SGX-ST Announcement

ANNUAL GENERAL MEETING TO BE HELD ON 27 OCTOBER 2022
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

YTL Starhill Global REIT Management Limited, as manager (the “**Manager**”) of Starhill Global Real Estate Investment Trust (“**SGREIT**”), wishes to thank all unitholders of SGREIT (“**Unitholders**”) who submitted their questions in advance of the Annual General Meeting to be held by way of electronic means on 27 October 2022 at 11.00 a.m. (Singapore time).

Please refer to Annex A hereto for the list of substantial and relevant questions, and the Manager’s responses to these questions, including those from the Securities Investors Association (Singapore).

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
19 October 2022

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Financial Performance

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr>
<td>1.</td>
<td>From the 2H FY2021/2022 results presentation slide page 18, it was mentioned that "For illustrative purpose only, the impact of +100 bps increase in all floating benchmark rates on SGREIT’s DPU is around -0.04 cents per annum, based on the portion of borrowings which are unhedged as at 30 June 2022

(a) May I know does this statement apply to only the unhedged contract or it will also be applicable to any new debts or renewal that will be taken to replace those expiring?

(b) May I know using the DPU impact statement per above-mentioned, is the below computation correctly done to deduce the DPU impact & dividend yield using closing price on 30/6/2022?

<table>
<tr><td colspan="7">Potential DPU impact</td></tr>
<tr><td>Note :</td><td colspan="6">FY 21/22 = 3.80 cents.</td></tr>
<tr><td></td><td colspan="6">Closing Price 30/6/2022 = $0.58</td></tr>
<tr><td></td><td colspan="2">Yield = 6.6%</td><td colspan="4">=3.8 / 100 / 0.58</td></tr>
<tr><td></td><td></td><td>Basis Pts</td><td>DPU Red.</td><td>Net</td><td>Net Yield</td><td>Reduce</td></tr>
<tr><td colspan="2">DPU impact :</td><td>1%</td><td>0.04</td><td>3.76</td><td>6.48%</td><td>-1.1%</td></tr>
<tr><td></td><td></td><td>2%</td><td>0.08</td><td>3.72</td><td>6.41%</td><td>-1.2%</td></tr>
<tr><td></td><td></td><td>3%</td><td>0.12</td><td>3.68</td><td>6.34%</td><td>-1.3%</td></tr>
</table>
</td>
<td>(a) The impact which is intended for illustrative purposes is calculated based on unhedged borrowings as at 30 June 2022. It does not take into account borrowings and interest rate swaps which mature after 30 June 2022.

(b) On the same basis for illustrative purposes only, the impact of an increase in all floating benchmark rates on SGREIT’s DPU, based on the portion of borrowings which are unhedged as at 30 June 2022 is as follows:-
• 100 bps: -0.04 cents p.a.
• 200 bps: -0.07 cents p.a.
• 300 bps: -0.10 cents p.a.</td>
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</table>

Strategy and Acquisitions

No.	Questions	Responses
1.	What is the status of the Isetan acquisition plan for the remaining stake in Wisma Atria?	On 15 December 2021, Isetan (Singapore) Limited (“Isetan”) announced that their expression of interest exercise for their property in Wisma Atria (“Property”) has run its course without yielding a positive outcome for the matter to proceed at this juncture and Isetan will continue to explore all other options that may lead to a better yield for their Property, including any possible future sale. The Manager remains open to continue working with Isetan on improving Wisma Atria and explore acquisition opportunities when the macro environment stabilises, on terms that are in line with the Manager’s acquisition criteria.
2.	What is future growth plan of company next 3 years? Can you share the future organic and inorganic growth plans for the REIT in the next 3 ~ 5 years?	SGREIT intends to continue growing its portfolio, in particular the office segment in key gateway cities globally. Expanding the office portfolio, which currently contributes only 14.4% of the total revenue, will provide diversification benefits. Our healthy gearing ratio of 36.2% provides headroom for acquisitions. However, the recent spike in interest rates and consequential rise in the cost of funds have altered the dynamics of real estate globally. Interest rates have increased significantly since the beginning of this year and may continue to rise in the foreseeable future as inflation remains at an elevated level. On the other hand, asset prices have not adjusted sufficiently to reflect the higher cost of funds. Against this backdrop, we will continue to be discerning and careful in our expansion plans and focus on assets where we are able to create value to enhance returns. More than half of our portfolio by gross revenue comprises leases with periodic rent reviews, which will provide inorganic growth. In addition, as our malls are still trading below pre-pandemic levels, the relaxation of COVID-19 measures and opening of borders will provide opportunities to further improve our portfolio performance. For example, since the lifting of

		COVID-19 measures in FY21/22, shopper traffic and tenant sales at the Wisma Atria Property improved by 25.4% and 18.2% year-on-year respectively despite the ongoing renovation works. During the pandemic, we embarked on a series of renovation initiatives to rejuvenate the portfolio to maintain its appeal to tenants and shoppers. Work at The Starhill in Kuala Lumpur has since been completed in December 2021 while upgrading works at Wisma Atria in Singapore is expected to be completed in December 2022. With the refreshed portfolio, SGREIT is well placed to ride the recovery.
3.	The company has one property in China that constitutes a small part of the property portfolio. Please explain the rationale of having only one small single property in China. Would having a single property in China allow us to reap economies of scale? This one small single property in China results in the REIT having exposure to another currency, the Chinese Yuan. As a consequence, we would need to manage our exposure to the Chinese Yuan via hedging etc. To maintain this one small single property in China, we would need to hire staff in China, open an office in China etc to manage it. Is it economical and wise to hold one small single property in China, for the sake of diversification? Are there plans to increase our exposure in China to a more meaningful number of properties? Or does the company intend to divest this odd and out of place single property in China? Please elaborate.	The China Property contributes about 1% to the portfolio's gross revenue for FY21/22, as well as asset value as at 30 June 2022. Initially, the intention was to expand our presence in China with our local partner. However, since the acquisition, due to the changing market and retail landscape, we have shifted our focus. We intend to divest this asset at some point if a good offer is attained. Meanwhile, minimal resources are required for this asset given the lease arrangement with one sole tenant.

4.	The company has two properties in Japan that constitute a small part of the property portfolio. Please explain the rationale of having two small properties in Japan. Would having two small properties in Japan allow us to reap economies of scale? These two small properties in Japan result in the REIT having exposure to another currency, the Japanese Yen. As a consequence, we would need to manage our exposure to the Japanese Yen via hedging etc. To maintain these two small properties in Japan, we would need to hire staff in Japan, open an office in Japan etc to manage it. Is it economical and wise to hold two small properties in Japan, for the sake of diversification? Are there plans to increase our exposure in Japan to a more meaningful number of properties? Or does the company intend to divest these two odd and out of place small properties in Japan? Please elaborate.	The two Japan properties contribute less than 2% of the portfolio's gross revenue for FY21/22, and asset value as at 30 June 2022. SGREIT used to own seven small properties in Tokyo. However, we have divested five of these assets over the past few years with the ultimate intention to consolidate and refocus on large-scale assets or acquisitions with value enhancement opportunities in Japan. We remain interested in the Japan market and hope to further expand our presence in the country. As we are able to optimise local currency funding for Japan assets, we have better flexibility in hedging our FX exposure when we make an investment.
5.	Recently, the macro (economic) environment has been rather turbulent. There is rising interest rates, strengthening of the USD and weakening of many currencies such as the Japanese Yen, AUD, Ringgit, Euro, Pound etc. as well as geopolitical challenges primarily stemming from the Ukraine war. How is the company managing these multiple challenges on the macro front? Please elaborate.	More than 90% of SGREIT's borrowings are fixed and/or hedged as at 30 June 2022. This will partially mitigate the impact of rising interest rates on the distributions. Please refer to Question 1 under "Financial Performance". 61% of SGREIT's revenue for FY21/22 is derived from Singapore, with the remaining 39% from overseas assets. We actively monitor the exchange rates and assess hedging on a case-by-case basis. The impact of the volatility in its two major foreign currencies (AUD and MYR) on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign exchange forward contracts.

6.	As there is easing of lockdown in Singapore and Malaysia, Australia, why is the REIT share price performing so poorly still?	Global equities markets have been impacted by a persistent rise in interest rates, elevated inflation, geopolitical tensions and negative global economic outlook. The S&P500 Index has declined by 21% in the first half of 2022. The global REITs market has also been affected with the FTSE NAREIT All REITs Index declining by 19% in the first half of 2022, while the FTSE ST All-Share Real Estate Investment Trusts Index has fallen by 5% during the same period. The general concern for REITs is the potential impact on earnings resulting from the above macroeconomic factors.

Operations

No.	Questions	Responses
1.	In the coming year, FY 2022/2023, around one-third of the office portfolio would be up for expiry and renewal. Please elaborate on the outlook of the office rental market? Is work from home still commonplace? Are companies downsizing their space requirements to cater for more remote work? How confident is the REIT regarding its ability to renew its office leases and secure new office tenants in the coming year ahead? What is the current progress of the office lease negotiation? Please elaborate.	Based on a standard three-year term of office leases in Singapore, it is normal to have a third of the portfolio expiring and up for renewal on a yearly basis. Office demand in Singapore has demonstrated its resilience throughout the pandemic. Based on CBRE research, while global uncertainties could provide challenges to the office market, the outlook appears positive due to a stable domestic economic outlook and domestic fundamentals such as "back-to-office recovery", prevailing tight vacancies and limited upcoming supply of quality office stock in the CBD. While hybrid working could potentially keep the overall office demand footprint below pre-pandemic levels, certain sectors such as the technology sector and non-financial services sector are expected to be major demand drivers for Grade A office spaces. Our current take-up rate for the office space remains healthy. Based on committed leases as at 30 June 2022, the Singapore portfolio's occupancy rate is 96.9% as at 30 June 2022, which is one of the highest achieved in the past five years.

2.	I noticed from page 26 to 27 of the AR that most of the company's 10 properties are valued at below purchase price. Three properties are valued above the purchase price - namely Ngee Ann City, Wisma Atria and The Starhill. The rest of the other 7 properties are underwater. Has the company evaluated what went wrong? What are the lessons learnt? Going forward, what changes, safeguards and steps have been put in place to reduce the probability of the REIT acquiring overvalued properties, only to see their valuation dropped drastically post-acquisition? How will the REIT finetune its acquisition strategy going forward? Please elaborate.	The properties in the portfolio which are below purchase prices comprise overseas assets and this is mainly due to foreign currency fluctuations against the Singapore Dollar. The FX rates at acquisition are disclosed in the footnotes on page 26-27 of the FY21/22 annual report. In managing the currency risks associated with the capital values of SGREIT'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. For instance, the Japan portfolio is almost fully hedged as we are able to secure Yen-denominated loans competitively. However, in certain jurisdictions where there are limitations to secure local currency loans competitively, the outstanding exposure is left unhedged as we view such investments as long-term in nature. Excluding the foreign exchange fluctuations, the valuation of our core Australia and Malaysia properties were higher than the purchase price except for Myer Centre Adelaide which was impacted by the pandemic. For David Jones Building, the value was higher by about 25% in AUD terms since it was purchased. In Malaysia, the portfolio comprising of The Starhill and the Lot 10 Property was higher by about 29% in MYR terms. In summary, Singapore is a small and competitive market. Having a portfolio which is more geographically diverse reduces the concentration risk. However, we will continue to be Singapore-centric and aim to derive the majority of our revenue from the domestic market.

Responses to questions from the Securities Investors Association (Singapore)

<table>
<tr><th>No.</th><th>Questions</th><th>Responses</th></tr>
<tr><td>1.</td><td>(i) Is the manager satisfied with its track record in long-term value creation for unitholders? What are the challenges faced by the manager in growing the REIT and increasing the DPU?</td><td> Long-term Value Creation
Over the past 10 years, Distribution per Unit (“DPU”) performance had been on the rise until FY16/17. In general, the decline in revenue, Net Property Income (“NPI”) and DPU since FY16/17 were largely attributed to lower NPI contributions from the Wisma Atria Property and Myer Centre Adelaide, disruption of rental income from asset redevelopment works, currency devaluation and higher taxes for our overseas assets, as well as rental assistance provided for eligible tenants affected by COVID-19. For FY19/20 and FY20/21, we also retained a higher portion of distributable income as a measure of prudence given the COVID-19 pandemic.
Prior to FY16/17, income available for distribution rose from $55 million to $117 million since the REIT’s listing in 2005.
Challenges
The global retail market is evolving rapidly. As such, we have embarked on several asset enhancement initiatives to remain relevant to tenants and shoppers. These initiatives include the transformation of The Starhill and the interior upgrading works at Wisma Atria.
SGREIT has also been actively fine-tuning its tenant mix to uplift the lifestyle component of the malls with new and upcoming tenants such as Haidilao Hot Pot at the Wisma Atria Property, Uniqlo at Myer Centre Adelaide and Taiwanese lifestyle bookstore Eslite Spectrum at The Starhill.
Another key challenge would be the rising cost of funds, which has made yield-accretive acquisitions challenging. Thus we will continue to be discerning and careful in our expansion plans and focus on assets where we are able to create value to enhance returns.
With regard to rising interest rates, as we have hedged more than 90% of SGREIT’s borrowings as </td></tr>
</table>

		at 30 June 2022, the impact on DPU will be partially mitigated.
	(ii) Has the board evaluated if the manager has been effective at overcoming these challenges?	The Board oversees the achievement of all goals such as SGREIT's DPU targets and other long-term targets that the Board sets for Management so as to deliver long-term sustainable returns to Unitholders. The Board also meets to discuss and review, among other things, the financial performance of SGREIT measured against a previously approved budget. Please refer to page 97 to 99 of the FY21/22 annual report for more information.
	(iii) With rising interest rates and fears of a global recession, what are the opportunities in the next 12-18 months?	Please refer to the response to question 2 of the "Strategy and Acquisitions" section above.
	(iv) What are the levels of natural hedges for the group's investments in Australia and Malaysia? Going forward, how will the REIT be managing its foreign currency exposure given the strength of the Singapore dollar?	As at 30 June 2022, the combined capital hedging ratio for Australia and Malaysia is around 31%. SGREIT's borrowings are denominated in the same currency as the underlying assets to the extent feasible and cost efficient, to provide natural currency hedge. In certain jurisdictions where there are limitations to secure local currency loans competitively, the outstanding exposure is left unhedged as we view such investments as long-term in nature.
	(v) Is the manager actively looking for acquisitions? If so, how does it ensure any acquisitions will be accretive to the REIT?	Please refer to the response to question 2 of the "Strategy and Acquisitions" section above. In evaluating potential acquisitions, we balance the income stability against occupancy (e.g. weighted average lease expiry) and evaluate this against the cost of funds based on the respective geographies. Other considerations include the location of the asset as well as potential upside.
	(vi) The manager has embarked on a $15 million upgrading works of the Wisma Atria property. What was the hurdle rate used in the board approval process?	Modernising the mall is critical in ensuring that it continues to appeal to tenants and shoppers, in particular amid a rapidly evolving retail landscape. Occupancy, rental rates and valuation could

		potentially be impacted in the long-term if malls are not upgraded and rejuvenated.
	(vii) Similarly, a RM175 million asset enhancement works (AEW) at The Starhill was completed in December 2021. What are the improvements in shopper traffic and tenant sales? Does the REIT benefit from any rebound in tenant sales at The Starhill via gross turnover rent/retail turnover rent as stipulated in the master tenancy agreement?	The Asset Enhancement Works is a pre-condition to the renewal of the master tenancy agreement, which provides income certainty with periodic rental step-up. This was beneficial to SGREIT, particularly during the uncertain business environment amid the COVID-19 pandemic.
2.	(i) What are the reasons for the 4.6% decrease in valuation of the Wisma Atria property when the net property income (NPI) increased by 3.1% for the full year and by a stronger 7.4% in the second half of the year?	Valuation of Wisma Atria Property decreased largely due to challenging retail conditions in Singapore that led to lower passing and market rent. NPI increased y-o-y mainly due to lower rebates provided to tenants affected by COVID-19.
	(ii) What were the rental reversion rates at Wisma Atria and Ngee Ann City?	The master tenant rent for Ngee Ann City Property (Retail, excluding level 5) was renewed at the prevailing rent. Retail rental reversions for the remaining retail space were negative, whereas office rents remained stable.
	(iii) Given the decrease in valuation of Wisma Atria, does it mean that the $15 million upgrading works have not been successful?	Please note that the upgrading works at Wisma Atria are ongoing and completion is expected in December 2022.
	(iv) What is the manager's view of the impact on Wisma Atria and Ngee Ann City from the opening of the Thomson-East Coast Line Stage 3 in November 2022?	The Manager is of the view that the opening of the Thomson-East Coast Line will have a positive impact on Orchard Road, as it improves accessibility and reduces travelling time for commuters.
	(v) With decreases in revenue and NPI at Ngee Ann City, is there a risk that the carrying value of Ngee Ann City may be overstated?	Please note that in FY21/22, revenue for the Ngee Ann City Property was largely flat, while NPI increased by 0.8% y-o-y.

3.	(i) What are the reasons for the underperformance from FY13 to FY19 when the REIT underperformed the benchmark by 77% (from -6% to -83%) prior to the COVID-19 pandemic? (ii) Despite what the manager has said about the “economic cycles”, should unitholders be concerned that the REIT has consistently underperformed for 10 years? Has the manager benchmarked itself against other REITs that have invested in retail and commercial assets?	The Manager’s performance fee benchmark index includes multiple sectors (e.g. Industrial, Healthcare, Data Centres etc.), which have differing economic cycles. In addition, corporate actions such as mergers and acquisitions add complexity to the Index performance. Aside from comparison to the Index, SGREIT’s total return from FY13 to FY18/19 (prior to the pandemic) was positive, ranging from 5.9% to 28.0%, except for two years. As the performance fee for the Manager is contingent upon outperforming the benchmark index, it should be noted that with the exception of year 2005, where the Manager received some performance fee in the form of units, the Manager has not been entitled to any performance fee. The Board and the Manager periodically review the unit price and performance of the other REITs in the retail sector.
	(iii) Has the board/independent directors re-evaluated the REIT’s mandate so that the board can make better capital allocation decisions to create long-term value for unitholders?	The REIT’s mandate is to invest in real estate used for retail and office purposes, both in Singapore and overseas. We have fine-tuned our investment mandate to increase our office presence in key gateway cities. Based on the resources available and expertise, the Board has assessed that the current mandate remains appropriate.
	(iv) Will the board and/or the nominating and remuneration committee (NRC) be re-evaluating the choice of the benchmark given that the REIT has stated that the REIT index “might not be a good gauge to evaluate the REIT”? (v) Would the board/NRC also evaluate the lowering of the base fees and a re-alignment of the performance fee so that the REIT manager is better incentivised to create value for unitholders?	Such a change in the methodology of computing fees payable to the Manager is subject to independent unitholders’ approval. Our current base fee formula is comparable to some other REITs. The base fee takes into account the size of the REIT’s asset base as well as operational and administrative expenses incurred by the Manager in executing its responsibilities to manage SGREIT’s portfolio. As performance fee for the Manager is contingent upon performing above the benchmark index, it should be noted that with the exception of year 2005, where the Manager received some performance fee in the form of units, the Manager has not been entitled to the performance fee.

	(vi) Given that the CEO of the manager has been on the job for the past 12 years, are there plans to refresh the leadership of the manager?	In 2020 and 2021, when the CEO's appointment as Executive Director was put up for endorsement at the AGM, Unitholders endorsed the CEO's appointment with votes in excess of 99%.

About Starhill Global REIT

*Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, Japan and China, valued at about S$2.9 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, two properties in Tokyo, Japan and a retail property in 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.

Important Notice

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

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

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