any questions or comments to:

Investor Relations and Corporate Communications

JONATHAN KUAH
YTL Starhill Global REIT Management Limited

391B Orchard Road,
#24-03 Ngee Ann City
Tower B, Singapore 238874

Phone : +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

ABOUT THIS REPORT

This is the sixth annual sustainability report by Starhill Global Real Estate Investment Trust (SGREIT). The report covers the environmental, social and governance (ESG) performance of our operations from 1 July 2021 to 30 June 2022 (FY 2021/22) unless stated otherwise. This report forms part of SGREIT's FY 2021/22 Annual Report.

Reporting Standards

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

This report also refers to the Sustainability Accounting Standards Board's (SASB) Real Estate Sector Standards for its focus on financially material ESG issues. As part of our work to implement the Monetary Authority of Singapore's (MAS) Guidelines on Environmental Risk Management for Asset Managers (MAS ERM Guidelines) this report includes an environmental risk management report based on the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations. Finally, we continue to highlight our alignment with the UN Sustainable Development Goals (SDGs) in the report.

Reporting Principles

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

Scope and Boundary

The report provides an overview of the ESG performance of SGREIT's assets across its portfolio of properties in Singapore, Malaysia, Australia, Japan and China. Environmental performance in relation to energy and water consumption is reported only for the common areas within SGREIT's properties which are actively managed by the property managers, and where the Manager can monitor and influence the efficiency of utilities. For the Japan Properties, Daikanyama was excluded as the size of the area within SGREIT's operational control was determined to be not material.

For waste data, both tenants' consumption and common area data for Wisma Atria and Myer Centre Adelaide are included in this report. The data on waste for Singapore encompasses the Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which SGREIT owns and Isetan's own strata space.

The Product Responsibility and Human Capital performance disclosures relate only to the Manager in Singapore. The workforce data refers to the employees of the Manager in Singapore.

Restatements

GHG emissions and all intensity-related data for FY 2019/20 and FY 2020/21 for the Australia Properties have been restated using South Australia and Western Australia (SWIS) emission factors, and revised floor areas for Myer Centre Adelaide and David Jones Building. For the Wisma Atria Property, electricity, water and intensity-related data have been restated to include only SGREIT's strata ownership area as well as the equity interest for the common area. Data for FY 2020/21 in the SASB Index have also been restated to include Ebisu Fort.

External Assurance

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

BOARD STATEMENT

The Board is committed to maintaining high standards of governance, ethics, integrity and sustainability. The Board is responsible for determining SGREIT's most material ESG factors, including climate-related risks and opportunities. In determining the ESG priorities, the Board considers the interests and concerns of key stakeholders. The Board has considered sustainability issues in SGREIT's business and strategy. Through periodic reviews, the Board oversees the management and implementation of material ESG factors. The Board also reviews and approves the sustainability reports.

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

Board Message

This report provides an account of the ESG performance of our portfolio properties for FY 2021/22. In addition to existing sustainability standards and frameworks, including SASB Real Estate Standards, and the UN SDGs, we have incorporated TCFD Recommendations in this year's report. Disclosures aligned with these standards and frameworks guide us in meeting the information needs of our diverse stakeholders. We have also begun implementing the MAS ERM Guidelines issued by MAS in December 2020. The MAS guidelines aim to assist asset managers in evaluating and managing the potential environmental risks such as climate change, loss of biodiversity, pollution and changes in land use. We follow the MAS ERM Guidelines to help us assess and mitigate environmental risks in managing our current portfolio as well as in our research and portfolio management processes.

This report includes a TCFD Report that describes how we assess and manage climate-related risks and opportunities.

As with the previous year's report, we have refined our previously disclosed sustainability targets and timelines to include short-term goals while maintaining long-term aspirations. This helps us provide a more specific account of significant ESG targets, metrics and performance.

Sustainability Report

PERFORMANCE SUMMARY

SUSTAINABILITY PERFORMANCE DATA

Material ESG Factors	Measurement Unit	FY 2019/20	FY 2020/21	FY 2021/22
ENVIRONMENTAL[1]				
Energy[2]				
Electricity Consumption				
Total	MWh	8,424	8,290	8,241
Singapore	MWh	3,811	3,895	4,073
Australia	MWh	4,540	4,328	4,120
Japan	MWh	73	67	48
Fuel Consumption				
Total	GJ	0	29	0
Singapore	GJ	No data	29	0
Australia	GJ	0	0	0
Japan	GJ	No data	No data	No data
Total Energy Consumption				
Total	GJ	30,326	29,873	29,669
Singapore	GJ	13,720	14,052	14,663
Australia	GJ	16,344	15,581	14,832
Japan	GJ	262	240	174
Energy (Electricity) Intensity				
Total	kWh/m^2	135	133	130
Singapore	kWh/m^2	198	202	211
Australia	kWh/m^2	108	103	96
Japan	kWh/m^2	83	76	55
GHG Emissions[3][4]				
Direct (Scope 1) GHG Emissions				
Total	tonnes CO_2e	Not reported	309	0
Singapore	tonnes CO_2e	Not reported	309	0
Australia	tonnes CO_2e	Not reported	0	0
Japan	tonnes CO_2e	Not reported	No data	No data
Energy Indirect (Scope 2) GHG Emissions				
Total	tonnes CO_2e	3,211	3,164	3,152
Singapore	tonnes CO_2e	1,557	1,591	1,662
Australia	tonnes CO_2e	1,620	1,542	1,467
Japan	tonnes CO_2e	34	31	23
Total GHG Emissions				
Total	tonnes CO_2e	3,211	3,473	3,152
Singapore	tonnes CO_2e	1,557	1,900	1,662
Australia	tonnes CO_2e	1,620	1,542	1,467
Japan	tonnes CO_2e	34	31	23
GHG Emissions Intensity				
Total	$kgCO_2e/m^2$	52	56	50
Singapore	$kgCO_2e/m^2$	81	99	86
Australia	$kgCO_2e/m^2$	38	37	34
Japan	$kgCO_2e/m^2$	38	35	26
Water				
Water Withdrawal				
Total	ML	83	70	62
Singapore	ML	66	55	47
Australia	ML	17	15	15
Japan	ML	0.044	0.056	0.084
Water Intensity				
Total	m^3/m^2	1.40	1.17	1.03
Singapore	m^3/m^2	3.42	2.84	2.43
Australia	m^3/m^2	0.44	0.38	0.38
Japan	m^3/m^2	0.05	0.06	0.10

SUSTAINABILITY PERFORMANCE DATA

Material ESG Factors	Measurement Unit	FY 2019/20	FY 2020/21	FY 2021/22
ENVIRONMENTAL [1]				
Waste [5]				
Waste Generated (Non-hazardous)				
Total	metric tons	1,564	1,486	1,441
Singapore	metric tons	1,236	1,093	1,141
Australia - MCA only	metric tons	328	393	300
Japan	metric tons	no data	no data	no data
Total Recycled Waste				
Total	metric tons	106	115	131
Singapore	metric tons	13	26	45
Australia - MCA only	metric tons	93	89	86
Japan	metric tons	no data	no data	no data
Non-compliance with Environmental Regulations				
Number of incident of non-compliance	Number	0	0	0
SOCIAL				
Occupational Health & Safety (Employees)				
Fatalities	Number, rate (%)	0	0	0
High-consequences work-related injuries (excluding fatalities)	Number, rate (%)	0	0	0
Non-fatal workplace injuries	Number, rate (%)	0	0	0
Occupational Disease	Number, rate (%)	0	0	0
Number of manhours worked	Number, rate (%)	62,400	64,120	61,360
Public, Tenants and Visitors Safety				
Number of incidents involving public, tenants and visitors	Number, rate	0	0	0
Non-Compliance with Health and Safety Regulations				
Number of incident of non-compliance	Number, rate	0	0	0
Employees				
Permanent employees	Number	30	31	30
Temporary employees	Number	0	0	0
Non-guaranteed hours employees	Number	0	0	0
Full-time employees	Number	30	30	29
Part-time employees	Number	0	1	1
Rate of new hires	%	10	10	20
Employee turnover rate	%	7	6	23
Female employees	%	60	58	60
Female managers	%	64	64	58
Female Senior Management	%	29	25	50
Average training hours per employee (full-time)	hrs	20.9	27.2	34.7

Notes:

1. Scope of data reporting covers Wisma Atria Property (Singapore), Myer Centre Adelaide (Australia) , David Jones Building (Australia), Plaza Arcade (Australia) and Ebisu Fort (Japan). With the exception of waste data, which covers both tenants' consumption and common areas, all environmental data refers to common area consumption only.
2. Energy refers to purchased electricity, and in FY 2020/21, fuel (diesel) consumption was added.
3. SGREIT started reporting Direct (Scope 1) GHG Emissions since FY 2020/21. Scope 1 emissions include emissions from fuel (diesel) from stationary combustion sources and fugitive emissions from refrigerants. Energy indirect (Scope 2) GHG emissions refers to purchased electricty.
4. GHG emissions calculations are based on the Greenhouse Gas (GHG) Protocol. Gases included in calculation include CO_2, CH_4 and N_2O. Emission factors from IPCC 2006 and GWP values from 2014 IPCC Fifth Assessment Report were used to derive Scope 1 emissions. Scope 2 emissions were calculated using the location-based method, with grid emission factors from the Singapore Energy Market Authority (EMA) and Australia Department of Industry, Science, Energy and Resources.
5. Waste data reported for Australia covers Myer Centre Adelaide only. Waste from Plaza Arcade and David Jones Building is collected by the City of Perth.

Sustainability Report

STAKEHOLDERS

We prioritise engagement with our stakeholders – those affected by our operations or those who can affect our business goals and objectives. Our stakeholders include tenants, investors, shoppers, employees, governments and regulators, suppliers and contractors and the local communities in which we operate. Regular engagement with these stakeholders helps us understand their needs and effectively address their concerns. An overview of our stakeholder engagement is presented in the following table.

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

Embracing the Marketplace

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

Environmental Conservation

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

Empowering Our People

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

Enriching Our Communities

- Helping Local Communities

Membership of Associations

We actively engage with industry associations to stay abreast of the latest trends and address common challenges. Our member representations in strategic associations also provide valuable insights for our materiality assessment.

Our memberships include the following:

- REIT Association of Singapore
- Investor Relations Professionals Association (Singapore)
- Orchard Road Business Association
- Bukit Bintang Kuala Lumpur City Centre (BBKLCC) Tourism Association

Engaging External Stakeholders

Along with our engagement with industry associations, we regularly engage with government agencies and regulators, including the Building and Construction Authority (BCA), the MAS, Singapore Exchange Limited (SGX) and the Urban Redevelopment Authority of Singapore. In Australia, the Centre Manager of Myer Centre Adelaide serves as the primary contact for the Adelaide City Council. In addition, Myer Centre Adelaide is associated with the Rundle Mall Management Authority, which focuses on promoting the Rundle Mall precinct.

MATERIALITY

Our sustainability report focuses on our performance on our most material ESG topics. Our ongoing engagement with external stakeholders helps us consider their expectations and concerns while prioritising material issues for reporting. In addition, we periodically review our material topics in line with new developments in sustainability and emerging stakeholder expectations.

In FY 2020/21, we updated our material topics list to include greenhouse gas emissions, environmental compliance and anti-corruption. These remain material topics for FY 2021/22. We have also expanded the number of disclosures for existing material topics to provide more comprehensive information to our stakeholders.

Over the years, we have used GRI's materiality principle to identify, evaluate and prioritise topics that reflect the most significant impacts of our operations and the issues that are of interest to our primary stakeholders. We also used SASB Real Estate Standards to guide our materiality assessment. The SASB Standards are sector-specific and focus on financially material sustainability issues. Additionally, we have considered broader sustainability trends, reporting by peers, the UN SDGs and the MAS ERM Guidelines to strengthen our materiality assessment.

Sustainability Report

Supporting the UN SDGs

The material topics table highlights the seven SDGs to which our material topics align, reflecting our contribution to sustainable development. The UN SDGs were adopted by the international community in 2015 to provide a clear roadmap for addressing a range of global economic, social and environmental challenges by 2030. We are committed to contributing to sustainable development through minimising our operations' environmental impact, promoting responsible business practices and upholding high standards of governance and ethics.

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

Material Topic	Impact Boundary	Management Approach	SDGs Supported
ENVIRONMENTAL			
Energy	Consumption in portfolio properties	Minimise energy consumption by implementing building energy efficiency measures, promote clean energy adoption	7 AFFORDABLE AND CLEAN ENERGY
Water	Primarily for cleaning, sanitation and air-conditioning in portfolio properties	Save and conserve water by implementing building water efficiency measures	6 CLEAN WATER AND SANITATION
GHG Emissions and Climate Change	From purchased electricity and other energy sources	Reduce portfolio carbon emissions, assess and mitigate climate-related risks	13 CLIMATE ACTION
SOCIAL			
Occupational Health and Safety	Property management, operations and maintenance involving employees and contractors	Assess health and safety risks and take preventive measures for risk mitigation aimed at having a zero-accident workplace	8 DECENT WORK AND ECONOMIC GROWTH
Training	Reflected in skills and knowledge of REIT Manager's employees	Promote a fair and inclusive workplace to nurture a high-performing workforce	4 QUALITY EDUCATION
Customer Health and Safety	Tenants, occupants and visitors at our portfolio properties	Promote safety, hygiene and cleanliness across our properties to offer a safe, clean and pleasant environment for tenants, occupants and visitors	8 DECENT WORK AND ECONOMIC GROWTH
Customer Privacy	Information management systems across our portfolio properties	Implement IT security and data protection measures to protect personal information	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
GOVERNANCE			
Anti-corruption	REIT management and property management	Maintain a zero-tolerance approach against corruption, bribery and fraud	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Regulatory Compliance	REIT management and property management	Implement policies and procedures to ensure compliance with applicable regulations, including environmental, health and safety and socio-economic laws	

Embracing the Marketplace

Our Approach

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

RESPONSIBLE BUSINESS AND SUSTAINABLE GROWTH

We deliver profitable and sustainable growth by operating responsibly and upholding high standards of governance, ethics, compliance and risk management.

Corporate Governance

The Manager is dedicated to applying the highest standards of corporate governance in the management of SGREIT and adhering (with deviations explained) to the Code of Corporate Governance 2018 (the Code) – a comprehensive set of policies and principles to ensure transparency and accountability.

For more details on SGREIT's Corporate Governance, please refer to pages 96 to 116 of this Annual Report.

ESG Governance

Sustainability issues are integrated into our central corporate governance. The Board has overall responsibility and oversight over the management of sustainability issues and sustainability reporting. In particular, the Audit Committee (AC) is responsible for sustainability issues, including climate-related risks and opportunities. The AC regularly updates the Board on the progress on sustainability issues.

The Manager continues to be responsible for implementing sustainability strategies approved by the Board. A Sustainability Management Council (SMC), led by the Chief Executive Officer and comprising a multi-disciplinary team, implements and monitors sustainability strategies. This includes managing environmental risks and opportunities across the property portfolio. The SMC reports to the AC, and assists the Board in identifying the material ESG factors that also include environmental and climate-related risks and opportunities concerning the portfolio properties. In addition, the respective project teams support the SMC by collecting property-level ESG performance data for review by the Manager and the Board.

Risk Management

The Audit Committee and the Board regularly review SGREIT's significant risk exposure, including operational, financial, business continuity, regulatory and environmental sustainability. A comprehensive Enterprise Risk Management (ERM) framework (Figure 1), supported by Board-approved policies, has been implemented to take a structured approach to identify and manage material risks that could arise in managing SGREIT. In addition, an Operational Risk Self-Assessment (ORSA) has been established to ensure risks are assessed and reviewed at least on an annual basis.

For more details on risk management, please refer to page 66 of this Annual Report.

Environmental Risk Management

This year, in alignment with the MAS ERM Guidelines, the Environmental Risk Management Framework has also been implemented to supplement the overall framework. During the current reporting period, we conducted our first environmental risk scenario analysis which identified physical and transition risks relating to our portfolio properties. We continue to refine our approach and consider environmental risks such as climate change, emissions, water, biodiversity and changes in land use in the management and enhancement of existing assets as well as in potential acquisitions and divestments.

Figure 1

Anti-Corruption

We maintain a zero-tolerance policy against corruption, bribery and fraud. We have a clear anti-corruption policy that all employees are required to comply with. All employees are required to attend annual compliance training which includes anti-corruption and ethics topics to reinforce ethical conduct in all business dealings. The compliance training in FY 2021/22 included:

- Anti-Corruption
- Code of Conduct
- Conflict of Interests
- Related Party Transactions
- Personal Trading
- Gifts and Entertainment
- Whistleblowing
- Personal Data Protection
- Crisis Management and Data Breach Management Procedures

Virtual compliance training was completed by all employees, including the CEO, who is also a Board member, in FY 2021/22.

The Manager conducted an independent review of its anti-corruption and business ethics processes during FY 2021/22.

A whistleblowing policy has been established to provide a secure channel for employees and other persons to report potential or actual improprieties in financial and operational matters. Whistle-blowers' identities are protected unless the situation requires identities to be revealed to facilitate independent investigations for appropriate remedial and follow-up actions. Complaints can be made verbally or in writing to **whistleblowing@ytlstarhill.com**.

For more details on whistleblowing, please refer to page 107 of this Annual Report.

Target and Performance

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

Customer Health and Safety

The health and safety of our tenants, shoppers and visitors remain one of the highest priorities for the Manager. Standard operating procedures for safety and hygiene are in place across all of our properties to mitigate risk and deal with emergencies. Safety and hygiene measures complying with local regulations have been implemented across all of our properties and include fire safety (in line with local building fire safety regulations), first aid, safety training, emergency evacuation drills and preventive maintenance of lifts and escalators.

Our properties are equipped with fire-fighting equipment such as fire hoses, fire extinguishers, illuminated exit signage and fire alarms. In addition, periodic fire safety audits are conducted to test the equipment and systems. Fire and evacuation drills are conducted at least once a year for the malls and office towers in the Singapore and Australia Properties to familiarise tenants and staff with emergency response plans.

In Australia, emergency procedures training is provided to all Myer Centre Adelaide CBRE staff, and an external consultant carries out an annual inspection of fire and emergency controls for compliance. In Malaysia, tenants, management staff, security and fire wardens work together with the Fire and Rescue Department of Malaysia to conduct mock fire drills. Property management teams in Singapore are trained in first aid, and at Wisma Atria in Singapore, ground staff such as security officers, property officers or mall technicians have been trained to respond to incidents within a reasonable and practicable time frame. Procedures have been established for the ground staff to update the Operations team promptly through any available communication means such as WhatsApp messages or telephone calls. Incidents involving any business disruption, property loss, or loss of life are immediately escalated to the Management team. As a standard practice, the Operations team is required to submit an incident report within 24 hours of its occurrence.

In Australia, in the event of an emergency, the property manager will adhere to the Emergency Communication Flow Chart, whereby the fire command centre and security personnel will be alerted, followed by the property manager, who then inform the Manager. Myer Centre Adelaide also hosts the monthly Adelaide CBD BusinessWatch meetings where the various security divisions at South Australia Police Division and representatives from major organisations discuss security, safety, threats and risks related issues. The ongoing engagement enables a strong working relationship between the central management and South Australia Police Division. In FY 2021/22, the meetings were suspended due to COVID-19 restrictions.

CUSTOMER HEALTH AND SAFETY
FY 2021/22 Target & Performance
Achieved FY 2021/22 target of zero accidents involving severe injuries within our properties
FY 2022/23 Target
Zero accidents involving severe injuries within our properties

Through various policies, the Manager monitors the renewals of required certificates and permits or inspections for fire safety, lifts and escalators. In Singapore, the Code of Practice includes these requirements. In Australia, lift maintenance is carried out monthly at Myer Centre Adelaide and an annual safety test is carried out on each lift. The maintenance of elevators within the David Jones department store is carried out by the tenant.

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

In FY 2021/22, no significant incidents of non-compliance with regulations or voluntary codes relating to customer health and safety occurred on the premises of our properties.

HEALTH & SAFETY

Zero
Reported
Major Incidents

of non-compliance with regulations and/or voluntary codes relating to customer health & safety occurring on the premises of our properties.

COVID-19 Measures

Throughout the COVID-19 pandemic, the Manager has implemented enhanced measures to safeguard the health of our tenants and shoppers. Working closely with local regulators and stakeholders, the Manager has constantly calibrated its safe management measures to minimise the risk of infections.

Examples of the measures at various properties are described below.

Singapore
- Installation of the air cleaning system equipped with photo-catalytic oxidation (PCO) capabilities and ultraviolet wavelength (UVC) in the air handling units (AHUs) of retail and office assets that reduces mould and viruses in the AHUs' filters. Each AHU's filters are also being replaced regularly
- Purging of indoor air of the building is conducted every night to allow an intake of outdoor air
- Equipping all sliding doors with auto-sensor capabilities for contactless entry
- Application of antivirus, antimicrobial and antifungal coating sprays onto high-touch points such as lift buttons and escalator handrails, railings, taxi stand seats, and door handles
- Disinfection by Autonomous UVC Disinfection Robot: the autonomous disinfection robot is deployed during non-operational hours for thorough cleaning of surfaces, especially hard-to-reach surfaces at common circulation areas
- Increased cleaning and disinfection frequency to create a safe environment for the community
- Plans to install contactless elevator buttons in Wisma Atria (Retail) as part of the ongoing interior upgrading works

Australia
- **Myer Centre Adelaide:**
  - Installation of perspex screens at the Customer Service Desk
  - Increased cleaning of high traffic and high-touch points
  - Installation of hand sanitiser stations near all amenities, the food court and adjacent to store directories
  - Protective equipment and sanitisers or wipes for the staff
- **Plaza Arcade:**
  - Placing hand sanitisers around the mall for tenants, customers and staff

Sustainability Report

Customer Privacy

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

There were no substantiated complaints concerning breaches of customer privacy in the reported period.

CUSTOMER PRIVACY AND DATA PROTECTION
FY 2021/22 Target & Performance
Achieved FY 2021/22 target of zero incidents of personal data breaches
FY 2022/23 Target
Zero incidents of personal data breaches

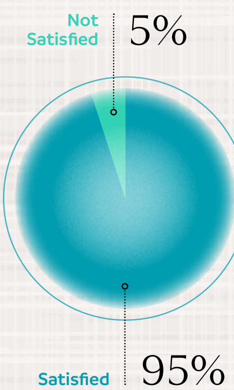
Tenant Satisfaction

We proactively engage with our tenants and seek their feedback to improve their overall experience. Annual tenant surveys are conducted to gather feedback on topics such as tenant management services, building security and building maintenance. The survey results help us to identify potential gaps and areas of improvement and determine the appropriate follow-up actions. Our tenant survey score for FY 2021/22 indicates a high level of satisfaction among our tenants.

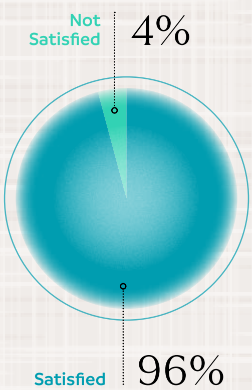
56.6%

of relevant tenants responded to the survey

Retail Tenants



Office Tenants



Tenant Support amid COVID-19

We continued to support our tenants in FY 2021/22 by proactively implementing various initiatives to boost shopper traffic at Wisma Atria. For example, the mall held monthly lucky draws, leveraging on our social media presence. We purchased vouchers in excess of S$200,000 from tenants for this project, which was well-received. Amid dining-in restrictions, we also held a campaign to offer customers S$5 off all F&B orders placed through the Grab Food platform, to help tenants pivot from conventional dining-in to takeaway sales.

In FY 2021/22, approximately S$4.9 million of rental assistance for eligible tenants was provided, including allowance for rental arrears and rebates for the tenants in Australia.

Unitholder Communications

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

Supply Chain

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

Socio-economic Compliance

We are committed to complying with applicable rules and regulations in all aspects of our operations.

SOCIO-ECONOMIC COMPLIANCE
FY 2021/22 Target & Performance
Achieved FY 2021/22 target of zero incidents of significant non-compliance with socio-economic regulations
FY 2022/23 Target
Zero incidents of significant non-compliance with socio-economic regulations

Environmental Conservation

Our Approach

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

ENVIRONMENTAL RESPONSIBILITY

We are committed to minimising the environmental footprint of our portfolio properties, mitigating climate-related risks and maximising opportunities associated with our properties.

In line with our recent materiality review carried out in FY 2021/22, we focus on improving energy efficiency, reducing carbon emissions, and ensuring responsible water consumption and waste management. We also track and report energy, emissions, and water data for the properties within our operational control.

The green efforts of the Manager and Property Manager's offices in Singapore were re-certified by Project Eco-Office for an additional two years starting in May 2021.

Green Building Certification

To demonstrate our commitment to our sustainability drive, we have set a target to achieve Green Building Certifications for at least 50% of our portfolio by Net Lettable Area (NLA) from a current 21% by 2030 by applying for green certifications for Myer Centre Adelaide (Retail) and Lot 10. This is in line with previous targets of achieving a green building certification for Myer Centre Adelaide (Retail) between 2027 and 2029.

In August 2022, we successfully obtained the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Rating (Rank S) for Ebisu Fort in Japan.

Having completed the gap analysis in FY 2021/22 for Wisma Atria, we continue our discussions with our subsidiary proprietor on next steps for implementation.

In addition to the aforementioned assets, for FY 2022/23 we target to obtain a Leadership in Energy and Environmental Design (LEED) certification for the China Property.

In Australia, we have completed the gap analysis for achieving a NABERS Energy rating for Myer Centre Adelaide (Retail) and enhancement works have been planned. For both the retail and office components at Myer Centre Adelaide, we are currently conducting a gap analysis to achieve the NABERS Water Rating. In Malaysia, gap analysis for Lot 10 has been completed for GBI Certification and enhancement works have been planned.

Energy Efficiency

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

Targets and Performance

In Singapore, we have achieved our FY 2021/22 target of renewing the Green Mark for Ngee Ann City. Gap analysis for achieving Green Building status for Wisma Atria has been completed. In FY 2016/17, a target was set to achieve a 15% reduction in energy consumption over 10 years for the Wisma Atria Property. As at FY 2021/22, we have achieved a 7.4% reduction from FY 2016/17 levels.

Sustainable Certification of Our Properties

Certification	Description of Awards / Certification / Ratings / Labelling Schemes	Property	Year of Award
NABERS Energy Base Building – 4.5-star rating	A national rating system that measures the environmental performance of Australian buildings, tenancies and homes.	Myer Centre Adelaide (Terrace Towers), Australia	2021
BCA Green Mark Platinum Award	A national initiative by the Building and Construction Authority (BCA) to shape a more environmentally friendly and sustainable built environment in Singapore.	Ngee Ann City	2022
CASBEE Certification: Rank S	A method for evaluating and rating the environmental performance of buildings and the built environment, which is recognised by Japan's Institute for Building Environment and Energy Conservation.	Ebisu Fort	2022

Sustainability Report

In FY 2021/22, we have implemented several initiatives to reduce energy consumption in our properties. For example, the lights at Wisma Atria's common spaces have been upgraded with more efficient LED lights to improve energy consumption. Electricity consumption at the Wisma Atria Property increased by 4.6% y-o-y, mainly due to a lower base in FY 2020/21 owing to reduced consumption during the COVID-19 pandemic as well as renovation works.

For FY 2022/23, we also set an additional target of upgrading our bubble lifts, to increase overall efficiency. We also continue the process of including green recommendations into our tenant fit-out guidelines in the medium term.

For the Ngee Ann City Property, we target to explore the implementation of Green Leases for new tenants within the office towers and level five retail in FY 2022/23.

In Australia, we have established an improved Building Management System as targeted, and completed the gap analysis for achieving a NABERS Energy rating for Myer Centre Adelaide (Retail). We have met the target and replaced 30% of the lights at Myer Centre Adelaide with energy efficient LED lights in FY 2021/22. We continue to pursue the mid-term target of replacing 100% of conventional lighting with LED lights. To meet this goal, we have also set a near-term goal of replacing a further 30% of lights with energy efficient LED lights by FY 2022/23.

Two sets of escalators at Myer Centre Adelaide have been upgraded with an energy-saving mode, which consumes less electricity. The end-of-trip facilities comprising about 40 bicycle racks and lockers and shower facilities have been upgraded and expanded with the installation of sensor lighting and a timed exhaust system, which is activated only when required.

We continue to stipulate in our fit-out guidelines for tenants of Myer Centre Adelaide that only LED fittings would be approved at the design stage, to encourage energy conservation.

In line with our FY 2021/22 target, the Building Management System (BMS) at Myer Centre Adelaide has been upgraded. The new BMS enables improved, integrated control of air-conditioning, mechanical and electrical systems, and has multiple platforms to improve power usage monitoring throughout the Centre. Additionally, all pumps now operate on variable speed drives, providing power savings. BMS operating schedules have been refined to optimise lighting, air conditioning and heating costs. In another improvement initiative, Variable Speed Drives have been installed to reduce motor run time and enhance energy efficiencies.

At Plaza Arcade, we target to encourage the use of LED lights for new and renewing tenants in our fit-out guidelines.

For FY 2021/22, the electricity consumption for the Australia Properties fell by 4.8% y-o-y, mainly due to more energy-efficient lighting fixtures, refined BMS operating schedules and more energy-efficient elevators in Myer Centre Adelaide.

This year, we have also included data for the common areas within Ebisu Fort. On a y-o-y basis, electricity consumption at Ebisu Fort fell 27.4%, due to decreased activity in the building mainly due to remote working arrangements.

In Malaysia, the replacement of air conditioning fittings including the chiller, cooling towers and AHU at The Starhill was completed in December 2021 as part of the Asset Enhancement Works (AEW). In addition, the master tenant requires that incoming tenants use LED lights in their fit-out or renovation works.

Overall, on a portfolio level, electricity consumption in FY 2021/22 fell by 0.6% y-o-y.

Climate Change

The 2021 Global Status Report for Buildings and Construction states that significantly reducing greenhouse gas emissions from the buildings sector on the global level is critical for reaching the Paris Agreement goals. According to the report, buildings accounted for 36% of global energy demand and 37% of energy-related CO_2 emissions in 2020. Furthermore, the International Energy Agency (IEA) estimates that direct building CO_2 emissions would need to decrease by 50% to be on track to achieving a net-zero carbon building stock by 2050. Therefore, the decarbonisation of the real estate sector is critical in the fight against climate change.

We are committed to managing climate-related risks and opportunities for our portfolio to develop a coherent strategy to stay relevant in a net-zero world. In doing so, we are guided by the MAS ERM Guidelines and the TCFD Recommendations. Our progress so far is described in the following TCFD Report.

TCFD Report

TCFD is a globally recognised framework for organisations to report transparently about climate-related risks and opportunities. TCFD disclosures help investors, and financial stakeholders understand how well the organisation is preparing itself for a low emissions economy.

The TCFD recommendations comprise 11 disclosures in four thematic areas: Governance, Strategy, Risk Management and Metrics and Targets. We have followed the TCFD guidance as well as the MAS ERM Guidelines to prepare our report below.

GOVERNANCE

Board Oversight

The Board is responsible for SGREIT's sustainability strategy, including managing climate-related risks and opportunities, material ESG issues, targets and performance and reporting. The Board regularly reviews the REIT's ESG performance, including managing climate-related environmental risks and opportunities.

To ensure sufficient oversight over the ESG issues, the Board has delegated responsibility to the Audit Committee. The Audit Committee reviews and makes recommendations to the Board on environmental risk management framework and policy; statement of the Board to be provided in the sustainability report; sustainability report; and reports received on internal reviews and/or external assurance.

The Board approves an Environmental Risk Management Framework to guide SGREIT's climate strategy for the existing portfolio and new acquisitions. The Environmental Risk Management Framework complements the ERM Framework to assist the Board in taking a holistic approach to risk management. The Board also reviews the climate-related physical risks, transitions risks, and opportunities and endorses initiatives, targets, and metrics.

Environmental risk management performance is included in the annual evaluation process for the Board's overall performance from FY 2022/23.

Management Responsibility

Management, guided by the Board, is responsible for managing sustainability issues, including climate-related strategy, risk management, performance metrics and reporting. Management is responsible for implementing climate-related initiatives as part of its overall sustainability strategy and providing regular updates to the Board.

Management's duties include developing and implementing Environmental Risk Management Framework and policies for managing climate-related environmental risks for the asset portfolio. Management considers climate-related risks and opportunities together with material ESG factors when reviewing the REIT's business strategy and portfolio construction. Its responsibilities include ensuring that senior management, including the investment and asset portfolio managers, have adequate expertise and resources to manage the climate-related environmental risks to the portfolio of assets.

The Sustainability Management Council (SMC), chaired by the CEO, monitors the implementation, reviews the progress, and provides updates to the Board. The Manager has performed a climate scenario analysis for all assets in the portfolio to understand climate-related risks and opportunities.

Read more about our ESG governance on page 75.

STRATEGY

The Board and the Manager aim to deliver sustainable value to unitholders and other stakeholders. We recognise that climate risks can potentially threaten an asset's ability to create value in the long-term.

Our strategy is to examine potential physical and transition risks arising from climate change scenarios and take appropriate mitigation measures. Our key goals include constantly enhancing our properties' energy and water efficiencies and reducing greenhouse gas emissions. Our strategy comprises taking adaptive steps where feasible to address physical risks from extreme weather events such as flooding.

We are developing our climate strategy covering short-term (less than 5 years), mid-term (5-10 years) and long-term (more than 10 years) time horizons. Our climate strategy over time is described below.

Short-Term

Our near-term strategy is to improve energy and water efficiency across our assets to reduce environmental impact. Our measures include ongoing retrofitting and upgrading works to reduce energy and water consumption.

Some of our properties are leased to master tenants where the Manager does not have operational control. In other properties, we have limited control over how tenants use energy except for common areas. Our approach is to engage with our tenants to build awareness and explore collaborative opportunities to drive energy efficiency and water conservation. For example, we will be exploring adding appropriate green clauses in lease agreements to drive mutually beneficial environmental partnerships with tenants.

We have developed ESG monitoring tools for our portfolio management teams to monitor progress against key climate metrics. Likewise, our investment team has adopted an ESG screening framework to guide their due diligence for new acquisitions.

Mid-Term

Our mid-term plans focus on achieving relevant green building certifications for properties in our portfolio. Our approach is to progressively increase the share of certified green properties in our portfolio to meet the increasing demand for green office and retail spaces.

Long-Term

Our long-term ambition is to build a low emission, climate-resilient, future-ready portfolio of properties to ensure sustainable value creation for unitholders. As we develop our understanding of climate-related risks and opportunities, we will continue to consider and quantify the potential financial and strategic impacts of climate change on our portfolio, significant capital expenditures and new investments.

RISK MANAGEMENT

Recognising and managing risk, including environmental risks, is central to the business and protecting the Unitholders' interests and value.

The Board oversees the overall risk management through an ERM Framework. Complementing the enterprise risk management is the Environmental Risk Management Framework aligned with the TCFD Recommendations and the MAS guidelines for environmental risk management. We have conducted climate risk assessments for our assets in Singapore, Malaysia, Australia, Japan and China in line with the TCFD recommendations. The risk assessment aims to identify, measure and manage climate risks to assets and supports SGREIT's overall risk management.

Our climate scenario analysis has considered the global temperature rise of up to 2°C and 4°C scenarios. These scenarios refer to the Representative Concentration Pathways (RCPs) published by the Intergovernmental Panel on Climate Change (IPCC), representing possible future emissions and greenhouse gas concentrations to the year 2100. The 2°C scenario in our analysis is aligned with IPCC's RCP2.6 to assess transition risks and opportunities. Our 4°C scenario analysis refers to IPCC's RCP8.5 to assess the physical risks.

Our scenario analysis in FY 2021/22 covered all our portfolio assets. A summary of the results of our assessment of physical and transition risks and climate-related opportunities is described in the following sections.

Climate-related Risks

Physical Risks

Physical risks are location-specific, and stem from the physical effects of climate change on business operations, workforce, markets, infrastructure, raw materials and assets. We consider the location of assets in our existing portfolio as well as in new acquisitions when evaluating business risks.

Acute Physical Risks: Physical risks can be acute as a result of increased severity of extreme weather events such as tropical cyclones, storms, droughts, river floods, flash floods, and wildfires.

Chronic Physical Risks: Physical risks can be chronic when related to longer-term shifts in precipitation and temperature and increased variability in weather patterns such as sea-level rise, heat stress and precipitation stress.

The rising frequency of extreme weather events can impair the value of assets in high climate risk areas.

Transition Risks

A shift to a lower-carbon economy may give rise to transition risks from policy, legal, technology, and market changes. Transition risks include policy actions to limit emissions, carbon tax, water restrictions, land-use restrictions, shifts in market demand and reputational issues.

Policy and legal risks can result from government actions to reduce emissions required for transitioning to a lower-carbon economy and supporting climate adaptation. In addition, tightened energy efficiency standards for existing retail and commercial buildings may increase investment costs due to retrofitting.

As new technologies emerge, carbon-intensive technologies are rendered obsolete. Technology risk refers to the innovative development of low carbon and energy-efficient technologies affecting the competitiveness of businesses that fail to adapt in time.

Market risk may present as supply and demand changes for low-carbon products and services. In the real estate sector, demand for carbon-intensive real estate assets may fall in favour of green buildings. Over time, there may be an increasing preference for carbon net-zero or green buildings. These trends can lower the rental yields of emissions-intensive buildings.

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

At SGREIT, the Board and the Manager are committed to identifying and monitoring these varied environmental risks to develop future mitigation strategies and ensure that the business activities can respond adequately in any of these scenarios.

Climate-related Risks [1]

Risk Type	Risk Description	Potential Financial Impact	Our Measures
Physical Risk			
Change in mean precipitation and extreme rainfall	• Increase in mean precipitation at all locations except Australia; Australia is projected to become drier. • Intensity and frequency of heavy rainfall is expected to increase in all locations leading to more riverine and flash floods, storm surges and landslides.	• Increase in maintenance, repair and recovery cost due to damage to buildings and infrastructure. • Operational disruption and loss. • Properties located at low-lying areas or close proximity to the river or coastline may face greater impact related to storm surge and flooding. • Revenue loss from disruptions to building operations.	• Flood control measures in place for assets with high flooding risk, such as Ngee Ann City and Wisma Atria.

Note:

(1) Based on publicly available climate data as at 30 June 2022.

Climate-related Risks [1]

Risk Type	Risk Description	Potential Financial Impact	Our Measures
Physical Risk			
Increase in mean temperature and extreme heat	• Increase in annual mean temperature and the number of extreme hot days (more warm days and warm nights) at all locations. • Locations that regularly experience high maximum temperature such as Singapore, Malaysia are projected to experience a transition to chronic heat stress. • Effects of heatwaves and heat stress are further compounded by the urban heat island phenomenon in cities.	• Increase in cost due to higher energy usage for cooling and increased water consumption due to warmer temperatures. • Reduced heating cost in winter to our properties (e.g. in Australia).	• Implementation of ongoing measures measures to increase water efficiency. • Tenant engagement to encourage water conservation. • Exploring the use of energy efficient cooling systems in Wisma Atria. • Refined BMS system in Myer Centre Adelaide calibrates processes for optimal energy consumption.
Other extreme weather events	• Increased incidences of droughts, bushfires and large hail are projected in Australia.	• Increase in cost due to increased water consumption. • Increase in maintenance, repair and recovery cost due to damage to buildings and infrastructure.	• Myer Centre Adelaide is located within the Bushfire Safer Places list compiled by the South Australian Country Fire Service. • David Jones Building and Plaza Arcade are outside of bushfire-prone areas.
Rising sea levels	• Global sea levels are rising and the risk of coastal flooding during high tides and surges would be most severe for properties located near the coastline.	• Based on the current available climate data, our properties are not at high risk of physical damage in the event of a rise in sea levels. Studies are ongoing [1].	
Water stress	• Reduction in rainfall coupled with prolonged drought put the availability of reliable and cost-competitive fresh water supply and wastewater treatment services at risk.	• Increase in water consumption due to warmer temperature for cooling, landscape etc. leading to higher cost. • Higher cost of water due to scarcity. • Cost of water treatment for reuse or recycling.	• Exploration of alternate sources of water where possible, such as the use of NEWater in Wisma Atria for cooling towers, fire protection systems such as sprinklers and wet risers, taps for AHU rooms, the bin centre and ad-hoc cleaning such as façade cleaning.
Transition Risk			
Policy and legal	• Increased pricing of GHG emissions. • Carbon tax imposition.	• Increased operating costs. • Higher tax expenses due to carbon tax.	• Reduction of building emissions through energy efficiency and green building design.
	• New energy efficiency regulations.	• Capital expenditure on retrofitting or asset enhancement initiatives. • Potential loss of rental income if an asset's energy efficiency is below the legal requirement. • Lower yields due to reduced rentals from buildings with higher emissions.	• Asset enhancement initiatives to improve energy efficiency. • Obtain energy performance certifications.
	• Enhanced emissions-reporting rules.	• Higher compliance costs.	• Adopted TCFD Recommendations, SASB Standards and GRI Standards for climate and emissions reporting.
	• Stricter water efficiency regulations.	• Cost of improving water efficiency in buildings located in water-stressed areas.	• Continued upgrading of water fixtures to increase efficiency.

Note:

(1) Based on publicly available climate data as at 30 June 2022.

Climate-related Risks [1]

Risk Type	Risk Description	Potential Financial Impact	Our Measures
Transition Risk			
Technology	• Substitution of existing equipment with lower emission options.	• Write-offs and early retirement of existing equipment and system.	• Continued monitoring and upgrading of existing equipment and systems.
	• Cost of transitioning to lower emissions technology.	• Cost of deploying new technology.	
Market	• Changing customer behaviour. • Reduced occupancy rates in high emission buildings as corporate tenants move to green buildings. • Increased demand for climate-related risk disclosures by tenants, investors, lenders, and insurance providers.	• Reduced demand for commercial real estate that do not meet green building standards. • Increased operating cost owing to higher energy and water costs. • Repricing of assets resulting in lower valuation. • Asset valuation affected by low ESG ratings. • Higher insurance cost.	• SGREIT targets to achieve green building certification for 50% of its portfolio by NLA by 2030.
Reputation	• Shifts in customer preferences. • Increased stakeholder concern or negative stakeholder feedback.	• Reduced revenue from decreased demand for real estate with high emissions or in climate risk zones. • Reduced availability of capital.	• SGREIT continues to engage its stakeholders on green matters and work towards enhancing its portfolio.

Climate-related Opportunities

Type	Opportunity	Potential Financial Impact	Our Measures
Resource Efficiency	• Increased demand for low energy buildings. • Reduced water usage and consumption. • Green finance availability.	• Increased value of highly rated energy efficient buildings. • Reduced operating cost. • Rental premium. • Enhanced asset valuation. • Lower energy bills for tenants. • Lower cost if a carbon tax is imposed. • Lower cost of capital (e.g., green financing).	• SGREIT targets to achieve green building certification for 50% of its portfolio by NLA by 2030.
Energy Source	• Preference for buildings powered by renewable energy. • Use of energy efficiency government grants. • Additional revenue source from on-site solar photovoltaic installations. • Enhanced asset valuation. • Rental premium. • Green finance availability.	• Reduced operating cost through carbon tax saving. • Reduced exposure to fossil energy price fluctuations. • Increased capital availability. • Enhanced reputation due to green portfolio.	
Products and Services	• More demand for green buildings. • Green finance availability.	• Rental premium. • Enhanced asset valuation. • Lower energy bills for tenants. • Lower interest cost on green loans. • Increased revenue through demand for green buildings. • Higher competitiveness resulting in increased revenues.	
Resilience	• Greater demand for climate-resilient buildings (e.g., Green Building Certifications). • Use of renewable energy and energy efficiency programmes.	• Increased market valuation of green buildings.	

METRICS AND TARGETS

We use the GRI Standards and SASB Real Estate Standards to report on a number of environmental indicators such as energy, emissions and water. This year's report includes metrics aligned with the TCFD recommendations which we will use to track and report our progress in managing climate-related risks and opportunities. The metrics and targets are reported only for the common areas within the Wisma Atria Property (Singapore), Myer Centre Adelaide, David Jones Building and Plaza Arcade (Australia), and Ebisu Fort (Japan), for which the Manager has operational control. Daikanyama (Japan) was excluded as the size of the area within SGREIT's operational control was determined to be not material.

Climate-related Metrics

Risks	Metric	FY 2021/22
Physical risk	Percentage of portfolio exposed to high risk of flooding (by floor area) [1][2]	24.5%
	Percentage of portfolio located in high or extremely high baseline water stress area (by floor area) [2]	57.7%
Products and services	Percentage of portfolio with a green building certification (by floor area) [2]	1.5% [3]
	Percentage of portfolio with an energy rating (by floor area) [2]	5.2%

Please refer to the carbon emissions (Scope 1 and Scope 2) data charts and the SASB Index for additional reporting on climate metrics.

GHG Emissions

Greenhouse gas emissions at our properties result from the use of purchased electricity (Scope 2 emissions) and fuel (Scope 1 emissions). The total Scope 1 and Scope 2 emissions in FY 2021/22 for the Wisma Atria Property amounted to 1,662 metric tonnes of CO_2e, compared with 1,900 metric tonnes in the previous reporting year, representing a reduction of 12.5%, mainly because there was no use of refrigerants in FY 2021/22. The total emissions for our Australia Properties in FY 2021/22 was 1,467 metric tonnes of CO_2e, compared with 1,542 metric tonnes in the previous reporting year, representing a reduction of 4.8%. In Japan, GHG emissions fell by 27.4% from 31 metric tonnes in FY 2020/21 to 23 metric tonnes in FY 2021/22. On a portfolio level, GHG emissions fell 9.3% y-o-y in FY 2021/22.

Notes:

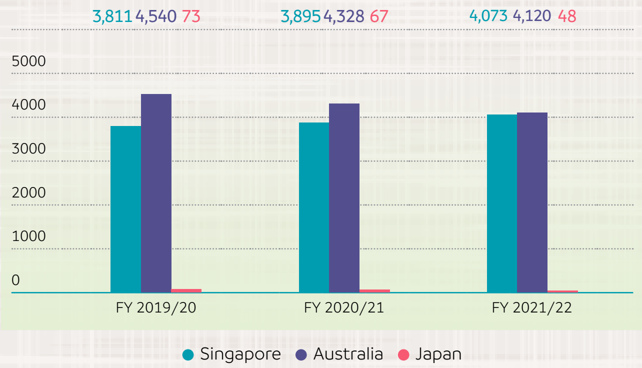
(1) Based on publicly available climate data as at 30 June 2022. For Australia, the analysis was inconclusive due to the absence of detailed data.

(2) Floor area is calculated as an aggregate of Net Lettable Area and common area.

(3) CASBEE certification for Ebisu Fort, Japan was obtained in August 2022.

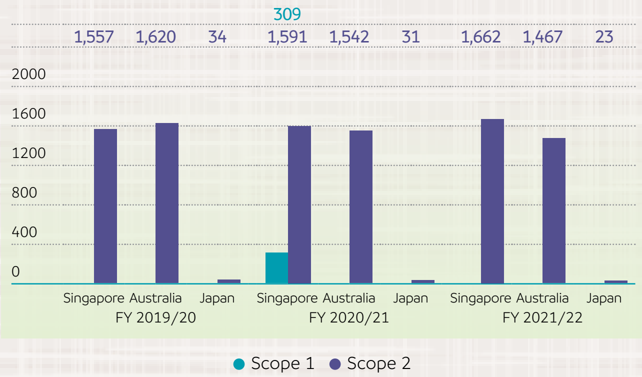
Electricity Consumption

(MWh)



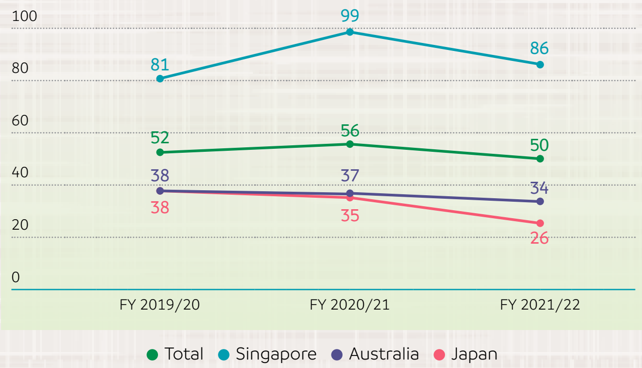
Total GHG Emissions

(tonnes CO_2e)



GHG Emissions Intensity

($kgCO_2e/m^2$)



Water Conservation

We are committed to constantly improving water efficiency in our properties given the increasing scarcity of this resource. Having carried out a water risk analysis using the WRI's Aqueduct tool for the locations where our properties reside, Singapore, Adelaide, and Japan have been identified as being located in areas where the water stress score is projected to be "extremely high" by the year 2030. We continue to monitor and improve our water conservation strategies to enhance the water resilience of our properties.

Sustainability Report

One example involves progressively increasing the proportion of high-grade reclaimed water (NEWater) used in our mall in Singapore. NEWater is now used for cooling towers, fire protection systems such as sprinklers and wet risers, taps for AHU rooms, the bin centre and ad-hoc cleaning such as façade cleaning at Wisma Atria. For the reporting year, NEWater accounts for 45% of total water use in the Wisma Atria Property.

In Singapore, Water Efficiency Management Plans (WEMPs), help the Manager understand how water is used in our buildings and identify ways to reduce water usage and increase water efficiency. Wisma Atria's water-saving features such as waterless urinals and fittings are approved by the Public Utilities Board's (PUB) Water Efficiency Labelling Scheme (WELS). As mandated by PUB, Singapore's national water agency, private water meters have been installed in critical areas to provide an early warning of possible water leaks and to help monitor water consumption. Our properties in Singapore have achieved Water Efficient Building Certification from the PUB.

The Myer Centre Adelaide features water-saving taps and waterless urinals.

At Lot 10 in Malaysia, the property is equipped with a rainwater harvesting system on the roofs of the buildings to collect rainwater. The collected rainwater is reused to water the plants in the buildings.

Targets and Performance

In FY 2021/22, there was an overall decrease in water consumption for properties we have operational control of by 10.5%. The Wisma Atria Property registered a 14.4% reduction in water consumption y-o-y, and water consumption at our Australia Properties rose by 3.7%, due to two full cooling tower flushes as part of legion air precautions as directed by local authorities at Myer Centre Adelaide. In Japan, water consumption increased 49.9% y-o-y, mainly due to deep cleaning as part of COVID-19 measures.

Our target for Wisma Atria in Singapore was to replace 80% of fittings with 3-tick water-efficient fittings in FY 2021/22. This target has since been met, and we are on track to replace 100% of the internal fittings by FY 2022/23. For FY 2022/23, we target to maintain our PUB water efficiency certification, and maintain the level of water consumption at the Wisma Atria Property within 2% of FY 2021/22 levels.

At the Myer Centre Adelaide, we installed water-saving taps and reduced water temperatures in customer toilets.

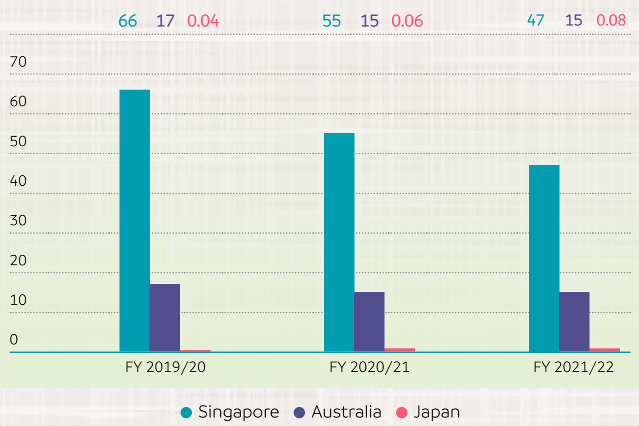
We also enhanced our engagement with tenants in Singapore and Australia to encourage water conservation in FY 2021/22, through posters and circulars.

Waste Management

Waste is generated mainly by our tenants within our properties. Therefore, we engage with our tenants to encourage reducing and recycling waste. For the waste that is generated, we appoint licensed contractors to collect and safely dispose of the waste at our Singapore Properties in compliance with local regulations.

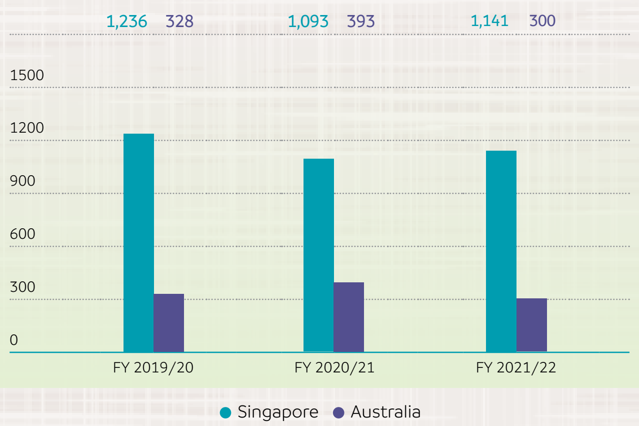
Water Withdrawal

(ML)



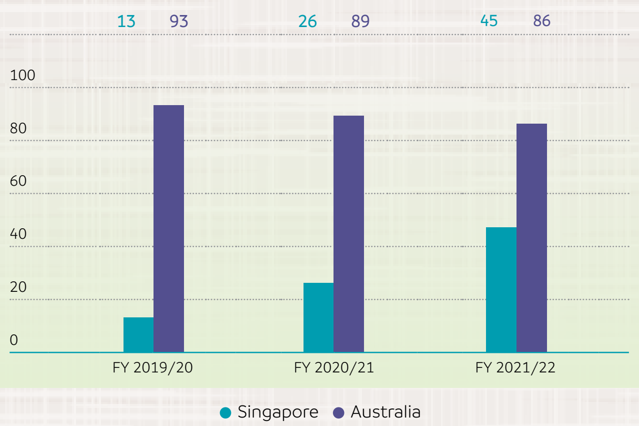
Non-Hazardous Waste Generated

(metric tons)



Total Recycled Waste

(metric tons)



Targets and Performance

Ongoing targets established in FY 2020/21 include tenant engagement and education to encourage recycling via circulars, and posters to encourage recycling of paper, plastic and carton waste. We have engaged our tenants through posters and circulars to remind them to recycle waste where possible.

In Singapore, our target is to establish a food waste management system in Wisma Atria by 2024.

In FY 2021/22, we collected 1,441 tonnes of waste from our Singapore and Australia Properties. A total of 131 tonnes of waste was recycled, representing 9.1% of our total waste, compared to 7.8% recycled in the previous year. We manage an ongoing e-waste collection campaign in Singapore to collect e-waste (electrical or electronic equipment) from our tenants in Wisma Atria. For many years, e-waste from around the world has been ending up in landfills, where toxic chemicals from the components leach out into the environment. In Singapore, it is estimated that 60,000 tons of e-waste end up in landfills each year. Since the launch of our e-waste collection campaign in FY 2018/19, we have collected a total of 2,521kg. In FY 2021/22, we collected 846kg for recycling, a 53.8% increase from 550kg collected in FY 2020/21.

In Australia, waste from Plaza Arcade and David Jones Building is collected by the City of Perth. We continue to support the recycling efforts by the City of Perth by facilitating the placement of recycling bins at Plaza Arcade. Waste generated at Myer Centre Adelaide is collected for recycling by our waste removal contractor, Veolia Environment Services SA, which collects, sorts and delivers the waste to the respective facilities for recycling.

Biodiversity

We are committed to minimising the negative impact on biodiversity (e.g. loss of natural habitats and wildlife) from our operations. Our current assets are located in prime urban areas where our operations do not affect biodiversity.

ENVIRONMENTAL COMPLIANCE
FY 2021/22 Target & Performance
Achieved FY 2021/22 target of zero incidents of non-compliance with environmental regulations
FY 2022/23 Target
Zero incidents of non-compliance with environmental regulations

INITIATIVES

Earth Hour Participation

26 March 2022

Earth Hour takes place annually in March, where homes and businesses around the world are encouraged to switch off their lights for one hour to show support for collectively building a more sustainable world. The theme of this year's event was "Shape our future". We support this initiative each year by switching off the façade lights at Wisma Atria, Lot 10 and The Starhill.

INITIATIVES

Recycling Bins

Ongoing

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

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

Empowering Our People

Our Approach

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

At SGREIT, our employees are the face and heart of our organisation. Their skills, knowledge, experience, passion, commitment and diverse insights help us maintain our position as the preferred real estate investment trust.

The commitment and dedication of our employees are just one side of the story. As an employer, SGREIT is also committed to empowering and developing its employees to achieve their very best and thrive in their careers with us. Accordingly, our human resource policies promote a fair, inclusive and safe working environment, and our people-centric business philosophy is reflected in two of SGREIT's core organisational values: Fulfilment for our people and Teamwork.

Employees

As at 30 June 2022, the Manager has 30 employees[1], all located in Singapore, holding permanent positions and no temporary employees. We have only one part-time employee for the reported period.

In FY 2021/22, we hired six new employees, which translates to a hiring rate of 20%.

Diversity and Inclusion

With a portfolio of properties located in Singapore, Australia, Malaysia, Japan and China, we consider the diversity of our workforce a strength. Regarding gender diversity, women account for 60% of the Manager's employee base, and hold 58% of managerial roles and 50% of senior management roles. New hires in FY 2021/22 comprised 50% female employees. The age diversity of our employees is another example of our well-balanced workforce, covering a range of age groups.

Employee Wellbeing

Employee wellbeing relates to the overall mental, physical and emotional health of our staff. Along with promoting a safety culture among our employees, we also believe in nurturing a pleasant and friendly work culture. To this end, we have implemented ongoing programmes that support work-life balance, bonding and teamwork.

In FY 2021/22, we also conducted virtual and physical team building activities to promote interaction. This included a virtual escape room event as well as a culinary class. Both events were well-received by our employees.

An employee survey was conducted in FY 2021/22, to obtain feedback on various aspects of the overall work experience at SGREIT including corporate values, the work environment, training and development and flexible work arrangements. The results of the survey will be used to guide future policy enhancements and to improve employee engagement.

As part of the family-friendly culture, all eligible female and male employees in Singapore are entitled to government-paid maternity and paternity leave. In FY 2021/22, one male and two female employees at SGREIT were entitled to parental leave. Other employee benefits include medical insurance, birthday leave, wedding vouchers, childbirth vouchers and service awards.

Protecting Employees from COVID-19

In light of the continuing COVID-19 pandemic, several measures that were introduced in the previous year were kept in place, to ensure our employees remain safe, healthy and well-supported in whichever location they are working:

- Flexible working arrangements such as split teams and staggered working hours to avoid crowding in offices and public transport
- Work-from-home arrangement for employees who can perform their work remotely
- Enhanced cleaning of high-touch points and placing of hand sanitisers at these touchpoints
- Virtual team-building
- A paid day off for staff when they take the COVID-19 vaccination and booster injections

Occupational Health and Safety

We promote a strong safety culture among our employees and contractors who perform various services in our properties by identifying and mitigating safety and health hazards through preventive measures and staff training. In FY 2021/22, we organised a Fire Safety Awareness seminar for our employees. In line with local building safety regulations, we also engage in regular inspections for safety, health and hygiene. We require external contractors to abide by safety-related rules while performing work in our properties.

Note:

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

In September 2021, the Manager was awarded a BizSAFE Level 3 Certification by the Workplace Safety and Health Council, Singapore, for its workplace safety measures. Valid till September 2024, BizSAFE Level 3 recognises that a company has put in place systems to manage workplace risks and complies with WSH (Risk Management) Regulations.

There were no incidents of fatal accidents, severe workplace injury or occupational diseases among our employees or onsite contractors in the reported period. Total man-hours worked amounted to 61,360 hours.

Talent Management and Development

At SGREIT, we believe ongoing organisational development drives productivity, personal and professional development and employee satisfaction. We are committed to investing in staff learning and development. Upskilling and updating knowledge to stay relevant with changing technologies and work practices are also vital for many roles at SGREIT and helps us futureproof our workforce. Our employees benefit from training, workshops and seminars on management, technical skills, communication, leadership and other topics relevant to their roles.

In FY 2021/22, the average training hours per employee was 34.7 hours, up from 27.2 hours in FY 2020/21. Our target is to achieve 50 hours of average training hours per employee over the two-year period from FY 2021/22 to FY 2022/23. Due to COVID-19, the training target for FY 2020/21 was waived.

Performance Management

For our people to succeed and perform to the best of their capabilities, we have established a fair and objective performance management system, which includes annual performance appraisals for all employees. These appraisals measure performance against established objectives, recognise employee achievements, identify areas for development and establish realistic goals for the following review period. In FY 2021/22, all employees participated in the annual performance appraisal exercise.

OCCUPATIONAL HEALTH AND SAFETY

FY 2021/22 Targets & Performance

Achieved FY 2021/22 targets of:
- Zero accidents involving severe injuries
- No incidents of occupational diseases
- Zero work-related fatalities

FY 2022/23 Target

- Zero accidents involving severe injuries
- No incidents of occupational diseases
- Zero work-related fatalities

EMPLOYEE TRAINING

FY 2021/22 Target

Average of 25 hours per employee

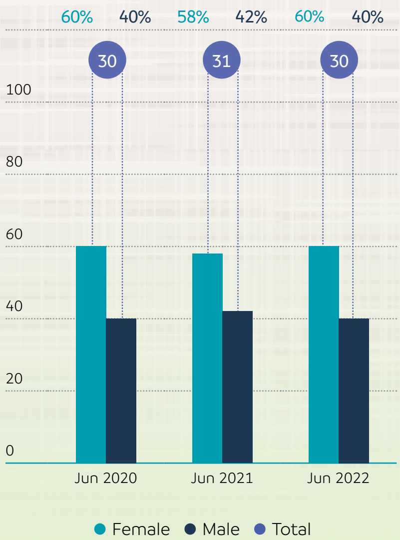
FY 2021/22 Performance

34.7 hours of training per employee

FY 2022/23 Target

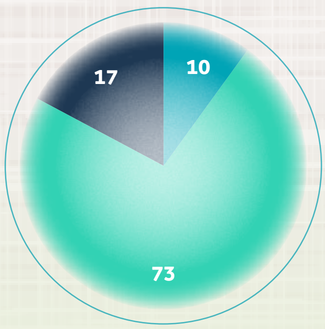
Average of 25 hours per employee

Total Employees by Gender



Employees by Age Group

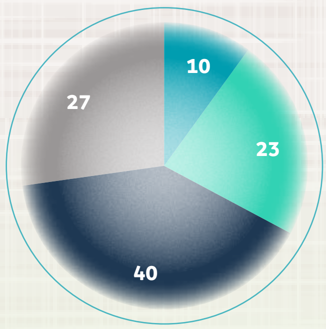
(As at Jun 2022)



	(%)
Under 30 years	**10**
30-50 years	**73**
Over 50 years	**17**

Employees by Employment Category

(As at Jun 2022)



	(%)
Rank and file	**10**
Executives and Supervisors	**23**
Management	**40**
Senior Management	**27**

Employees by Employment Category and Gender

	JUN 2020		JUN 2021		JUN 2022	
	Male	Female	Male	Female	Male	Female
Rank and file	0%	100%	0%	100%	0%	100%
Executives & Supervisors	40%	60%	40%	60%	43%	57%
Management	36%	64%	36%	64%	42%	58%
Senior Management	71%	29%	75%	25%	50%	50%

Employees by Employment Category and Age Group

	JUN 2020			JUN 2021			JUN 2022		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Rank and file	25%	50%	25%	25%	50%	25%	33%	33%	34%
Executives & Supervisors	20%	80%	0%	20%	80%	0%	14%	86%	0%
Management	14%	86%	0%	7%	93%	0%	8%	92%	0%
Senior Management	0%	57%	43%	0%	50%	50%	0%	50%	50%

New Hires in FY 2021/22

by Gender	Number	Rate
Male	3	25%
Female	3	17%
Overall	**6**	**20%**
by Age Group	**Number**	**Rate**
Under 30 years	0	0%
30-50 years	6	27%
Over 50 years	0	0%

Employee Turnover in FY 2021/22

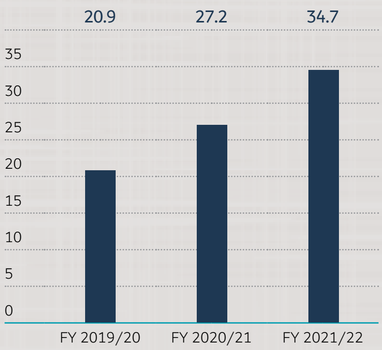
by Gender	Number	Rate
Male	4	33%
Female	3	17%
Overall	**7**	**23%**
by Age Group	**Number**	**Rate**
Under 30 years	0	0%
30-50 years	5	23%
Over 50 years	2	40%

Average Hours of Training per Employee by Employment Category and Gender

	FY 2019/20		FY 2020/21		FY 2021/22	
	Male	Female	Male	Female	Male	Female
Rank and file	0.0	3.1	0.0	7.7	0.0	37.0
Executives & Supervisors	34.5	37.8	25.0	44.6	22.2	48.9
Management	18.5	13.2	31.7	24.1	33.0	36.3
Senior Management	27.4	41.1	22.9	56.0	33.8	28.5
Average	**24.9**	**18.1**	**26.9**	**27.4**	**30.3**	**37.5**

Average Training Hours Per Employee

(hrs)



Anti-Corruption Training

	FY 2021/22
Number of employees who received anti-corruption training	28
% of employees who received anti-corruption training	100%

Parental Leave & Childcare Leave

Parental Leave	FY 2020/21 Male	FY 2020/21 Female	FY 2020/21 Total	FY 2021/22 Male	FY 2021/22 Female	FY 2021/22 Total
a. Total no. of employees who were entitled to parental leave, by gender	1	1	2	1	2	3
b. Total no. of employees who took parental leave, by gender	1	1	2	0	1	1
c. Total no. of employees who returned to work after parental leave ended, by gender	1	1	2	0	1	1
d. Total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	No employees took parental leave in FY 2019/20			1	0	1
e. i) Return to work rate	100%	100%	100%	0*	100%	100%
ii) Retention rate	No employees took parental leave in FY 2019/20			100%	0%	50%
Childcare leave	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Total no. of employees who took childcare leave	5	7	12	3	4	7

* No male employees took parental leave in the reporting year

Enriching Our Communities

Our Approach

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

Our corporate responsibility extends to the local communities in which we operate. Despite ongoing challenges from extended COVID-19 restrictions in this reporting period, we continued our community engagement where possible, including hosting or taking part in the following events:

Community Chest Christmas Light Up 2021 with SG Giving Week screening

Wisma Atria sponsored airtime on its façade screen and provided social media awareness for the Orchard Road Christmas Light Up 2021 with SG Cares Giving Week on 13 November 2021, as Community Chest (Comchest)'s Supporting Partner. The event was held to raise funds for Comchest's 80 social service agencies.

Donation to ITE Endowment Fund

As part of Wisma Atria's inaugural partnership with Institute of Technical Education (ITE) Singapore on Wisma Atria's Christmas installation, the mall donated S$8,000 to the ITE Endowment Fund, which will go to support students from vulnerable backgrounds in their education.

Harley-Davidson Charity Toy Run 2021

Wisma Atria was the venue sponsor for the annual charity fund-raising activity in December 2021, in support of Canossaville Children & Community Services. Mall tenants Cotton On Kids and Turtle, sponsored Christmas gifts, for over 120 children.

Singapore Water Day 2022

In March 2022, Wisma Atria collaborated with PUB to raise awareness for climate change. The outdoor steps at Wisma Atria building were lit blue for the entire month as part of this initiative.

AfterBurn Fitness Event

To encourage individuals to exercise outdoors following the COVID-19 pandemic, Lot 10 organised a series of classes at the property's rooftop, led by industry-leading instructors. The activities aimed at increasing mental health awareness and encourage physical strength-based workouts within the community.

CMYK Pop Up Market

Held every month, the pop-up market at Lot 10 features local artisans and entrepreneurs, providing local talent and small businesses with an avenue to showcase and promote their crafts.

GRI Content Index

GRI Content Index

'In accordance' - Core

GRI Standard	Disclosure	Page Number(s)
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)		
GRI 102: GENERAL DISCLOSURES 2016		
Organisational Profile		
GRI 102-1	Name of the organisation	About Starhill Global REIT
GRI 102-2	Activities, brands, products, and services	12-15
GRI 102-3	Location of headquarters	180
GRI 102-4	Location of operations	12-15
GRI 102-5	Ownership and legal form	About Starhill Global REIT
GRI 102-6	Markets served	12-15
GRI 102-7	Scale of the organisation	12-17, 60, 71
GRI 102-8	Information on employees and other workers	71, 88-90
GRI 102-9	Supply chain	78
GRI 102-10	Significant changes to the organisation and its supply chain	Not applicable
GRI 102-11	Precautionary Principle or approach	74, 79
GRI 102-12	External initiatives	68, 79, 89
GRI 102-13	Membership of associations	73
Strategy		
GRI 102-14	Statement from senior decision-maker	18-20
GRI 102-15	Key impacts, risks, and opportunities	66, 73-74, 80-85
Ethics and Integrity		
GRI 102-16	Values, principles, standards, and norms of behaviour	About Starhill Global REIT
GRI 102-17	Mechanisms for advice and concerns about ethics	76, 107
Governance		
GRI 102-18	Governance structure	75, 96-116
GRI 102-19	Delegating authority	75, 98
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	75, 81
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	72, 110
GRI 102-22	Composition of the highest governance body and its committees	22-23, 75, 98
GRI 102-23	Chair of the highest governance body	22, 101
GRI 102-24	Nominating and selecting the highest governance body	99-102
GRI 102-25	Conflicts of interest	111-112
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	69, 96-97
GRI 102-27	Collective knowledge of highest governance body	22-23
GRI 102-28	Evaluating the highest governance body's performance	103
GRI 102-29	Identifying and managing economic, environmental, and social impacts	69, 80-81
GRI 102-30	Effectiveness of risk management processes	66, 105-106
GRI 102-31	Review of economic, environmental, and social topics	69, 75, 80-81
GRI 102-32	Highest governance body's role in sustainability reporting	69
GRI 102-33	Communicating critical concerns	76, 107
GRI 102-35	Remuneration policies	103-105
GRI 102-36	Process for determining remuneration	103-105
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	73-74
GRI 102-41	Collective bargaining agreements	Our employees are not covered by collective bargaining agreements
GRI 102-42	Identifying and selecting stakeholders	72-73
GRI 102-43	Approach to stakeholder engagement	72-73, 78
GRI 102-44	Key topics and concerns raised	72, 78

GRI Standard	Disclosure	Page Number(s)
Reporting Practice		
GRI 102-45	Entities included in the consolidated financial statements	146
GRI 102-46	Defining report content and topic Boundaries	68
GRI 102-47	List of material topics	74
GRI 102-48	Restatement of information	69
GRI 102-49	Changes in reporting	68-69
GRI 102-50	Reporting period	68
GRI 102-51	Date of most recent report	Sep 2021
GRI 102-52	Reporting cycle	68
GRI 102-53	Contact point for questions regarding the report	68
GRI 102-54	Claims of reporting in accordance with the GRI Standards	68
GRI 102-55	GRI content index	92-93
GRI 102-56	External assurance	69
ECONOMIC TOPICS		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	60-65
	103-2 The management approach and its components	60-65
	103-3 Evaluation of the management approach	60-65
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	3, 16, 17, 60, 63
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 76, 107
	103-3 Evaluation of the management approach	76, 90
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	76, 90
	205-3 Confirmed incidents of corruption and actions taken	76
ENVIRONMENTAL TOPICS		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 79-80
	103-3 Evaluation of the management approach	79-80
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	70, 79-80
	302-3 Energy intensity	70, 79-80
	302-4 Reduction of energy consumption	79-80
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 85-86
	103-3 Evaluation of the management approach	85-86
Management Approach Disclosures 2018	303-1 Interactions with water as a shared resource	85-86
	303-2 Management of water discharge-related impacts	85-86
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	70, 85-86

GRI Standard	Disclosure	Page Number(s)
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 80-85
	103-3 Evaluation of the management approach	80-85
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	70, 85
	305-2 Energy indirect (Scope 2) GHG emissions	70, 85
	305-4 GHG emission intensity	70, 85
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 86-87
	103-3 Evaluation of the management approach	86-87
Management Approach Disclosures 2020	306-1 Waste generation and significant waste-related impacts	73-74, 86-87
	306-2 Management of significant waste-related impacts	73-74, 86-87
GRI 306: Waste 2020	306-3 Waste generated	71, 86-87
	306-4 Waste diverted from disposal	86-87
	306-5 Waste directed to disposal	86-87
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 87
	103-3 Evaluation of the management approach	87
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	71, 87
SOCIAL TOPICS		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74
	103-3 Evaluation of the management approach	88, 90
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	88, 90
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	88
	401-3 Parental leave	90
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 77, 88-89
	103-3 Evaluation of the management approach	88-89
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	88-89
	403-2 Hazard identification, risk assessment, and incident investigation	77, 88-89
	403-3 Occupational health services	88-89
	403-4 Worker participation, consultation, and communication on occupational health and safety	88-89
	403-5 Worker training on occupational health and safety	77, 88-89
	403-6 Promotion of worker health	88-89

GRI Standard	Disclosure	Page Number(s)
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	88-89
	403-9 Work-related injuries	71, 88-89
	403-10 Work-related ill health	71, 88-89
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 89-90
	103-3 Evaluation of the management approach	89-90
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	71, 89-90
	404-3 Percentage of employees receiving regular performance and career development reviews	89
Diversity and Equal Opportunities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 100-101
	103-3 Evaluation of the management approach	88-90
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	71, 88-90, 100-101
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	73-74
	103-2 The management approach and its components	73-74
	103-3 Evaluation of the management approach	91
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	91
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 76-77
	103-3 Evaluation of the management approach	76-77
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	76-77
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	73-74
	103-2 The management approach and its components	73-74, 78
	103-3 Evaluation of the management approach	78
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	78
Socio-Economic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	73-74
	103-2 The management approach and its components	73-74, 78
	103-3 Evaluation of the management approach	78
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	71, 78

SASB Index

Real Estate Sustainability Accounting Standard [1]

Topic	SASB Code	Accounting Metric	Unit of Measure	Property Subsector	FY 2020/21	FY 2021/22
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	Shopping Centre (N761)	36.0%	36.1%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Gigajoules (GJ), Percentage (%)	Shopping Centre (N761)	(1) 29,873 (2) 100% (3) 0%	(1) 29,669 (2) 100% (3) 0%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	Shopping Centre (N761)	98.5%	99.3%
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	Shopping Centre (N761)	(1) 5.2% (2) 5.2% [3]	(1) 5.2% (2) 5.2% [3]
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	Shopping Centre (N761)	Pg 79-80	
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	Shopping Centre (N761)	(1) 34.3% (2) 22.2%	(1) 34.4% (2) 22.5%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m^3), Percentage (%)	Shopping Centre (N761)	(1) 70 (2) 21.1%	(1) 62 (2) 24.4%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	Shopping Centre (N761)	83.6%	89.5%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Shopping Centre (N761)	Pg 85	
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (ft)	Shopping Centre (N761)	Not reported	Not reported
	IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption; and (2) water withdrawals, by property subsector	Percentage (%) by floor area	Shopping Centre (N761)	Not reported	Not reported
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	n/a	Shopping Centre (N761)	Not reported	Not reported
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector [2]	Square feet (ft)	Shopping Centre (N761)	461,102	461,102
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	Shopping Centre (N761)	Pg 82-84	

Activity Metric	SASB Code	Unit of Measure	Property Subsector	FY 2020/21	FY 2021/22
Number of assets, by property subsector	IF-RE-000.A	Number	Shopping Centre (N761)	5	5
Leasable floor area, by property subsector	IF-RE-000.B	Square feet (ft)	Shopping Centre (N761)	1,152,017	1,164,450
Percentage of indirectly managed assets, by property subsector	IF-RE-000.C	Percentage (%) by floor area	Shopping Centre (N761)	0%	0%
Average occupancy rate, by property subsector	IF-RE-000.C	Percentage (%)	Shopping Centre (N761)	93.9%	92.4%

Notes:

[1] Reported data refers to the following five properties that we have covered in this report: Wisma Atria Property (Singapore), Myer Centre Adelaide (Australia) , David Jones Building (Australia), Plaza Arcade (Australia) and Ebisu Fort (Japan). Floor area is calculated as an aggregate of Net Lettable Area and common area.

[2] Properties exposed to high risk of flooding are determined based on flood-prone areas and flood hazard maps that are publicly available for third-party review or consultation.

[3] Refers to NABERS Energy rating in Australia.

TCFD Disclosures

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

Code	TCFD Recommendations	Page Number(s)
GOVERNANCE		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	75, 80-81
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	75, 81
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	81-85
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	81-85
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	81-85
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	81-84
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	81-84
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	81-84
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	85
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	70, 85
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	85

Corporate Governance

MANAGER OF STARHILL GLOBAL REIT

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

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

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

2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions (the purpose of these plans is to manage the performance of Starhill Global REIT's assets);

3. ensuring compliance with applicable laws and regulations and the Trust Deed;

4. attending to all communications with Unitholders; and

5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager and not by Starhill Global REIT.

The Trust Deed provides *inter alia* for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the Monetary Authority of Singapore ("**MAS**") to conduct REIT management activities under the Securities and Futures Act 2001 ("**SFA**").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders, and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2018 ("**Code**") in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. The Manager has complied with the principles and provisions of the Code in all material aspects. Where there are differences, an explanation has been provided in that section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Code of Collective Investment Schemes ("**CIS Code**") (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore are complied with, and that the Manager's obligations in the Trust Deed are honoured.

(A) BOARD MATTERS

1. The Board's Conduct of Affairs

Principle 1:
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Board of Directors of the Manager ("**Board**") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives, providing leadership and setting strategic objectives for the management team of the Manager ("**Management**"), which is led by the Chief Executive Officer ("**CEO**"). In turn, Management is responsible for executing the strategic objectives and day-to-day operations of the Manager and is held accountable to the Board for its performance.

The Board oversees the achievement of all goals such as Starhill Global REIT's DPU targets and other long-term targets that the Board sets for Management so as to deliver long-term sustainable returns to Unitholders. All Board members participate in matters relating to amongst others, corporate governance, business operations and risk management, financial performance and compliance with requirements in the listing rules of the SGX-ST, the CIS Code (including the Property Funds Appendix), written directions, notices, codes and other guidelines issued by the MAS, the SFA and other applicable rules and regulations.

The Board has adopted a set of internal controls with approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories, amongst others and this is clearly communicated to Management in writing. Some matters that specifically require Board approval include the issue of new Units in Starhill Global REIT, income distributions and other returns to Unitholders, acquisitions and divestments. Apart from these matters which the Board has specifically reserved authority, the Board approves transactions exceeding certain threshold limits, while delegating authority for matters below those limits to Management so as to facilitate operational efficiency.

The Board has also established a system of internal controls and an enterprise risk management framework. The application of the policies and protocol under the framework is further described on page 66.

Each Director is a fiduciary and must act honestly and objectively in the best interests of Unitholders. In furtherance of this principle, the Board has adopted a code of conduct and ethics ("**Board Charter**") by which all Directors must comply. This sets the appropriate tone from the top and desired organisational culture and ensures proper accountability within the Manager.

The Board Charter holds Directors to high standards of ethical conduct. This includes requiring Directors not to allow themselves to be placed in a position of real or apparent conflict of interest. In the event a Director faces a real or apparent conflict of interest, he must disclose this to the Board and recuse himself from meetings and abstain from voting on decisions involving the matter. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of the Unitholders. The Manager has also adopted guidelines, details of which are set out on pages 110 to 111, for related party transactions and dealing with conflicts of interests.

Directors must also perform their duties with due care, skill and diligence and must ensure that they possess the relevant knowledge to do so. This includes having a good understanding of their directorship duties (including their roles as Executive, Non-Executive and Independent Directors), the business of Starhill Global REIT and the environment in which it operates.

A Director with multiple board representations is expected to ensure sufficient time and attention is given to the affairs of the Manager and Starhill Global REIT. A Director must attend and actively participate in all meetings of the Board or Board Committees (if applicable) unless their attendance is impractical. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary and thus should not be prescriptive. A sufficient safeguard is to require each Director to confirm his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments.

In addition, in cases where the Director(s) have multiple listed board representations, the Board conducts an annual review to ensure that they are able to and have been devoting sufficient time and attention to discharge their responsibilities adequately. Each Director confirmed his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments. Notwithstanding that some of the Directors have multiple listed board representations, the Board is satisfied that every Director is able to and has been adequately carrying out his duties as a Director of the Manager.

Directors' Development

Directors are provided with opportunities to develop and maintain their skills and knowledge to ensure that they are able to perform their duties to the best of their abilities. The Manager bears the full costs of training and development.

The Manager has in place an orientation programme aimed at familiarising new Directors with their directorship duties, the business activities and strategic directions of Starhill Global REIT, the corporate governance and risk management structure and practices, as well as their disclosure obligations as Directors. Newly appointed Directors are briefed on their roles and responsibilities as Directors of the Manager, and of the business activities and strategic directions of Starhill Global REIT. Directors who have no prior experience as a Director of an issuer listed on SGX-ST will be provided training on the roles and responsibilities of a Director of a listed issuer in accordance with the listing rules of the SGX-ST. No new Directors were appointed during FY 2021/22.

Corporate Governance

Upon appointment, Directors also receive a formal letter of appointment setting out the Director's duties, obligations and responsibilities, together with the Trust Deed and latest annual report of Starhill Global REIT and are acquainted with Key Management Personnel ("**KMP**") who have authority and are responsible for executing the strategic objectives and day-to-day operations of the Manager.

During their appointment, Directors are provided access to programmes, courses and seminars including those organised by the Singapore Institute of Directors ("**SID**"). Changes to regulations, policies, accounting standards and other relevant matters and their implications are also monitored closely. Where those changes have a significant impact on Starhill Global REIT and its obligations of continuing disclosure, the Directors will be briefed during Board meetings or by the circulation of Board papers so as to ensure that the Directors are up to date on all matters which may affect the performance of their duties.

The NRC (as defined below) and the Board has reviewed the current training and professional development programmes in place for all Directors and is satisfied that they are adequate.

Board Committees

In the discharge of its functions, the Board is supported by an Audit Committee ("**AC**") that provides independent oversight of Management and which also serves to ensure that there are appropriate checks and balances. With effect from 1 August 2021, the Nominating and Remuneration Committee ("**NRC**") was established and will be responsible to make recommendations to the Board on the nomination, appointment/re-appointment of Directors and members of the Board Committees, as well as remuneration matters of the Directors and executive officers, that have been undertaken by the Board before 1 August 2021. All Board Committees have clear written terms of reference setting out its composition, authorities and duties including reporting back to the Board. The names of the committee members, their terms of reference, any delegation of the Board's authority to make decisions and their duties and responsibilities are set out on pages 102 to 108.

Meetings of the Board and Board Committees

Board meetings are scheduled and held at least once every quarter. In addition to scheduled meetings, the Board and Board Committees may also hold ad hoc meetings wherever required. If physical meetings cannot be held, the Constitution of the Manager permits the Board and Board Committee meetings to be held by way of teleconference and video conference and decisions may also be made by way of a written resolution.

Directors attend and actively participate in Board and Board Committee meetings. Four Board and AC meetings were held in FY 2021/22 and all Directors were present. Prior to Board and Board Committee meetings and on an ongoing basis, Management provides Directors with complete, adequate and timely information so as to enable them to make informed decisions to discharge their duties and responsibilities. Board and Board Committee papers and agenda are provided to each Director in advance of Board and Board Committee meetings so that Directors can review and consider the matters being tabled beforehand. The management accounts of Starhill Global REIT are also provided to the Board on a quarterly basis to enable the Board to keep abreast of Starhill Global REIT's financial performance. In addition, as and when any significant matter arises, Management promptly brings these matters to the Board's attention and provides the Board with the relevant financial information.

In the year under review, the number of Board and AC meetings held and attended by each Board member is as follows:

	Board	Audit Committee	Nominating & Remuneration Committee
	No. of meetings held in FY 2021/22: 4	No. of meetings held in FY 2021/22: 4	No. of meetings held in FY 2021/22: 1
	Attended	Attended	Attended
Tan Sri (Sir) Francis Yeoh	4	NA	1
Mr Ho Sing	4	NA	NA
Dato' Yeoh Seok Kian	4	NA	1
Mr Tan Bong Lin	4	4	1
Mr Ching Yew Chye	4	4	1
Mr Tan Woon Hum	4	4	1

During Board meetings, Management provides the Board with regular updates on financial results, market and business developments and business and operational information. The Board also reviews and approves the release of Starhill Global REIT's financial results. The Board may also meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board will generally review matters which have an impact on the business risks and management of liability of Starhill Global REIT, and acts on comments and recommendations from the auditors of Starhill Global REIT.

Where necessary, senior members of Management participate in Board and Board Committee meetings to provide additional insights and to respond to any queries from Directors. Directors have separate and independent access to senior members of Management and the company secretary at all times. Directors also have access to independent professional advice (legal, financial or otherwise) where appropriate or necessary, with the cost borne by the Manager or Starhill Global REIT, as appropriate.

The company secretary of the Manager will render necessary assistance to Directors and will ensure that the Board and Board Committee procedures are followed and that applicable laws and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flow between the Board and the Board Committees, and between Management and Non-Executive Directors and advising the Board and Board Committees on all governance matters. The company secretary also attends all Board and Board Committee meetings of the Manager to take minutes, which record the key issues discussed and decisions made thereon. The appointment and removal of the company secretary is a Board reserved matter.

2. Board Composition and Guidance

Principle 2:
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

The composition of the Board and the Board Committees as at 30 June 2022 is set out below:

Name of Director	Board	Audit Committee	Nominating & Remuneration Committee
Tan Sri (Sir) Francis Yeoh	Non-Executive Chairman (Non-Independent)	-	Member
Mr Ho Sing	Executive Director & Chief Executive Officer (Non-Independent)	-	-
Dato' Yeoh Seok Kian	Non-Executive Director (Non-Independent)	-	Member
Mr Tan Bong Lin	Lead Independent Director (Non-Executive) (Independent)	Chairman	Member
Mr Ching Yew Chye	Non-Executive Director (Independent)	Member	Member
Mr Tan Woon Hum	Non-Executive Director (Independent)	Member	Chairman

The Board is satisfied that there is a strong independent element on the Board that allows it to make decisions in the best interests of the Unitholders notwithstanding Independent Directors do not make up a majority of the Board. This is because the Board comprises six members, three of whom are Independent Directors. This means that to attain a majority for any resolution to be passed, the approval of at least one of the Independent Directors would first have to be obtained.

In addition, Mr Tan Bong Lin has been appointed as the Lead Independent Director. He has, among others, the discretion to hold meetings with the other two Independent Directors (without the presence of Management) as he deems appropriate or necessary and provide feedback to the Chairman. More importantly, he also has the duty to provide leadership to the other Directors in situations where the Chairman faces any real or apparent conflict of interest. Independent Directors also hold meetings with the auditors regularly without the presence of Management.

The Board assesses annually and as and when circumstances require, the independence of each Director in accordance with the requirements of the Code and accompanying Practice Guidance, the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCBR**"), and the listing manual of the SGX-ST. A Director is considered to be independent if he:

Corporate Governance

1. is independent in conduct, character and judgment;
2. has no relationship with the Manager, its related corporations, its substantial shareholders being shareholders who have interests in voting shares with 5.0% or more of the total votes attached to all voting shares, Starhill Global REIT's substantial Unitholders being Unitholders who have interests in voting Units with 5.0% or more of the total votes attached to all voting Units of Starhill Global REIT, or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgment in the best interests of the Unitholders;
3. is independent from any management and business relationship with the Manager and Starhill Global REIT;
4. is not a substantial shareholder of the Manager, or a substantial Unitholder;
5. has not served on the Board for a continuous period of nine years or longer;
6. is not employed by the Manager, any of its related corporations, or the Trustee for the current or any of the past three financial years; and
7. does not have an immediate family member who is employed or has been employed by the Manager, any of its related corporations, or the Trustee for the past three financial years.

Mr Ching Yew Chye has disclosed that he is the Independent Non-Executive Chairman of AIA General Berhad and AIA Berhad. AIA General Berhad is a subsidiary of AIA Berhad, which is in turn a wholly-owned subsidiary of AIA Group Limited, which was a substantial Unitholder prior to 23 November 2021. Despite the foregoing, the Board has assessed Mr Ching's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded, given that Mr Ching is not an Executive but an Independent Director of AIA General Berhad and AIA Berhad and is not appointed on the Board as a nominee of any AIA entities. He is also not a Director of AIA Group Limited, which was a substantial Unitholder prior to 23 November 2021, and the businesses of Starhill Global REIT and each of AIA General Berhad, AIA Berhad or AIA Group Limited are distinctly different and there are unlikely to be any competing interests. In any event, AIA Group Limited ceased to be a substantial Unitholder on 23 November 2021.

Mr Tan Woon Hum has disclosed that he is a partner of M/s Shook Lin & Bok LLP ("**SLB**"), which provides services to the Trustee from time to time. As there were no legal fees paid to SLB by Starhill Global REIT in FY 2020/21 and FY 2021/22, and Mr Tan will not be personally involved in legal services to be provided by SLB for Starhill Global REIT, the Board has assessed Mr Tan Woon Hum's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

Mr Tan Bong Lin is an Independent Non-Executive Director of APAC Realty Limited ("**APAC Realty**"). APAC Realty provides real estate brokerage services, franchise arrangements, and training, valuation and other ancillary services. The aggregate amount of fees paid by YTL Starhill Global Property Management Pte. Ltd., a related company of the Manager, to APAC Realty for leasing agency services and training courses in FY 2020/21 and FY 2021/22 is insignificant, and is also insubstantial, relative to the revenue of APAC Realty, and the total amount of leasing agency fees paid by Starhill Global REIT. Mr Tan's directorship in APAC Realty is Non-Executive in nature and he is not involved in its day-to-day management. He will also recuse himself from any issues and/or matters arising from the provision of any of the above services by APAC Realty to Starhill Global REIT. Based on the above, the Board has assessed Mr Tan Bong Lin's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

As such, none of the Independent Directors have any relationships which are likely to affect his independent business judgment and ability to act in the best interests of all Unitholders as a whole.

Board Diversity

The Board has, on the recommendation of the NRC, formally adopted a Board Diversity Policy. The Board's policy is to embrace diversity so as to ensure that the Board is consistently comprised of experienced and well qualified Directors who possess an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as independence, age and gender to avoid groupthink and foster constructive debate. This allows Management to benefit from the diverse and objective perspectives on issues that are brought before the Board with a healthy exchange of ideas and views between the Board and Management.

Consistent with the Board's policy to embrace diversity, the composition of the Board (including the selection of candidates for new appointments as part of the Board's renewal process) is determined in accordance with the following principles:

1. the Board should comprise of Directors with a broad range of commercial experience, including expertise in fund management and experience in all facets of the property or real estate industry;

2. at least one Board member should be of female gender; and

3. at least half of the Board should comprise of Independent Directors.

While the Board is presently composed of Directors of the same gender, gender diversity among KMP ensures that alternative and constructive views are provided to the Board during the decision-making process. Please refer to pages 24 to 25. In order to advance gender diversity, the NRC has agreed to the following:

(a) if external search consultants are used to search for candidates for Board appointments, they will be required to field female candidates;

(b) when seeking to identify a new Director for appointment to the Board, the NRC will consider female candidates; and

(c) a target is set for at least one female Director to be appointed to the Board by FY 2023/24.

In relation to the above plans, external search consultants, including the SID and board diversity organisations such as the Council for Board Diversity, have been engaged to propose female candidates for appointment to the Board during FY 2021/22, and recommendations from contacts and industry professionals have also been sought. The profiles of the Directors are set out on pages 22 to 23.

The size of the Board and core competencies of its members in various fields of accounting, finance, business management and legal, together with their relevant industry knowledge and strategic planning experience, effectively serve Starhill Global REIT and the Manager. In terms of age diversity, half of the Directors are 65 and below, while half are above 65. The Board is of the view that its current composition comprises persons who, as a group, provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as independence and age and that the current Board size is appropriate, taking into consideration the scale, nature and scope of Starhill Global REIT's operations, subject to the achievement of the gender diversity target as described above. The composition of the Board is also reviewed regularly to ensure that it has the appropriate mix of expertise and experience.

The Non-Executive Directors participate in setting and developing strategies and goals for Management and reviewing and assessing Management's performance.

The Independent Directors led by Mr Tan Bong Lin meet regularly without the presence of Management. Mr Tan Bong Lin provides feedback to the Board where appropriate enabling Management to benefit from the Independent Directors' external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with Management through a healthy exchange of ideas and views to help shape the strategic process.

3. Chairman and Chief Executive Officer

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman and CEO are held by separate persons in order to maintain an effective segregation of duties so as to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman, Tan Sri (Sir) Francis Yeoh, and the CEO, Mr Ho Sing, are not immediate family members.

The clear separation of the roles and responsibilities between the Chairman and the CEO are set out in writing. The Chairman facilitates active Board discussion on matters concerning the business of Starhill Global REIT and ensures that the Board satisfactorily oversees and evaluates the implementation of Starhill Global REIT's strategy, policies, business plans and Board decisions. In addition, the Chairman ensures that the members of the Board receive complete, adequate and timely information, facilitates the effective contribution of the Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance. The CEO works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for executing the day-to-day operations of Starhill Global REIT.

As Mr Tan Bong Lin has been appointed as Lead Independent Director, he has the discretion to hold meetings with the other two Independent Directors (without the presence of Management) as he deems necessary and he will provide feedback to the Non-Executive Chairman, where appropriate. He also has the duty to provide leadership in situations where the Chairman faces any real or apparent conflict of interest. The Lead Independent Director is also available to shareholders of the Manager and Unitholders where they have concerns and for which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate.

4. Board Membership

Principle 4:

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NRC makes recommendations to the Board on matters relating to:

1. the review of succession plans for Directors including the appointment or replacement of the Chairman, the CEO and the Chief Financial Officer ("**CFO**");
2. the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
3. the review of training and professional development programmes for the Board and its Directors; and
4. the appointment of Directors (including alternate Directors, if any).

The NRC comprises five members, out of whom a majority are Independent Directors. The members of the NRC as at 30 June 2022 are Mr Tan Woon Hum (Chairman), Tan Sri (Sir) Francis Yeoh, Dato' Yeoh Seok Kian, Mr Tan Bong Lin and Mr Ching Yew Chye.

Unitholders were given the right to endorse the appointment of the Directors of the Manager by way of ordinary resolution passed at the AGMs of Unitholders pursuant to an undertaking given by YTL Corporation Berhad to the Trustee dated 21 August 2020 ("**Undertaking**"). Accordingly, the Directors were put forth for Unitholders' endorsement of appointment at SG REIT's AGM held on 28 October 2020. Succession of Directors is therefore carried out when a Director indicates his desire to retire or resign or when the Director's appointment has not been endorsed or re-endorsed (whichever applicable) by the Unitholders at the relevant AGM. Notwithstanding that the appointments of Dato' Yeoh Seok Kian and Mr Tan Bong Lin were endorsed by Unitholders on 28 October 2020 and the Undertaking requires the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Starhill Global REIT after the relevant general meeting at which such Director's appointment was last endorsed, the Manager is seeking the re-endorsement of the appointments of Dato' Yeoh Seok Kian and Mr Tan Bong Lin at the AGM to be held in 2022 so that eventually at any one AGM, only one-third of the Directors will seek re-endorsement. Pursuant to Rule 720(6) of the listing manual of the SGX-ST, information relating to the Directors to be re-endorsed is provided on pages 114 to 116 of this Annual Report.

All Board appointments are approved by the Board and selection and appointment is based on merit. The NRC will make recommendations to the Board on these matters. The criteria used by the Manager to identify and evaluate potential new Directors include:

1. integrity;
2. relevant expertise (sector and functional) and the degree to which his or her skill set complements the skill set of the other Board members;
3. reputation and standing in the market;
4. in the case of prospective Independent Directors, independence based on the criteria in the Code, the SFLCBR and the listing manual of the SGX-ST;
5. the fit and proper criteria issued by MAS;
6. at least one Board member should be of female gender; and
7. the Director should have adequate time to discharge his duties.

Any Director may source for and nominate new Directors to be appointed by the Board, through their extensive network and contacts. If necessary, the Board or NRC may seek advice from the SID or external search consultants. During FY 2021/22, new potential female Directors were sourced through contacts and recommendations, including recommendations from the SID, the Council for Board Diversity, contacts from Directors, and recommendations from relevant industry professionals.

No new Directors or alternate Directors were appointed during FY 2021/22. The independence of the Independent Directors is assessed by the NRC on an annual basis and as and when circumstances require. Directors are also required to report to the Board any addition to or change in their other appointments, their relationships with the Manager, its related corporations, its substantial shareholders, substantial Unitholders or the Manager's officers, if any, or any other change in circumstances which may affect their independence or judgment and ability to act in the interests of all Unitholders as a whole. In the event the NRC, determines that such Directors are independent notwithstanding the existence of such relationships, the Manager will disclose the relationships and its reasons in the Annual Report.

The NRC ensures that new Directors are aware of their duties and obligations (1. "The Board's Conduct of Affairs") and decides if a Director is able to and has been adequately carrying out his or her duties (5. "Board Performance"). The listed company Directorships and principal commitments of each Director are disclosed on pages 22 to 23.

5. Board Performance

Principle 5:
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Manager believes that the performance of the Manager and the Board, is reflected in the long-term success of Starhill Global REIT. Reviews of Board performance are conducted once a year. Directors are required to complete a questionnaire evaluating the Board and the Board Committees. The NRC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and the contributions by each individual Director to the Board's effectiveness.

The questionnaire covers objective performance criteria for the evaluation of the Board as a whole, the Board Committees and the contribution by the Chairman and each individual Director in areas such as Board composition, access to information, Board processes, risk management, Board training and development, understanding of the business, strategic planning and any specific areas where improvements may be made. The company secretary compiles Directors' responses to the questionnaire into a consolidated report and the NRC will evaluate and discuss the results of the annual Board performance review with a view towards improving the effectiveness of the Board. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2021/22. No external facilitators have been engaged.

In conducting the review of the performance of the Board, the Board Committees and each Director, the Manager believes that contributions from each Director go beyond his attendance at Board and committee meetings. Contributions by an individual Board member take other forms, which includes providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of a formal environment of Board or Board Committee meetings.

(B) REMUNERATION MATTERS

1. Procedures for Developing Remuneration Policies

Principle 6:
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

2. Level and Mix of Remuneration

Principle 7:
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

3. Disclosure on Remuneration

Principle 8:
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Following the establishment of the NRC with effect from 1 August 2021, the NRC supports the Board in the remuneration matters of the Manager in accordance with the NRC's terms of reference. The NRC's terms of reference, among other matters, set out the scope and authority in performing the functions of a remuneration committee. This includes, the NRC reviewing and making recommendations to the Board on the remuneration policy of the Manager for the Board and employees of the Manager including the specific packages for each Director, the CEO and the CFO, the total bonus amount payable to all employees and the corporate performance targets for payment of bonus and other aspects of remuneration of the CEO and the CFO including termination terms to ensure they are fair. Such matters will also require approval by at least a majority of the Independent Directors. The CEO recuses himself from Board deliberations relating to his remuneration. Directors' fees are subject to approval by the Board of Directors and the shareholders of the Manager. Each Director abstains from voting in respect of the fees payable to their respective selves.

The Board or NRC seeks expert advice on remuneration and governance matters from external consultants, where necessary. The Board or NRC will ensure that existing relationships between the group and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the external remuneration consultants.

During FY 2021/22, the Manager did not engage any remuneration consultant. The remuneration of Directors and staff of the Manager is paid by the Manager from the fees it receives from Starhill Global REIT and not by Starhill Global REIT itself.

To support the business growth and aspirations, the Manager is committed to strengthen its leadership capability and organisational effectiveness through talent management. It ensures that a significant and appropriate proportion of the Executive Director's and KMP's remuneration is structured by linking total compensation directly to the achievement of organisational and individual performance goals, while giving consideration to the equitability and market competitiveness of its remuneration practices so as to align performance-based remuneration with the interests of Unitholders and other stakeholders and promote the long-term success of Starhill Global REIT.

Corporate Governance

In determining the mix of different forms of remuneration for executive officers, the NRC and the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between fixed and performance-related components.

Total remuneration comprises the following components:

- fixed remuneration comprises base salary, Central Provident Fund contributions, Annual Wage Supplement and benefits and allowances;
- variable bonus payments, paid wholly in cash, incentivise and reward individuals for their performance, efforts and achievement. The payment of variable bonus is subject to achievement of Starhill Global REIT's DPU, the Manager's profit after tax targets and other long-term targets approved by the Board, with substantial emphasis on the performance of Starhill Global REIT to align employee interests with the interests of Unitholders. In approving the variable bonus for FY 2021/22, the NRC and the Board had taken into account the extent to which the performance targets such as the achievement of sustainability targets as set out in the sustainability report have been met, and is of the view that remuneration is aligned to performance during FY 2021/22; and
- a long-term deferred bonus scheme, awarded wholly in cash, is put in place to retain selected management executives and talent who are key in the business operations. The scheme focuses on strengthening its organisational capability and leadership core, with the objective of encouraging loyalty and ensuring that decisions are taken with a long-term view in mind.

No share/unit option schemes or share/unit schemes have been implemented. The NRC and the Board has reviewed the remuneration components above and is satisfied that there is reasonable mitigation of any potential misalignment of interests, taking into account: (i) the NRC's and the Board's discretion (including the requirement for approval by not less than a majority of Independent Directors) to determine whether the remuneration payable is in line with the remuneration policy; (ii) the substantial emphasis placed on the performance of Starhill Global REIT; and (iii) the absence of any remuneration payment in the form of shares or interest in the controlling Unitholder or its related entities.

The remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent, and their responsibilities. For FY 2021/22, remuneration of Non-Executive Directors comprised entirely of Directors' fees payable in cash. The Directors' fees take into account industry practices and norms on remuneration. Each Director is paid a basic fee and the Chairman of the Board, AC and NRC are paid a higher fee in view of the greater responsibility carried by that office. The CEO does not receive Directors' fees as he receives employee remuneration from the Manager. Each Director will be remunerated based on their level of responsibilities on the Board, the AC and NRC, in accordance with the following framework for FY 2021/22:

Fee Structure		Fees (per annum)
Board of Directors	Non-Executive Chairman	S$105,000
	Non-Executive Director	S$66,150
Audit Committee	Chairman and Lead Independent Director	S$10,500
	Member	S$5,250
Nominating and Remuneration Committee	Chairman	S$2,600
	Member	S$1,300

The total amount of Directors' fees (gross before netting off withholding tax) payable to the Non-Executive Directors for FY 2021/22 are as follows:

Name of Director	FY 2021/22
Tan Sri (Sir) Francis Yeoh	S$106,192
Dato' Yeoh Seok Kian	S$67,342
Mr Tan Bong Lin	S$77,842
Mr Ching Yew Chye	S$72,592
Mr Tan Woon Hum	S$73,783

Remuneration	Salary and employer's CPF (%)	Bonus and other benefits, including employer's CPF (%)	Total (%)
CEO			
Mr Ho Sing	70%	30%	100%
Remuneration band for CEO: S$1,000,000 to S$1,250,000			
Key Management Personnel (excluding CEO)			
Ms Alice Cheong Mr Stephen Yeo Ms Clare Koh Mr Jonathan Kuah Ms Lim Kim Loon[1] *(for the period from 22 November 2021 to 30 June 2022)* Mr Alvin Tay[2] *(for the period from 1 July 2021 to 12 November 2021)*	72%	28%	100%
Aggregate of total remuneration for key management personnel (excluding CEO): S$2,101,606			

Notes:

(1) Ms Lim Kim Loon was appointed as Senior Vice President, Asset Management on 22 November 2021.

(2) Mr Alvin Tay resigned as Senior Vice President, Asset Management with effect from 13 November 2021.

The Manager is cognisant of the requirement to disclose (i) the CEO's remuneration, (ii) the remuneration of at least the top five KMP (who are not the CEO or Directors), in bands no wider than S$250,000 and (iii) the aggregate total remuneration paid to the top five KMP. The NRC and the Board have assessed and decided against the disclosure of (i) the remuneration of the CEO in exact quantum and (ii) the remuneration of at least its top five KMP (who are not the CEO or Directors) on a named basis, whether in exact quantum or in bands of S$250,000 because it is not in the Manager's best interest to do so, taking into account *inter alia* the commercial sensitivity and confidential nature of remuneration matters, the presence of highly competitive conditions for talent in the industry, which is relatively small, the importance of ensuring stability and continuity of business operations of Starhill Global REIT with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent on a long-term basis. The Manager is making available, however, the CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the top five KMP (excluding the CEO) together with a breakdown of their respective remuneration components in percentage terms, in the table above. The Manager is of the view that its disclosure is consistent with the intent of Principle 8 of the Code and provides sufficient information and transparency to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation.

As such, the Manager adopts a remuneration philosophy that is directed towards the attraction, retention and motivation of competent employees, key talents and the Directors to provide good stewardship of the Manager and KMP to successfully manage Starhill Global REIT for the long term.

There was no employee of the Manager who was a substantial shareholder of the Manager, a substantial Unitholder or are immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial Unitholder and whose remuneration exceeds S$100,000 during FY 2021/22. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

(C) ACCOUNTABILITY AND AUDIT

1. Risk Management and Internal Controls

Principle 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Effective risk management is a fundamental part of Starhill Global REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value and it is the responsibility of the Board to determine the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation.

In furtherance of this objective, Management has in place an enterprise risk management ("**ERM**") framework and policies, which have been approved by the Board, that provide a structured approach to identifying and managing the material risks that could arise in the course of managing Starhill Global REIT. The ERM framework and policies are monitored and reviewed by the Board as and when appropriate, and major developments and significant revisions to the ERM framework or policies will be submitted to the Board for approval. An independent consultant also reviews the ERM framework and the identified risks and control activities, and provides a report to the Board once every two years. Material risks at both the Manager and Starhill Global REIT levels are managed through this ERM framework. Application of the policies and protocol under the ERM framework in respect of Starhill Global REIT assets and operations is further described on page 66.

Corporate Governance

The Manager has also put in place a system of internal controls, compliance procedures and processes to safeguard Starhill Global REIT's assets and Unitholders' interests, manage risks and ensure compliance with high standards of corporate governance.

The AC has been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by Management with respect to the business operations of the Manager, Starhill Global REIT and the assets of Starhill Global REIT. Financial risk management is exercised in accordance with a robust policy. The AC and the Board, with the assistance of the internal and external auditors, review the adequacy and effectiveness of Starhill Global REIT's system of risk management and internal controls that address material risks, including material financial, operational, compliance and information technology risks. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviewed the measures taken by Management on the recommendations made by the internal and external auditors.

The Board has received assurance from the CEO and CFO of the Manager that the financial records of Starhill Global REIT have been properly maintained and the consolidated financial statements give a true and fair view of Starhill Global REIT's operations and finances.

In addition, the Board has also received assurance from the CEO and other KMP who are responsible for various aspects of risk management and internal controls that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2022 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, and the assurance from the CEO and CFO of the Manager, the Board with the concurrence of the AC is of the opinion that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2022 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The CEO and the CFO of the Manager have obtained similar assurances from the function heads of the Manager. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC for FY 2021/22.

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute assurance that Starhill Global REIT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

2. Audit Committee

Principle 10:

The Board has an Audit Committee which discharges its duties objectively.

The AC is established by the Board from among the Directors of the Manager and currently comprises three members, all of whom are Independent Directors. The members of the AC as at 30 June 2022 are Mr Tan Bong Lin (Chairman), Mr Ching Yew Chye and Mr Tan Woon Hum. The members of the AC, collectively, have recent and relevant accounting and financial management expertise or experience and are qualified to discharge the AC's responsibilities. No former partner or Director of the Manager's existing auditing firm or audit corporation is a member of the AC within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or Director of the auditing corporation, or for as long as he has any financial interest in the auditing firm or auditing corporation.

The AC assists the Board in overseeing the ERM framework and any matters of significance affecting financial reporting and internal controls of Starhill Global REIT.

The terms of reference for the AC include:

1. reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of Starhill Global REIT and any announcements relating to Starhill Global REIT's financial performance;
2. reviewing at least annually the adequacy and effectiveness of the Manager's internal controls and risk management systems;
3. reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
4. monitoring the procedures in place to ensure compliance with applicable legislation, the listing manual of the SGX-ST and the Property Funds Appendix;
5. reviewing and making recommendations to the Board in relation to the financial statements and the audit report;

6. monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the relevant regulations;

7. making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of such auditors;

8. ensuring that the internal audit function is adequately resourced through outsourcing the appointment to a reputable firm where appropriate and approving their appointment, removal and remuneration;

9. reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the outsourced internal audit function and ensuring that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management; and

10. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Manager has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report to the Manager on misconduct or wrongdoing relating to Starhill Global REIT, the Manager and its officers. The AC is responsible for ensuring the implementation, regular review and updating of the Manager's whistle blowing policy. The policy is in place to ensure that employees of the Manager and any other persons such as the vendors are provided with well-defined and accessible channels to report on potential or actual improprieties in financial or other operational matters as well as serious wrongdoings or malpractice, and breach of business conduct and ethics, in confidence, and for the independent investigation of any reports by employees and any other persons and appropriate follow-up action. Reports may be made to the compliance officer and to the Chairman of the AC via email at whistleblowing@ytlstarhill.com. All reports are made or marked "Strictly Private & Confidential" and will be received and dealt with in strictest confidence. The whistle-blowing policy objects to and does not tolerate nor condone any retaliatory action taken against the whistleblower who acts in good faith and without malice. To protect the whistleblower against any detrimental or unfair treatment, the Manager may institute disciplinary action or assist the whistle-blower who is an employee in taking a legal action, against any employee or person found to have taken such retaliatory action. However, the Manager does not condone frivolous, mischievous or malicious allegations. The AC has absolute discretion to determine how the whistleblowing report should be dealt with or resolved (including without limitation, whether details of the report need to be disclosed to the Board or other parties). The AC may, *inter alia*, conduct its own investigation or review; engage any third parties to take remedial action, to commence or conduct further investigations or review as deemed appropriate; or take any other action as the AC may determine in the best interests of the Manager and the Group.

The AC is responsible for the nomination of external auditors and internal auditors, and reviewing the adequacy and effectiveness of existing audits in respect of cost, scope and performance. The AC meets with the internal auditor at least once a year and with the external auditor at least once every quarter without the presence of Management, to discuss any matters which the AC or the auditors believe should be discussed privately without the presence of Management.

The AC has appointed PricewaterhouseCoopers Risk Services Pte. Ltd. to perform the internal audit functions. The internal auditor subscribes to, and is guided by the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("**IIA**") and its standards are aligned with the standards set by the IIA. For FY 2021/22, the AC has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was independent, effective, adequately resourced and has appropriate standing within Starhill Global REIT and the Manager.

The internal auditor reviews internal controls to ensure they address related risks, and reports directly to the AC. Management is responsible for addressing issues identified by the internal auditor. The internal auditor will also audit and report on the appropriateness and effectiveness of processes for the management of interested person transactions at least once a year. The internal auditor has unrestricted access to the AC, and access to the Manager's and Starhill Global REIT's documents, records, properties and personnel, where relevant to their work.

The Trustee has a right to review internal audit reports so as to ascertain that the Property Funds Appendix has been complied with and the AC is authorised to investigate any matters within its terms of reference. The AC has unfettered access to and cooperation from Management and to reasonable resources to enable it to discharge its functions. The AC has also reviewed all non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid and payable to the external auditor for FY 2021/22 and the breakdown into audit fees and non-audit fees are set out on page 159. Pursuant to Rule 1207(6)(c) of the listing manual of the SGX-ST, the Manager confirms that Starhill Global REIT has complied with Rules 712 and 715 of the listing manual in relation to the appointment of the external auditor.

Corporate Governance

During FY 2021/22, the AC performed independent reviews of the financial statements of Starhill Global REIT before the announcement of Starhill Global REIT's financial results, including key areas of management judgment.

The AC also reviewed and approved both the internal auditor's and the external auditor's audit plans of Starhill Global REIT for FY 2021/22. The audit findings and recommendations put up by the internal auditor and the external auditor were reported and discussed at the AC meetings.

The AC meets at least once every quarter. A total of four AC meetings were held in FY 2021/22.

As part of its oversight role over financial reporting, the AC has reviewed the following key audit matter identified by the external auditor:

Significant matter	How the AC reviewed the matter and what decisions were made
Valuation of investment properties	The AC reviewed the outcomes of the annual external valuation process and discussed the details of the valuation of Starhill Global REIT's investment properties with the Management and the external auditor. The AC had a robust discussion with Management and the professional valuers to review the methodology, bases and assumptions used in arriving at the valuation of the Singapore, Australia and Malaysia investment properties (the "**Key Investment Properties**"). The work performed by the external auditor was considered by the AC, including their assessment of the appropriateness of the valuation methodologies and assumptions applied in the valuation of the Key Investment Properties. No significant matter came to the attention of the AC in the course of the review, other than the valuations of investment properties being subject to heightened potential for greater volatility in the property markets. Please refer to pages 143 to 144 of the Annual Report for further details.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

1. Shareholder Rights and Conduct of General Meetings

Principle 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

2. Engagement with Shareholders

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

For FY 2021/22, the Manager provided Unitholders with half-year and annual financial statements as well as first and third quarter business updates. The Board, with the support of Management, is responsible for providing a balanced and informed assessment of Starhill Global REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. Financial reports and other material information are disseminated to Unitholders through announcements to SGX-ST via SGXNET, Starhill Global REIT's website and where applicable, press releases, of the performance, position and prospects of Starhill Global REIT.

All Unitholders can access the electronic copy of the Starhill Global REIT Annual Report which is published via SGXNET as well as Starhill Global REIT's website. Prior to an Annual General Meeting ("**AGM**"), all Unitholders will receive a notice of AGM and an accompanying request form containing instructions on accessing the Annual Report online with the option of receiving a printed version. As and when an Extraordinary General Meeting of the Unitholders is to be held, each Unitholder is sent (where possible, electronically) a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. Unitholders are invited to attend these meetings to put forward any questions they may have on the matters on the agenda. Proxy forms containing voting rules and procedures are provided to Unitholders. During the meeting, Unitholders are also briefed on the detailed voting procedures and to ensure transparency, the Manager conducts electronic poll voting and all votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each poll. An independent scrutineer is also appointed to validate the vote tabulation procedures. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET.

Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings are also announced on SGXNET. The Manager is in full support of Unitholder participation at AGMs. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than two proxies to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it.

All members of the Board, representatives of the Trustee, the Manager's senior management and the external auditor of Starhill Global REIT are in attendance at such general meetings. All Directors attended the general meetings held during their tenure in FY 2021/22. Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings or about the conduct of audit and the preparation and content of the auditors' report. Resolutions put to the general meeting are separate unless they are interdependent and linked so as to form one significant proposal, and the reasons and material implications are explained in the notice of meeting. Minutes of general meetings record the key issues discussed and decisions made thereon including any substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting and the response from the Board and Management. These Minutes are made available to Unitholders at their request. As all Unitholders are entitled to receive these Minutes, the Manager believes that this is consistent with the intent to treat all Unitholders fairly and equitably.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Due to the current COVID-19 situation in Singapore, the AGM held in FY 2021/22 and the AGM to be held in FY 2022/23 was and will be, convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM, including:

1. arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream;
2. submission of questions in advance of, or (in the case of the AGM in 2022) live at the AGM;
3. addressing of substantial and relevant questions prior to or (in the case of the AGM in 2022) live at the AGM; and
4. voting (i) live at the AGM in 2022 by the Unitholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy at the AGM),

are set out in the notice of AGM. Minutes of the AGM and responses to relevant and substantial questions from Unitholders were published on SGXNET and made available on Starhill Global REIT's website.

The Manager's current distribution policy is to distribute at least 90% of Starhill Global REIT's taxable income to its Unitholders or any other minimum level to qualify for tax transparency, as allowed by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has in place a dedicated team performing the investor relations function and has developed an investor relations policy ("**Communications Policy**"), the cornerstone of which is delivery of timely and full disclosure of all material information relating to Starhill Global REIT by way of announcements via SGXNET in the first instance and then including the announcements on Starhill Global REIT's website at www.starhillglobalreit.com. The Communications Policy sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions. Unitholders are welcome to engage the Manager beyond general meetings by contacting the Investor Relations and Corporate Communications department, whose contact details are set out on Starhill Global REIT's website at www.starhillglobalreit.com. This allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. Where there is inadvertent disclosure of material information made to a select group, the Manager will make the same disclosure publicly to all others as promptly as possible, where appropriate or necessary. More details on the Manager's investor relations activities and efforts are set out on page 67.

Starhill Global REIT's website contains recent announcements, press releases, presentations, and past and current reports to Unitholders. The website also provides visitors with the option of signing up for a free email alert service on public materials released by the Manager in relation to Starhill Global REIT.

The Manager also participates in investor conferences locally and overseas as part of its efforts to cultivate and maintain regular contact with investors and analysts and to build interest in and strengthen the branding of Starhill Global REIT.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

1. Engagement with Stakeholders

Principle 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall strategy to ensure that the best interests of the Unitholders are served. In line with this approach, the Manager's key areas of focus in relation to the management of stakeholder relationships include sustainability and environmental and social responsibility in the business and operations of Starhill Global REIT.

The Manager has arrangements in place to identify and engage with its material stakeholder groups to gather feedback and engage with its material stakeholder groups on issues of sustainability and environmental and social responsibility that are significant and material to them. This includes maintaining Starhill Global REIT's website at www.starhillglobalreit.com, which facilitates communication and engagement with various stakeholders. The Board has considered and reviewed sustainability issues in the environment, social and governance aspects of the business of Starhill Global REIT. More information on the material sustainability issues of Starhill Global REIT are set out on pages 68 to 95.

(F) ADDITIONAL INFORMATION

1. Dealing with Related Party Transactions

(i) Review procedures for related party transactions

The Manager has established internal control procedures to ensure that transactions involving the Trustee, as trustee for Starhill Global REIT, and any Interested Person or Interested Party as defined in the listing manual of the SGX-ST and the Property Funds Appendix respectively ("**Related Party Transactions**") are undertaken on normal commercial terms and will not be prejudicial to the interests of Starhill Global REIT or the Unitholders. As a general rule, the Manager would have to demonstrate to the AC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures are followed:

1. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review by the AC;
2. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for Starhill Global REIT, with third parties which are unrelated to the Manager; and
3. transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review and prior approval of the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the listing manual of the SGX-ST and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning Starhill Global REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager or Starhill Global REIT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Starhill Global REIT or Unitholders and are in accordance with all applicable requirements of the Property Funds Appendix and/or the listing manual of the SGX-ST relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Starhill Global REIT. If the Trustee is to sign any contract with a related party of the Manager or Starhill Global REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the listing manual of the SGX-ST relating to interested person transactions as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to real estate investment trusts.

(ii) Internal control procedures

The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by Starhill Global REIT. The Manager has incorporated into its internal audit plan a review of all Related Party Transactions entered into by Starhill Global REIT.

The AC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The AC periodically reviews all Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the listing manual of the SGX-ST and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the AC. If a member of the AC or any Director has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The Manager discloses in Starhill Global REIT's Annual Report the aggregate value of Related Party Transactions (equal to or exceeding S$100,000 each in value) entered into during the relevant financial year.

2. Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest issues which may arise in managing Starhill Global REIT:

1. the Manager will not manage any other real estate investment trust which invests in the same type of properties as Starhill Global REIT;
2. executive officers will be employed by the Manager or measures will be put in place to mitigate any potential conflict;
3. all resolutions in writing of the Directors of the Manager in relation to matters concerning Starhill Global REIT must be approved by a majority of the Directors, including at least one Independent Director;
4. at least half of the Board shall comprise of Independent Directors;
5. all Related Party Transactions must be reviewed by the AC and/or approved by a majority of the AC in accordance with the materiality thresholds and procedures outlined above. If a member of the AC has an interest in a transaction, he will abstain from voting;
6. Directors disclose promptly all interests in a transaction or proposed transaction;
7. in respect of matters in which a Director of the Manager or his Associates (as defined in the listing manual of the SGX-ST) have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Manager and must exclude such interested Director; and
8. the Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates have a material interest.

The Directors of the Manager are under a fiduciary duty to Starhill Global REIT to act in its best interests in relation to decisions affecting Starhill Global REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) on the matter. If the said law firm is of the opinion that the Trustee has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its Independent Directors) have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

3. Dealing in Starhill Global REIT Units

Each Director of the Manager is required to give notice to the Manager of his acquisition of units or of changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or changes in interest. All dealings in units by Directors of the Manager are announced via SGXNET.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units during the following periods:

Corporate Governance

1. a one-month period preceding the announcement of the half year and full year financial statements;
2. a two-week period preceding the announcement of Starhill Global REIT's business updates for the first and third quarters; or
3. any period when there exists any matter which constitutes non-public price-sensitive information in relation to the securities of Starhill Global REIT.

The Directors and employees of the Manager are advised not to deal in the Units on short-term considerations. In addition, the Manager will announce via SGXNET the particulars of its holdings in the Units and any changes thereto within one business day after the date on which it acquires or disposes of any Units, as the case may be. The Manager will also not deal in the Units during the period commencing one month before the public announcement of Starhill Global REIT's annual and half-year financial results and two weeks before the public announcement of Starhill Global REIT's business updates for the first and third quarter, and ending on the date of announcement of the relevant results.

4. Fees payable to the Manager

The Manager is entitled to the following fees:

(i) Base Fee

The Base Fee covers the operational and administrative expenses incurred by the Manager in executing its responsibilities to manage Starhill Global REIT's portfolio. The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) as defined on page 130 ("**Base Fee**") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Manager may opt to receive the Base Fee in respect of its properties in cash or Units or a combination of cash and Units (as it may determine). The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of Units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

(ii) Performance Fee

The Manager is entitled to a performance fee ("**Performance Fee**") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are reinvested in the Trust) of the Units (expressed as the "**Trust Index**") in any Financial Year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming reinvestment of all distributions) of a benchmark index ("**Benchmark Index**"). The Performance Fee is calculated in two tiers as follows:

1. A Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust; and
2. A Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the Benchmark Index, multiplied by the equity market capitalisation of the Trust.

The Performance Fee, whether payable in any combination of cash and Units or solely in cash or Units, will be payable annually in arrears within 30 days after the last day of each financial year. Please refer to pages 130 to 131 for further details on the Performance Fee.

The Performance Fee is based on accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the Units, such that where the accumulated return for the Trust Index exceeds the total return of the Benchmark Index, the Manager will be paid a Performance Fee. The interests of the Manager are therefore aligned with the interests of the Unitholders as the Performance Fee would be commensurate with the value that the Manager delivers to Unitholders in the form of such accumulated return. In addition, the Manager has to ensure that the Trust Index outperforms the Benchmark Index. This motivates and incentivises the Manager to grow the accumulated return to Unitholders and outperform the Benchmark Index on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives, disciplined investments and prudent capital and risk management. By pegging performance fee to accumulated return, the Manager will not take on excessive short-term risks that will affect returns to Unitholders.

(iii) Acquisition Fee

The Manager is entitled to an Acquisition Fee as set out in clause 15.2 of the Trust Deed. This is earned by the Manager upon completion of an acquisition. The fee seeks to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet Starhill Global REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man-hours spent in evaluating the transactions.

The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of Starhill Global REIT.

The Acquisition Fee is calculated at 1.0% of the value of the real estate acquired and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager shall elect). The Acquisition Fee is payable to the Manager 14 days after the completion of the relevant acquisition. Please refer to page 131.

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of Units which shall not be sold within one year from the date of issuance. This motivates the Manager to ensure that any acquisitions from interested parties perform and contribute to Unitholders' returns.

(iv) Divestment Fee

The Manager is entitled to a Divestment Fee as set out in clause 15.3 of the Trust Deed. This is earned by the Manager upon completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and to recycle capital and optimise Starhill Global REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, sourcing for buyers, due diligence efforts and man-hours spent in the course of the transactions.

In accordance to clause 15.3 of the Trust Deed, the Divestment Fee is calculated at 0.5% of the value of the real estate divested and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect).

The Divestment Fee is payable as soon as practicable after the completion of the relevant divestment. Please refer to page 131.

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager shall be in the form of Units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

(v) Development Management Fee

The Manager is entitled to charge a development management fee equivalent to 3.0% of the total project costs incurred in development projects undertaken and managed by the Manager on behalf of Starhill Global REIT (the "**Development Management Fee**"), as set out in Clause 15.6 of the Trust Deed. In addition, when the estimated total project costs are greater than S$200.0 million, the Trustee and the Independent Directors of the Manager will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

A Development Management Fee is chargeable for all development projects undertaken by the Manager on behalf of Starhill Global REIT which include the redevelopment of an existing property. However, the Manager will not receive a Development Management Fee for activities involving refurbishment, retrofitting and renovations.

The Manager believes that having the ability to execute a development strategy when an attractive opportunity arises is beneficial to Unitholders as development projects can potentially provide significant returns to augment the income derived from the acquisitions and thus also contribute to improving the net asset value of Starhill Global REIT's portfolio, as the case may be, and provide growing distributions to Unitholders. Unlike outright acquisitions of completed income-producing properties, the process of property development is more complex as it requires a longer gestation period and involves the management and supervision of significant construction activity. The services rendered for a development project are significantly more than the services rendered for an acquisition.

The Development Management Fee shall be payable in the form of cash and/or Units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project cost is finalised.

Development management may at times contain certain aspects of project management. In order to ensure that there is no double-payment of fees for the same services provided, where Development Management Fees are payable to the Manager, there will not be any additional project management fees payable to the project manager and vice-versa. Please refer to pages 131 to 132.

Corporate Governance

ADDITIONAL INFORMATION ON ENDORSEMENT OF APPOINTMENT OF DIRECTORS

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Dato' Yeoh Seok Kian	Mr Tan Bong Lin
Date of Appointment	31 December 2008	1 January 2018
Date of last endorsement of appointment	28 October 2020	28 October 2020
Age	65	66
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has approved each Director's appointment based on an assessment of their qualification and experience and is satisfied that they will be able to contribute to the Company and Starhill Global REIT.	
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title	Non-Executive Director and Nominating and Remuneration Committee Member	Lead Independent Director Audit Committee Chairman Nominating and Remuneration Committee Member
Professional qualifications	Bachelor of Science (Hons) Degree in Building, Heriot-Watt University, Edinburgh, United Kingdom in 1981 Honorary Degree of Doctor of the University, Heriot-Watt University, Edinburgh, UK in 2017 Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984	Bachelor of Accountancy degree from the University of Singapore in 1980
Working experience and occupation(s) during the past 10 years	Dato' Yeoh was appointed as an Executive Director of YTL Corp since 1984 and has been the Deputy Managing Director of YTL Corp until 29 June 2018 when he was redesignated as Managing Director. Dato' Yeoh is the Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad. Dato' Yeoh also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.	Mr Tan is a Non-Executive Independent Director of APAC Realty Limited and was formerly an Independent Director and Chairman of the Audit Committee of Parkway Life REIT (both of which are listed on the Mainboard of SGX-ST) from 2007 to 2016. Mr Tan is also the Non-Executive Chairman and Independent Director of RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust (which is listed on the Mainboard of SGX-ST).

	Dato' Yeoh Seok Kian	Mr Tan Bong Lin
Other Principal Commitments Including Directorships		
1. Past (for the last 5 years)	None.	5 July 2007 to 21 October 2016: Parkway Trust Management Limited, manager of Parkway Life REIT
2. Present	YTL Corp, Managing Director YTL Power International Berhad, Executive Director YTL Land & Development Berhad, Managing Director Malayan Cement Berhad, Executive Director Other Board Appointments: YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. Pintar Projek Sdn Bhd, manager of YTL Hospitality REIT, Executive Director	APAC Realty Limited, Non-Executive Independent Director RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust, Non-Executive Chairman and Independent Director
Any prior experience as a director of an issuer listed on the Exchange?	Yes YTL Starhill Global REIT Management Limited	Yes YTL Starhill Global REIT Management Limited APAC Realty Limited Parkway Trust Management Limited, manager of Parkway Life REIT RHT Health Trust Manager Pte Ltd, manager of RHT Health Trust
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes Tan Sri (Sir) Francis Yeoh and Dato' Yeoh Seok Kian are brothers Dato' Yeoh Seok Kian is also the Managing Director of YTL Corp and the son of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, both substantial Unitholders of Starhill Global REIT	No
Conflict of Interest (including any competing business)	The directorships held by Dato' Yeoh Seok Kian in YTL Corp and its subsidiaries	No

Note:
For more details, please refer to pages 22 to 23 of this Annual Report on the Board of Directors.

Corporate Governance

		Dato' Yeoh Seok Kian	Mr Tan Bong Lin
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer		Yes	Yes
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c)	Whether there is any unsatisfied judgment against him?	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	I. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	II. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	III. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	IV. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Financials

FINANCIAL STATEMENTS

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of YTL Starhill Global REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2005, as supplemented by a first supplemental deed dated 20 April 2006, an amended and restated deed dated 8 August 2007, a second amended and restated deed dated 10 December 2007, a second supplemental deed dated 22 April 2010, a third supplemental deed dated 7 June 2010, a fourth supplemental deed dated 17 March 2014, a third amending and restating deed dated 4 August 2016, a fifth supplemental deed dated 27 October 2017, a sixth supplemental deed dated 29 October 2019 and a seventh supplemental deed dated 28 October 2020 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year ended 30 June 2022 covered by these financial statements, set out on pages 123 to 174 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore

29 August 2022

Statement by the Manager

In the opinion of the board of directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 123 to 174, comprising the balance sheets, statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and of the Trust, the investment properties portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to give a true and fair view of the financial position of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 30 June 2022, the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended 30 June 2022 in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
YTL Starhill Global REIT Management Limited

Ho Sing
Director

Singapore
29 August 2022

Independent Auditors' Report

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

Report on the financial statements

Opinion
We have audited the financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheet and investment properties portfolio statement of the Group and the balance sheet of the Trust as at 30 June 2022, the statements of total return, distribution statements, statements of movements in unitholders' funds of the Group and the Trust, and the cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 123 to 174.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement, statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and financial position of the Trust as at 30 June 2022, and the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion
We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:
As at 30 June 2022, the Group's investment properties portfolio comprises 10 properties which amounted to $2,893 million (2021: $2,965 million) representing 97% (2021: 96%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques which include the capitalisation and discounted cash flow approaches.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation and discount rates i.e. a small change in the assumptions may have a significant impact to the valuation.

Certain valuation reports highlighted that there is heightened potential for greater volatility in the property markets, and it is recommended to monitor the valuation of these properties closely.

Our response:
We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We also assessed the competency, capability and objectivity of these valuers.

We obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties. We considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the external valuers and challenged the key assumptions applied, including capitalisation and discount rates, by comparing them to market comparables, historical data and available industry data, as well as understand how the implications of the COVID-19 pandemic were considered in the valuations.

We have also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and the fair values.

Our findings:
The Group has a formalised process for appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers. The Group has also assessed the valuers' independence in carrying out their work.

The valuation methodologies used are comparable to methods used in the prior year and those used for similar property types, and the key assumptions applied are within the reasonable range of available market data as at the date of valuation. The disclosures in the financial statements relating to the assumptions included by the external valuers in their valuation reports are appropriate.

Other information
YTL Starhill Global REIT Management Limited, the Manager of the Trust ("the Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements
The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tan Chun Wei (Chen Junwei).

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 August 2022

Balance Sheets

As at 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Non-current assets					
Investment properties	4	**2,893,294**	2,964,648	**1,969,955**	2,008,704
Plant and equipment	5	**14**	29	**13**	21
Interests in subsidiaries	6	**–**	–	**667,224**	659,123
Derivative financial instruments	7	**15,163**	1,303	**14,426**	1,303
Trade and other receivables	8	**–**	185	**–**	–
		2,908,471	2,966,165	**2,651,618**	2,669,151
Current assets					
Derivative financial instruments	7	**436**	91	**391**	91
Trade and other receivables	8	**2,855**	5,008	**2,865**	5,386
Cash and cash equivalents	9	**85,663**	108,323	**33,820**	50,913
		88,954	113,422	**37,076**	56,390
Total assets		**2,997,425**	3,079,587	**2,688,694**	2,725,541
Non-current liabilities					
Trade and other payables	10	**21,413**	22,799	**17,382**	18,093
Derivative financial instruments	7	**–**	7,324	**–**	5,020
Deferred tax liabilities	11	**6,844**	6,795	**–**	–
Borrowings	12	**955,962**	1,105,353	**784,932**	927,150
Lease liabilities	13	**580**	341	**500**	248
		984,799	1,142,612	**802,814**	950,511
Current liabilities					
Trade and other payables	10	**38,894**	41,514	**26,522**	28,467
Derivative financial instruments	7	**213**	2,489	**199**	689
Income tax payable		**1,163**	2,418	**–**	–
Borrowings	12	**124,974**	–	**124,974**	–
Lease liabilities	13	**355**	457	**355**	457
		165,599	46,878	**152,050**	29,613
Total liabilities		**1,150,398**	1,189,490	**954,864**	980,124
Net assets		**1,847,027**	1,890,097	**1,733,830**	1,745,417
Represented by:					
Unitholders' funds	14	**1,747,408**	1,790,478	**1,634,211**	1,645,798
Perpetual securities holders' funds	15	**99,619**	99,619	**99,619**	99,619
Units in issue ('000)	16	**2,239,028**	2,214,204	**2,239,028**	2,214,204
Net asset value per unit ($) based on:					
- Units issued and issuable at the end of the year		**0.78**	0.81	**0.73**	0.74

The accompanying notes form an integral part of these financial statements.

Statements of Total Return

Year ended 30 June 2022

		Group		Trust	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Gross revenue	17	**186,434**	181,287	**113,225**	114,006
Property operating expenses	18	**(41,724)**	(46,550)	**(24,234)**	(26,638)
Net property income		**144,710**	134,737	**88,991**	87,368
Interest income from fixed deposits and bank balances		**387**	451	**67**	119
Interest income from subsidiaries		**–**	–	**8,988**	5,711
Dividend income from subsidiaries	19	**–**	–	**20,207**	4,989
Management fees	20	**(15,288)**	(15,500)	**(14,278)**	(14,524)
Performance fees	20	**–**	–	**–**	–
Trust expenses	21	**(3,920)**	(3,924)	**(2,495)**	(2,763)
Finance expenses	22	**(37,849)**	(41,411)	**(27,982)**	(28,021)
		88,040	74,353	**73,498**	52,879
Change in fair value of derivative instruments		**19,953**	12,755	**15,523**	8,466
Foreign exchange loss		**(2,358)**	(1,033)	**(12,116)**	(543)
Change in fair value of investment properties	4	**(49,587)**	(28,095)	**(45,811)**	(59,043)
Reversal of allowance on interests in subsidiaries	6,8	**–**	–	**31,057**	–
Total return for the year before tax and distribution		**56,048**	57,980	**62,151**	1,759
Income tax	23	**(2,251)**	(1,462)	**(1,316)**	(698)
Total return for the year after tax, before distribution		**53,797**	56,518	**60,835**	1,061
Less: Amount reserved for distribution to perpetual securities holders		**(3,850)**	(2,088)	**(3,850)**	(2,088)
Non-tax deductible items and other adjustments		**39,832**	33,747	**32,794**	89,204
Income available for distribution		**89,779**	88,177	**89,779**	88,177
Earnings per unit (cents)					
Basic	24	**2.24**	2.47	**2.55**	(0.05)
Diluted	24	**2.24**	2.47	**2.55**	(0.05)

The accompanying notes form an integral part of these financial statements.

Distribution Statements

Year ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Income available for distribution at the beginning of the year		**90,587**	59,203	**90,587**	59,203
Total return after tax, before distribution		**53,797**	56,518	**60,835**	1,061
Less: Amount reserved for distribution to perpetual securities holders		**(3,850)**	(2,088)	**(3,850)**	(2,088)
Net tax and other adjustments (Note A below)		**39,832**	33,747	**32,794**	89,204
Income available for distribution		**180,366**	147,380	**180,366**	147,380
Distributions during the year:					
Unitholders					
Distribution of 2.07 cents (2020: 0.70 cents) per unit for the period 1 January to 30 June 2021		**(45,903)**	(15,365)	**(45,903)**	(15,365)
Distribution of 1.78 cents (2020: 1.88 cents) per unit for the period 1 July to 31 December 2021		**(39,740)**	(41,428)	**(39,740)**	(41,428)
		(85,643)	(56,793)	**(85,643)**	(56,793)
Income available for distribution at the end of the year		**94,723**	90,587	**94,723**	90,587
Number of units issued and issuable ('000)	16	**2,240,431**	2,217,828	**2,240,431**	2,217,828
Distribution per unit for the year (cents)		**3.80**	3.95[1]	**3.80**	3.95[1]

Note A – Net tax and other adjustments

	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Non-tax deductible/(chargeable) items and other adjustments:				
- Management fees paid/payable in units	**5,664**	8,133	**5,664**	8,133
- Finance costs	**831**	1,171	**1,286**	1,466
- Sinking fund contribution	**1,549**	1,549	**1,549**	1,549
- Depreciation	**14**	13	**14**	13
- Change in fair value of derivative instruments	**(19,621)**	(12,363)	**(15,222)**	(8,073)
- Change in fair value of investment properties	**49,587**	28,095	**45,811**	59,043
- Deferred tax	**63**	109	**–**	–
- Reversal of allowance on interests in subsidiaries	**–**	–	**(32,000)**	–
- Foreign exchange loss	**2,484**	738	**12,235**	(172)
- Other items	**(739)**	6,302	**2,750**	7,230
- Net overseas income not distributed to the Trust, net of amount received	**–**	–	**10,707**	20,015
Net tax and other adjustments	**39,832**	33,747	**32,794**	89,204

Note:
[1] Included the full release of $7.7 million (or 0.35 cents per unit) of deferred distributable income for the year ended 30 June 2020.

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds

Year ended 30 June 2022

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Unitholders' funds at the beginning of the year	**1,790,478**	1,769,489	**1,645, 798**	1,691,876
Operations				
Change in unitholders' funds resulting from operations, before distributions	**53,797**	56,518	**60,835**	1,061
Amount reserved for distribution to perpetual securities holders	**(3,850)**	(2,088)	**(3,850)**	(2,088)
Increase/(decrease) in unitholders' funds resulting from operations	**49,947**	54,430	**56,985**	(1,027)
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	**(13,096)**	11,762	**–**	–
Transfer of translation differences from total return arising from hedge accounting[1]	**12,550**	4,209	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(23,899)**	(4,361)	**–**	–
Net (loss)/gain recognised directly in unitholders' funds	**(24,445)**	11,610	**–**	–
Hedging reserve				
Changes in fair value of cash flow hedges[2]	**3,128**	–	**3,128**	–
Unitholders' transactions				
Management fees paid in units	**4,850**	6,114	**4,850**	6,114
Management fees payable in units	**814**	2,019	**814**	2,019
Distribution reinvestment plan[3]	**8,279**	3,609	**8,279**	3,609
Distributions to unitholders	**(85,643)**	(56,793)	**(85,643)**	(56,793)
Decrease in unitholders' funds resulting from unitholders' transactions	**(71,700)**	(45,051)	**(71,700)**	(45,051)
Unitholders' funds at the end of the year	**1,747,408**	1,790,478	**1,634,211**	1,645,798
Perpetual securities holders' funds				
Balance at the beginning of the year	**99,619**	–	**99,619**	–
Issue of perpetual securities	**–**	100,000	**–**	100,000
Issuance cost	**–**	(550)	**–**	(550)
Total return attributable to perpetual securities holders	**3,850**	2,088	**3,850**	2,088
Distribution to perpetual securities holders	**(3,850)**	(1,919)	**(3,850)**	(1,919)
Balance at the end of the year	**99,619**	99,619	**99,619**	99,619

Notes:

(1) The Group designated its JPY and AUD loans as net investment hedges for part of its Japan and Australia operations. Correspondingly, the foreign currency differences on the JPY and AUD loans were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan and Australia operations.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group.

(3) Represent 13,808,677 units (2021: 7,042,361 units issued in March 2021) issued in September 2021 and March 2022 as part payment of distribution for 1 January to 30 June 2021 and 1 July to 31 December 2021 (2021: 1 July to 31 December 2020) through distribution reinvestment plan.

The accompanying notes form an integral part of these financial statements.

Investment Properties Portfolio Statement

As at 30 June 2022

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate[12] 2022 %	At valuation 2022 $'000	At valuation 2021 $'000	Percentage of unitholders' funds 2022 %	Percentage of unitholders' funds 2021 %
Group										
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	50 years	391/391B Orchard Road, Singapore 238874	Retail/ Office	**98.5/92.6**	**1,131,500[5]**	1,130,000	**64.8**	63.1
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	39 years	435 Orchard Road, Singapore 238877	Retail/ Office	**97.6/94.5**	**837,600[5]**	878,000	**47.9**	49.0
Myer Centre Adelaide[1]	Freehold	–	–	14-38 Rundle Mall, Adelaide, Australia	Retail/ Office	**88.3/93.3**	**239,262[6]**	243,507	**13.7**	13.6
David Jones Building[1]	Freehold	–	–	622-648 Hay Street Mall, Perth, Australia	Retail	**98.5**	**136,858[7]**	146,508	**7.8**	8.2
Plaza Arcade[1]	Freehold	–	–	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	**77.6**	**46,417[7]**	49,004	**2.7**	2.7
The Starhill[2]	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/ Hotel [11]	**100.0**	**278,044[8]**	279,763	**15.9**	15.6
Lot 10 Property[2]	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	54 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/ Office	**100.0**	**142,651[8]**	147,005	**8.2**	8.2
Ebisu Fort[3]	Freehold	–	–	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**36,953[9]**	44,377	**2.1**	2.5
Daikanyama[3]	Freehold	–	–	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**13,781[9]**	15,927	**0.8**	0.9
China Property[4]	Leasehold	Leasehold estate expiring on 27 December 2035	13 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	**100.0**	**29,293[10]**	29,760	**1.6**	1.7
Investment properties – fair value							**2,892,359**	2,963,851	**165.5**	165.5
Investment properties – right-of-use assets							**935**	797	**0.1**	0.1
Total investment properties							**2,893,294**	2,964,648	**165.6**	165.6
Other assets and liabilities (net)							**(1,046,267)**	(1,074,551)	**(59.9)**	(60.0)
Net assets							**1,847,027**	1,890,097	**105.7**	105.6
Perpetual securities holders' funds							**(99,619)**	(99,619)	**(5.7)**	(5.6)
Unitholders' funds							**1,747,408**	1,790,478	**100.0**	100.0

Notes:

(1) David Jones Building, Plaza Arcade and Myer Centre Adelaide (the "Australia Properties") were acquired on 20 January 2010, 1 March 2013 and 18 May 2015 respectively.

(2) The Starhill and Lot 10 Property (the "Malaysia Properties") were acquired on 28 June 2010.

(3) The Japan Properties comprise two properties as at 30 June 2022. Daikanyama and Ebisu Fort were acquired on 30 May 2007 and 26 September 2007 respectively.

(4) China Property was acquired on 28 August 2007.

(5) The valuation of the Trust's Ngee Ann City Property and Wisma Atria Property were based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2022.

(6) Based on the valuation performed by Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations & Advisory South Australia as at 30 June 2022 and translated at the exchange rate of A$1.04 : $1.00 (2021: A$0.99 : $1.00).

(7) Based on the valuation performed by CIVAS (WA) Pty Limited as at 30 June 2022 and translated at the exchange rate of A$1.04 : $1.00 (2021: A$0.99 : $1.00).

(8) Based on the valuation performed by Nawawi Tie Leung Property Consultants Sdn Bhd as at 30 June 2022 and translated at the exchange rate of RM3.17 : $1.00 (2021: RM3.09 : $1.00).

(9) Based on the valuation performed by CBRE K.K. as at 30 June 2022 and translated at the exchange rate of JPY97.96 : $1.00 (2021: JPY82.25 : $1.00).

(10) Based on the valuation performed by Cushman & Wakefield Limited as at 30 June 2022 and translated at the exchange rate of RMB4.81 : $1.00 (2021: RMB4.81 : $1.00).

(11) The Starhill has completed asset enhancement works in December 2021 to convert it into an integrated development comprising retail and hotel elements.

(12) Based on commenced leases as at 30 June 2022.

The Manager believes that the above independent valuers have appropriate professional qualifications and experience in the location and category of the Group's investment properties being valued. Full valuations of the above properties were performed as at year-end.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

Year ended 30 June 2022

	Group	
	2022 $'000	**2021 $'000**
Cash flows from operating activities		
Total return for the year before tax and distribution	**56,048**	57,980
Adjustments for:		
Finance income	**(387)**	(451)
Depreciation	**22**	22
Management fees paid/payable in units	**5,664**	8,133
Finance expenses	**37,849**	41,411
Change in fair value of derivative instruments	**(19,953)**	(12,755)
Foreign exchange loss	**2,358**	1,033
Change in fair value of investment properties	**49,587**	28,095
Operating income before working capital changes	**131,188**	123,468
Trade and other receivables	**(1,335)**	13,530
Trade and other payables	**(2,422)**	6,460
Income tax paid	**(3,146)**	(1,241)
Net cash from operating activities	**124,285**	142,217
Cash flows from investing activities		
Capital expenditure on investment properties	**(20,073)**	(34,937)
Purchase of plant and equipment	**(6)**	–
Interest received on deposits	**372**	473
Net cash used in investing activities	**(19,707)**	(34,464)
Cash flows from financing activities		
Borrowing costs paid	**(36,533)**	(44,261)
Proceeds from borrowings	**235,000**	405,729
Repayment of borrowings	**(240,000)**	(523,544)
Net proceeds from issuance of perpetual securities	**–**	99,450
Payment of lease liabilities	**(412)**	(387)
Distributions paid to unitholders	**(77,364)**	(53,184)
Distributions paid to perpetual securities holders	**(3,850)**	(1,919)
Net cash used in financing activities	**(123,159)**	(118,116)
Net decrease in cash and cash equivalents	**(18,581)**	(10,363)
Cash and cash equivalents at the beginning of the year	**108,323**	117,442
Effects of exchange rate differences on cash	**(4,079)**	1,244
Cash and cash equivalents at the end of the year	**85,663**	108,323

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 29 August 2022.

1. GENERAL

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Starhill Global REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

The Trust has entered into several significant service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property management fees and leasing commission

YTL Starhill Global Property Management Pte. Ltd. (the "Property Manager") is entitled to receive a fee of 3.0% per annum of gross revenue of the Wisma Atria Property and Ngee Ann City Property ("Singapore Properties") (excluding GST) for the provision of property management, lease management as well as marketing and marketing co-ordination services. The Property Manager's fee is to be paid on a monthly basis in arrears.

The Property Manager is also entitled to receive leasing commission at the rates set out below when it secures a tenant or a tenancy renewal:

(i) one month's base rental for securing a tenancy of three years or more;

(ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;

(iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;

(iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;

(v) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and

(vi) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.

Property management fees also include fees payable mainly to third party property managers of the Australia Properties and Japan Properties.

(b) Management fees

Management fees include fees payable to the Manager, third party asset manager of the Japan Properties, as well as servicer of the Malaysia Properties.

Under the Trust Deed, the Manager is entitled to receive a base fee and a performance fee as follows:

Base fee

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders.

The Value of Trust Property means:

(i) the value of all authorised investments of the Group other than real estate related assets;

(ii) the value of real estate related assets of any entity held by the Group if such holding is less than 30.0% of the equity of such entity; and

(iii) where the Group invests in 30.0% or more of a real estate related asset of any entity, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, the Group's proportionate interest in the value of the underlying real estate of the entity issuing the equity which comprises the real estate related asset.

The Manager may opt to receive the Base Fee in respect of its properties in cash or units or a combination of cash and units (as it may determine).

The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

Performance fee

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units (expressed as the "Trust Index") in any financial year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index.

The Performance Fee is calculated in two tiers as follows:

- a Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust; and

- a Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index shall be referred to as outperformance.

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears. If a trigger event occurs in any financial year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether structured in cash or in the form of units) to which it might otherwise have been entitled for that financial year in cash, which shall be calculated, as if the end of the financial year was the date of occurrence of the trigger event, in accordance with Clause 15.1.4 of the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

The management fees (Base Fee and Performance Fee, including any accrued Performance Fee which has been carried forward from previous financial years but excluding any acquisition fee or divestment fee) to be paid to the Manager in respect of a financial year, whether in cash or in units or a combination of cash and units, is capped at an amount equivalent to 0.8% per annum of the Value of the Trust Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future financial years. If, at the end of a financial year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that financial year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the benchmark index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

(c) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of 1.0% of the value of the real estate acquired. For any acquisition made by the Group in Singapore, any payment to third party agents or brokers in connection with the acquisition shall be borne by the Manager, and not additionally out of the Group. For any acquisition made by the Group outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.

The Manager is entitled to receive a divestment fee of 0.5% of the value of the real estate divested. For any divestment made by the Group in Singapore, any payment to third party agents or brokers in connection with the divestment shall be borne by the Manager, and not additionally out of the Group. For any divestment made outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge a divestment fee of 0.5% of the sale price. The Manager also receives acquisition fees and divestment fees in instances other than an acquisition and divestment of real estate.

(d) Development management fee

Under the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs (excluding GST) incurred in development projects undertaken and managed by the Manager on behalf of the Group ("Development Management Fee").

In addition, when the estimated total project costs are greater than $200 million, the Trustee and the independent directors of the Manager (the "Independent Directors"), will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

The Development Management Fee shall be payable in the form of cash and/or units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project costs is finalised.

(e) Trustee's fee

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders. The Trustee's fee is payable out of the deposited property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is less than 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 4 – valuation of investment properties.

2.5 Adoption of new/revised FRS

The Group has adopted the new standards and amendments which became effective for financial year beginning on or after 1 July 2021, including the following:

- *COVID-19-Related Rent Concessions* (Amendments to FRS 116)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)

The adoption of these amendments to standards and interpretations do not have a significant effect on the financial statements.

In relation to the interest rate benchmark reform, the Group has applied the Phase 2 amendments retrospectively. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 30 June 2021, there is no impact on opening equity balances as a result of retrospective application. The Phase 2 amendments provide practical relief from certain requirements in FRS. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group and the Trust to all periods in these financial statements and have been applied consistently by Group entities, except as explained in Note 2.5.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss in the statement of total return.

Subsidiaries

Subsidiaries are entities controlled by the Group and include entities that are created to accomplish a narrow and well defined objective such as the execution of a specific transaction where the substance of the relationship is that the Group controls the entity. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Interests in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transactions. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss in the statement of total return except for the differences arising on the translation of a financial liability designated as a hedge of the net investment in foreign operation (see below).

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to profit or loss in the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in profit or loss in the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

Hedge of a net investment in foreign operation

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss in the statement of total return as part of the gain or loss on disposal.

3.3 Plant and equipment

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment, and is recognised in profit or loss in the statement of total return.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss in the statement of total return as incurred.

Depreciation

Depreciation of plant and equipment is recognised in profit or loss in the statement of total return on a straight-line basis over their estimated useful lives of two to five years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition, and subsequently at fair value with any changes therein recognised in profit or loss in the statement of total return. Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code ("Property Fund Appendix") issued by MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

3.5 Intangible asset

Goodwill

Goodwill and bargain purchase may arise upon the acquisition of subsidiaries.

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss in the statement of total return.

Goodwill arising on the acquisition of subsidiaries (if any) is presented in intangible asset. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment.

3.6 Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets into the following measurement category: amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

A financial asset at amortised cost, which is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Non-derivative financial liabilities

Financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise borrowings, trade and other payables, and lease liabilities.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss in the statement of total return.

Certain derivatives and non-derivative financial instruments can be designated as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, documentation of the risk management objective and strategy for undertaking the hedge is required, including the economic relationship between the hedged item and the hedging instrument, and whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain interest rate derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve within equity. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss in the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the statement of total return during the same period.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss in the statement of total return.

3.7 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Group are deducted directly against unitholders' funds.

3.8 Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the perpetual securities are classified as equity.

Any distributions made are directly debited from equity. Expenses directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Notes to the Financial Statements

The Group recognises a right-of-use asset under its investment properties, and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein recognised in profit or loss in the statement of total return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Simplified approach

The Group applies the simplified approach to provide loss allowances for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when a tenant or a counterparty is unable to settle its financial and contractual obligations to the Group in full, as and when they fall due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the tenant or counterparty;
- a breach of contract such as a default by the tenant or counterparty; or
- it is probable that the tenant or counterparty will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.11 Employee benefits

Short-term employee benefit obligations, including contributions to defined contribution pension plans, if any, are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss in the statement of total return.

A liability is recognised for the amount expected to be paid under short-term cash bonus where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised in profit or loss in the statement of total return on the date that the Trust's right to receive payment is established.

3.13 Finance income and finance expenses

Finance income comprises mainly interest income on funds invested. Interest income is recognised in profit or loss in the statement of total return, using the effective interest method.

Finance expenses comprises mainly interest expense on borrowings and lease liabilities, and amortisation of loan acquisition expenses. All borrowing costs are recognised in profit or loss in the statement of total return using the effective interest method.

3.14 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Property operating expenses comprise mainly property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, marketing expenses, administrative expenses, impairment loss on trade receivables as well as property management fees and leasing commission which are based on the applicable formula stipulated in Note 1(a).

Management fees

Management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is described in Note 1(e).

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss in the statement of total return except to the extent that it relates to a business combination, or items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred as well as current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling dated 20 May 2005 ("Tax Ruling") on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to unitholders that are made out of the taxable income of the Trust. However, where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual unitholders or foreign funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for such distributions.

A qualifying unitholder is a unitholder who is:

(i) a Singapore-incorporated company which is a tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or

(v) a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

A foreign fund is one who is a non-resident fund that qualifies for tax exemption under the Income Tax Act for income tax purposes and:

(i) who does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units are not obtained from that operation.

The Trust is exempt from Singapore income tax under Section 13(12) of the Income Tax Act on the following income:

(i) dividends;

(ii) interest on shareholder's loans; and

(iii) foreign-sourced trust distribution

payable by its subsidiaries out of underlying rental income derived from the overseas investment properties. This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The Trust's distribution policy is to distribute at least 90% of its annual taxable income to its Unitholders or any other minimum level as allowed under the tax ruling issued by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

For any remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as retained taxable income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

The above Tax Ruling does not apply to gains from sale of real properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other componentws. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. INVESTMENT PROPERTIES

	Group $'000	Trust $'000
At 1 July 2020	2,941,261	2,063,099
Additions, straight-line rental and other adjustments	34,794	4,648
Change in fair value of investment properties	(28,095)	(59,043)
Translation differences	16,688	–
At 30 June 2021	2,964,648	2,008,704
At 1 July 2021	2,964,648	2,008,704
Additions, straight-line rental and other adjustments	22,216	7,062
Change in fair value of investment properties(1)	(49,587)	(45,811)
Translation differences	(43,983)	–
At 30 June 2022	**2,893,294**	**1,969,955**

(1) Represents fair value adjustments on the investment properties including right-of-use assets as at 30 June 2022, following the property revaluation exercise in June 2022.

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and experience in the location and category of property being valued. The Group has a framework with respect to the measurement of fair values of its investment properties, which is regularly reviewed by the Manager.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. Due to the unknown future impact that the ongoing COVID-19 outbreak might have on the real estate market, the valuation of the Group's investment properties might change more significantly than during standard market conditions.

The valuers have used valuation techniques which include the capitalisation and discounted cash flow approaches, in arriving at the fair value as at the balance sheet date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

As at 30 June 2022, investment properties with a carrying value of approximately $557.6 million (2021: $573.3 million) are mortgaged to secure credit facilities for the Group.

Fair value hierarchy

The Group's and the Trust's investment properties of approximately $2,892.4 million (2021: $2,963.9 million) and $1,969.1 million (2021: $2,008.0 million) respectively (excluding the carrying amount of lease liabilities of approximately $0.9 million and $0.8 million respectively) as at 30 June 2022 are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2022:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.60% to 7.00% (2021: from 3.50% to 7.00%) • Discount rates from 3.40% to 8.25% (2021: from 3.30% to 8.50%)	The estimated fair value would increase if capitalisation rates and discount rates decrease.

Key unobservable inputs correspond to:

- Capitalisation rates largely derived from comparable transactions.
- Discount rates, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

5. PLANT AND EQUIPMENT

	Group $'000	Trust $'000
Cost:		
At 1 July 2020	923	828
Translation differences	5	–
At 30 June 2021	928	828
Addition	6	6
Translation differences	–	–
At 30 June 2022	**934**	**834**
Accumulated depreciation:		
At 1 July 2020	(872)	(794)
Depreciation charge	(22)	(13)
Translation differences	(5)	–
At 30 June 2021	(899)	(807)
Depreciation charge	(22)	(14)
Translation differences	1	–
At 30 June 2022	**(920)**	**(821)**
Carrying amount:		
At 1 July 2020	51	34
At 30 June 2021	29	21
At 30 June 2022	**14**	**13**

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2022 $'000	2021 $'000
Equity investments at cost	**578,078**	553,471
Less: allowance for impairment loss	**(102,400)**	(134,400)
	475,678	419,071
Loans to subsidiaries	**249,359**	307,052
Less: allowance for impairment loss	**(57,813)**	(67,000)
	191,546	240,052
	667,224	659,123

Loans to subsidiaries are unsecured and include an interest-free portion of approximately $8.5 million (2021: $8.3 million). Loans to subsidiaries are measured at amortised cost, where the carrying amounts approximate their fair values and the settlement of these amounts is neither planned nor likely to occur in the foreseeable future.

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the carrying amount of the Trust's interests in subsidiaries. The recoverable amount was estimated based on the fair value of the subsidiaries' net assets as at the reporting date, which is classified in Level 3 of the fair value hierarchy. The impairment on the net carrying amount of the loans to subsidiaries has been measured on the 12-month expected credit loss basis.

The movement in the allowance for impairment loss in respect of interests in the subsidiaries was as follows:

	Trust	
	2022 $'000	**2021 $'000**
At 1 July	**(201,400)**	(201,400)
Impairment loss reversed	**32,000**	–
Utilised	**9,187**	–
At 30 June	**(160,213)**	(201,400)

Details of the subsidiaries are as follows:

		Effective interest	
Name of subsidiary	**Country of incorporation**	**2022 %**	**2021 %**
Starhill Global REIT Japan SPC One Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT Japan SPC Two Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT MTN Pte Ltd[1]	Singapore	**100**	100
SG REIT (M) Pte Ltd[1]	Singapore	**100**	100
SG REIT (WA) Pte Ltd[1]	Singapore	**100**	100
Starhill Global REIT One TMK[2]	Japan	**100**	100
Starhill Global ML K.K.[3]	Japan	**100**	100
Top Sure Investment Limited[4]	Hong Kong	**100**	100
Chengdu Xin Hong Management Co., Ltd[4]	China	**100**	100
SG REIT (WA) Trust[2]	Australia	**100**	100
SG REIT (WA) Sub-Trust1[2]	Australia	**100**	100
SG REIT (SA) Sub-Trust2[2]	Australia	**100**	100
Ara Bintang Berhad[2]	Malaysia	**100**	100

(1) Audited by KPMG LLP
(2) Audited by other member firms of KPMG International
(3) Not required to be audited by the laws of the country of incorporation
(4) Audited by other auditors

7. DERIVATIVE FINANCIAL INSTRUMENTS

	2022		2021	
	Contract notional amount $'000	**Fair value $'000**	**Contract notional amount $'000**	**Fair value $'000**
Group				
Non-current assets				
Interest rate swaps	**323,600**	**15,163**	115,200	1,303
Current assets				
Foreign exchange forwards	**10,400**	**436**	3,600	91
	334,000	**15,599**	118,800	1,394

	2022		2021	
	Contract notional amount $'000	**Fair value $'000**	**Contract notional amount $'000**	**Fair value $'000**
Group				
Non-current liabilities				
Interest rate swaps	**–**	**–**	313,900	7,324
Current liabilities				
Interest rate swaps	**200,000**	**199**	321,500	2,489
Foreign exchange forwards	**1,900**	**14**	–	–
	201,900	**213**	321,500	2,489
	201,900	**213**	635,400	9,813
Trust				
Non-current assets				
Interest rate swaps	**263,300**	**14,426**	115,200	1,303
Current assets				
Foreign exchange forwards	**8,400**	**391**	3,600	91
	271,700	**14,817**	118,800	1,394
Non-current liabilities				
Interest rate swaps	**–**	**–**	250,300	5,020
Current liabilities				
Interest rate swaps	**200,000**	**199**	175,000	689
	200,000	**199**	425,300	5,709

The Group has entered into various derivative transactions under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the balance sheet as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. Upon the occurrence of a termination event resulting in the set-off of related derivatives in the balance sheet as at 30 June 2022, the impact would be approximately $0.1 million (2021: $0.9 million) decrease in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2022 and 30 June 2021, the Group's derivative financial assets and liabilities are not subject to an election for netting of payments under the enforceable master netting arrangements. The Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The net fair value of the derivative financial instruments represents 0.88% (2021: 0.47%) and 0.89% (2021: 0.26%) of the Group's and Trust's unitholders' funds as at 30 June 2022. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 12.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current				
Trade receivables	–	185	–	–
Current				
Trade receivables	**690**	3,272	**575**	2,341
Deposits	**119**	113	**119**	113
Other receivables	**1,343**	870	**1,854**	2,610
	2,152	4,255	**2,548**	5,064
Prepayments	**703**	753	**317**	322
	2,855	5,008	**2,865**	5,386
	2,855	5,193	**2,865**	5,386

Concentration of credit risk relating to trade receivables is limited due to the Group's and the Trust's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's and the Trust's investment properties, where applicable. As at 30 June 2022, the Group and the Trust have security deposits of approximately $26.8 million (2021: $27.5 million) and $23.1 million (2021: $23.4 million) respectively.

There is no impairment loss arising from the Group's and the Trust's deposits and other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are interest income receivable from its subsidiaries of approximately $1.2 million (2021: $2.2 million) as at 30 June 2022. Impairment loss of $0.9 million was recognised and correspondingly utilised during the year ended 30 June 2022.

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was:

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore	**1,328**	2,895	**2,548**	5,064
Australia	**353**	1,392	–	–
Malaysia	**340**	4	–	–
Others	**131**	149	–	–
	2,152	4,440	**2,548**	5,064

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross	Impairment losses	Gross	Impairment losses
	2022 $'000	2022 $'000	2021 $'000	2021 $'000
Group				
Not past due	**686**	**(304)**	2,301	(290)
Past due 0 – 30 days	**244**	**(64)**	545	(64)
Past due 31 – 120 days	**275**	**(193)**	507	(123)
More than 120 days	**470**	**(424)**	2,098	(1,517)
	1,675	**(985)**	5,451	(1,994)
Trust				
Not past due	**266**	–	944	–
Past due 0 – 30 days	**180**	–	468	–
Past due 31 – 120 days	**82**	–	351	–
More than 120 days	**374**	**(327)**	1,423	(845)
	902	**(327)**	3,186	(845)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
At 1 July	**(1,994)**	(5,895)	**(845)**	(223)
Impairment loss reversed/(recognised)	**349**	(2,389)	**488**	(1,876)
Utilised	**602**	6,584	**30**	1,254
Translation differences	**58**	(294)	**–**	–
At 30 June	**(985)**	(1,994)	**(327)**	(845)

The Group's and the Trust's historical experience in the collection of trade receivables falls largely within the recorded allowances. Due to these factors and evaluations performed, the Manager believes that, apart from the above, no additional significant credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as at 30 June 2022. These trade receivables are partially covered by security deposits, bank/corporate guarantees and allowance for impairment.

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Cash at bank and in hand	**57,751**	79,822	**28,820**	40,913
Fixed deposits with financial institutions	**27,912**	28,501	**5,000**	10,000
	85,663	108,323	**33,820**	50,913

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Non-current				
Security deposits[1]	**19,849**	21,152	**16,713**	17,457
Deferred income	**1,564**	1,647	**669**	636
	21,413	22,799	**17,382**	18,093
Current				
Trade payables	**5,587**	4,502	**2,083**	1,624
Accrued expenses	**9,518**	9,062	**4,303**	3,813
Amounts due to:				
- the Manager[2]	**1,918**	1,150	**1,918**	1,150
- the Property Manager[2]	**548**	429	**548**	429
- the Trustee[2]	**77**	163	**77**	163
Interest payable	**2,970**	1,902	**2,745**	1,671
Security deposits[1]	**6,970**	6,378	**6,394**	5,945
Deferred income	**287**	496	**184**	317
Others[3]	**11,019**	17,432	**8,270**	13,355
	38,894	41,514	**26,522**	28,467
	60,307	64,313	**43,904**	46,560

(1) Represent cash deposits received from tenants to secure leases of the Group's and the Trust's investment properties.
(2) The amounts due to the Manager, Property Manager and Trustee are mainly trade in nature, unsecured and interest free.
(3) Comprise mainly (i) rental receipts collected in advance and rental rebates issued/issuable to eligible tenants; (ii) deferred grant liability from the Singapore government's property tax rebates and other cash grants as at 30 June 2021, which have been passed on to eligible tenants during the year ended 30 June 2022; and (iii) other taxes payable to the various tax authorities.

The Group's and the Trust's exposure to liquidity and currency risks related to trade and other payables are disclosed in Notes 12 and 26.

Notes to the Financial Statements

11. DEFERRED TAX LIABILITIES

	Group	
	2022 $'000	**2021 $'000**
Deferred tax liabilities[1]	**6,844**	6,795

[1] The deferred tax liabilities relate to the China Property and has been estimated on the basis of an asset sale at the current book value.

Movement in deferred tax liabilities of the Group (prior to offsetting of balances) during the year was as follows:

	At 1 July	**Recognised in statement of total return (Note 23)**	**Translation differences**	**At 30 June**
	$'000	**$'000**	**$'000**	**$'000**
Group				
2022				
Deferred tax liabilities				
Investment properties	**6,795**	**63**	**(14)**	**6,844**
2021				
Deferred tax liabilities				
Investment properties	6,340	109	346	6,795

12. BORROWINGS

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Non-current				
Secured borrowings	**164,442**	170,509	**–**	–
Unsecured borrowings	**795,396**	939,268	**788,475**	931,025
Unamortised loan acquisition expenses	**(3,876)**	(4,424)	**(3,543)**	(3,875)
	955,962	1,105,353	**784,932**	927,150
Current				
Unsecured borrowings	**125,000**	–	**125,000**	–
Unamortised loan acquisition expenses	**(26)**	–	**(26)**	–
	124,974	–	**124,974**	–
Total borrowings (net of borrowing costs)	**1,080,936**	1,105,353	**909,906**	927,150

The contractual terms of the Group's and the Trust's borrowings, which are measured at amortised cost are disclosed below. The Group's and the Trust's exposure to interest rate, currency and liquidity risks, is disclosed in Note 26.

Reconciliation of liabilities arising from financing activities

	Borrowings	Interest payable	Lease liabilities	Net derivative financial (assets)/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 July 2021	1,105,353	1,902	798	8,419	1,116,472
Changes from financing cash flows					
Borrowing costs paid	(980)	(27,548)	–	(8,005)	(36,533)
Proceeds from borrowings	235,000	–	–	–	235,000
Repayment of borrowings	(240,000)	–	–	–	(240,000)
Payment of lease liabilities	–	–	(412)	–	(412)
Total changes from financing cash flows	(5,980)	(27,548)	(412)	(8,005)	(41,945)
Other changes					
Effects of exchange rate differences	(19,889)	–	–	(67)	(19,956)
Change in fair value of derivative instruments	–	–	–	(23,081)	(23,081)
Amortisation of loan acquisition expenses	1,452	–	–	–	1,452
Finance expenses	–	28,616	38	7,348	36,002
Others	–	–	511	–	511
Total other changes	(18,437)	28,616	549	(15,800)	(5,072)
Balance at 30 June 2022	**1,080,936**	**2,970**	**935**	**(15,386)**	**1,069,455**
At 1 July 2020	1,217,986	3,344	1,199	20,712	1,243,241
Changes from financing cash flows					
Borrowing costs paid	(3,389)	(29,360)	–	(11,512)	(44,261)
Proceeds from borrowings	405,729	–	–	–	405,729
Repayment of borrowings	(523,544)	–	–	–	(523,544)
Payment of lease liabilities	–	–	(387)	–	(387)
Total changes from financing cash flows	(121,204)	(29,360)	(387)	(11,512)	(162,463)
Other changes					
Effects of exchange rate differences	6,716	–	6	461	7,183
Change in fair value of derivative instruments	–	–	–	(12,755)	(12,755)
Amortisation of loan acquisition expenses	1,855	–	–	–	1,855
Finance expenses	–	27,706	30	11,513	39,249
Others	–	212	(50)	–	162
Total other changes	8,571	27,918	(14)	(781)	35,694
Balance at 30 June 2021	1,105,353	1,902	798	8,419	1,116,472

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

	Currency	Nominal interest rate per annum	Year of maturity	Carrying amount
		%		$'000
2022				
Group				
JPY term loan facility[1]	JPY	0.69 - 0.73	2024	**37,770**
SGD term loan facilities[1]	SGD	1.20 – 3.23	2026 & 2027	**360,000**
SGD revolving credit facilities[1][2]	SGD	–	2023, 2024, 2025 & 2026	**–**
A$ term loan facility[1]	A$	1.81 – 2.82	2026	**95,705**
Singapore MTNs[3]	SGD	2.23 – 3.40	2023, 2025, 2026 & 2028	**420,000**
Japan bond[4]	JPY	0.61 – 0.62	2025	**6,921**
Australia loan[5]	A$	1.72 – 1.93	2023	**60,294**
Malaysia MTN[6]	RM	5.50	2024	**104,148**
				1,084,838
Trust				
JPY term loan facility[1]	JPY	0.69 - 0.73	2024	**37,770**
SGD term loan facilities[1]	SGD	1.20 – 3.23	2026 & 2027	**360,000**
SGD revolving credit facilities[1][2]	SGD	–	2023, 2024, 2025 & 2026	**–**
A$ term loan facility[1]	A$	1.81 – 2.82	2026	**95,705**
Intercompany loans[3]	SGD	2.23 – 3.40	2023, 2025, 2026 & 2028	**420,000**
				913,475
2021				
Group				
JPY term loan facility[1]	JPY	0.69	2024	44,985
SGD term loan facilities[1]	SGD	1.03 – 1.66	2022 & 2026	490,000
SGD revolving credit facilities[1][2]	SGD	0.87 – 2.39	2022, 2023, 2024 & 2026	–
A$ term loan facility[1]	A$	1.81 – 1.84	2026	101,040
Singapore MTNs[3]	SGD	3.14 – 3.40	2023, 2025 & 2026	295,000
Japan bond[4]	JPY	0.57 – 0.63	2025	8,243
Australia loan[5]	A$	1.71 – 1.80	2023	63,655
Malaysia MTN[6]	RM	5.50	2024	106,854
				1,109,777
Trust				
JPY term loan facility[1]	JPY	0.69	2024	44,985
SGD term loan facilities[1]	SGD	1.03 – 1.66	2022 & 2026	490,000
SGD revolving credit facilities[1][2]	SGD	0.87 – 2.39	2022, 2023, 2024 & 2026	–
A$ term loan facility[1]	A$	1.81 – 1.84	2026	101,040
Intercompany loans[3]	SGD	3.14 – 3.40	2023, 2025 & 2026	295,000
				931,025

(1) During the year ended 30 June 2022, the Group has refinanced its outstanding unsecured $240 million term loan facilities ahead of its maturity in September 2022. As at 30 June 2022, the Group has in place the following unsecured facilities:

(i) 5-year unsecured loan facilities with a club of various banks, comprising (a) outstanding term loans of $250 million (maturing in February 2026) (2021: $250 million) and (b) $200 million committed revolving credit facilities (maturing in February 2026) (2021: $200 million). There is no amount outstanding on these revolving credit facilities as at the reporting date;

(ii) 5.5-year unsecured term loan facility of $60 million (maturing in September 2027) drawn in March 2022;

(iii) 5-year unsecured term loan facility of $50 million (maturing in June 2027) drawn in June 2022;

(iv) 5-year unsecured term loan facility of JPY3.7 billion ($37.8 million) (maturing in September 2024) (2021: JPY3.7 billion ($45.0 million)); and

(v) 5.5-year unsecured term loan facility of A$100 million ($95.7 million) (maturing in November 2026) (2021: A$100 million ($101.0 million)).

The interest rate on the above unsecured S$ loan facilities was largely hedged via interest rate swaps as at 30 June 2022.

(2) The Group has in place various unsecured and committed revolving credit facilities of $140 million (maturing between October 2023 and January 2025) (2021: $170 million (maturing between March 2022 and June 2024)), of which no amount is outstanding as at the reporting date.

(3) The Group has outstanding medium term notes ("MTN") of $195 million (2021: $195 million) as at 30 June 2022 issued under its $2 billion multicurrency MTN programme originally established in 2008, comprising:

(i) $125 million unsecured 8-year Singapore MTN (maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrears; and

(ii) $70 million unsecured 10-year Singapore MTN (maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears.

In addition, as at 30 June 2022, the Group has outstanding medium term notes of $225 million (2021: $100 million) issued under its $2 billion multicurrency debt issuance programme established in 2020, comprising:

(i) $100 million unsecured 5-year Singapore MTN (maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrears; and

(ii) $125 million unsecured 7-year Singapore MTN (maturing in September 2028) which bear a fixed rate interest of 2.23% per annum payable semi-annually in arrears.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms.

(4) The Group has JPY678 million ($6.9 million) (2021: JPY678 million ($8.2 million)) of Japan bond outstanding as at 30 June 2022 and maturing in August 2025. The bondholders of the Japan bond have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

(5) The Group has outstanding term loan of A$63 million ($60.3 million) (maturing in July 2023) as at 30 June 2022 (2021: A$63 million ($63.7 million)), secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. SG REIT (WA) Trust is wholly-owned by the Group.

(6) The Group has outstanding unrated 5-year fixed-rate senior medium term notes ("Senior MTN") of RM330 million ($104.1 million) as at 30 June 2022 (2021: RM330 million ($106.9 million)). The Senior MTN bear a fixed coupon rate of 5.50% per annum and have an expected maturity in September 2024 and legal maturity in March 2026. The notes are secured, *inter alia*, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

Notes to the Financial Statements

The contractual maturities by type of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, were as follows:

	Note	Carrying amount	Contractual cash flows	Cash flows Within 1 year	Cash flows Within 1 to 5 years	Cash flows After 5 years
		$'000	$'000	$'000	$'000	$'000
Group						
2022						
Non-derivative financial liabilities						
JPY term loan facility	12	**37,770**	**(38,401)**	**(280)**	**(38,121)**	**–**
SGD term loan facilities	12	**360,000**	**(392,742)**	**(8,463)**	**(323,953)**	**(60,326)**
A$ term loan facility	12	**95,705**	**(111,242)**	**(3,458)**	**(107,784)**	**–**
Singapore MTNs	12	**420,000**	**(461,747)**	**(137,386)**	**(195,168)**	**(129,193)**
Japan bond	12	**6,921**	**(7,062)**	**(43)**	**(7,019)**	**–**
Australia loan	12	**60,294**	**(62,592)**	**(2,118)**	**(60,474)**	**–**
Malaysia MTN	12	**104,148**	**(117,064)**	**(5,728)**	**(111,336)**	**–**
Trade and other payables	10	**52,606**	**(54,988)**	**(32,827)**	**(20,793)**	**(1,368)**
Lease liabilities	13	**935**	**(989)**	**(391)**	**(545)**	**(53)**
		1,138,379	**(1,246,827)**	**(190,694)**	**(865,193)**	**(190,940)**
Derivative financial liabilities						
Interest rate swaps	7	**199**	**–**	**–**	**–**	**–**
- inflow		**–**	**950**	**950**	**–**	**–**
- outflow		**–**	**(1,150)**	**(1,150)**	**–**	**–**
Foreign exchange forwards	7	**14**	**–**	**–**	**–**	**–**
- inflow		**–**	**1,880**	**1,880**	**–**	**–**
- outflow		**–**	**(1,895)**	**(1,895)**	**–**	**–**
		213	**(215)**	**(215)**	**–**	**–**
		1,138,592	**(1,247,042)**	**(190,909)**	**(865,193)**	**(190,940)**
2021						
Non-derivative financial liabilities						
JPY term loan facility	12	44,985	(46,010)	(315)	(45,695)	–
SGD term loan facilities	12	490,000	(512,287)	(6,945)	(505,342)	–
A$ term loan facility	12	101,040	(111,194)	(1,849)	(7,402)	(101,943)
Singapore MTNs	12	295,000	(328,207)	(9,598)	(247,507)	(71,102)
Japan bond	12	8,243	(8,460)	(51)	(8,409)	–
Australia loan	12	63,655	(65,951)	(1,101)	(64,850)	–
Malaysia MTN	12	106,854	(125,982)	(5,877)	(120,105)	–
Trade and other payables	10	49,926	(52,788)	(28,849)	(22,225)	(1,714)
Lease liabilities	13	798	(849)	(282)	(508)	(59)
		1,160,501	(1,251,728)	(54,867)	(1,022,043)	(174,818)
Derivative financial liabilities						
Interest rate swaps	7	9,813	–	–	–	–
- inflow		–	1,246	764	475	7
- outflow		–	(13,683)	(8,931)	(4,651)	(101)
		9,813	(12,437)	(8,167)	(4,176)	(94)
		1,170,314	(1,264,165)	(63,034)	(1,026,219)	(174,912)

	Note	Carrying amount	Contractual cash flows	Cash flows Within 1 year	Cash flows Within 1 to 5 years	Cash flows After 5 years
		$'000	$'000	$'000	$'000	$'000
Trust						
2022						
Non-derivative financial liabilities						
JPY term loan facility	12	**37,770**	**(38,401)**	**(280)**	**(38,121)**	**–**
SGD term loan facilities	12	**360,000**	**(392,742)**	**(8,463)**	**(323,953)**	**(60,326)**
A$ term loan facility	12	**95,705**	**(111,242)**	**(3,458)**	**(107,784)**	**–**
Intercompany loans	12	**420,000**	**(461,747)**	**(137,386)**	**(195,168)**	**(129,193)**
Trade and other payables	10	**38,092**	**(39,557)**	**(21,449)**	**(18,108)**	**–**
Lease liabilities	13	**855**	**(893)**	**(376)**	**(517)**	**–**
		952,422	**(1,044,582)**	**(171,412)**	**(683,651)**	**(189,519)**
Derivative financial liabilities						
Interest rate swaps	7	**199**	**–**	**–**	**–**	**–**
- inflow		**–**	**950**	**950**	**–**	**–**
- outflow		**–**	**(1,150)**	**(1,150)**	**–**	**–**
		199	**(200)**	**(200)**	**–**	**–**
		952,621	**(1,044,782)**	**(171,612)**	**(683,651)**	**(189,519)**
2021						
Non-derivative financial liabilities						
JPY term loan facility	12	44,985	(46,010)	(315)	(45,695)	–
SGD term loan facilities	12	490,000	(512,287)	(6,945)	(505,342)	–
A$ term loan facility	12	101,040	(111,194)	(1,849)	(7,402)	(101,943)
Intercompany loans	12	295,000	(328,207)	(9,598)	(247,507)	(71,102)
Trade and other payables	10	34,840	(36,643)	(17,457)	(19,186)	–
Lease liabilities	13	705	(737)	(266)	(471)	–
		966,570	(1,035,078)	(36,430)	(825,603)	(173,045)
Derivative financial liabilities						
Interest rate swaps	7	5,709	–	–	–	–
- inflow		–	1,076	649	420	7
- outflow		–	(9,069)	(5,744)	(3,224)	(101)
		5,709	(7,993)	(5,095)	(2,804)	(94)
		972,279	(1,043,071)	(41,525)	(828,407)	(173,139)

The maturity analyses show the undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their contractual maturity.

Notes to the Financial Statements

13. LEASES INCLUDING LEASE LIABILITIES

(i) Leases as lessee

The Group recognised its existing operating lease arrangements as right-of-use assets of $0.9 million as at 30 June 2022 (2021: $0.8 million) as presented within investment properties (Note 4), with the corresponding lease liabilities recorded in the balance sheet.

Amounts recognised in profit or loss in the statement of total return

	2022 $'000	2021 $'000
Leases under FRS 116		
Interest expense on lease liabilities	**38**	30
Change in fair value of right-of-use assets	**374**	357

Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	**412**	387

(ii) Leases as lessor

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	Trust
	$'000	$'000
2022		
Within one year	**169,253**	**107,043**
One to two years	**147,229**	**89,354**
Two to three years	**118,698**	**63,267**
Three to four years	**50,463**	**8,194**
Four to five years	**39,272**	**543**
More than five years	**331,448**	**22**
Total	**856,363**	**268,423**
2021		
Within one year	170,528	108,113
One to two years	149,299	86,134
Two to three years	126,024	67,229
Three to four years	104,148	47,910
Four to five years	46,584	3,517
More than five years	377,801	13
Total	974,384	312,916

14. UNITHOLDERS' FUNDS

	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Net assets attributable to unitholders[1]	**1,827,887**	1,849,640	**1,631,083**	1,645,798
Hedging reserve[2]	**3,128**	–	**3,128**	–
Foreign currency translation reserve[3]	**(83,607)**	(59,162)	**–**	–
	1,747,408	1,790,478	**1,634,211**	1,645,798

(1) Included in the net assets attributable to unitholders is approximately $2.8 million (2021: $2.8 million) retained to satisfy certain legal reserve requirements in China.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group.

(3) The foreign currency translation reserve comprises (i) the foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; (ii) the transfer of translation differences arising from hedge accounting; and (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

15. PERPETUAL SECURITIES HOLDERS' FUNDS

The Trust issued $100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum in December 2020, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and is non-cumulative. Accordingly, the perpetual securities are classified as equity. The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the holders of ordinary units in the Trust, but junior to the claims of all other present and future creditors of the Trust.

If the Trust does not pay any scheduled distribution on the perpetual securities, the Trust shall not declare or pay any distribution or other payment to the unitholders, or make redemption, reduction, cancellation, buy-back or acquisition of units.

16. UNITS IN ISSUE

	Group and Trust 2022 No. of units '000	Group and Trust 2021 No. of units '000
At 1 July	**2,214,204**	2,191,127
Issue of units:		
• Management fees paid in units (base fee)[1]	**11,015**	16,034
• Distribution reinvestment plan[2]	**13,809**	7,043
At 30 June	**2,239,028**	2,214,204
Units to be issued:		
• Management fees paid in units (base fee)[3]	**1,403**	3,624
Total issued and issuable units at 30 June	**2,240,431**	2,217,828

(1) During the year ended 30 June 2022, the Trust issued 11,015,078 (2021: 16,034,142) units at the issue price ranging from $0.5972 to $0.6519 (2021: $0.4353 to $0.5637) per unit, as partial satisfaction of the above base management fees to the Manager.

(2) During the year ended 30 June 2022, the Trust issued 13,808,677 (2021: 7,042,361) units at the issue price ranging from $0.5926 to $0.6109 (2021: $0.5123) per unit pursuant to the distribution reinvestment plan.

(3) An estimated 1,403,211 (2021: 3,624,404) units are issuable by the Trust to the Manager as at 30 June 2022, as partial satisfaction of the base management fees for the period from 1 April to 30 June 2022 (2021: 1 April to 30 June 2021).

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Attend all unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or of the unitholders representing not less than 10% of the issued units) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;
- Receive income and other distributions attributable to the units held; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him.

The restrictions of a unitholder include the following:

- A unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A unitholder has no right to request the Trust to redeem his units while the units are listed on SGX-ST.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any units in the Trust. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

17. GROSS REVENUE

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Property rental income	**181,052**	177,255	**108,726**	110,195
Turnover rental income	**2,323**	1,728	**2,035**	1,518
Other income	**3,059**	2,304	**2,464**	2,293
	186,434	181,287	**113,225**	114,006

18. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Maintenance and sinking fund contributions	**6,479**	6,486	**6,408**	6,408
Property management fees	**5,406**	5,377	**3,385**	3,421
Property tax	**18,313**	19,309	**11,581**	11,988
Depreciation expense	**22**	22	**14**	14
Leasing and upkeep expenses	**9,148**	10,428	**1,315**	1,154
Marketing expenses	**1,276**	1,287	**1,020**	988
(Reversal of)/impairment loss recognised on trade receivables	**(349)**	2,389	**(488)**	1,876
Administrative expenses and others	**1,429**	1,252	**999**	789
	41,724	46,550	**24,234**	26,638

19. DIVIDEND INCOME FROM SUBSIDIARIES

Represents dividend income from certain subsidiaries (Note 6).

20. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan Properties and fees payable to the servicer of the Malaysia Properties, which is a wholly-owned subsidiary of the Manager. Base Fee paid/payable to the Manager for the year ended 30 June 2022 amounted to approximately $14,278,000 (2021: $14,524,000). Approximately $125,000 (2021: $103,000) and $885,000 (2021: $873,000) were paid/payable to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the year ended 30 June 2022 respectively. The Manager has elected for the years ended 30 June 2022 and 30 June 2021 to receive part of the Manager's base management fees in units.

No performance fee was earned by the Manager for the years ended 30 June 2022 and 30 June 2021. The performance of the Trust Index was approximately 115% and 143% below the Benchmark Index as at 30 June 2022 and 30 June 2021 respectively.

21. TRUST EXPENSES

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Auditor's remuneration	**335**	346	**225**	225
Trustee's fees	**465**	470	**465**	470
Others[1]	**3,120**	3,108	**1,805**	2,068
	3,920	3,924	**2,495**	2,763

[1] Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group and Trust of approximately $121,000 (2021: $127,000) and $80,000 (2021: $125,000) respectively; and (ii) fees paid/payable to the valuers of the Group's and Trust's investment properties of approximately $187,000 (2021: $197,000) and $70,000 (2021: $61,000) respectively for the year ended 30 June 2022.

22. FINANCE EXPENSES

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Interest costs	**36,359**	39,526	**26,661**	26,528
Amortisation of borrowing costs	**1,452**	1,855	**1,286**	1,466
Interest expense on lease liabilities	**38**	30	**35**	27
	37,849	41,411	**27,982**	28,021

23. INCOME TAX

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current tax				
Current year	**2,188**	1,353	**1,316**	698
Deferred tax				
Origination of temporary differences	**63**	109	**–**	–
	2,251	1,462	**1,316**	698
Reconciliation of effective tax rate				
Total return before tax and distribution	**56,048**	57,980	**62,151**	1,759
Income tax using Singapore tax rate of 17% (2021: 17%)	**9,528**	9,857	**10,566**	299
Net effect of different tax rates in other countries	**930**	1,072	**–**	–
Withholding tax	**2,529**	1,128	**1,316**	698
Income not subject to tax	**(9,424)**	(10,388)	**–**	–
Non-deductible and other items	**10,611**	12,154	**1,357**	12,062
Tax transparency	**(11,923)**	(12,361)	**(11,923)**	(12,361)
	2,251	1,462	**1,316**	698

24. EARNINGS PER UNIT

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Earnings attributable to unitholders(1)	**49,947**	54,430	**56,985**	(1,027)
Basic earnings per unit (cents)(2)	**2.24**	2.47	**2.55**	(0.05)
Earnings per unit on a fully diluted basis (cents)(3)	**2.24**	2.47	**2.55**	(0.05)

(1) Net of amount reserved for distribution to perpetual securities holders.

(2) In computing the basic earnings per unit for the year ended 30 June 2022, the earnings attributable to unitholders and the weighted average number of units of 2,229,003,487 (2021: 2,201,954,047) during the year ended 30 June 2022 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,228,999,643 (2021: 2,201,944,117); and (ii) estimated units issuable for the settlement of unpaid base management fees.

(3) In computing the diluted earnings per unit for the year ended 30 June 2022, the weighted average number of units in issue of 2,228,999,643 (2021: 2,201,944,117) during the year ended 30 June 2022 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,403,211 (2021: 3,624,404) units for the settlement of unpaid base management fees.

25. OPERATING SEGMENTS

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the senior management of the Manager, which is the Group's Chief Operating Decision Maker ("CODM") on a regular basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

All of the Group's reportable segments are investment properties located in Singapore, Adelaide and Perth-Australia, Kuala Lumpur-Malaysia, and others (consisting of China Property in Chengdu and two properties in Tokyo, Japan). The segments are as follows:

- Ngee Ann City Property
- Wisma Atria Property
- Australia Properties
- Malaysia Properties
- Other Properties

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, non-property expenses, finance expenses and income tax expense.

Performance is measured based on the net property income of each operating segment, which is the gross revenue less property operating expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment net property income is used to measure performance as such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no transactions between reportable segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below.

Notes to the Financial Statements

	Ngee Ann City Property (Singapore)		Wisma Atria Property (Singapore)	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group				
Revenue and expenses				
External revenue	**63,368**	63,513	**49,857**	50,493
Depreciation of plant and equipment	**–**	–	**14**	13
Reportable segment net property income	**51,885**	51,491	**37,106**	35,877
Other material non-cash items:				
Change in fair value of investment properties	**1,346**	(94)	**(47,157)**	(58,949)
Unallocated items:				
Finance income				
Non-property expenses				
Finance expenses				
Change in fair value of derivative instruments				
Foreign exchange loss				
Total return for the year before tax				
Income tax				
Total return for the year				
Assets and liabilities				
Reportable segment assets	**1,131,964**	1,130,903	**839,593**	880,991
Unallocated assets				
Total assets				
Reportable segment liabilities	**(19,794)**	(23,318)	**(18,896)**	(19,903)
Unallocated liabilities				
Total liabilities				
Other segmental information				
Capital expenditure	**5**	120	**6,050**	4,190
Non-current assets[1]	**1,131,500**	1,130,000	**838,468**	878,725

[1] Exclude derivative financial instruments.

	Australia Properties (Australia)		Malaysia Properties (Malaysia)		Other Properties (China/Japan)		Total	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
	42,802	44,316	**25,837**	18,259	**4,570**	4,706	**186,434**	181,287
	–	–	**–**	–	**8**	9	**22**	22
	27,240	26,434	**24,973**	17,363	**3,506**	3,572	**144,710**	134,737
	(1,549)	20,675	**(1,963)**	8,268	**(264)**	2,005	**(49,587)**	(28,095)
							387	451
							(19,208)	(19,424)
							(37,849)	(41,411)
							19,953	12,755
							(2,358)	(1,033)
							56,048	57,980
							(2,251)	(1,462)
							53,797	56,518
	423,222	440,785	**421,083**	426,822	**80,245**	90,321	**2,896,107**	2,969,822
							101,318	109,765
							2,997,425	3,079,587
	(6,980)	(8,150)	**(5,275)**	(5,026)	**(4,312)**	(4,670)	**(55,257)**	(61,067)
							(1,095,141)	(1,128,423)
							(1,150,398)	(1,189,490)
	8,813	2,787	**5,045**	27,553	**166**	287	**20,079**	34,937
	422,537	439,204	**420,695**	426,768	**80,108**	90,165	**2,893,308**	2,964,862

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Ngee Ann City Property and Wisma Atria Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of The Starhill and Lot 10 Property), and others (consisting of the China Property in Chengdu and two properties in Tokyo, Japan). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

The four largest tenants located at Ngee Ann City Property, Malaysia Properties (including some office leases at Singapore Properties), Myer Centre Adelaide and David Jones Building accounted for approximately 23.7%, 15.7%, 7.5% and 5.2% (2021: 22.6%, 15.3%, 7.4% and 5.2%) of the Group's gross rent as at 30 June 2022 respectively.

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective when managing capital is to be prudent and optimise unitholders' return through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. As at 30 June 2022, the Group's gearing ratio is 36.2% (2021: 36.1%) and the interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months' interest expenses is 3.4 times (2021: 2.8 times) and 3.1 times (which takes into account the distribution attributable to perpetual securities holders) respectively, which were computed per the guidelines prescribed under the Property Fund Appendix issued by MAS.

There were no changes in the Group's approach to capital management during the current year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest costs, foreign currency net income and foreign currency investments.

The Group has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial risk management policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

The carrying amount of financial assets represents the Group's and the Trust's respective maximum exposure to credit risk, before taking into account any collateral held. The maximum exposure to credit risk by type of financial assets at the reporting date was:

		Group		Trust	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Derivative financial instruments	7	**15,599**	1,394	**14,817**	1,394
Trade and other receivables	8	**2,152**	4,440	**2,548**	5,064
Cash and cash equivalents	9	**85,663**	108,323	**33,820**	50,913
		103,414	114,157	**51,185**	57,371

The Group has established credit procedures for its tenants, obtains security deposits and/or bank/corporate guarantees (where applicable), and monitors their balances on an ongoing basis. Where applicable, credit evaluations are performed by the Group before lease agreements are entered into with tenants.

The tenant profile of the Group is generally well-diversified, except for four (2021: four) largest tenants (Note 25), which accounted for approximately 52.1% (2021: 50.5%) of the Group's gross rent as at 30 June 2022.

The Group and the Trust held cash and cash equivalents of approximately $85.7 million and $33.8 million respectively as at 30 June 2022 (2021: $108.3 million and $50.9 million respectively), largely with financial institutions which are regulated. Given these banks' sound credit ratings of between BBB+ to AA- or its equivalent issued by international rating agencies, the Group does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. As at 30 June 2022, the Group has undrawn and committed revolving credit facilities of up to $340 million (2021: $420 million), as well as cash and cash equivalents of approximately $85.7 million (2021: $108.3 million).

In addition, the Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian dollar ("A$"), Malaysian ringgit ("RM"), Chinese renminbi ("RMB") and Japanese yen ("JPY").

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments as at balance sheet date are as follows:

	A$	RM	RMB	JPY	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2022					
Net balance sheet exposure	**300,237**	**318,952**	**30,754**	**12,289**	**662,232**
2021					
Net balance sheet exposure	305,896	322,891	30,801	12,004	671,592

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its financial instruments as at balance sheet date are as follows:

	A$	RM	RMB	JPY	Total
	$'000	$'000	$'000	$'000	$'000
Trust					
2022					
Net balance sheet exposure	**(82,493)**	**–**	**–**	**(36,900)**	**(119,393)**
2021					
Net balance sheet exposure	(90,582)	–	–	(43,578)	(134,160)

Income hedging

Approximately 61% (2021: 63%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2022. The Group has used a combination of local currency denominated loans and short-term foreign exchange forward contracts to partially hedge its overseas net income.

The Group continues to proactively monitor the exchange rates and may use foreign exchange forward contracts or other suitable financial derivatives to hedge the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

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

Net investment hedges in Japan and Australia

As at 30 June 2022, the Group's investment in its Japan and Australia subsidiaries are partially hedged by the Trust's JPY-denominated unsecured term loan of JPY3.7 billion ($37.8 million) (2021: JPY3.7 billion ($45.0 million)) and A$-denominated unsecured term loan of A$100.0 million ($95.7 million) (2021: A$100.0 million ($101.0 million)) which mitigates the foreign currency risk arising from the subsidiaries' net assets. These loans are designated as net investment hedges.

The Group determines the existence of an economic relationship between the above hedging instruments and hedged items based on the currency and amount. The Group has assessed the effectiveness of the above hedging relationships at the reporting date by comparing changes in the carrying amount of the loans that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operations due to movements in the exchange rate.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	Trust
	$'000	$'000
2022		
A$	**(30,024)**	**8,249**
RM	**(31,895)**	**–**
RMB	**(3,075)**	**–**
JPY	**(1,229)**	**3,690**
Financial derivatives		
– A$	**838**	**838**
– RM	**395**	**–**
2021		
A$	(30,590)	9,058
RM	(32,289)	–
RMB	(3,080)	–
JPY	(1,200)	4,358
Financial derivatives		
– A$	363	363

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group may hedge a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

The Group has hedged approximately 93% (2021: 91%) of its debt as at 30 June 2022 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.18% (2021: 3.28%) per annum as at 30 June 2022.

As at 30 June 2022, the Group has largely hedged its exposure to changes in interest rates on its variable rate borrowings by the use of existing interest rate swaps, with a notional amount of $350 million (2021: $440 million) and A$103 million (2021: A$208 million), whereby it receives a variable rate equal to the Singapore swap offer rate (SOR), Singapore overnight rate average (SORA) and Australia bank bill swap bid rate (BBSY) on the notional amount and pays a fixed interest rate ranging from 0.65% to 2.35% (2021: 0.65% to 2.41%) per annum.

Hedge accounting – cash flow hedges

As at 30 June 2022, the Group's cash flows associated with its A$100 million term loan are partially hedged by interest rate swaps with notional amount of A$40 million (maturing in November 2026 and a fixed interest rate ranging from 1.02% to 1.09% per annum), which mitigate the interest rate risks. These interest rate swaps are designated as cash flow hedges. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main sources of ineffectiveness are the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and any differences in repricing dates between the swaps and the borrowings.

Notes to the Financial Statements

The amounts relating to items designated as hedging instrument and hedge ineffectiveness were as follows.

	Notional amount $'000	Carrying amount Assets $'000	Carrying amount Liabilities $'000	Line item in the balance sheet where the hedging instrument is included	Hedging reserve $'000	Changes in the fair value of the hedging instrument used for calculating hedge ineffectiveness and recognised in unitholders' funds $'000	Hedge ineffectiveness recognised in the statement of total return $'000
Group and Trust							
2022							
Interest rate swaps	**38,300**	**4,192**	–	Derivative financial instruments	**3,128**	**3,128**	–

Sensitivity analysis

A change of 1% in interest rate at the reporting date would increase/(decrease) unitholders' funds and total return by the amounts shown below, arising mainly as a result of lower/higher interest expense on variable rate borrowings that are not hedged by interest rate swaps, and changes in fair value of the interest rate derivatives. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Unitholders' funds		Total return	
	1% increase $'000	1% decrease $'000	1% increase $'000	1% decrease $'000
Group				
2022				
Variable rate instruments	**–**	**–**	**(1,730)**	**1,401**
Financial derivatives	**1,181**	**(1,619)**	**8,922**	**(9,051)**
	1,181	**(1,619)**	**7,192**	**(7,650)**
2021				
Variable rate instruments	–	–	(1,032)	124
Financial derivatives	–	–	11,191	(11,534)
	–	–	10,159	(11,410)
Trust				
2022				
Variable rate instruments	**–**	**–**	**(1,661)**	**1,397**
Financial derivatives	**1,181**	**(1,619)**	**8,337**	**(8,460)**
	1,181	**(1,619)**	**6,676**	**(7,063)**
2021				
Variable rate instruments	–	–	(950)	119
Financial derivatives	–	–	9,626	(9,759)
	–	–	8,676	(9,640)

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). As at 30 June 2022, the Group has entered into agreements with various bank counterparties to largely transit its exposures to IBOR (mainly SOR) on its financial instruments.

In Singapore, the Steering Committee for SOR transition to SORA together with the Association of Banks in Singapore and Singapore Foreign Exchange Market Committee, has recommended the discontinuation of SOR and a shift towards the use of SORA as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR is by the end of June 2023.

During the year ended 30 June 2022, the Group and the Trust have entered into amendment agreements and confirmations with various bank counterparties for the outstanding SOR linked unsecured term loans of $250 million and interest rate swaps with notional amount of $125 million (both maturing in February 2026) to transit from SOR to SORA with agreed adjustment spread to take effect from the next quarterly interest reset date in September 2022. In addition, the remaining SOR linked interest rate swaps with notional amount of $200 million will mature in September 2022.

Measurement of fair values

Financial derivatives

The fair values of financial derivatives are estimated based on banks' quotes. These quotes are largely tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market rates for a similar instrument at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings, trade and other payables, and lease liabilities.

Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is not included below.

		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
2022							
Financial assets measured at fair value							
Derivative financial instruments	7	**15,599**	**–**	**–**	**–**	**15,599**	**–**
Financial assets not measured at fair value							
Trade and other receivables	8	**–**	**2,152**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**–**	**85,663**	**–**	**–**	**–**	**–**
		–	**87,815**	**–**			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(213)**	**–**	**–**	**–**	**(213)**	**–**
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	**–**	**–**	**(25,787)**	**–**	**–**	**–**
Security deposits	10	**–**	**–**	**(26,819)**	**–**	**(26,812)**	**–**
Borrowings (excluding medium term notes)	12	**–**	**–**	**(557,534)**	**–**	**(557,617)**	**–**
Medium term notes	12	**–**	**–**	**(523,402)**	**–**	**(506,103)**	**–**
Lease liabilities	13	**–**	**–**	**(935)**	**–**	**–**	**–**
		–	**–**	**(1,134,477)**			

[1] Excluding security deposits, deferred income and other items.

		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
2021							
Financial assets measured at fair value							
Derivative financial instruments	7	1,394	–	–	–	1,394	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	4,440	–	–	–	–
Cash and cash equivalents	9	–	108,323	–	–	–	–
		–	112,763	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(9,813)	–	–	–	(9,813)	–
Financial liabilities not measured at fair value							
Trade and other payables[1]	10	–	–	(22,396)	–	–	–
Security deposits	10	–	–	(27,530)	–	(27,653)	–
Borrowings (excluding medium term notes)	12	–	–	(704,233)	–	(704,233)	–
Medium term notes	12	–	–	(401,120)	–	(428,362)	–
Lease liabilities	13	–	–	(798)	–	–	–
		–	–	(1,156,077)			

[1] Excluding security deposits, deferred income and other items.

Notes to the Financial Statements

	Note	Carrying amount			Fair value		
		Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
		$'000	$'000	$'000	$'000	$'000	$'000
Trust							
2022							
Financial assets measured at fair value							
Derivative financial instruments	7	**14,817**	–	–	–	**14,817**	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	**2,548**	–	–	–	–
Cash and cash equivalents	9	–	**33,820**	–	–	–	–
		–	**36,368**	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	**(199)**	–	–	–	**(199)**	–
Financial liabilities not measured at fair value							
Trade and other payables[(1)]	10	–	–	**(14,985)**	–	–	–
Security deposits	10	–	–	**(23,107)**	–	**(23,152)**	–
Borrowings (excluding medium term notes)	12	–	–	**(490,584)**	–	**(490,667)**	–
Medium term notes	12	–	–	**(419,322)**	–	**(402,285)**	–
Lease liabilities	13	–	–	**(855)**	–	–	–
		–	–	**(948,853)**			

[(1)] Excluding security deposits, deferred income and other items.

		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
		$'000	$'000	$'000	$'000	$'000	$'000
Trust							
2021							
Financial assets measured at fair value							
Derivative financial instruments	7	1,394	–	–	–	1,394	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	5,064	–	–	–	–
Cash and cash equivalents	9	–	50,913	–	–	–	–
		–	55,977	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(5,709)	–	–	–	(5,709)	–
Financial liabilities not measured at fair value							
Trade and other payables[(1)]	10	–	–	(11,438)	–	–	–
Security deposits	10	–	–	(23,402)	–	(23,425)	–
Borrowings (excluding medium term notes)	12	–	–	(632,781)	–	(632,781)	–
Medium term notes	12	–	–	(294,369)	–	(316,782)	–
Lease liabilities	13	–	–	(705)	–	–	–
		–	–	(962,695)			

[(1)] Excluding security deposits, deferred income and other items.

27. CAPITAL COMMITMENTS

Capital commitments (contracted but not provided) as at 30 June 2022 comprise of approximately $11.0 million (2021: $18.7 million) capital expenditure, professional fees, interior upgrading works and asset enhancement works for the Group's investment properties.

Notes to the Financial Statements

28. RELATED PARTIES

During the financial year, other than related party information shown elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Property rental income from the Manager and Property Manager	**816**	961	**816**	961
Property rental income from related parties of the Manager	**26,593**	19,245	**756**	986
Leasing commission fees paid to the Property Manager	**(829)**	(755)	**(829)**	(755)
Property management fees paid to the Property Manager	**(3,385)**	(3,421)	**(3,385)**	(3,421)
Management fees paid to the Manager	**(14,278)**	(14,524)	**(14,278)**	(14,524)
Trustee fees paid to the Trustee	**(465)**	(470)	**(465)**	(470)
Reimbursements paid to the Property Manager	**(685)**	(678)	**(685)**	(678)
Costs of the asset enhancement works paid to related party of the Manager[(1)]	**(4,721)**	(27,401)	**–**	–
Servicer fees paid to a wholly-owned subsidiary of the Manager	**(885)**	(873)	**–**	–

(1) Comprises costs paid/payable to related party of the Manager for the asset enhancement works for The Starhill in Malaysia.

29. SUBSEQUENT EVENT

Subsequent to the year ended 30 June 2022, the Manager declared a distribution of 2.02 cents per unit in respect of the period from 1 January 2022 to 30 June 2022, which is payable on 23 September 2022.

30. FINANCIAL RATIOS

	Group	
	2022 $'000	2021 $'000
Ratio of expenses to weighted average net assets[(1)]	**1.02**	1.05
Portfolio turnover rate[(2)]	**–**	–

(1) The ratios are computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and exclude property related expenses, finance expenses and the performance component of the Manager's fees.

(2) The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net assets.

31. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations that have been issued as of the balance sheet date but are not yet effective for the year ended 30 June 2022 have not been applied in preparing these financial statements. The adoption of these following new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- FRS 117 *Insurance Contracts* and Amendments to FRS 117 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *COVID-19-Related Rent Concessions beyond 30 June 2021* (Amendments to FRS 116)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies* (Amendments to FRS 1 and FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to FRS 12)

Statistics of Unitholders

As at 26 August 2022

ISSUED AND FULLY PAID UNITS

Number of issued and fully paid Units	2,240,421,241
Voting rights	One vote per Unit
Number/Percentage of treasury Units	Nil
Number/Percentage of subsidiary holdings	Nil
Market capitalisation	S$1,288,242,214 (based on closing price of S$0.575 per Unit on 26 August 2022)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	73	0.47	2,680	0.00
100 - 1,000	701	4.47	558,286	0.03
1,001 - 10,000	7,699	49.10	44,649,141	1.99
10,001 - 1,000,000	7,155	45.63	375,818,971	16.77
1,000,001 and above	52	0.33	1,819,392,163	81.21
Total	**15,680**	**100.00**	**2,240,421,241**	**100.00**

LOCATION OF UNITHOLDINGS

Country	No. of Unitholders	%	No. of Units	%
Singapore	14,940	95.28	2,201,218,880	98.25
Malaysia	578	3.69	33,576,294	1.50
Others	162	1.03	5,626,067	0.25
Total	**15,680**	**100.00**	**2,240,421,241**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Raffles Nominees (Pte.) Limited	874,042,154	39.01
2	Citibank Nominees Singapore Pte Ltd	351,215,156	15.68
3	DBS Nominees (Private) Limited	184,756,292	8.25
4	HSBC (Singapore) Nominees Pte Ltd	74,202,435	3.31
5	DBSN Services Pte. Ltd.	69,621,288	3.11
6	YTL Starhill Global REIT Management Limited	51,303,653	2.29
7	OCBC Securities Private Limited	30,956,495	1.38
8	CGS-CIMB Securities (Singapore) Pte. Ltd.	20,063,850	0.90
9	United Overseas Bank Nominees (Private) Limited	18,622,691	0.83
10	Phillip Securities Pte Ltd	12,757,655	0.57
11	OCBC Nominees Singapore Private Limited	10,959,883	0.49
12	Maybank Securities Pte. Ltd.	10,072,693	0.45
13	BNP Paribas Nominees Singapore Pte. Ltd.	7,457,097	0.33
14	Soon Li Heng Civil Engineering Pte Ltd	7,300,994	0.33
15	DB Nominees (Singapore) Pte Ltd	7,260,274	0.32
16	ABN AMRO Clearing Bank N.V.	6,953,517	0.31
17	iFAST Financial Pte. Ltd.	5,838,399	0.26
18	KGI Securities (Singapore) Pte. Ltd.	5,644,349	0.25
19	UOB Kay Hian Private Limited	5,152,169	0.23
20	BPSS Nominees Singapore (Pte.) Ltd.	4,619,877	0.21
Total		**1,758,800,921**	**78.51**

Statistics of Unitholders

As at 26 August 2022

SUBSTANTIAL UNITHOLDINGS

As at 26 August 2022

Name	Direct interest		Deemed interest		Total No. of Units	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Starhill Global REIT Investments Limited	539,840,000[2]	24.10	–	–	539,840,000	24.10
YTL Cayman Limited	18,000,000[3]	0.80	591,143,653[4]	26.39	609,143,653	27.19
YTL Corporation Berhad	210,195,189[5]	9.38	637,129,821[6]	28.44	847,325,010	37.82
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	847,325,010[7]	37.82	847,325,010	37.82
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	847,325,010[7]	37.82	847,325,010	37.82
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	847,325,010[7]	37.82	847,325,010	37.82
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	–	–	847,325,010[7]	37.82	847,325,010	37.82

Notes:

(1) The percentage interest is based on total issued Units of 2,240,421,241 as at 26 August 2022.
(2) This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(3) This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(4) Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and 51,303,653 Units held by YTL Starhill Global REIT Management Limited ("YSGRM").
(5) This relates to 210,195,189 Units held through nominee, Raffles Nominees (Pte) Limited.
(6) Deemed interest in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 51,303,653 Units held by YSGRM and 27,986,168 Units held by Business & Budget Hotels (Penang) Sdn Bhd ("BBHP").
(7) Deemed interest in 210,195,189 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 51,303,653 Units held by YSGRM and 27,986,168 Units held by BBHP.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 July 2022

Name of Director	Direct interest		Deemed interest	
	No. of Units	%[1]	No. of Units	%[1]
Tan Sri (Sir) Francis Yeoh	–	–	–	–
Ho Sing	150,000	–[2]	–	–
Dato' Yeoh Seok Kian	–	–	–	–
Tan Bong Lin	–	–	–	–
Ching Yew Chye	–	–	–	–
Tan Woon Hum	–	–	–	–

Notes:

(1) The percentage interest is based on total issued Units of 2,239,027,406 as at 21 July 2022.
(2) Less than 0.01%.

FREE FLOAT

Under Rule 723 of the listing manual of SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on information made available to the Manager as at 26 August 2022 approximately 62% of the Units were held in the hands of the public. Rule 723 of the listing manual of the SGX-ST has accordingly been complied with.

Additional Information

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
Trustee fees [1]		465	–
YTL Corporation Berhad and its subsidiaries and/or associates	Direct and deemed interest in 37.82% of Units in Starhill Global REIT and indirect holder of all the shares of the Manager, and its subsidiaries and/or associates		
Management fees [1][2]		14,278	–
Property management fees and reimbursements [3]		4,899	–
Managing agent and ancillary service fees [4]		2,133	–
Rental income [5]		5,858	–
Servicer fees [1]		885	–
Total		**28,518**	**–**

Notes:

(1) The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) are deemed to have been specifically approved by Unitholders upon subscription of Units and are therefore not subject to Rules 905 and 906 of the SGX-ST listing manual to the extent that there is no subsequent change to the fees (or the basis of determining the fees) charged under the trust deed, which will adversely affect Starhill Global REIT. In addition, the entry into the Servicer Agreement dated 6 May 2010 in relation to the acquisition of The Starhill and Lot 10 Property was approved by Unitholders at the extraordinary general meeting held on 4 June 2010 and the servicer fees payable thereunder will not be subject to Rules 905 and 906 of the SGX-ST listing manual, to the extent that there is no subsequent change to the rates for such fees.

(2) The Manager has elected to receive, in respect of the year ended 30 June 2022, part of its base management fees in the form of units with the balance in cash. Details are as follows:

For Period	Issue Date	Units Issued	Issue Price* S$	Total Value S$'000
Base Management Fee				
1 July 2021 to 30 September 2021	29-Oct-21	3,100,092	0.6519	2,021
1 October 2021 to 31 December 2021	26-Jan-22	3,177,292	0.6350	2,018
1 January 2022 to 31 March 2022	29-Apr-22	1,355,443	0.5988	811
1 April 2022 to 30 June 2022	29-Jul-22	1,393,835	0.5837	814
		9,026,662		**5,664**

* Based on the volume weighted average price for a Unit for all trades in the ordinary course of trading on the SGX-ST for the last ten trading days immediately preceding the date of issue of the Units to the Manager.

(3) The total estimated fees and charges payable under the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 25 June 2020) for the extended term of five years from 20 September 2020 was aggregated for purposes of Rules 905 and 906 of the SGX-ST listing manual during the year ended 30 June 2020 and accordingly, such fees and charges will not be subject to aggregation in subsequent financial years, to the extent that there is no subsequent change to the rates and/or basis of determining such fees and charges.

(4) Relates to the total contract sum entered into during the year ended 30 June 2022 in relation to the common property of Wisma Atria.

(5) Rental income is for the entire period of the leases and includes the surrender value of leases surrendered.

Glossary

A

AEW
The asset enhancement works for The Starhill, details of which are set out in paragraph 2.6.1 of the Circular to Unitholders dated 25 April 2019

AGM
Annual general meeting

Australia Properties
Myer Centre Adelaide, David Jones Building and Plaza Arcade

B

Benchmark Index
Provided by FTSE International Limited. Comprises all the REITs contained in the FTSE All Cap Singapore universe

Board
Board of Directors of the Manager

C

CBD
Central Business District

CDP
The Central Depository (Pte) Limited

CEO
Chief Executive Officer

CFO
Chief Financial Officer

China Property
A four-level retail building (plus a mezzanine floor) forming part of a mixed use commercial development in Chengdu, China

Circuit Breaker
A stay-at-home order implemented as a preventive measure by the Singapore Government in response to the COVID-19 pandemic in the country

CIS Code
Code on Collective Investment Scheme issued by MAS pursuant to section 321 of the Securities and Futures Act (Cap. 289)

CPF
Central Provident Fund

COVID-19
An infectious disease caused by a newly discovered coronavirus which spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes

D

David Jones
David Jones Pty Limited

David Jones Building
A four-level property known as David Jones Building which includes a heritage-listed building that was formerly known as Savoy Hotel

DPU
Distribution Per Unit

DRP
Distribution Reinvestment Plan

E

EGM
Extraordinary general meeting

F

F&B
Food and beverage

Fitch Ratings
Fitch, Ratings Inc.

FTSE
FTSE International Limited

FY
Financial year

FY 2017/18 or FY 17/18
Period of 12 months from 1 July 2017 to 30 June 2018

FY 2018/19 or FY 18/19
Period of 12 months from 1 July 2018 to 30 June 2019

FY 2019/20 or FY 19/20
Period of 12 months from 1 July 2019 to 30 June 2020

FY 2020/21 or FY 20/21
Period of 12 months from 1 July 2020 to 30 June 2021

FY 2021/22 or FY 21/22
Period of 12 months from 1 July 2021 to 30 June 2022

FY 2022/23 OR FY 22/23
Period of 12 months from 1 July 2022 to 30 June 2023

FY 2023/24 OR FY 23/24
Period of 12 months from 1 July 2023 to 30 June 2024

G

GDP
Gross domestic product

GFA
Gross floor area

GLA
Gross lettable area

Group or SGREIT Group
Starhill Global REIT and its subsidiaries

GST
Goods and services tax

I

IPO
Initial public offering

IRAS
Inland Revenue Authority of Singapore

Isetan
Isetan (Singapore) Limited or Isetan of Japan Sdn. Bhd.

J

Japan Properties
Daikanyama and Ebisu Fort

K

Katagreen
Katagreen Development Sdn. Bhd.

L

Lot 10 Property
137 strata parcels and two accessory parcels within Lot 10 shopping centre

M

Malaysia Properties
The Starhill and Lot 10 Property

Manager
YTL Starhill Global REIT Management Limited

Markor
Markor International Home Furnishings Co., Ltd., Chengdu Zongbei Store

MAS
Monetary Authority of Singapore

MRT
Mass Rapid Transit

MTAs
The master tenancy agreements for Malaysia Properties

MTN
Medium term notes

Myer
Myer Pty Ltd

Myer Centre Adelaide
An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings

N

NA
Not applicable

NAV
Net asset value attributable to Unitholders

Ngee Ann City
The building known as 'Ngee Ann City' comprising a commercial complex with 18 levels of office space in the twin office tower blocks (Towers A and B) and a seven-storey podium with three basement levels comprising retail and car parking space

Ngee Ann City Property
Four strata lots in Ngee Ann City located on:

a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block;
b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and
c) Whole of Level 21 to Level 24 of Tower B (office)

NLA
Net lettable area

NM
Not meaningful

NPI
Net property income

O

Omicron Variant
An SARS-CoV-2 Variant of Concern first reported to WHO from South Africa on 24 November 2021

P

Perth Properties
David Jones Building and Plaza Arcade

Plaza Arcade
A three-storey heritage-listed retail building known as Plaza Arcade located next to David Jones Building

pm
Per month

Portfolio
Singapore Properties, Australia Properties, Malaysia Properties, Japan Properties and China Property

Property Funds Appendix
Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts

Property Manager
YTL Starhill Global Property Management Pte. Ltd.

psf
Per square foot

psfpm
Per square foot per month

Q

q-o-q
Quarter-on-quarter

R

RCF
Revolving credit facility

REIT
Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust

S

S-REITs
Singapore Real Estate Investment Trusts

SGX-ST
Singapore Exchange Securities Trading Limited

Singapore Properties
Ngee Ann City Property and Wisma Atria Property

SME
Small and medium-sized enterprises

sq ft
Square feet

sq m or m^2
Square metre

Starhill Global REIT, SGREIT or SGR
Starhill Global Real Estate Investment Trust

T

The Starhill
An integrated development with four lower floors of retail and three upper floors for hospitality use as an extension of the adjoining JW Marriott Hotel Kuala Lumpur

Toshin
Toshin Development Singapore Pte. Ltd.

Trustee
Unless the context otherwise requires, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT

U

Unit
A unit representing an undivided interest in Starhill Global REIT. Where the context so requires, the definition includes a Unit of a class of Units

Unitholders
The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units

UNIQLO
Uniqlo Australia Pty Ltd

W

Wisma Atria
The building known as 'Wisma Atria' comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office block

Wisma Atria Property
257 strata lots in Wisma Atria

Y

y-o-y
Year-on-year

YTL Corp
YTL Corporation Berhad

YTL Group
YTL Corp and its subsidiaries

OTHERS

A$ or AUD
Australian dollars, the official currency of Australia

JPY or Yen
Japanese yen, the official currency of Japan

RM or Ringgit
Malaysian ringgit, the official currency of Malaysia

RMB or Renminbi
Chinese renminbi, the official currency of China

S$, SGD or cents
Singapore dollars and cents, the official currency of Singapore

1Q, 2Q, 3Q, 4Q
Where applicable, refers to the periods from 1 July to 30 September; 1 October to 31 December; 1 January to 31 March; and 1 April to 30 June

1H, 2H
Where applicable, refers to the periods from 1 July to 31 December; and 1 January to 30 June

All values are expressed in Singapore currency unless otherwise stated.

Corporate Directory

MANAGER
YTL Starhill Global REIT Management Limited
391B Orchard Road
#24-03 Ngee Ann City Tower B
Singapore 238874
Phone: +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

DIRECTORS
Tan Sri (Sir) Francis Yeoh
(Non-Executive Chairman)

Mr Ho Sing
(CEO & Executive Director)

Dato' Yeoh Seok Kian
(Non-Executive Director)

Mr Tan Bong Lin
(Lead Independent Director)

Mr Ching Yew Chye
(Independent Director)

Mr Tan Woon Hum
(Independent Director)

AUDIT COMMITTEE
Mr Tan Bong Lin
(Chairman)

Mr Ching Yew Chye
(Member)

Mr Tan Woon Hum
(Member)

NOMINATING AND REMUNERATION COMMITTEE
Mr Tan Woon Hum
(Chairman)

Tan Sri (Sir) Francis Yeoh
(Member)

Dato' Yeoh Seok Kian
(Member)

Mr Tan Bong Lin
(Member)

Mr Ching Yew Chye
(Member)

JOINT COMPANY SECRETARIES
Mr Lam Chee Kin

Mr Abdul Jabbar bin Karam Din

TRUSTEE
Registered Address
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #48-01
Singapore 018983

Correspondence Address
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, #45-01
Singapore 018983
Phone: +65 6658 6667

UNIT REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax : +65 6438 8710

AUDITORS
KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
Phone: +65 6213 3388

Partner in charge:
Mr Tan Chun Wei (Chen Junwei)
(With effect from FY 2020/21)

SGX CODE
Starhill Gbl

WEBSITE
www.starhillglobalreit.com

Notice of Annual General Meeting

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders ("**Unitholders**") of Starhill Global Real Estate Investment Trust ("**SGR**") will be convened and held by way of electronic means on **Thursday, 27 October 2022 at 11.00 a.m. (Singapore Time)** to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of SGR (the "**Trustee**"), the Statement by YTL Starhill Global REIT Management Limited, as manager of SGR (the "**Manager**") and the Audited Financial Statements of SGR for the financial year ended 30 June 2022 and the Auditors' Report thereon. *(Ordinary Resolution 1)*

2. To re-appoint Messrs KPMG LLP as the Auditors of SGR and to hold office until the conclusion of the next AGM of SGR, and to authorise the Manager to fix their remuneration. *(Ordinary Resolution 2)*

3. To re-endorse the appointments of the following directors of the Manager ("**Directors**") pursuant to the undertaking dated 21 August 2020 provided by YTL Corporation Berhad to the Trustee:

   (a) Dato' Yeoh Seok Kian; and *(Ordinary Resolution 3)*

   (b) Mr Tan Bong Lin. *(Ordinary Resolution 4)*

(Please see Explanatory Note 1)

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 5)*

   (a) (i) issue units in SGR ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

Notice of Annual General Meeting

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

   (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

   (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting SGR (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 2)

5. That: *(Ordinary Resolution 6)*

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of SGR not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of SGR is held;

(ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

Notice of Annual General Meeting

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the market repurchase(s) are made or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase(s);

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units in the case of both market repurchase and an off-market repurchase; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of SGR to give effect to the transactions contemplated and/or authorised by this Resolution.

(Please see Explanatory Note 3)

BY ORDER OF THE BOARD
YTL Starhill Global REIT Management Limited
(Company Registration No. 200502123C)
As Manager of Starhill Global Real Estate Investment Trust

Lam Chee Kin
Joint Company Secretary
Singapore
23 September 2022

Explanatory Notes:

1. *Ordinary Resolutions 3 and 4*

YTL Corporation Berhad had on 21 August 2020 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to include in the agenda for the annual general meeting of Unitholders to be held in 2020, the resolutions to endorse the appointment of each person who is a Director;
- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third annual general meeting of SGR after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director at any time either to fill a vacancy or as an addition to the existing board of Directors) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next annual general meeting of SGR immediately following his/her appointment; and
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of SGR where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict YTL Corporation Berhad or the Manager from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- YTL Corporation Berhad remains as the holding company (as defined in the Companies Act 1967) of the Manager; and
- YTL Starhill Global REIT Management Limited remains as the manager of SGR.

The appointments of Dato' Yeoh Seok Kian and Mr Tan Bong Lin were last endorsed by Unitholders on 28 October 2020 and the Manager is seeking the re-endorsement of the appointments of Dato' Yeoh Seok Kian and Mr Tan Bong Lin at the AGM to be held in 2022.

Detailed information on Dato' Yeoh Seok Kian and Mr Tan Bong Lin can be found in the "Board of Directors" section of SGR's Annual Report FY 2021/22. Dato' Yeoh Seok Kian will, upon re-endorsement, continue to serve as Non-Executive Director and member of the Nominating and Remuneration Committee. Mr Tan Bong Lin will, upon re-endorsement, continue to serve as Lead Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committee.

The details of all current directorships in other listed companies and other principal commitments of Dato' Yeoh Seok Kian and Mr Tan Bong Lin are set out in page 23 and pages 114 to 116 of SGR's Annual Report FY 2021/22.

2. *Ordinary Resolution 5*

The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 5 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fundraising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

3. *Ordinary Resolution 6*

Ordinary Resolution 6 above, if passed, will empower the Manager from the date of the AGM of SGR until (i) the date on which the next annual general meeting of SGR is held, (ii) the date by which the next annual general meeting of SGR is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of SGR not exceeding in aggregate 2.5% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Letter to Unitholders dated 23 September 2022, unless such authority is revoked or varied by the Unitholders in a general meeting.

Important Notice:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will be sent to Unitholders by post and electronic means via publication on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

2. In view of the COVID-19 situation in Singapore, Unitholders will not be able to attend the AGM in person. Alternative arrangements relating to the conduct of the AGM, including:

   (a) attending the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream);

   (b) submitting questions to the Chairman of the AGM in advance of, or live at, the AGM, and addressing of substantial and relevant questions in advance of, or live at, the AGM; and

   (c) voting at the AGM (i) live by the Unitholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on the Unitholder's behalf at the AGM,

   are set out below. Any reference to a time of day is made by reference to Singapore time.

3. Unitholders, including CPF and SRS investors will be able to participate in the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders, including CPF and SRS investors must pre-register themselves or, where applicable, their appointed proxy(ies) at SGR's pre-registration website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html from 23 September 2022 till 11.00 a.m. on 24 October 2022 to enable the Manager to verify their status as Unitholders.

   Following the verification, authenticated Unitholders, including CPF and SRS investors, or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered will receive an email confirming successful registration by 11.00 a.m. on 26 October 2022, which will contain unique user credentials as well as instructions on how to access the live audio-visual webcast or live audio-only stream of the AGM proceedings ("**Confirmation Email**").

   Unitholders, including CPF and SRS investors, or where applicable, their appointed proxy(ies) who have (or have been) pre-registered by the 24 October 2022 deadline but have not received the Confirmation Email by 11.00 a.m. on Wednesday, 26 October 2022 should immediately contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or by email at SGREITAGM2022@boardroomlimited.com.

4. Unitholders, including CPF and SRS investors, can submit questions in advance of, or live at, the AGM.

   <u>Submission of questions in advance of the AGM</u>

   Unitholders, including CPF and SRS investors may submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM. Unitholders, CPF and SRS investors may submit questions electronically by 11.59 p.m. on 12 October 2022 in the following manner:

   (a) via SGR's pre-registration website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html; or

   (b) via email to the following email address: SGREITAGM2022@boardroomlimited.com.

Unitholders, including CPF and SRS investors who submit questions via email must provide the following information:

(a) the Unitholder's full name (as per NRIC/Passport);

(b) the Unitholder's correspondence address; and

(c) unitholding type(s) (e.g., via CDP, CPF or SRS).

Ask questions live at the AGM

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) can also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, live at the AGM, by typing in and submitting their questions through the live chat function via the audio-visual webcast platform.

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the live audio-visual webcast in order to ask questions live at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings.

Addressing questions

The Manager will address all substantial and relevant questions raised at the AGM during the AGM itself and will address all substantial and relevant questions submitted in advance of the AGM by 19 October 2022. The Manager will publish the responses to the substantial and relevant questions submitted in advance of the AGM which the Manager is unable to address during the AGM on SGR's website and the SGX-ST's website prior to the AGM. The Manager will publish the minutes of the AGM on SGR's website and the SGX-ST's website and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

5. Unitholders who wish to exercise their voting rights at the AGM may:

(a) (where such Unitholders are individuals) vote live via electronic means at the AGM or (whether such Unitholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) to vote live via electronic means at the AGM on their behalf; or

(b) (whether such Unitholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

Unitholders who wish to appoint a proxy(ies) must submit an instrument appointing a proxy(ies) in accordance with (i) (if submitting an instrument of proxy by post or via email) the instructions on the Proxy Form; or (ii) if submitting an instrument of proxy via the pre-registration website) the instructions accompanying the online proxy appointment process.

Unitholders who wish to appoint a proxy(ies) (other than the Chairman of the Meeting) must, in addition to completing and submitting an instrument appointing a proxy(ies), pre-register their appointed proxy(ies) at the pre-registration website at https://www.starhillglobalreit.com/ir_agm_egm.html.

6. The accompanying proxy form for the AGM may be accessed via publication on SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will also be made available on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the proxy form will also be sent to Unitholders by post.

Where a Unitholder (whether individual or corporate) appoints a proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the proxy for that resolution will be treated as invalid.

7. The instrument appointing a proxy(ies) must be submitted in the following manner:

(a) if submitted by post, by downloading, completing and signing the proxy form, before lodging it at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

Notice of Annual General Meeting

(b) if submitted electronically, by downloading, completing and signing the proxy form before submitting a clear PDF copy of it:

(i) via email to SGR's Unit Registrar at SGREITAGM2022@boardroomlimited.com; or

(ii) via the pre-registration website, and completing and authorising the appointment using the online proxy appointment process, through the pre-registration website at https://www.starhillglobalreit.com/ir_agm_egm.html

in each case, by not later than 11.00 a.m. on 25 October 2022, being not less than forty-eight (48) hours before the time appointed for the AGM.

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed proxy forms electronically via email or via the online process through the pre-registration website.

8. Persons who hold Units through relevant intermediaries (as defined below), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing proxy(ies) to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM. In addition, CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 17 October 2022, being seven (7) working days before the date of the AGM.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for AGM in order for the Depositor to be entitled to participate and appoint a proxy(ies) to vote at the AGM.

10. A proxy need not be a Unitholder of SGR.

11. The Annual Report FY 2021/22 and the Letter to Unitholders dated 23 September 2022 (in relation to the renewal of the Unit Buy-Back Mandate) may be accessed at SGR's website as follows:

    (a) the Annual Report FY 2021/22 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Annual Report FY 2021/22"; and

    (b) the Letter to Unitholders dated 23 September 2022 may be accessed at the URL https://www.starhillglobalreit.com/ir_agm_egm.html by clicking on the link for "Letter to Unitholders in Relation to the Renewal of the Unit Buy-Back Mandate".

12. Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check SGR's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html for the latest updates on the status of the AGM.

Personal Data Privacy

13. By submitting an instrument appointing the Chairman as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Proxy Form

Annual General Meeting

(Before completing this form, please read the notes behind)

Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

IMPORTANT

This Proxy Form may be accessed at Starhill Global REIT's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html and will be made available on Singapore Exchange Securities Trading Limited's (the "SGX-ST") website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Proxy Form will also be sent to unitholders.

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 23 September 2022 will be sent to unitholders by post and electronic means via publication on Starhill Global REIT's website at the URL https://www.starhillglobalreit.com/ir_agm_egm.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Please refer to the Notice of Annual General Meeting dated 23 September 2022 for details of the alternative arrangements relating to the conduct of the AGM.
3. As a precautionary measure due to the current COVID-19 situation in Singapore, a unitholder of SGR (as defined below) ("Unitholder") will not be able to attend the AGM in person. A Unitholder who wishes to exercise his/her/its voting rights at the AGM may:
   a. (where the Unitholder is an individual) vote live via electronic means at the AGM or (whether the Unitholder is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote live via electronic means at the AGM on his/her/its behalf; or
   b. (whether the Unitholder is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
4. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors (a) may vote live via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 17 October 2022, being seven working days before the date of the AGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 September 2022.

I/We ______________________________ (Name(s) and NRIC Number(s)/Passport Number(s)/ Company Registration Number) of ______________________________ (Address) being a unitholder/unitholders of Starhill Global Real Estate Investment Trust ("**SGR**"), hereby appoint

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Email Address:			

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Email Address:			

or, both of whom failing, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of SGR to be convened and held by way of electronic means on **Thursday, 27 October 2022 at 11:00 a.m. (Singapore Time)** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	No. of Votes For*	No. of Votes Against*	Abstain*
	ORDINARY BUSINESS			
1.	Adoption of the Trustee's Report, the Manager's Statement, the Audited Financial Statements of SGR for the financial year ended 30 June 2022 and the Auditors' Report thereon. (Ordinary Resolution 1)			
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration. (Ordinary Resolution 2)			
3.	To re-endorse the appointment of Dato' Yeoh Seok Kian as Director. (Ordinary Resolution 3)			
4.	To re-endorse the appointment of Mr Tan Bong Lin as Director. (Ordinary Resolution 4)			
	SPECIAL BUSINESS			
5.	Authority to issue Units and to make or grant convertible instruments. (Ordinary Resolution 5)			
6.	To approve the Unit Buy-Back Mandate. (Ordinary Resolution 6)			

* If you wish your proxy / proxies to exercise all your votes "For" or "Against" or abstain from voting on a resolution, please tick (✓) within the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that your proxy / proxies is directed to vote "For" or "Against" or to "Abstain" from voting in respect of that resolution. The proxy / proxies (other than the Chairman) may vote or abstain from voting as he / she / they deem(s) fit on any of the resolutions if no specific direction as to voting has been given, and on any other matter arising at the AGM. **Where the Chairman has been appointed as proxy and in the absence of specific directions in respect of a resolution, the appointment of the Chairman as proxy for that resolution will be treated as invalid.**

Dated this ____________ day of ____________ 2022

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

1st fold (this flap is for sealing) Glue all sides firmly. Stapling & spot sealing is disallowed.

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 07894

YTL Starhill Global REIT Management Limited
(as Manager of Starhill Global REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07, Keppel Bay Tower
Singapore 098632

2nd fold here

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint one or two proxies to attend, speak and vote at the AGM. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy(ies).
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit in Starhill Global REIT ("Unit") or Units held by such Unitholder. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the number and class of Units held in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy(ies).

   "relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, that number of units should be inserted. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of SGR, that number of Units should be inserted. If the Unitholder has units entered against or registered in the Unitholder's name in both the Depository Register and Register of Unitholders of SGR, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be submitted to the Manager c/o SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, by downloading, completing and signing the proxy form, before lodging it at the office of Starhill Global REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, by downloading, completing and signing the proxy form before submitting a clear PDF copy of it via email to Starhill Global REIT's Unit Registrar at SGREITAGM2022@boardroomlimited.com or via the pre-registration website, by completing and authorising the appointment using the online proxy appointment process, through the pre-registration website at https://www.starhillglobalreit.com/ir_agm_egm.html,

   in either case, by 11:00 a.m. on 25 October 2022, being not less than 48 hours before the time fixed for the AGM.

   In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email or via the online process through the pre-registration website.

3rd fold here

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.
9. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register not less than 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Manager.

This page was intentionally left blank.

This page was intentionally left blank.

STARHILL GLOBAL REIT

This Annual Report for the financial year ended 30 June 2022 has been prepared by YTL Starhill Global REIT Management Limited (Company Registration No. 200502123C) as the Manager of Starhill Global REIT. This report does not contain investment advice nor is it an offer to invest in units of Starhill Global REIT.

Whilst every care has been taken in relation to the accuracy of this report, no warranty is given or implied. This report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend that potential investors speak with their financial and/or other professional advisers.

The value of units in Starhill Global REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee, or any of their affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, or 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.

MIX
Paper | Supporting responsible forestry
FSC™ C004791
www.fsc.org

This report is printed on FSC® certified paper.

a **C2 Design Studio** production

Amplifying Our Potential

STARHILL GLOBAL REIT ANNUAL REPORT FY 2021/22

YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED

Company Registration No. 200502123C

www.starhillglobalreit.com