

# Annual General Meeting

29 October 2024



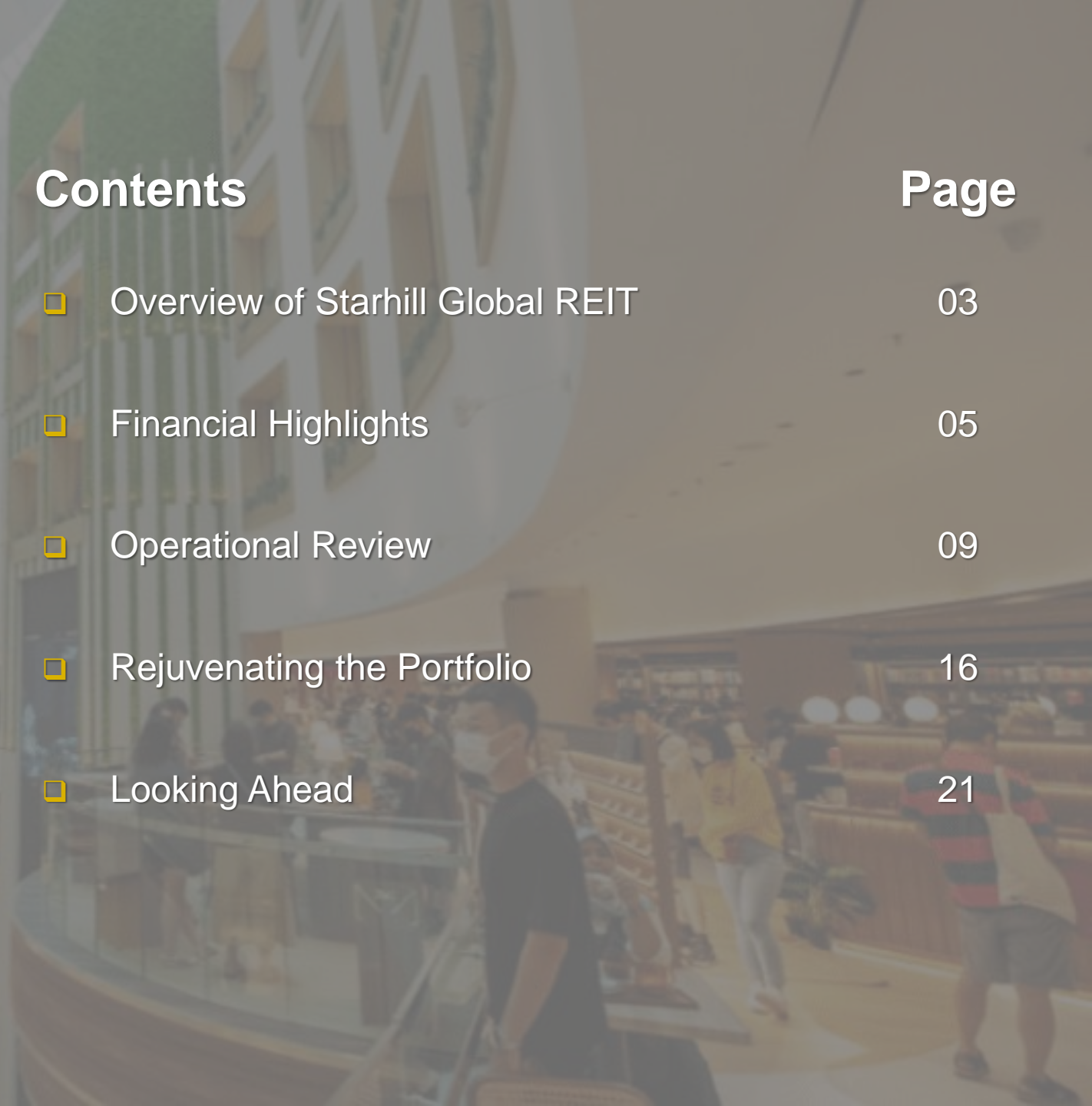




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義安城  
NGEE ANN CITY

# Overview of Starhill Global REIT

Cartier

TOWER B

Ngee Ann City, Singapore





## Quality Assets

- Portfolio valued at **~S\$2.8 billion** as at 30 June 2024
- **Nine mid-to high-end** predominantly retail properties in six Asia Pacific cities



## Strategic Locations

- **Landmark assets** at prime locations
- **Excellent connectivity** to transportation hubs



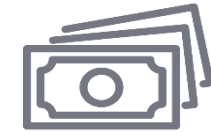
## Diversified Portfolio

- **Core markets:** Singapore, Australia, Malaysia
- Contribution to FY 2023/24 revenue: Retail (~85%) & Office (~15%)



## Strong Sponsor

- Our sponsor YTL Group has a combined market capitalisation of **US\$21 billion** as at 30 June 2024
- Owns **~37.9%** of SGREIT



## Healthy Financials

- **“BBB” corporate rating** by Fitch Ratings
- Gearing of 36.8% as at 30 June 2024
- Average debt maturity of 2.5 years
- Component stock of FTSE EPRA NAREIT Global Developed Index





# Financial Highlights

# Stable Financial Performance

S\$ million	FY23/24	% change (y-o-y)	Comments
<b>Gross Revenue</b>	S\$189.8	+1.1%	<ul style="list-style-type: none"> <li>Higher contributions from Singapore properties and Myer Centre Adelaide (Retail)</li> </ul>
<b>Net Property Income (NPI)</b>	S\$149.0	+0.8%	<ul style="list-style-type: none"> <li>Partially offset by loss of income from Japan divestment, and net movement in foreign currencies</li> </ul>
<b>Income Available for Distribution</b>	S\$84.7	-4.8%	<ul style="list-style-type: none"> <li>Mainly due to weaker foreign currencies, higher net finance costs and taxes, as well as a one-off leasing commission fee in relation to the master lease renewal with Toshin Development Singapore Pte Ltd ("Toshin")</li> </ul>
<b>Income to be Distributed</b>	S\$82.1	-4.1%	<ul style="list-style-type: none"> <li>S\$2.6m retained for working capital requirements</li> </ul>
<b>DPU (cents)</b>	3.63	-4.5%	<ul style="list-style-type: none"> <li>Translates to an annual yield of 7.5% (based on closing unit price of 48.5 cents as at 30 June 2024)</li> </ul>



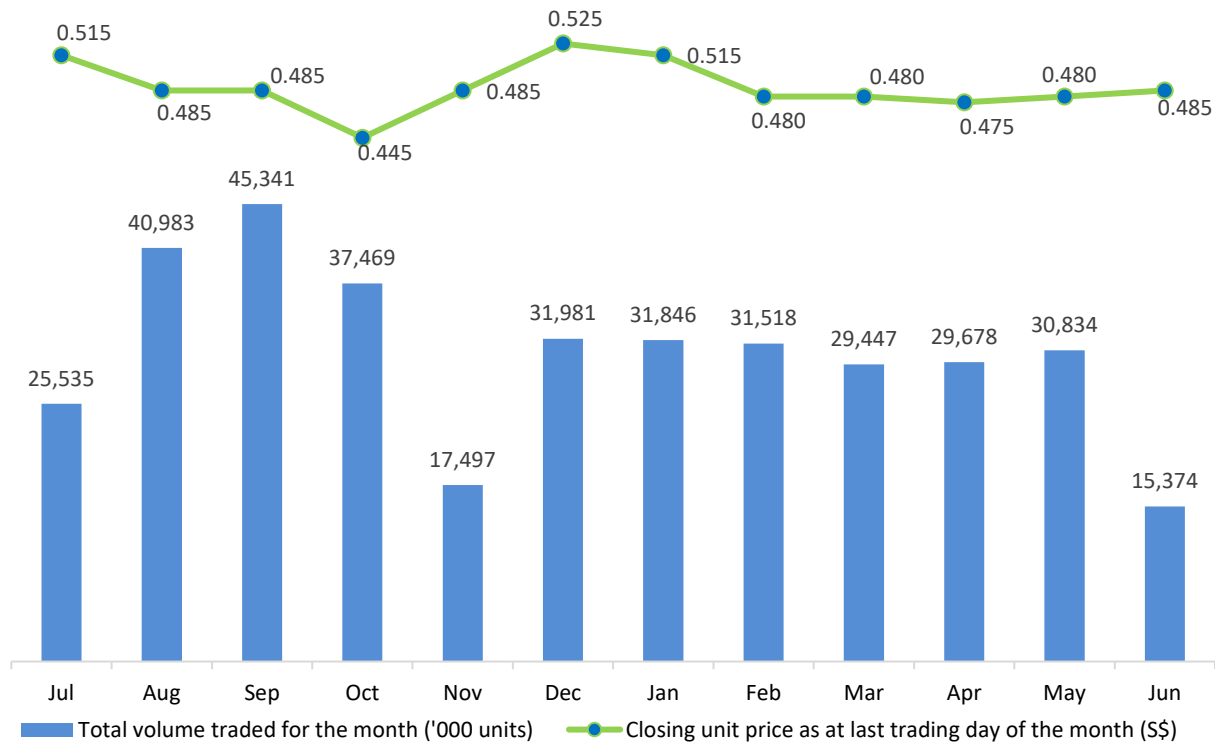
	30 June 2024	30 June 2023
<b>Total debt</b>	S\$1,044 mil	S\$1,049 mil
<b>Gearing</b>	36.8%	36.7%
<b>Interest cover</b>	3.1x	3.4x
<b>Adjusted interest cover<sup>(1)</sup></b>	2.9x	3.1x
<b>Average interest rate p.a.</b>	3.80%	3.67%
<b>Weighted average debt maturity</b>	2.5 years	3.4 years
<b>Fixed/hedged debt ratio</b>	79%	84%
<b>Corporate rating</b>	BBB <sup>(2)</sup>	BBB

**Notes:**

1. Includes distribution on perpetual securities.
2. Affirmed with stable outlook in February 2024.

# Trading Performance for FY23/24

**SGREIT Unit Price and Trading Volume**  
1 Jul 2023 to 30 Jun 2024



## Liquidity statistics

Average daily traded volume for FY23/24 (units) 1.5 mil

Estimated free float<sup>(1)</sup> ~62%

Market cap (S\$)<sup>(2)</sup> S\$1,098 mil

Source: Bloomberg

**Notes:**

- Free float as at 30 June 2024. The stake held by YTL Group is approximately 37.9% as at 30 June 2024.
- By reference to Starhill Global REIT’s closing price of S\$0.485 per unit as at 30 June 2024. The total number of units in issue as at 30 June 2024 is 2,264,644,059.





DAVID JONES

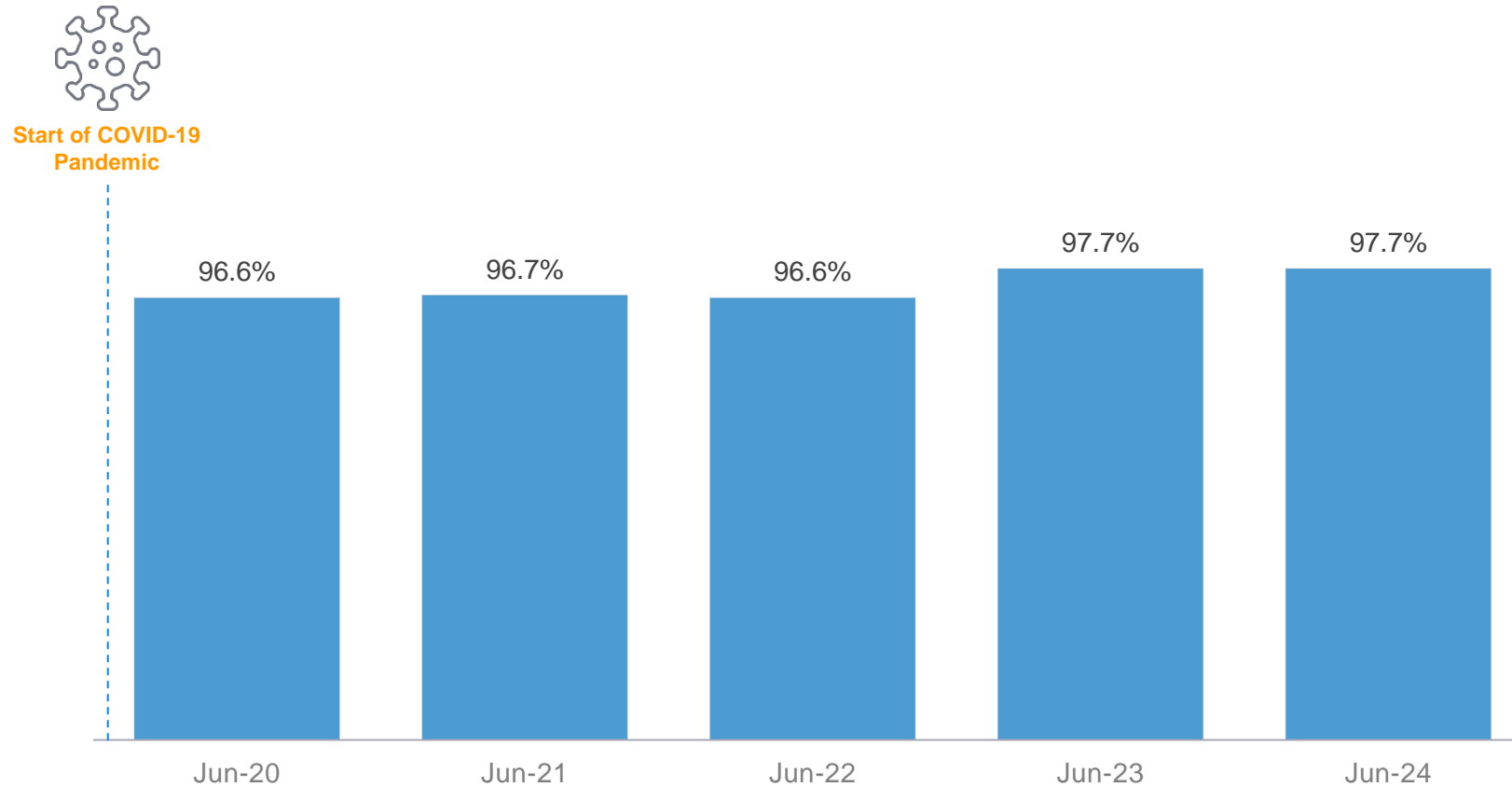
Operational Review

David Jones Building , Perth, Australia

# Stable Portfolio Occupancy

## Committed Portfolio Occupancy of 97.7%

### Starhill Global REIT Portfolio Occupancy<sup>(1)</sup>



### Portfolio Occupancy by Geography<sup>(2)</sup>



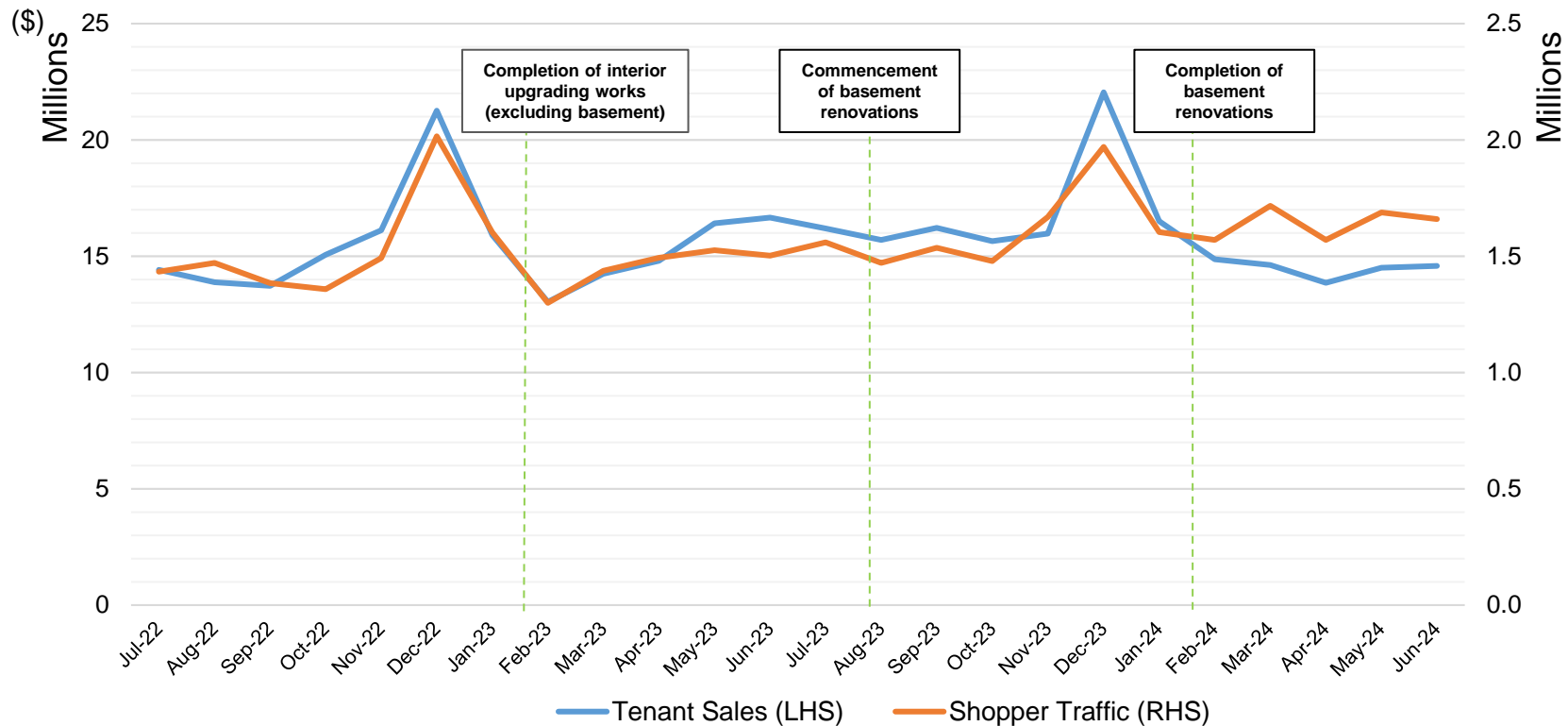
**Notes:**

1. Based on committed leases as at reporting date.
2. As at 30 June 2024.



# Tenant Sales and Shopper Traffic - Wisma Atria Property

Monthly Tenant Sales and Shopper Traffic (Jul 2022 – Jun 2024)

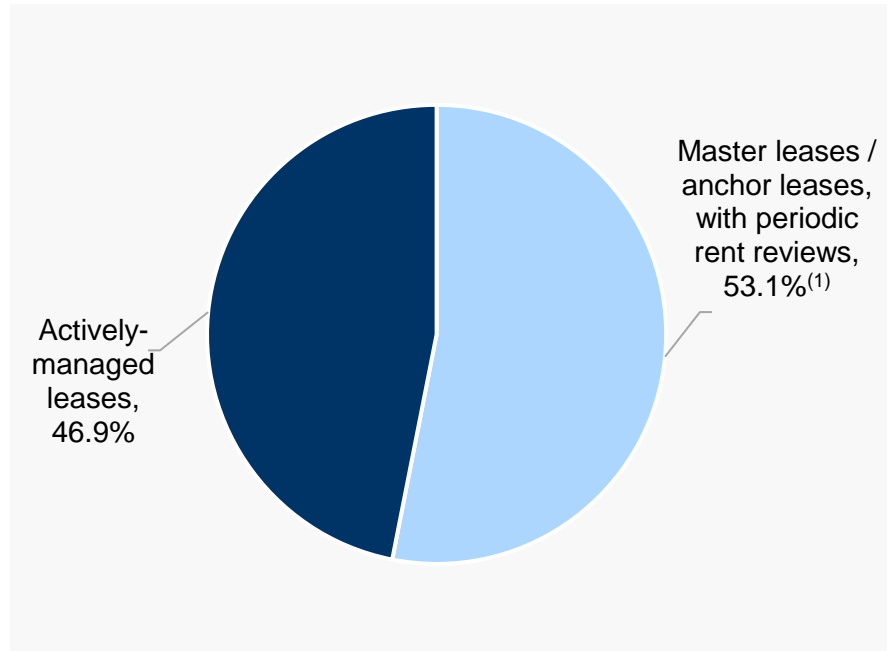


- In FY23/24, tenant sales and shopper traffic increased 2.8% and 8.2% y-o-y respectively
- The rise in shopper traffic could also be attributed to the influx of tourists due to a series of high-profile concerts, and the mutual 30-day visa-free travel between China and Singapore

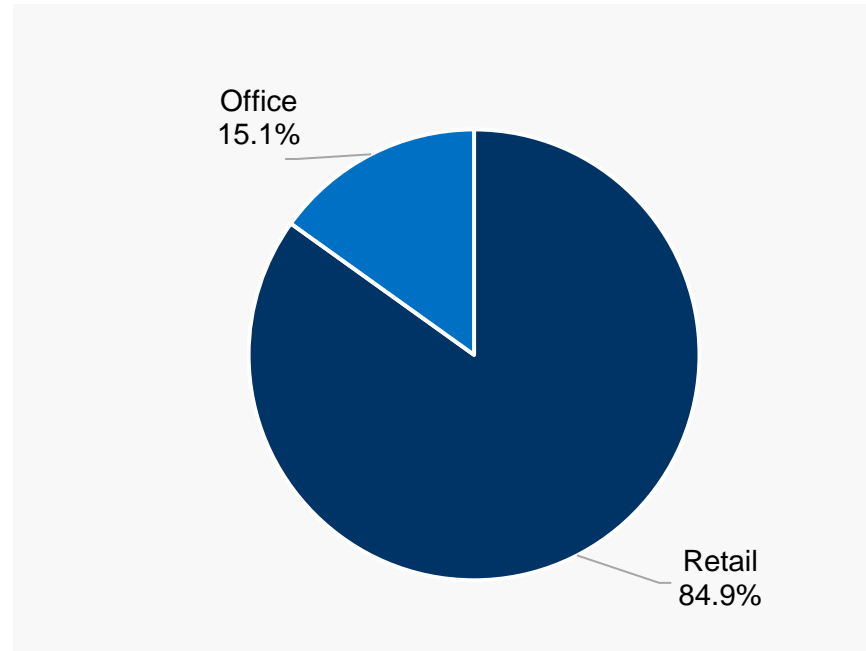
# Master / Anchor Leases and Office Portfolio provide Resilience

## Balance of master / anchor leases & actively-managed leases

(By Gross Rent as at 30 June 2024)



## FY23/24 Gross Revenue Retail / Office



### Key tenants include:



#### Ngee Ann City Property (Singapore)

The Toshin master lease has been renewed and will expire in June 2043<sup>(2)</sup>.



#### The Starhill & Lot 10 Property (KL, Malaysia)

New master tenancy agreements expiring in December 2038 and June 2028<sup>(3)</sup> for The Starhill and Lot 10 Property respectively, with periodic rental step-ups.

## MYER

#### Myer Centre (Adelaide, Australia)

Anchor lease expires in 2032 and provides for an annual rent review.



#### David Jones Building (Perth, Australia)

The anchor lease expires in 2032<sup>(4)</sup> and provides for upward-only rent review every three years. A rental uplift was secured in August 2023.

### Notes:

1. Excludes tenants' option to renew or pre-terminate.
2. Assuming the first option to renew for the six-year term is exercised.
3. Assuming the option to renew for the third three-year term is exercised.
4. Assuming the option to renew for the fifth five-year term is exercised.



# Valuation of Investment Properties

Description	30-Jun-24 \$'000	30-Jun-23 \$'000	Change S\$'000	Change %	Cap rate 30-Jun-24 %
<b>Ngee Ann City Property</b>	1,148,000	1,130,400	17,600	1.6%	4.70% (Retail) 3.70% (Office)
<b>Wisma Atria Property</b>	817,682	828,305	(10,623)	(1.3%)	4.75% (Retail) 3.70% (Office)
<b>Australia Properties <sup>(1)</sup></b>	346,391	357,484	(11,093)	(3.1%)	6.25%-6.75% (Perth) 7.25% (Adelaide)
<b>Malaysia Properties <sup>(2)</sup></b>	392,135	391,034	1,101	0.3%	6.00%-6.25% <sup>(6)</sup> 6.50%-7.00% <sup>(6)</sup>
<b>Japan Property <sup>(3)</sup></b>	33,234	34,935	(1,701)	(4.9%)	3.20%
<b>China Property <sup>(4)</sup></b>	24,718	25,653	(935)	(3.6%)	5.00%
<b>Total <sup>(5)</sup></b>	<b>2,762,160</b>	<b>2,767,811</b>	<b>(5,651)</b>	<b>(0.2%)</b>	

**Notes:**

1. Translated as at 30 June 2024 at A\$1.11:S\$1.00 (2023: A\$1.11:S\$1.00).
2. Translated as at 30 June 2024 at RM3.48:S\$1.00 (2023: RM3.44:S\$1.00).
3. Translated as at 30 June 2024 at JPY118.55:S\$1.00 (2023: JPY106.77:S\$1.00).
4. Translated as at 30 June 2024 at RMB5.35:S\$1.00 (2023: RMB5.35:S\$1.00).
5. Including right-of-use assets following the adoption of FRS116.
6. The valuation assumed a term cap rate of 6.00%-6.25% and reversionary cap rate of 6.50%-7.00% for the Malaysia Properties.

# Renewal of Toshin Master Lease





# Renewal of Toshin Master Lease

Summary of Key Terms of the Renewed Master Lease with Toshin	
<b>Initial Term</b>	12 years from 8 June 2025 – 7 June 2037
<b>Option to Renew</b>	(i) 6 years to 7 June 2043 (Option: SGREIT or Toshin) (ii) 3 years to 7 June 2046 (Option: Toshin)
<b>Annual Fixed Rent (first 3 years)</b>	New base rent shall be the higher of: (i) Amount agreed which is approximately 1% higher than existing base rent of the current master lease; AND (ii) Prevailing market annual rental value as at the commencement of the Renewed Master Lease, agreed by both parties or failing which, it shall be based on the average market rental values determined by three licensed valuers not exceeding 125% of the agreed amount in (i) above.
<b>Rent Review of Annual Fixed Rent (Conducted Every 3 Years)</b>	(i) Agreed by both parties; OR (ii) Average market rental values of three licensed valuers Downside protection is based on prevailing Annual Fixed Rent but during the term, upside is capped at 125% of the prevailing Annual Fixed Rent.
<b>Annual Turnover Rent (Profit Sharing)</b>	Comprises a portion of Toshin's annual operating income over and above agreed revenue and profit margin thresholds.  The profit-sharing arrangement provides for potential upside for SGREIT while taking into consideration Toshin's profit margin.
<b>Capital Expenditure Contribution</b>	Up to S\$5.2 million to be granted to Toshin for renovation and upgrading works to ensure the mall is upgraded and maintained as a high class and prestigious shopping complex.
<b>Security Deposit and Corporate Guarantee</b>	<ul style="list-style-type: none"> <li>• Security deposit of five months of the Annual Fixed Rent</li> <li>• Corporate Guarantee by Toshin Development Co., Ltd</li> </ul>



## Rejuvenating the Portfolio



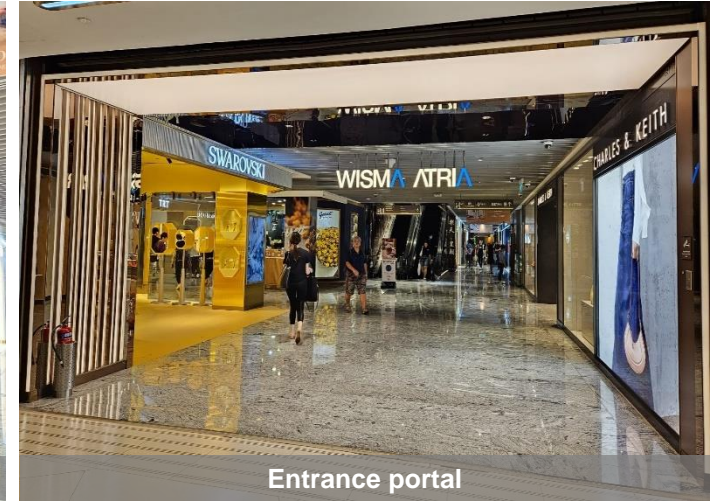
# Completion of Wisma Atria Rejuvenation Works in the Basement



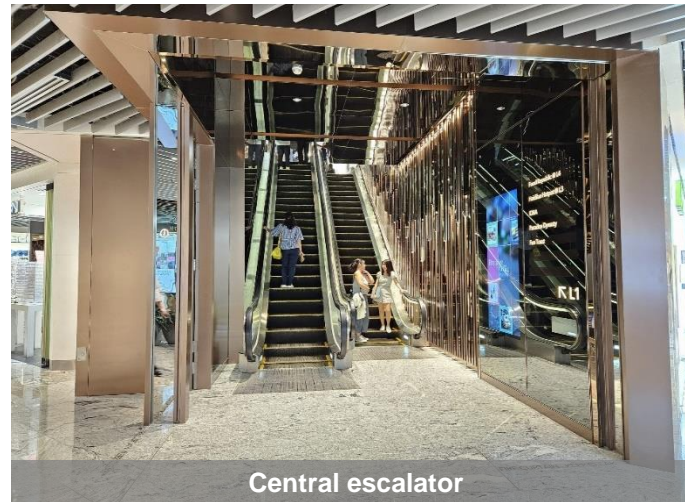
- ❑ Basement interior upgrading works for Wisma Atria which commenced in August 2023 were completed in February 2024
- ❑ Works include modernising the interior, widening of MRT entrance portal, reconfiguration of central space with the introduction of a new hip artisan bakery cafe, and enhanced signages
- ❑ The mall remained operational throughout the upgrading works



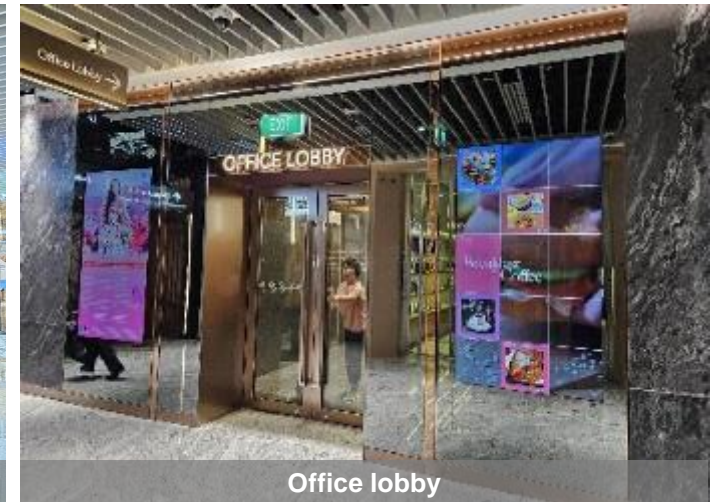
MRT escalator



Entrance portal



Central escalator

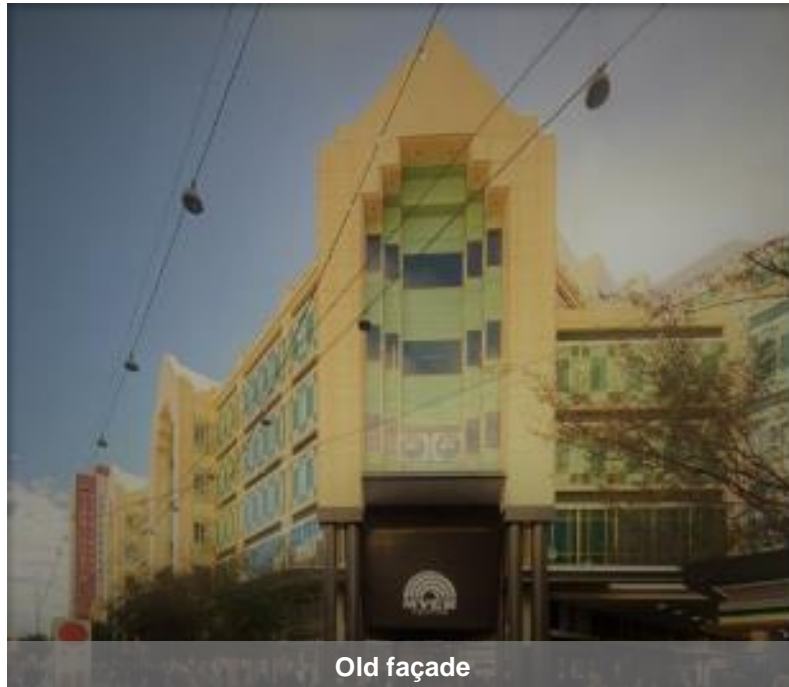


Office lobby

# Facade Rejuvenation at Myer Centre Adelaide



- Phase 2 of façade upgrading works to improve the South façade aesthetics and safety were completed in March 2024



After upgrading works







ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE

## Key Sustainability Achievements

### Green Certifications and Corporate Social Responsibility (CSR)

- ➔ Attained green certifications for 63% of portfolio by NLA as at 30 June 2024, ahead of targeted date
- ➔ Lot 10 Property achieved Provisional GBI Certified rating
- ➔ Plaza Arcade and David Jones Building attained 5.5 and 6 stars NABERS Water rating respectively
- ➔ Staff participated in a tree planting event at Kallang as part of planned CSR activities



Staff participated in tree planting event



### Green Financing

- ➔ Obtained first sustainability-linked multicurrency RCF of S\$50 million

### Solar Energy

- ➔ Installed and activated a rooftop solar panel system at Myer Centre Adelaide, with solar generation capacity of 362kW



Rooftop solar panel system



Looking Ahead





## Active Asset Management

### *Sustaining Asset Values and Ensuring Income Stability*

- Balance of master and anchor leases coupled with actively managed tenancies for income stability with potential rental upside
- Proactive leasing and cost management strategies
- Maintaining healthy occupancy throughout economic cycles
- Asset enhancements to drive value and enhance sustainability

## Capital Management

### *Cost of Capital and Liquidity*

- Managing capital to optimise unitholders' returns with a mix of available capital sources
- Manage debt maturities and hedging profile to reduce risk

## Acquisition Growth

### *Focused and Diversified*

- Focus on prime real estate used for office and/or retail with strong fundamentals and strategic locations
- Grow office portfolio and geographical presence for income diversification
- Enhance yield through strategic acquisitions and divestments



- ❑ Capital Recycling: Divestment of Wisma Atria office strata units
  - Completed sale of strata units on Level 12 for approximately \$16.1 million (\$2,100 per square foot) on 28 October 2024
  - 22.2% premium to latest valuation<sup>(1)</sup>
  - Divestment in line with Manager's strategy to rejuvenate its portfolio through selective divestments
  - Net proceeds may be used to pare down debt, for working capital purposes, future acquisitions and/or make distributions to unitholders
- ❑ Dividend Reinvestment Plan
  - Achieved cash conservation of approximately \$13 million for FY23/24
- ❑ Financial Standing
  - Gearing of 36.8% as at 30 June 2024

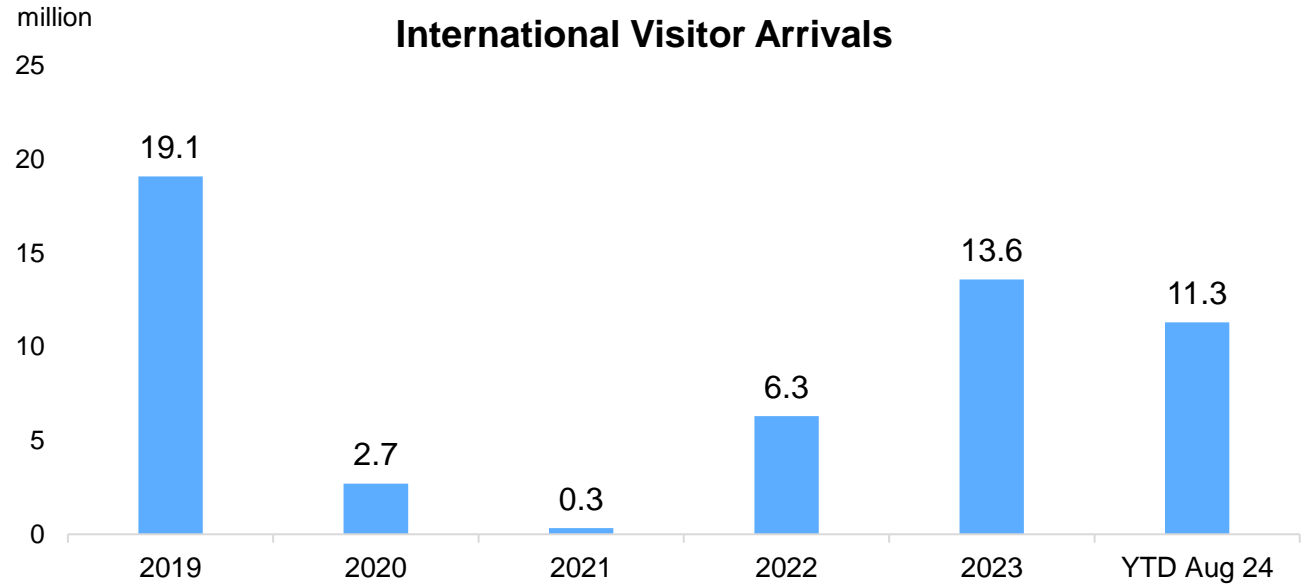


**Note:**

1. The valuation was derived by multiplying the rate of NLA (\$1,719 per square foot) per the 30 June 2024 valuation report conducted by CBRE Pte. Ltd., by the NLA divested.

## 2024 Outlook

- International visitor arrivals year-to-date to August 2024 is up 25.5% to 11.3 million compared to last year
- Tourism Receipts is up 34.7% to \$8.1 billion over the same period
- STB expects 2024 international visitor arrivals to reach around 15.0 to 16.5 million, bringing in approximately \$27.5 to \$29.0 billion in tourism receipts<sup>(1)</sup>



Source: Singapore Tourism Analytics Network, Monthly Visitor Arrivals

**Note:**

1. Singapore Tourism Board.



# Singapore Retail<sup>(1)</sup>

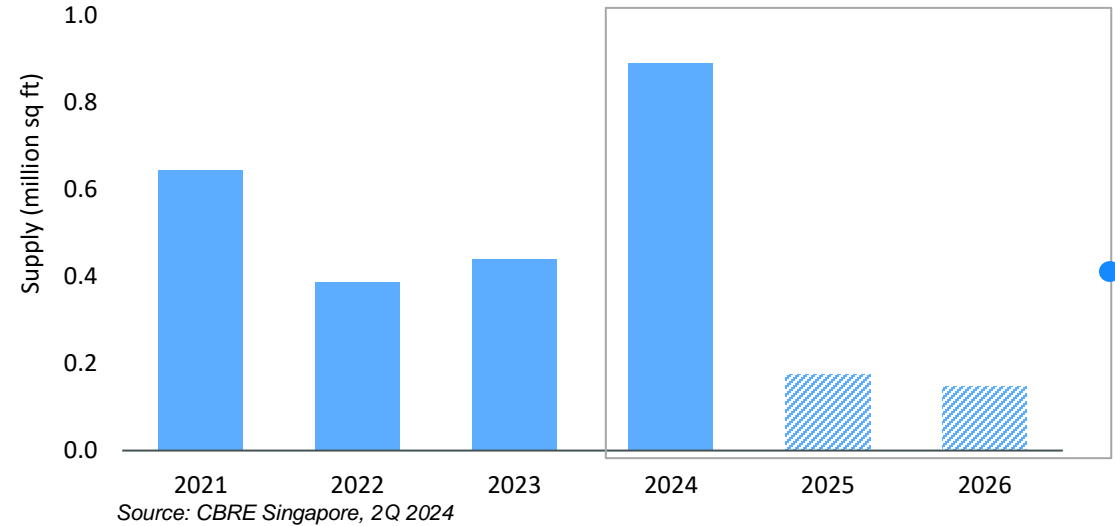
## No new completions expected in Orchard Road (2H 2024-2026)

- Average annual retail supply completion between 2024 and 2026 is about 0.4 million sq ft, lower than the historical 5-year annual average (2019-2023) completion of 0.5 million sq ft
- No new completions are expected in Orchard Road between 2H 2024 and 2026
- Prime retail rents in Orchard Road experienced a growth of 5.5% y-o-y in 2Q 2024, marking eight consecutive quarters of growth since 3Q 2022
- In the near term, retailers may continue to face challenges such as e-commerce, manpower shortages and higher operating costs
- However, against a backdrop of strong recovery in tourism spending and return-to-office trends, submarkets such as Orchard Road and City Hall/Marina Centre are poised to outperform the rest of the market

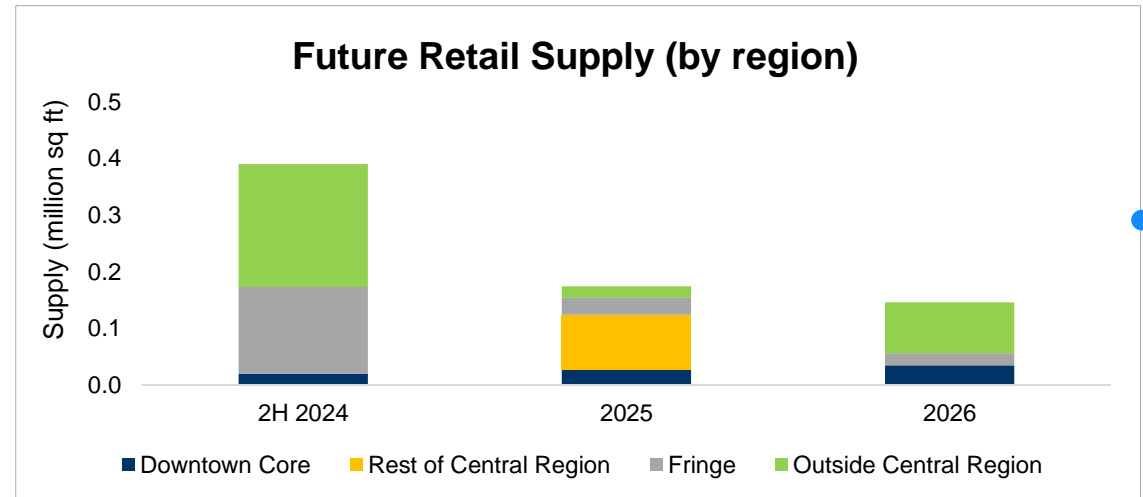
**Note:**

1. CBRE Singapore.

Islandwide Retail Supply



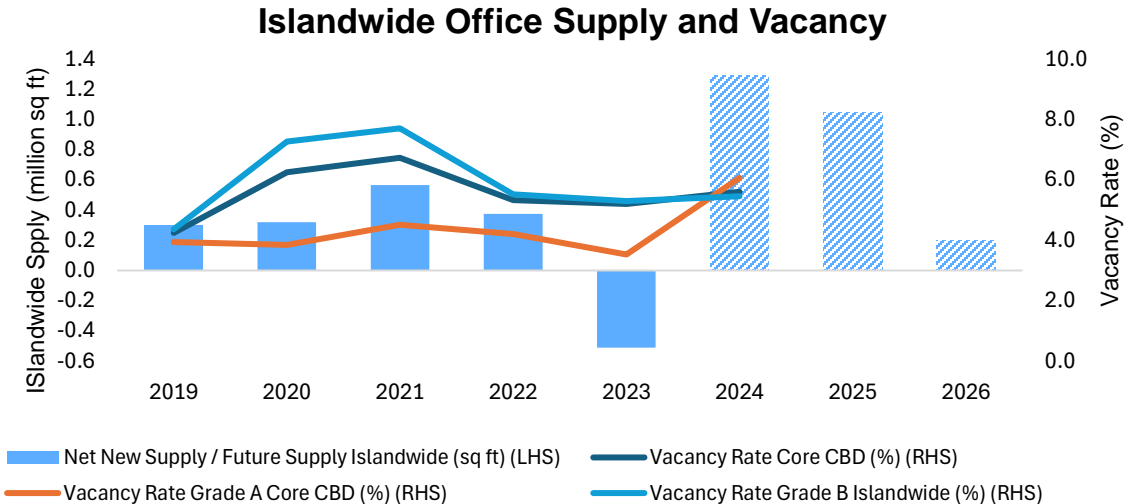
Future Retail Supply (by region)



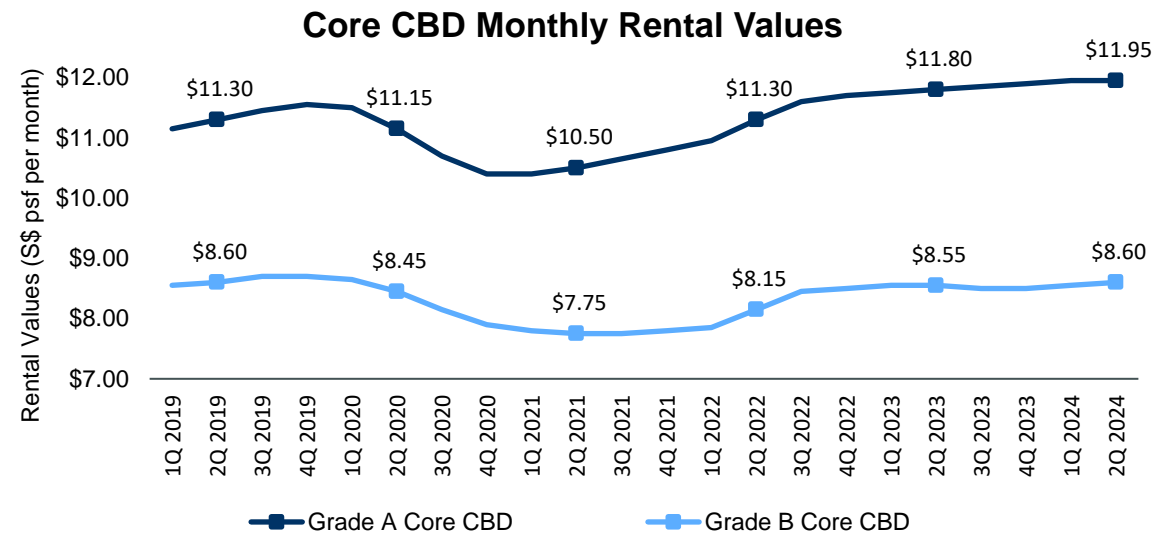
# Singapore Office<sup>(1)</sup>

## Office market to remain stable. Orchard Road office is differentiated

- Despite increasing vacancies in 2Q 2024, Grade A Core CBD rents grew 1.3% y-o-y in 2Q 2024, due to the tight available supply for Grade A Core CBD office spaces. Grade B Core CBD market experienced spillover demand, as rents rose by 0.6% y-o-y in 2Q 2024
- Rents are expected to maintain their upward trajectory, albeit at a more measured pace, as only 18.6% of total upcoming supply from 2H 2024 to 2026 are in the Core CBD
- Orchard Road micro market remains a differentiated product, serving a diverse tenant pool in the retail, aesthetics and financial trade



Source: CBRE Singapore, 2Q 2024



Source: CBRE Singapore, 2Q 2024

**Note:**  
1. CBRE Singapore.



# Singapore

Thomson-East Coast Line (TEL) Orchard Road MRT Station in operation since end-2022



## Thomson-East Coast Line (TEL)

Projected daily ridership: 500,000

Number of stations: 32

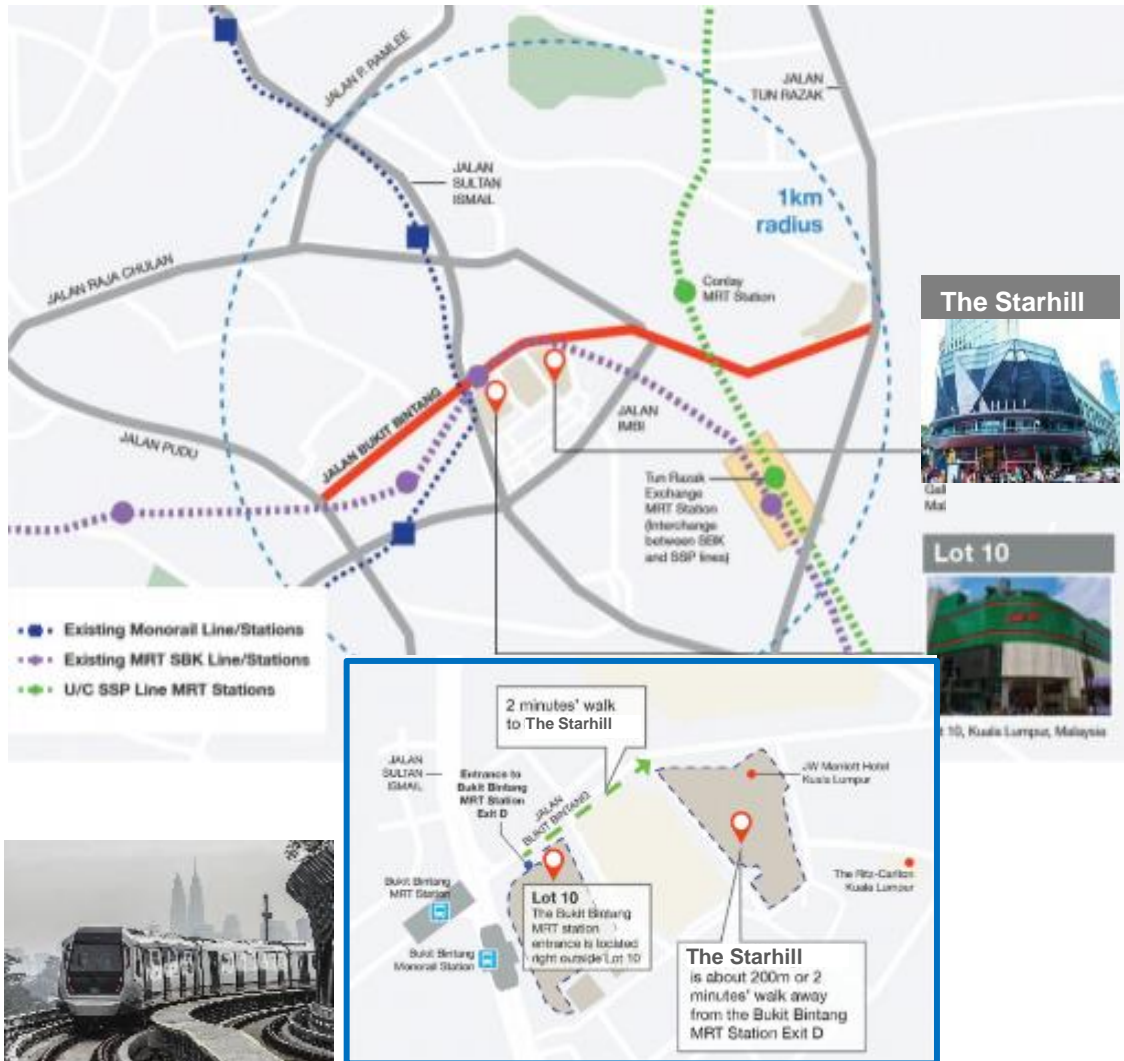


Project	Description
Stage 1	Woodlands North – Woodlands South (3 stations)
Stage 2	Springleaf – Caldecott (6 stations)
Stage 3	Mount Pleasant – Gardens by the Bay (13 stations)
Stage 4	Founder's Memorial – Bayshore (8 stations)
Stage 5	Bedok South – Sungei Bedok (2 stations) (around 2026)
Thomson-East Coast Line Extension	Sungei Bedok – Changi Airport (3 stations) Changi Airport – Tanah Merah (Conversion from EWL to TEL)

\* Mount Pleasant and Marina South stations will open upon completion of the surrounding housing developments  
The Straits Times

# Malaysia

## New MRT network in Klang Valley



- ❑ The Bukit Bintang MRT Station along the MRT 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 Lot 10 Property, providing commuters greater accessibility to the mall and The Starhill
- ❑ Phase One and Two of the MRT Putrajaya Line began operation in June 2022 and March 2023 respectively. Two stations along the Putrajaya Line are within 15 minutes' walk to The Starhill and Lot 10 Property. The new MRT line serves a population of approximately two million people <sup>(1)</sup>
- ❑ The final phase is the MRT3 Circle Line which is expected to open by 2032

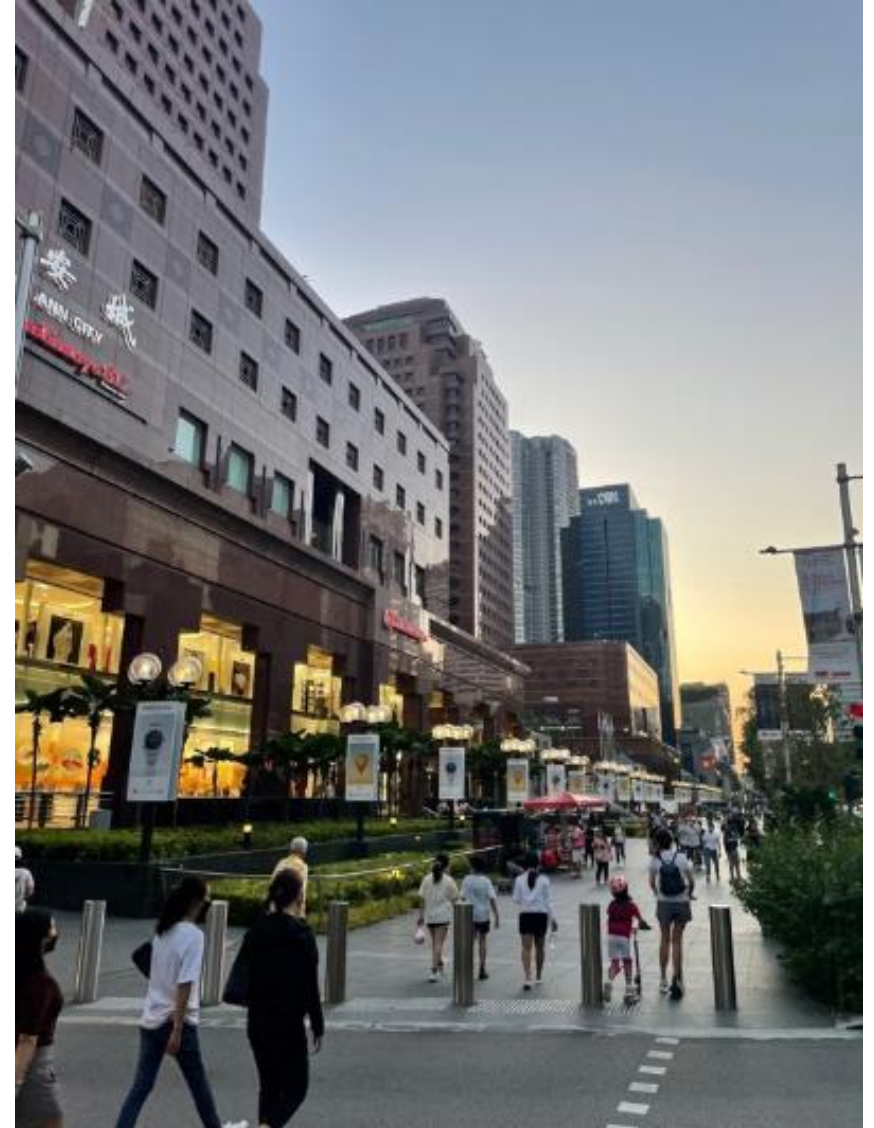
**Note:**

1. Mass Rapid Transit Corporation Sdn Bhd.



# Discerning and Careful in our Expansion Plans

- ❑ Elevated geopolitical tensions, inflationary pressures, higher interest rates and tight labour market have dampened global economic recovery over the past two years
- ❑ Recovery from the pandemic has been uneven
- ❑ Hospitality, tourism, aviation and retail sectors will continue their upward trajectory, benefiting from improved global economic outlook as interest rates peaked
- ❑ Starhill Global REIT is in a good position to benefit given our rejuvenated portfolio, healthy balance sheet and liquidity
- ❑ However, we will remain vigilant and steadfast... core values which have enabled us to navigate through unpredictable swings over the past decade







Thank you





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