

**Starhill Global Real Estate Investment Trust  
and its Subsidiaries  
(Constituted in the Republic of Singapore pursuant to a trust  
deed dated 8 August 2005 (as amended))**

Interim Financial Statements  
First half year ended 31 December 2022

## Table of Content

<b>Description</b>	<b>Page</b>
Summary of results	FS1
Distribution details	FS1
Balance sheets	FS2
Statements of total return and distribution statements	FS3
Statements of movements in unitholders' funds	FS5
Investment properties portfolio statement	FS7
Consolidated cash flow statement	FS9
Notes to the Financial Statements	FS11
Other Information Required By Listing Rule Appendix 7.2	FS22

## Summary of results

	Group 01/07/22 to 31/12/22 \$'000	Group 01/07/21 to 31/12/21 \$'000	Increase / (Decrease) %
Gross revenue	94,729	90,971	4.1%
Net property income	74,281	69,639	6.7%
Income available for distribution <sup>(a)</sup>	43,580	42,658	2.2%
Income to be distributed to unitholders <sup>(b)</sup>	40,942	39,739	3.0%
<b>Distribution per unit ("DPU")</b>	<b>Cents per unit</b>		<b>%</b>
DPU <sup>(c)</sup>	1.82	1.78	2.2%

Footnotes:

- (a) The increase in income available for distribution for first half year ended 31 December 2022 ("1H FY22/23") was mainly in line with the higher net property income ("NPI") including straight-lining adjustment and lower net finance costs, partially offset by higher income taxes and lower management fees paid/payable in units. The increase in NPI was mainly due to the completion of asset enhancement works at The Starhill, lower rental assistance and higher rental contribution from Singapore Office, partially offset by lower rental contribution from Wisma Atria Property (Retail) and net movement in foreign currencies.
- (b) Approximately \$2.6 million (first half year ended 31 December 2021 ("1H FY21/22"): \$2.9 million) of income available for distribution for 1H FY22/23 has been retained for working capital requirements.
- (c) The computation of DPU for 1H FY22/23 is based on the number of units entitled to distributions comprising issued and issuable units of 2,249,554,313 (1H FY21/22: 2,232,535,419 units).

## Distribution details

Distribution period	1 July 2022 to 31 December 2022
Distribution amount to unitholders	1.82 cents per unit
Record date	6 February 2023
Payment date	23 March 2023

The Manager has determined that the distribution reinvestment plan ("DRP") will apply to the distribution for the period from 1 July 2022 to 31 December 2022. The issue price of each new unit for this DRP will be set at a discount of approximately 2% to the volume-weighted average traded price per unit for all trades on the SGX-ST for each of the market days during the period of 10 market days prior to and ending on the record date. The Manager will announce further details on the issue price of the new units for the DRP on or around Monday, 6 February 2023.

**Balance sheets<sup>(1)</sup>**

**As at 31 December 2022**

	Note	Group		Trust	
		31 December	30 June	31 December	30 June
		2022	2022	2022	2022
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Investment properties	4	2,865,832	2,893,294	1,975,255	1,969,955
Plant and equipment		6	14	5	13
Interests in subsidiaries		-	-	656,538	667,224
Derivative financial instruments		17,444	15,163	17,444	14,426
		<u>2,883,282</u>	<u>2,908,471</u>	<u>2,649,242</u>	<u>2,651,618</u>
<b>Current assets</b>					
Derivative financial instruments		751	436	186	391
Trade and other receivables		3,254	2,855	942	2,865
Cash and cash equivalents		72,995	85,663	26,181	33,820
		<u>77,000</u>	<u>88,954</u>	<u>27,309</u>	<u>37,076</u>
<b>Total assets</b>		<u>2,960,282</u>	<u>2,997,425</u>	<u>2,676,551</u>	<u>2,688,694</u>
<b>Non-current liabilities</b>					
Trade and other payables		22,922	21,413	19,163	17,382
Deferred tax liabilities		6,440	6,844	-	-
Borrowings	5	887,785	955,962	780,482	784,932
Lease liabilities		410	580	342	500
		<u>917,557</u>	<u>984,799</u>	<u>799,987</u>	<u>802,814</u>
<b>Current liabilities</b>					
Trade and other payables		33,841	38,894	20,377	26,522
Derivative financial instruments		38	213	21	199
Income tax payable		2,610	1,163	-	-
Borrowings	5	182,305	124,974	124,960	124,974
Lease liabilities		337	355	337	355
		<u>219,131</u>	<u>165,599</u>	<u>145,695</u>	<u>152,050</u>
<b>Total liabilities</b>		<u>1,136,688</u>	<u>1,150,398</u>	<u>945,682</u>	<u>954,864</u>
<b>Net assets</b>		<u>1,823,594</u>	<u>1,847,027</u>	<u>1,730,869</u>	<u>1,733,830</u>
Represented by:					
Unitholders' funds		1,723,965	1,747,408	1,631,240	1,634,211
Perpetual securities holders' funds	6	<u>99,629</u>	<u>99,619</u>	<u>99,629</u>	<u>99,619</u>
<b>Units in issue ('000)</b>	7	<u>2,248,069</u>	<u>2,239,028</u>	<u>2,248,069</u>	<u>2,239,028</u>
<b>Net asset value and net tangible asset per unit (\$) based on:</b>					
- Units issued and issuable at the end of the period/year	8	<u>0.77</u>	<u>0.78</u>	<u>0.73</u>	<u>0.73</u>

**Note:**

<sup>(1)</sup> Please refer to FS26-27 for the key explanatory notes on the above items.

**Statements of total return <sup>(1)</sup>**

**First half year ended 31 December 2022**

		<b>Group</b>	
		<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
	<b>Note</b>		
<b>Gross revenue</b>	9	94,729	90,971
Property operating expenses	10	(20,448)	(21,332)
<b>Net property income</b>		<u>74,281</u>	<u>69,639</u>
Interest income from fixed deposits and bank balances		590	162
Management fees		(7,499)	(7,723)
Performance fees		-	-
Trust expenses	11	(1,849)	(1,954)
Finance expenses	12	(19,261)	(20,005)
		<u>46,262</u>	<u>40,119</u>
Change in fair value of derivative instruments		6,712	7,585
Foreign exchange loss		(85)	(603)
Change in fair value of investment properties	4	(183)	(194)
Total return for the period before tax and distribution		52,706	46,907
Income tax		(3,223)	(1,390)
<b>Total return for the period after tax, before distribution</b>		<u>49,483</u>	<u>45,517</u>
Less: Amount reserved for distribution to perpetual securities holders		(1,941)	(1,941)
Non-tax chargeable items and other adjustments		(3,962)	(918)
<b>Income available for distribution</b>		<u>43,580</u>	<u>42,658</u>
<b>Earnings per unit (cents)</b>			
Basic	13	<u>2.12</u>	<u>1.96</u>
Diluted	13	<u>2.12</u>	<u>1.96</u>

**Note:**

<sup>(1)</sup> Please refer to FS23-25 for the key explanatory notes on the above items.

**Distribution statements**

**First half year ended 31 December 2022**

	<b>Group</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
<b>Note</b>		
<b>Income available for distribution at the beginning of the period</b>	94,723	90,587
Total return after tax, before distribution	49,483	45,517
Less: Amount reserved for distribution to perpetual securities holders	(1,941)	(1,941)
Net tax and other adjustments (Note A below)	(3,962)	(918)
Income available for distribution	138,303	133,245
Distributions during the period:		
<u>Unitholders</u>		
Distribution of 2.02 cents (2021: 2.07 cents) per unit for the period 1 January to 30 June 2022	(45,257)	(45,903)
	(45,257)	(45,903)
<b>Income available for distribution at the end of the period</b>	93,046	87,342
Number of units issued and issuable ('000)	7 2,249,554	2,232,535
Distribution per unit for the period (cents)	1.82	1.78
<b>Note A - Net tax and other adjustments</b>		
Non-tax (chargeable)/deductible items and other adjustments:		
- Management fees paid/payable in units	1,615	4,039
- Finance costs	362	424
- Sinking fund contribution	774	774
- Depreciation	7	7
- Change in fair value of derivative instruments	(6,931)	(7,638)
- Change in fair value of investment properties	183	194
- Deferred tax	78	83
- Foreign exchange loss	411	682
- Other items	(461)	517
Net tax and other adjustments	(3,962)	(918)

**Statements of movements in unitholders' funds**  
**First half year ended 31 December 2022**

	<b>Group</b>		<b>Trust</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
<b>Unitholders' funds at the beginning of the period</b>	1,747,408	1,790,478	1,634,211	1,645,798
<b>Operations</b>				
Change in unitholders' funds resulting from operations, before distributions	49,483	45,517	43,161	33,433
Amount reserved for distribution to perpetual securities holders	(1,941)	(1,941)	(1,941)	(1,941)
Increase in unitholders' funds resulting from operations	47,542	43,576	41,220	31,492
<b>Foreign currency translation reserve</b>				
Translation differences from financial statements of foreign entities	(23,288)	(3,978)	-	-
Transfer of translation differences from total return arising from hedge accounting <sup>(1)</sup>	4,794	4,566	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(8,300)	(8,864)	-	-
Net loss recognised directly in unitholders' funds	(26,794)	(8,276)	-	-
<b>Hedging reserve</b>				
Changes in fair value of cash flow hedges <sup>(2)</sup>	(4,046)	(40)	(4,046)	(40)
<b>Unitholders' transactions</b>				
Management fees paid in units	813	2,021	813	2,021
Management fees payable in units	802	2,018	802	2,018
Distribution reinvestment plan <sup>(3)</sup>	3,497	5,161	3,497	5,161
Distributions to unitholders	(45,257)	(45,903)	(45,257)	(45,903)
Decrease in unitholders' funds resulting from unitholders' transactions	(40,145)	(36,703)	(40,145)	(36,703)
<b>Unitholders' funds at the end of the period</b>	<b>1,723,965</b>	<b>1,789,035</b>	<b>1,631,240</b>	<b>1,640,547</b>
<b>Perpetual securities holders' funds</b>				
<b>Balance at the beginning of the period</b>	99,619	99,619	99,619	99,619
Total return attributable to perpetual securities holders	1,941	1,941	1,941	1,941
Distribution to perpetual securities holders	(1,931)	(1,931)	(1,931)	(1,931)
<b>Balance at the end of the period</b>	<b>99,629</b>	<b>99,629</b>	<b>99,629</b>	<b>99,629</b>

**Notes:**

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group.
- <sup>(3)</sup> Represent 6,025,357 units (2021: 8,708,244 units issued in September 2021) issued in September 2022 as part payment of distribution for 1 January to 30 June 2022 (2021: 1 January to 30 June 2021) through distribution reinvestment plan.



**Investment properties portfolio statement**  
**As at 31 December 2022**

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate <sup>(12)</sup>	Carrying value	Valuation	Percentage of unitholders' funds	
						31 December 2022 %	31 December 2022 <sup>(13)</sup> \$'000	30 June 2022 \$'000	31 December 2022 %	30 June 2022 %
<b>Group</b>										
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	100.0/94.3	1,131,375	1,131,500 <sup>(5)</sup>	65.6	64.8
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	39 years	435 Orchard Road, Singapore 238877	Retail/Office	98.8/99.0	843,202	837,600 <sup>(5)</sup>	48.9	47.9
Myer Centre Adelaide <sup>(1)</sup>	Freehold	-	-	14-38 Rundle Mall, Adelaide, Australia	Retail/Office	92.8/93.6	230,980	239,262 <sup>(6)</sup>	13.4	13.7
David Jones Building <sup>(1)</sup>	Freehold	-	-	622-648 Hay Street Mall, Perth, Australia	Retail	98.5	130,179	136,858 <sup>(7)</sup>	7.5	7.8
Plaza Arcade <sup>(1)</sup>	Freehold	-	-	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	80.1	44,189	46,417 <sup>(7)</sup>	2.6	2.7
The Starhill <sup>(2)</sup>	Freehold	-	-	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/Hotel <sup>(11)</sup>	100.0	269,823	278,044 <sup>(8)</sup>	15.7	15.9
Lot 10 Property <sup>(2)</sup>	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	137,683	142,651 <sup>(8)</sup>	8.0	8.2
Ebisu Fort <sup>(3)</sup>	Freehold	-	-	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	36,794	36,953 <sup>(9)</sup>	2.1	2.1
Daikanyama <sup>(3)(14)</sup>	Freehold	-	-	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	13,723	13,781 <sup>(9)</sup>	0.8	0.8
China Property <sup>(4)</sup>	Leasehold	Leasehold estate expiring on 27 December 2035	13 years	19, 4 <sup>th</sup> Section, Renminnan Road, Chengdu, Sichuan, China	Retail	100.0	27,138	29,293 <sup>(10)</sup>	1.6	1.6
<b>Investment properties – fair value</b>							2,865,086	2,892,359	166.2	165.5
<b>Investment properties – right-of-use assets</b>							746	935	0.1	0.1
<b>Total investment properties</b>							2,865,832	2,893,294	166.3	165.6
<b>Other assets and liabilities (net)</b>							(1,042,238)	(1,046,267)	(60.5)	(59.9)
<b>Net assets</b>							1,823,594	1,847,027	105.8	105.7
<b>Perpetual securities holders' funds</b>							(99,629)	(99,619)	(5.8)	(5.7)
<b>Unitholders' funds</b>							1,723,965	1,747,408	100.0	100.0

The accompanying notes form an integral part of these unaudited interim financial statements.

**Investment properties portfolio statement (continued)**  
**As at 31 December 2022**

**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 31 December 2022. Daikanyama and Ebisu Fort were acquired on 30 May 2007 and 26 September 2007 respectively.
- (4) The 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.
- (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.
- (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.
- (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.
- (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.
- (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 31 December 2022.
- (13) The carrying value of the investment properties as at 31 December 2022 are based on the independent valuations as at 30 June 2022, adjusted for mainly capital expenditure incurred in 1H FY22/23 and translated at the exchange rates at the reporting date.
- (14) In December 2022, the Group entered into a sale and purchase agreement to divest its entire beneficial interests in Daikanyama for a cash consideration of JPY1,877.7 million (or approximately \$18.9 million). The divestment is expected to complete in early 2023.

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 are performed as at year-end.

**Consolidated cash flow statement**  
**First half year ended 31 December 2022**

	<b>Group</b>	
	<b>6 months ended 31 December 2022</b>	<b>6 months ended 31 December 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Total return for the period before tax and distribution	52,706	46,907
Adjustments for:		
Finance income	(590)	(162)
Depreciation	7	12
Management fees paid/payable in units	1,615	4,039
Finance expenses	19,261	20,005
Change in fair value of derivative instruments	(6,712)	(7,585)
Foreign exchange loss	85	603
Change in fair value of investment properties	183	194
Operating income before working capital changes	66,555	64,013
Trade and other receivables	(1,261)	(2,467)
Trade and other payables	(3,614)	(5,241)
Income tax paid	(1,678)	(1,240)
<b>Net cash from operating activities</b>	<b>60,002</b>	<b>55,065</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties	(8,778)	(9,962)
Purchase of plant and equipment	-	(6)
Interest received on deposits	555	162
<b>Net cash used in investing activities</b>	<b>(8,223)</b>	<b>(9,806)</b>
<b>Cash flows from financing activities</b>		
Borrowing costs paid	(18,378)	(18,903)
Proceeds from borrowings <sup>(1)</sup>	16,000	125,000
Repayment of borrowings <sup>(1)</sup>	(16,000)	(125,000)
Payment of lease liabilities	(196)	(216)
Distributions paid to unitholders <sup>(2)</sup>	(41,760)	(40,742)
Distributions paid to perpetual securities holders	(1,931)	(1,931)
<b>Net cash used in financing activities</b>	<b>(62,265)</b>	<b>(61,792)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,486)</b>	<b>(16,533)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>85,663</b>	<b>108,323</b>
Effects of exchange rate differences on cash	(2,182)	(1,228)
<b>Cash and cash equivalents at the end of the period</b>	<b>72,995</b>	<b>90,562</b>

**Notes:**

- (1) The movement during the previous corresponding period ended 31 December 2021 relates to the prepayment of \$125 million term loan and issuance of \$125 million medium term notes (“MTN”).
- (2) Excludes the non-cash portion of the distributions, which was paid through the distribution reinvestment plan during the current period.

## **Notes to the Financial Statements**

These notes form an integral part of the unaudited interim financial statements (“Financial Statements”).

### **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.

### **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”). The Financial Statements are to be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 30 June 2022. The Financial Statements does not contain all of the information required for a full set of annual financial statements.

#### **2.2 Basis of measurement**

The Financial Statements have been prepared on the historical cost basis, except as set out in the financial statements for the year ended 30 June 2022.

### 2.3 Functional and presentation currency

The Financial Statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial statements 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.

In preparing the Financial Statements, the 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 were the same as those applied in the financial statements for the year ended 30 June 2022.

## 3. Significant accounting policies

The accounting policies applied by the Group in the Financial Statements are the same as those applied in its financial statements for the year ending 30 June 2022, except for the adoption of the new standards and amendments which became effective for financial year beginning on or after 1 July 2022. The adoption of these amendments to standards and interpretations do not have a significant impact on the Financial Statements.

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 ending 30 June 2023 have not been applied in preparing the Financial Statements. The adoption of these new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group's financial statements.

#### 4. Investment properties

	<b>Group \$'000</b>	<b>Trust \$'000</b>
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	(49,587)	(45,811)
Translation differences	(43,983)	-
At 30 June 2022	<u>2,893,294</u>	<u>1,969,955</u>
At 1 July 2022	2,893,294	1,969,955
Additions, straight-line rental and other adjustments	9,677	5,477
Change in fair value of investment properties <sup>(1)</sup>	(183)	(177)
Translation differences	(36,956)	-
At 31 December 2022	<u>2,865,832</u>	<u>1,975,255</u>

<sup>(1)</sup> Represents fair value adjustments on right-of-use assets as at 31 December 2022.

As at 30 June 2022, investment properties were 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 were prepared in accordance with recognised appraisal and valuation standards.

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 31 December 2022, in consultation with external valuers, the Manager conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and movement in market data such as discount rates and capitalisation rates. Based on the assessment, the Manager is of the view that the fair value of the investment properties has not materially changed from 30 June 2022 valuation. The carrying amounts of the investment properties were current as at 31 December 2022 only. Due to the unknown future impact that the COVID-19 situation and rising interest rate environment might have on the real estate market, the valuation of the Group's investment properties might change more significantly than during standard market conditions.

As at 31 December 2022, investment properties with a carrying value of approximately \$537.7 million (June 2022: \$557.6 million) are mortgaged to secure credit facilities for the Group.

### **Fair value hierarchy**

The Group's and the Trust's investment properties of approximately \$2,865.1 million (June 2022: \$2,892.4 million) and \$1,974.6 million (June 2022: \$1,969.1 million) respectively (excluding the carrying amount of lease liabilities of approximately \$0.7 million and \$0.7 million (June 2022: \$0.9 million and \$0.8 million) respectively) as at 31 December 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:

<b><u>Investment properties</u></b>	<b><u>Key unobservable inputs</u></b>	<b><u>Inter-relationship between key unobservable inputs and fair value measurement</u></b>
Commercial properties for leasing	<ul style="list-style-type: none"> <li>• Capitalisation rates from 3.60% to 7.00%</li> <li>• Discount rates from 3.40% to 8.25%</li> </ul>	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. Borrowings

	Group		Trust	
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
<b>Non-current</b>				
Secured borrowings	100,633	164,442	-	-
Unsecured borrowings	790,573	795,396	783,681	788,475
Unamortised loan acquisition expenses	(3,421)	(3,876)	(3,199)	(3,543)
	887,785	955,962	780,482	784,932
<b>Current</b>				
Secured borrowings	57,374	-	-	-
Unsecured borrowings	125,000	125,000	125,000	125,000
Unamortised loan acquisition expenses	(69)	(26)	(40)	(26)
	182,305	124,974	124,960	124,974
Total borrowings (net of borrowing costs)	1,070,090	1,080,936	905,442	909,906

### Secured

The Group has outstanding unrated five-year fixed-rate Senior MTN of RM330 million (\$100.6 million) as at 31 December 2022 (June 2022: RM330 million (\$104.1 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.

The Group has outstanding term loan of A\$63 million (\$57.4 million) (maturing in July 2023) as at 31 December 2022 (June 2022: A\$63 million (\$60.3 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.

### Unsecured

As at 31 December 2022, the Group has outstanding medium term notes of \$195 million (June 2022: \$195 million) issued under its \$2 billion Multicurrency MTN Programme originally established in 2008, comprising:

- \$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 arrear; and
- \$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 arrear.

In addition, as at 31 December 2022, the Group has outstanding medium term notes of \$225 million (June 2022: \$225 million) issued under its \$2 billion Multicurrency Debt Issuance Programme, established in 2020, comprising:

- \$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 arrear; and
- \$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 arrear.

As at 31 December 2022, the Group has in place:

- 5-year unsecured term loan facility with a club of various banks, comprising (a) term loan of \$250 million (maturing in February 2026) (June 2022: \$250 million) and (b) \$200 million committed revolving credit facilities (maturing in February 2026). There is no amount outstanding on these revolving credit facilities as at 31 December 2022;
- 5.5-year unsecured term loan facility of \$60 million (maturing in September 2027) (June 2022: \$60.0 million);
- 5-year unsecured term loan facility of \$50 million (maturing in June 2027) (June 2022: \$50.0 million);
- 5-year unsecured term loan facility of JPY3.7 billion (\$37.6 million) (maturing in September 2024) (June 2022: JPY3.7 billion (\$37.8 million));
- 5.5-year unsecured term loan facility of A\$100 million (\$91.1 million) (maturing in November 2026) (June 2022: A\$100 million (\$95.7 million)); and
- various unsecured and committed revolving credit facilities of \$140 million (maturing between October 2023 and January 2025), of which no amount is outstanding as at 31 December 2022.

The Group has in October 2022 entered into a 5-year unsecured term loan facility agreement of \$50 million, which will be drawn in 2023 to part refinance the above existing outstanding Singapore MTN of \$125 million maturing in May 2023.

The Group has JPY678 million (\$6.9 million) of Japan bond outstanding as at 31 December 2022 (June 2022: JPY678 million (\$6.9 million)), maturing in August 2025 (“Series 4 Bonds”). The bondholders of Series 4 Bonds 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.

## **6. 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 were deducted against the proceeds from the issue.

## 7. Units in issue

	<b>Group and Trust</b>	
	<b>6 months ended 31 December 2022</b>	<b>6 months ended 31 December 2021</b>
	<b>No. of units '000</b>	<b>No. of units '000</b>
At 1 July	2,239,028	2,214,204
Issue of units:		
• Management fees paid in units (base fee) <sup>(1)</sup>	3,016	6,482
• Distribution reinvestment plan <sup>(2)</sup>	6,025	8,708
At 31 December	2,248,069	2,229,394
Units to be issued:		
• Management fees payable in units (base fee) <sup>(3)</sup>	1,485	3,141
Total issued and issuable units at 31 December	2,249,554	2,232,535

<sup>(1)</sup> During the six months ended 31 December 2022, the Trust issued 3,015,963 (2021: 6,482,343) units at the issue price ranging from \$0.5009 to \$0.5837 (2021: \$0.5972 to \$0.6519) per unit, as partial satisfaction of the above base management fees to the Manager.

<sup>(2)</sup> During the six months ended 31 December 2022, the Trust issued 6,025,357 (2021: 8,708,244) units at an issue price of \$0.5802 (2021: \$0.5926) per unit pursuant to the distribution reinvestment plan.

<sup>(3)</sup> An estimated 1,485,587 (2021: 3,141,181) units are issuable by the Trust to the Manager as at 31 December 2022, as partial satisfaction of the base management fees for the period from 1 October to 31 December 2022 (2021: 1 October to 31 December 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.

## 8. Net asset value (“NAV”) and net tangible asset (“NTA”) per unit

	<b>Group</b>		<b>Trust</b>	
	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

NAV and NTA per unit based on:

- Units issued and issuable at the end of the period/year <sup>(1)</sup>

	0.77	0.78	0.73	0.73
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<sup>(1)</sup> The number of units used for computation of NAV and NTA per unit attributable to unitholders is 2,249,554,313 (June 2022: 2,240,430,617). This comprises of (i) the number of units in issue as at 31 December 2022 of 2,248,068,726 (June 2022: 2,239,027,406); and (ii) the estimated number of units issuable to the Manager as partial satisfaction of its base management fee for 1 October to 31 December 2022 of 1,485,587 (June 2022: 1 April to 30 June 2022 of 1,403,211).

## 9. Gross revenue

	<b>Group</b>	
	<b>6 months</b>	<b>6 months</b>
	<b>ended 31</b>	<b>ended 31</b>
	<b>December</b>	<b>December</b>
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Property rental income	92,037	88,613
Turnover rental income	1,603	991
Other income	1,089	1,367
	94,729	90,971

## 10. Property operating expenses

	<b>Group</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
Maintenance and sinking fund contributions	3,233	3,243
Property management fees	2,739	2,678
Property tax	8,692	9,409
Depreciation expense	7	12
Leasing and upkeep expenses	4,269	4,529
Marketing expenses	602	594
Impairment loss recognised on trade receivables	239	110
Administrative expenses and others	667	757
	<b>20,448</b>	<b>21,332</b>
	<b>20,448</b>	<b>21,332</b>

## 11. Trust expenses

	<b>Group</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
Auditors' remuneration	156	171
Trustee's fees	229	235
Others <sup>(1)</sup>	1,464	1,548
	<b>1,849</b>	<b>1,954</b>
	<b>1,849</b>	<b>1,954</b>

<sup>(1)</sup> Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately \$39,000 (2021: \$55,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately \$129,000 (2021: \$132,000) for the six months ended 31 December 2022.

## 12. Finance expenses

	<b>Group</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
Interest costs	18,668	19,165
Amortisation of borrowing costs	580	818
Interest expenses on lease liabilities	13	22
	19,261	20,005

## 13. Earnings per unit

	<b>Group</b>	
	<b>6 months ended 31 December 2022 \$'000</b>	<b>6 months ended 31 December 2021 \$'000</b>
Earnings attributable to unitholders <sup>(1)</sup>	47,542	43,576
Basic earnings per unit (cents) <sup>(2)</sup>	2.12	1.96
Earnings per unit on a fully diluted basis (cents) <sup>(3)</sup>	2.12	1.96

<sup>(1)</sup> Net of amount reserved for distribution to perpetual securities holders.

<sup>(2)</sup> In computing the basic earnings per unit for the six months ended 31 December 2022, the earnings attributable to unitholders and the weighted average number of units of 2,244,015,757 (2021: 2,222,751,051) during the six months ended 31 December 2022 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,244,007,683 (2021: 2,222,733,979); and (ii) estimated units issuable for the settlement of unpaid base management fees.

<sup>(3)</sup> In computing the diluted earnings per unit for the six months ended 31 December 2022, the weighted average number of units in issue of 2,245,493,270 (2021: 2,225,875,160) during the six months ended 31 December 2022 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,485,587 (2021: 3,141,181) units for the settlement of unpaid base management fees.

## 14. Subsequent event

Subsequent to the period ended 31 December 2022, the Manager declared a distribution of 1.82 cents per unit in respect of the period from 1 July 2022 to 31 December 2022, which is payable on 23 March 2023.

## 15. Financial ratios

	<b>Group</b>	
	<b>31 December 2022 %</b>	<b>31 December 2021 %</b>
Ratio of expenses to weighted average net assets <sup>(1)</sup>	1.02	1.01
Portfolio turnover rate <sup>(2)</sup>	-	-

<sup>(1)</sup> The annualised 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.

<sup>(2)</sup> 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 asset value.

## **Other Information Required By Listing Rule Appendix 7.2**



## Other Information

### 1. General

The balance sheet and investment properties portfolio statement of Starhill Global Real Estate Investment Trust (the “Trust” or “Starhill Global REIT”) and its subsidiaries (the “Group”) and balance sheet of the Trust as at 31 December 2022 and the related statements of total return and distribution statements of the Trust, and the statements of movement in unitholders’ fund of the Group and the Trust, and the cash flow statement of the Group for the first half year then ended and certain explanatory notes have not been audited or reviewed.

#### 1(i) To show the total number of issued units excluding treasury units and subsidiary holdings as at the end of the current financial period, and as at the end of the immediately preceding year

Starhill Global REIT did not hold any treasury units and subsidiary holdings as at 31 December 2022 and 30 June 2022. The total number of issued units as at the end of the current period, and as at the end of the immediately preceding year are disclosed in Note 7 to the Financial Statements.

#### 1(ii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units and subsidiary holdings as at the end of the current financial period reported on

Not applicable.

### 2. Review of performance of the Group

#### 2.1 Statement of total return and distribution

	Group 01/07/22 to 31/12/22 \$'000	Group 01/07/21 to 31/12/21 \$'000	Increase / (Decrease) %
<b>Gross revenue</b>	<b>94,729</b>	<b>90,971</b>	<b>4.1%</b>
Property expenses	(20,448)	(21,332)	(4.1%)
<b>Net property income</b>	<b>74,281</b>	<b>69,639</b>	<b>6.7%</b>
Non-property expenses	(28,019)	(29,520)	(5.1%)
<b>Net income before tax</b>	<b>46,262</b>	<b>40,119</b>	<b>15.3%</b>
Change in fair value of derivative instruments	6,712	7,585	(11.5%)
Foreign exchange loss	(85)	(603)	(85.9%)
Change in fair value of investment properties	(183)	(194)	(5.7%)
<b>Total return for the period before tax and distribution</b>	<b>52,706</b>	<b>46,907</b>	<b>12.4%</b>
Income tax	(3,223)	(1,390)	131.9%
<b>Total return for the period after tax, before distribution</b>	<b>49,483</b>	<b>45,517</b>	<b>8.7%</b>
Less: Amount reserved for distribution to perpetual securities holders	(1,941)	(1,941)	-
Non-tax chargeable items and other adjustments	(3,962)	(918)	331.6%
<b>Income available for distribution</b>	<b>43,580</b>	<b>42,658</b>	<b>2.2%</b>
<b>Income to be distributed to unitholders</b>	<b>40,942</b>	<b>39,739</b>	<b>3.0%</b>

**Financial performance – First half year ended 31 December 2022 (“1H FY22/23”) vs First half year ended 31 December 2021 (“1H FY21/22”)**

Group revenue of \$94.7 million in 1H FY22/23 was 4.1% higher than the \$91.0 million achieved in the previous corresponding period. Net property income (“NPI”) for the Group in 1H FY22/23 was \$74.3 million, representing an increase of 6.7% over the previous corresponding period. The increase in NPI was mainly due to the completion of asset enhancement works at The Starhill, lower rental assistance and higher rental contribution from Singapore Office, partially offset by lower rental contribution from Wisma Atria Property (Retail) and net movement in foreign currencies.

Singapore Properties contributed 60.9% of total revenue, or \$57.7 million in 1H FY22/23, 3.0% higher than in 1H FY21/22. NPI for 1H FY22/23 was \$45.6 million, 4.0% higher than in 1H FY21/22, mainly due to the lower rental assistance for eligible tenants, higher office occupancies and lower property tax during the current period, partially offset by lower rent at Wisma Atria Property (Retail).

Australia Properties contributed 21.6% of total revenue, or \$20.4 million in 1H FY22/23, 6.8% lower than in 1H FY21/22. NPI for 1H FY22/23 was \$12.9 million, 6.2% lower than in 1H FY21/22, mainly due to depreciation of A\$ against S\$, as well as lower rental contribution from David Jones Building, partially offset by lower operating expenses for Myer Centre Adelaide.

Malaysia Properties contributed 15.4% of total revenue, or \$14.6 million in 1H FY22/23, 36.4% higher than in 1H FY21/22. NPI for 1H FY22/23 was \$14.2 million, 38.0% higher than in 1H FY21/22. The increase in revenue and NPI was mainly due to the cessation of rental rebates following the completion of asset enhancement works at The Starhill in December 2021, partially offset by depreciation of RM against S\$.

Japan and China Properties contributed 2.1% of total revenue, or \$2.0 million in 1H FY22/23, 13.1% lower than in 1H FY21/22. NPI for 1H FY22/23 was \$1.6 million, 8.3% lower than in 1H FY21/22, largely attributed to depreciation of JPY against S\$.

Non-property expenses were \$28.0 million in 1H FY22/23, 5.1% lower than in 1H FY21/22, mainly in line with the lower finance costs incurred, as well as higher interest income on bank balances and fixed deposits during the current period.

The change in fair value of derivative instruments in 1H FY22/23 represents mainly the change in the fair value of interest rate swaps entered into for the Group’s borrowings mainly due to higher rates as at 31 December 2022.

The net foreign exchange loss in 1H FY22/23 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 change in fair value of investment properties in 1H FY22/23 represents mainly the fair value adjustments of right-of-use assets classified under investment properties in accordance to FRS 116.

The higher income tax expenses was mainly due to higher income tax and withholding tax for the Malaysia Properties in 1H FY22/23.

Income available for distribution for 1H FY22/23 after deducting amount reserved for distribution to perpetual securities holders was \$43.6 million, 2.2% higher than in 1H FY21/22. The increase was mainly due to higher NPI including straight-lining adjustment and lower net finance costs, partially offset by higher income taxes and lower management fees paid/payable in units. The income to be distributed to unitholders for 1H FY22/23 was \$40.9 million, 3.0% higher than 1H FY21/22's income to be distributed. Approximately \$2.6 million of income available for distribution for 1H FY22/23 has been retained for working capital requirements.

## **2.2 Balance sheet (Please refer to Page FS2)**

### **Financial position – 31 December 2022 vs 30 June 2022**

- (a) Investment properties (including right-of-use assets) decreased mainly due to net movement in foreign currencies in relation to the overseas properties, partially offset by capital expenditure incurred during the current period.

In December 2022, the Group entered into a sale and purchase agreement to divest its entire beneficial interests in Daikanyama in Japan for a cash consideration of JPY1,877.7 million (or approximately \$18.9 million). The divestment is expected to complete in early 2023.

- (b) The variance in the Trust's interests in subsidiaries was mainly due to capital redemptions and net movement in foreign currencies during the current period.
- (c) Derivative financial instruments as at 31 December 2022 include mainly the fair value of the interest rate swaps entered into to hedge the interest rate exposure on borrowings and foreign exchange forward contracts. The net increase in derivative values was mainly due to the change in fair value of the S\$ interest rate swaps during the current period.
- (d) Trade and other receivables increased mainly due to higher prepaid expenses for Australia Properties, partially offset by lower other receivables for Singapore Properties as at 31 December 2022.
- (e) Cash and cash equivalents decreased mainly due to payment of distributions, capital expenditure and borrowing costs, partially offset by cash generated from operations during the current period.
- (f) Trade and other payables decreased mainly due to lower payables and accrued expenses for Singapore Properties (including advance rental) and Australia Properties, as well as lower security deposits for the Group, partially offset by receipt of deposit in relation to the divestment of Daikanyama and higher interest accruals for the Group as at 31 December 2022.
- (g) Deferred tax liabilities are mainly in respect of the China Property and have been estimated on the basis of an asset sale at the current book value.
- (h) Borrowings include \$360 million term loans, JPY3.7 billion (\$37.6 million) term loan, \$420 million Singapore MTN, JPY678 million (\$6.9 million) Japan bond, A\$163 million (\$148.5 million) term loans and RM330 million (\$100.6 million) Senior MTN. As at 31 December 2022, the Group's aggregate leverage ratio is 36.3% and interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months interest expenses as at 31 December 2022 is approximately 3.6 times and 3.3 times respectively. The net decrease in total borrowings was mainly due to net movement in foreign currencies.

As at 31 December 2022, the outstanding \$125 million unsecured Singapore MTN maturing in May 2023, as well as A\$63 million (\$57.4 million) term loan maturing in July 2023 were classified as current liabilities. The Group has sufficient undrawn long-term committed revolving credit facilities of \$300 million as at 31 December 2022 to cover the net current liabilities of the Trust and the Group.

- (i) Represent the \$100 million subordinated perpetual securities issued by the Trust in December 2020, at a fixed rate of 3.85% per annum. The perpetual securities, net of issuance costs, are classified as equity instruments.
- (j) Income tax payable increased mainly due to higher accrued income taxes for Malaysia Properties as at 31 December 2022.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Trust has not disclosed any forecast to the market.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Global economic growth is projected to ease from an estimated 3.2% in 2022 to 2.7% in 2023<sup>1</sup>. While global inflation is expected to decline to 6.5% in 2023 from 8.8% in 2022<sup>1</sup>, inflationary pressures and geopolitical tensions continue to impact the overall economy.

Based on advance estimates, Singapore's Gross Domestic Product (GDP) grew 2.2% year-on-year (y-o-y) in 4Q 2022<sup>2</sup>, with notable growth in the construction sector. The Retail Sales Index (excluding motor vehicles) grew 8.7% y-o-y in November 2022<sup>3</sup>, with Wearing Apparel & Footwear industries recording growth of 34.1% y-o-y<sup>3</sup>. Singapore Tourism Board projects that international visitor arrivals are expected to reach around 12 to 14 million visitors in 2023 from 6.3 million in 2022<sup>4</sup>. Barring unexpected circumstances, tourism activity is now expected to recover to pre-pandemic levels by 2024<sup>4</sup>.

Prime rents in Orchard Road increased marginally by 1.0% y-o-y in 4Q 2022<sup>5</sup> with the increase in tourist arrivals and return-to-office crowds contributing to a recovery in retail rents for the Orchard Road area<sup>5</sup>. Overall, Singapore islandwide retail rents are expected to continue recovering in 2023 given the relaxation of border measures in China and tight upcoming retail supply, despite challenges to retailers such as rising labour costs, increase in the Goods and Services Tax and higher operating costs<sup>5</sup>.

Grade A Core CBD office rents increased 8.3% y-o-y in 4Q 2022<sup>5</sup>, growing for the seventh consecutive quarter. Grade B Core CBD office rents grew 9.0% y-o-y in 4Q 2022<sup>5</sup>. However, challenging macroeconomic conditions and consolidation in the tech sector could impact office demand in 2023<sup>5</sup>.

Australia's GDP grew on average 0.6% in 3Q 2022<sup>6</sup>, driven largely by growth in household spending. Retail trade in Australia grew 7.7% y-o-y in November 2022, with an increase of 1.4% month-on-month<sup>6</sup>. Monthly retail turnover in South Australia and Western Australia grew 1.3% and 1.7% respectively<sup>6</sup>.

Super prime CBD retail rents in South Australia and Western Australia remained stable quarter-on-quarter in 3Q 2022, but fell by 2.4% and 5.9% y-o-y respectively<sup>7</sup>. Daytime footfall continues to be below pre-pandemic levels in the CBD as many office workers maintain flexible working arrangements<sup>7</sup>.

Malaysia's GDP rose by 14.2% y-o-y in 3Q 2022<sup>8</sup>, up from 8.9% in 2Q 2022 as the country continues to benefit from the reopening of international borders. Retail Group Malaysia projects that the retail sales will grow 3.5% y-o-y in 2023, amid inflationary pressures and rising cost of living<sup>9</sup>.

As the pandemic situation continues to stabilise with international travel progressively resuming, we continue to focus on maintaining a healthy portfolio occupancy and enhancing our tenant mix. Geopolitical tensions, inflation and rising interest rates are impacting financing and operational costs. The impact of higher utility cost is partially mitigated by master and anchor tenants which make up about half of the leases, and fixed utilities contracts in some of our malls. We continue to exercise prudence in our capital management approach amid rising interest rates, and have fixed or hedged approximately 84% of borrowings as at 31 December 2022.

### **Sources**

<sup>1</sup> International Monetary Fund.

<sup>2</sup> Ministry of Trade and Industry.

<sup>3</sup> Retail Sales Index, November 2022.

<sup>4</sup> Singapore Tourism Board, 17 January 2023.

<sup>5</sup> CBRE Singapore.

<sup>6</sup> Australian Bureau of Statistics.

<sup>7</sup> CBRE Australia Research.

<sup>8</sup> Department of Statistics Malaysia, 3Q 2022.

<sup>9</sup> Retail Group Malaysia, November 2022.

**5. Distribution**

**5(a) Current financial period**

Any distributions declared for current financial period:	Yes
Name of distribution:	Distribution for the period from 1 July 2022 to 31 December 2022

Distribution rate:

	<b>Unitholders' Distribution</b>
	<b>For the period from 1 July 2022 to 31 December 2022</b>
	Cents
Taxable income component	1.56
Tax-exempt income component	0.26
<b>Total</b>	<b>1.82</b>

The Manager has determined that the DRP will apply to the distribution for the period from 1 July 2022 to 31 December 2022.

Par value of units:	Not applicable
Tax Rate:	<p><u>Taxable income component</u>  Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).</p> <p><u>Tax-exempt income component</u>  Tax-exempt income component is exempt from tax in the hands of all unitholders.</p>

**5(b) Corresponding period of the immediately preceding financial period**

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	Distribution for the period from 1 July 2021 to 31 December 2021

Distribution rate

	<b>Unitholders' Distribution</b>
	<b>For the period from 1 July 2021 to 31 December 2021</b>
	Cents
Taxable income component	1.58
Tax-exempt income component	0.20
<b>Total</b>	<b>1.78</b>

DRP has been applied to the above distribution for the period from 1 July 2021 to 31 December 2021.

Par value of units:	Not applicable
Tax Rate:	<p><u>Taxable income component</u>  Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).</p> <p><u>Tax-exempt income component</u>  Tax-exempt income component is exempt from tax in the hands of all unitholders.</p>

**5(c) Date payable:** 23 March 2023

**5(d) Record date:** 6 February 2023



**5(e) Distribution policy**

Starhill Global REIT's current distribution policy is to distribute on a semi-annual basis at least 90% of Starhill Global REIT's taxable income to its unitholders or any other minimum level as allowed under the tax ruling issued by Inland Revenue Authority of Singapore (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.

**6. If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**7. If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

Starhill Global REIT has not obtained a unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual.

**8. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Manager confirms that it has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**9. Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and Trust as at 31 December 2022 (comprising the balance sheets as at 31 December 2022, the statements of total return and distribution, the cash flow statements and statements of movements in unitholders' funds for the first half year ended 31 December 2022, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

Tan Sri (Sir) Francis Yeoh  
Chairman

Ho Sing  
Chief Executive Officer/Director

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.

**By Order of the Board**  
**YTL Starhill Global REIT Management Limited**  
**As Manager of Starhill Global Real Estate Investment Trust**

Lam Chee Kin  
Joint Company Secretary  
Singapore  
27 January 2023