

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

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

## **SGREIT reports 2H FY22/23 DPU of 1.98 cents, and full year FY22/23 DPU of 3.80 cents**

### **HIGHLIGHTS**

- **FY22/23 DPU remained stable y-o-y at 3.80 cents**
- **Resilient operational performance from Singapore, Australia and Malaysia portfolio in local currency terms despite foreign exchange weakness and loss of income from divestment**
- **Higher committed portfolio occupancy of 97.7% as at 30 June 2023, with the Singapore Properties achieving full occupancy on committed basis**
- **Gearing remained stable at 36.7%; no term debt refinancing requirement until September 2024**

**SINGAPORE, 27 July 2023** – YTL Starhill Global, the manager of SGREIT, announced today a 0.7% increase year-on-year (y-o-y) in gross revenue for SGREIT Group, at S\$187.8 million in the financial year ended 30 June 2023 (FY22/23) compared to S\$186.4 million in the financial year ended 30 June 2022 (FY21/22). Net property income (NPI) increased by 2.2% y-o-y, rising to S\$147.8 million in FY22/23 from S\$144.7 million in FY21/22, mainly attributed to its Singapore portfolio, completion of asset enhancement works at The Starhill and lower rental assistance, despite foreign exchange weakness and loss of income from divestment.

Gross revenue for SGREIT Group for the second half of FY22/23 (2H FY22/23) decreased by 2.5% y-o-y to S\$93.0 million. NPI for 2H FY22/23 was at S\$73.6 million, lower by 2.0% y-o-y compared to the second half of FY21/22 (2H FY21/22). The y-o-y NPI decrease for 2H FY22/23 was mainly due to net movement in foreign currencies and divestment of Daikanyama, partially offset by higher contributions from Singapore Properties. In local currency terms, the NPI for the Australia and Malaysia Properties was stable and marginally higher y-o-y.

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Income available for distribution for FY22/23 and 2H FY22/23 were S\$88.9 million and S\$45.4 million, a decrease of 0.9% and 3.7% y-o-y respectively. The y-o-y decrease for 2H FY22/23 was mainly due to lower NPI and higher net finance costs. The Manager will retain S\$0.7 million of income available for distribution for 2H FY22/23 for working capital requirements.

Distribution per Unit (DPU) to Unitholders for 2H FY22/23 was 1.98 cents, 2.0% lower y-o-y. On an annual basis, DPU for FY22/23 remained stable y-o-y at 3.80 cents, which represents an annual yield of 7.4% based on the closing unit price of S\$0.515 as at 30 June 2023.

The Distribution Reinvestment Plan will be suspended from and including the distribution for the period from 1 January 2023 to 30 June 2023 onwards. Unitholders can expect to receive their 2H FY22/23 DPU in cash on 29 August 2023. The record date is on 4 August 2023 at 5.00 pm.

The Group's portfolio valuation of S\$2.8 billion as at 30 June 2023 decreased by 4.3% y-o-y, mainly due to the downward revaluation of Australia Properties and Wisma Atria Property (Retail), divestment of Daikanyama, as well as net movement in foreign currencies. Excluding the effects of the divestment, the Group's portfolio valuation would have dropped by 3.9% y-o-y.

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

(S\$ million)	FY 22/23	FY 21/22	Y-O-Y Change (%)	2H FY22/23	2H FY21/22	Y-O-Y Change (%)
Gross revenue	187.8	186.4	0.7	93.0	95.5	(2.5)
Net property income	147.8	144.7	2.2	73.6	75.1	(2.0)
Income available for distribution	88.9	89.8	(0.9)	45.4	47.1	(3.7)
Income to be distributed to Unitholders <sup>1</sup>	85.6	85.0	0.7	44.7	45.3	(1.3)
<b>Distribution per Unit (cents)</b>						
- DPU	3.80	3.80	-	1.98	2.02	(2.0)

Tan Sri (Sir) Francis Yeoh, Chairman of YTL Starhill Global, said: "Starhill Global REIT has benefited from the COVID-19 pandemic recovery as we have seen a strong improvement in occupancy and shopper traffic for the portfolio. However, the global macro environment has become more uncertain in recent times as geopolitical tensions and inflationary pressures threaten to derail economic growth. Notwithstanding, our disciplined and proactive execution during the pandemic coupled with our quality

<sup>1</sup> Approximately S\$0.7 million and S\$3.3 million (2H and FY21/22: S\$1.9 million and S\$4.8 million) of income available for distribution for 2H and FY22/23 has been retained for working capital requirements respectively.

portfolio has enabled us to emerge from the pandemic with renewed strength. We will continue to rejuvenate our portfolio with further enhancement initiatives while keeping a close watch for any opportunities as value emerges in the marketplace.”

Mr Ho Sing, CEO of YTL Starhill Global, said: “FY22/23 has been a year of rejuvenation. We have completed two major asset enhancement initiatives in Wisma Atria Property and The Starhill when opportunity cost was low during the pandemic. These initiatives ultimately boosted underlying portfolio occupancy and supported valuation of the assets. We continue to cross sell our portfolio and recently brought our valued tenant in Perth, UNIQLO, to Myer Centre Adelaide. The divestment of a Japanese property allows us to sharpen our focus and enables us to reallocate capital. Our financial standing remains healthy with stable leverage and interest coverage ratios despite higher borrowing costs and weaker foreign currencies.

We will continue to be vigilant by protecting our asset values and distribution to Unitholders while leveraging on our healthy balance sheet to seek opportunities that might emerge in the marketplace.”

### **Review of portfolio performance**

The Group’s portfolio actual occupancy remained stable at 96.8%<sup>2</sup> as at 30 June 2023 with its committed occupancy at 97.7% and Singapore Properties’ committed occupancy at 100%. In addition, Singapore office portfolio committed occupancy rose to 100% as at 30 June 2023, from 96.9% as at 30 June 2022. Tenant sales and shopper traffic at the Wisma Atria Property (Retail) also improved in 2H FY22/23 by 4.5% and 17.0% y-o-y respectively, following the completion of renovation works and lifting of Singapore’s COVID-19 related border measures from 13 February 2023. In FY22/23, tenant sales and shopper traffic increased 17.1% and 23.3% y-o-y respectively.

SGREIT continues to enhance its portfolio to maintain its appeal to shoppers and tenants in an evolving retail landscape. The interior upgrading works at Wisma Atria Property in Singapore (excluding Basement 1) were completed in February 2023, with a launch party held on 27 April 2023. The next phase of interior upgrading works for Wisma Atria will be at the high foot traffic basement, and include modernising the interior, widening of MRT entrance portal, reconfiguration of central space with the introduction of a new hip artisan bakery cafe, as well as enhanced signages to create better awareness of our retail offerings. Estimated to cost about S\$3.5 million, this initiative is targeted to commence in August 2023 and to complete in March 2024. The works will be carried out in various phases, and will have minimal disruption to tenants and operations as works will be conducted at night, and at least one pair of escalators will remain operational throughout the upgrade. At Myer Centre Adelaide, Phase One

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<sup>2</sup> Based on commenced leases as at 30 June 2023.



comprising of works on North, East and West façades was completed in December 2022. Phase Two works, which will provide a facelift to the South façade while enhancing shoppers' safety and building aesthetics, are ongoing and slated for completion by end 2023.

To provide a fresh and engaging experience to our shoppers, we continuously introduce new-to-market brands in our malls. In February, Roberto Cavalli opened at The Starhill, Malaysia, with a grand opening party and fashion show that captivated guests with its exquisite designs and glamorous runway presentation. MST Premium Golf is the first MST Golf Premium concept store to be opened in The Starhill in March. In Myer Centre Adelaide, Yokozuna Rice Club, specialising in Japanese cuisine, opened in June, expanding the F&B options at the lower ground food court. Media Makeup Academy, one of Australia's leading makeup schools established since 1998, which offers training in makeup artistry and technology with courses designed for professionals and individuals, will be opening in the second half of 2023.

#### **Green Initiatives and Certification**

As at 30 June 2023, around 50% of SGREIT's portfolio by net lettable area (NLA) has attained green certifications. We achieved "Rank S" rating for the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for the Japan Property in August 2022. National Australian Built Environment Rating System (NABERS) Energy Rating was also accorded for Myer Centre Adelaide office and retail in October 2022 and April 2023 respectively, while the China Property attained LEED Gold Certification in May 2023.

Going forward, SGREIT targets to attain green certifications for at least 60% of its portfolio by NLA by 2030, including Green Building Index (GBI) certification for Lot 10 Property and NABERS Water Certification for Australian assets. We are also in the process of improving the NABERS Energy Rating for Myer Centre Adelaide (Retail).

#### **Divestment of Daikanyama**

SGREIT successfully completed the divestment of Daikanyama on 31 January 2023 at a premium above valuation and acquisition price, where the net proceeds have been substantially used to prepay the Yen borrowings in FY22/23. The divestment provides greater financial flexibility and capacity to focus on new assets that align with our growth strategy.

#### **Capital Management**

In 2H FY22/23, SGREIT has successfully refinanced (i) its S\$125 million medium term notes, with 5- to 5.5-year S\$125 million unsecured term loans, and (ii) its A\$63 million loan secured by David Jones Building, with a 5-year A\$63 million unsecured term loan.



Gearing remained stable at 36.7% with about 84% of debt on a fixed/hedged basis as at 30 June 2023, which helped to mitigate the impact of interest rate volatility on distributions. Following the above refinancing, the average debt maturity profile improved to 3.4 years, with no term debt refinancing requirements until September 2024. As at 30 June 2023, SGREIT has sufficient undrawn long-term committed revolving credit facility lines to cover the remaining debts maturing in the next two years.

SGREIT's unaudited financial results for 2H FY22/23 and FY22/23 are available on its website ([www.starhillglobalreit.com](http://www.starhillglobalreit.com)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

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***About Starhill Global REIT***

*Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to nine properties in Singapore, Australia, Malaysia, Japan and China, valued at about S\$2.8 billion.*

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

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

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