



**STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST  
FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019**

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# Financial Statements Announcement For The First Quarter Ended 30 September 2019

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## INTRODUCTION

Starhill Global Real Estate Investment Trust (“Starhill Global REIT” or “Trust”), is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (as amended, restated or supplemented from time to time) between YTL Starhill Global REIT Management Limited as the Manager of Starhill Global REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Starhill Global REIT. Starhill Global REIT was listed on the main board of the Singapore Exchange Securities Trading Limited on 20 September 2005.

The principal activity of Starhill Global REIT 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 (“Unitholders”) and to achieve long-term growth in the net asset value per unit.

These financial statements for the quarter from 1 July 2019 to 30 September 2019 have not been audited or reviewed by our auditors. The current figures presented in these financial statements are in relation to the period from 1 July 2019 to 30 September 2019 (“1Q FY19/20”) and the comparative figures are in relation to the period from 1 July 2018 to 30 September 2018 (“1Q FY18/19”).

As at 30 September 2019, the property portfolio of Starhill Global REIT consists of:

- 257 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria (“Wisma Atria Property”) and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City (“Ngee Ann City Property”) (collectively the “Singapore Properties”);
- 100% interest in Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia (collectively the “Australia Properties”);
- 100% interest in Starhill Gallery and 137 strata parcels and two accessory parcels within Lot 10 shopping centre (“Lot 10 Property”) in Kuala Lumpur, Malaysia (collectively the “Malaysia Properties”); and
- 100% interest in Chengdu Xin Hong Property in Chengdu, China (the “China Property”) and 100% interest in two properties in Tokyo, Japan (the “Japan Properties”) (collectively the “China and Japan Properties”).

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

|   | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|---|---|---|-------------------------------|
| Gross revenue <sup>(1)</sup>            | 47,979                                      | 52,022                                      | (7.8%)                        |
| Net property income <sup>(1)</sup>      | 36,905                                      | 40,436                                      | (8.7%)                        |
| Income available for distribution       | 25,334                                      | 26,213                                      | (3.4%)                        |
| Income to be distributed to Unitholders | 24,679                                      | 25,084                                      | (1.6%)                        |

Footnote:

- <sup>(1)</sup> The decline in revenue and net property income for 1Q FY19/20 was mainly in line with the partial income disruption from the planned asset enhancement of Starhill Gallery in Malaysia, which will be largely mitigated by the Manager receiving part of its base management fees in units during the asset enhancement period. Excluding Starhill Gallery, revenue and net property income for the Group in 1Q FY19/20 decreased by 2.4% and 1.7% over 1Q FY18/19 respectively.

|  | Group<br>01/07/19 to<br>30/09/19 | Group<br>01/07/18 to<br>30/09/18 | Increase /<br>(Decrease)<br>% |
|--|----------------------------------|----------------------------------|-------------------------------|
| <b>Distribution per unit ("DPU")</b>                       |                                  |                                  |                               |
|  | Cents per unit                   |                                  | %                             |
| For the quarter from 1 July to 30 September <sup>(1)</sup> | 1.13                             | 1.15                             | (1.7%)                        |
| Annualised (based on the three months ended 30 September)  | 4.48                             | 4.56                             | (1.8%)                        |

Footnote:

- <sup>(1)</sup> The computation of DPU for the quarter ended 30 September 2019 is based on total number of units entitled to the distributable income for the period from 1 July 2019 to 30 September 2019 of 2,183,997,615 (2018: 2,181,204,435 units). Please refer to Section 6 for more details.

### DISTRIBUTION DETAILS

|                                    |                                  |
|------------------------------------|----------------------------------|
| Distribution period                | 1 July 2019 to 30 September 2019 |
| Distribution amount to Unitholders | 1.13 cents per unit              |
| Books closure date                 | 6 November 2019                  |
| Payment date                       | 29 November 2019                 |

# Financial Statements Announcement

## For The First Quarter Ended 30 September 2019

### 1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Statement of Total Return and Distribution (1Q FY19/20 vs 1Q FY18/19)

|   | Notes | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 | Increase /<br>(Decrease)<br>% | Trust<br>01/07/19 to<br>30/09/19<br>S\$'000 | Trust<br>01/07/18 to<br>30/09/18<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|---|-------|---|---|-------------------------------|---|---|-------------------------------|
| <b>Gross revenue</b>  | (a)   | <b>47,979</b>                               | <b>52,022</b>                               | <b>(7.8%)</b>                 | <b>31,632</b>                               | <b>31,918</b>                               | <b>(0.9%)</b>                 |
| Maintenance and sinking fund contributions                        | (b)   | (1,685)                                     | (1,749)                                     | (3.7%)                        | (1,667)                                     | (1,732)                                     | (3.8%)                        |
| Property management fees  | (c)   | (1,379)                                     | (1,369)                                     | 0.7%                          | (949)                                       | (966)                                       | (1.8%)                        |
| Property tax  | (d)   | (4,905)                                     | (5,028)                                     | (2.4%)                        | (3,006)                                     | (3,125)                                     | (3.8%)                        |
| Other property expenses   | (e)   | (3,105)                                     | (3,440)                                     | (9.7%)                        | (717)                                       | (877)                                       | (18.2%)                       |
| <b>Property expenses</b>  |       | <b>(11,074)</b>                             | <b>(11,586)</b>                             | <b>(4.4%)</b>                 | <b>(6,339)</b>                              | <b>(6,700)</b>                              | <b>(5.4%)</b>                 |
| <b>Net property income</b>  |       | <b>36,905</b>                               | <b>40,436</b>                               | <b>(8.7%)</b>                 | <b>25,293</b>                               | <b>25,218</b>                               | <b>0.3%</b>                   |
| Finance income  | (f)   | 297   | 215   | 38.1%                         | 17  | 35  | (51.4%)                       |
| Interest income from subsidiaries                                 |       | -   | -   | -                             | 1,284                                       | 1,461                                       | (12.1%)                       |
| Dividend income from subsidiaries                                 |       | -   | -   | -                             | 14,134                                      | 2,224                                       | 535.5%                        |
| Management fees   | (g)   | (3,963)                                     | (4,008)                                     | (1.1%)                        | (3,735)                                     | (3,779)                                     | (1.2%)                        |
| Trust expenses  | (h)   | (807)                                       | (972)                                       | (17.0%)                       | (613)                                       | (671)                                       | (8.6%)                        |
| Finance expenses  | (i)   | (9,975)                                     | (9,487)                                     | 5.1%                          | (6,630)                                     | (6,011)                                     | 10.3%                         |
| <b>Non property (expenses)/income</b>                             |       | <b>(14,448)</b>                             | <b>(14,252)</b>                             | <b>1.4%</b>                   | <b>4,457</b>                                | <b>(6,741)</b>                              | <b>NM</b>                     |
| <b>Net income before tax</b>                                      |       | <b>22,457</b>                               | <b>26,184</b>                               | <b>(14.2%)</b>                | <b>29,750</b>                               | <b>18,477</b>                               | <b>61.0%</b>                  |
| Change in fair value of derivative instruments                    | (j)   | (997)                                       | (201)                                       | 396.0%                        | (216)                                       | (150)                                       | 44.0%                         |
| Foreign exchange gain/(loss)                                      | (k)   | 533   | (392)                                       | NM                            | 271   | (3,658)                                     | NM                            |
| <b>Total return for the period before tax and distribution</b>    |       | <b>21,993</b>                               | <b>25,591</b>                               | <b>(14.1%)</b>                | <b>29,805</b>                               | <b>14,669</b>                               | <b>103.2%</b>                 |
| Income tax  | (l)   | (658)                                       | (869)                                       | (24.3%)                       | (187)                                       | (216)                                       | (13.4%)                       |
| <b>Total return for the period after tax, before distribution</b> |       | <b>21,335</b>                               | <b>24,722</b>                               | <b>(13.7%)</b>                | <b>29,618</b>                               | <b>14,453</b>                               | <b>104.9%</b>                 |
| Non-tax deductible/(chargeable) items and other adjustments       | (m)   | 3,999                                       | 1,491                                       | 168.2%                        | (4,284)                                     | 11,760                                      | NM                            |
| <b>Income available for distribution</b>                          |       | <b>25,334</b>                               | <b>26,213</b>                               | <b>(3.4%)</b>                 | <b>25,334</b>                               | <b>26,213</b>                               | <b>(3.4%)</b>                 |

Footnotes:

- (a) Gross revenue comprises mainly gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, as well as the retail portfolio in Australia including the depreciation of A\$ against S\$. Excluding Starhill Gallery, the gross revenue for the Group decreased by 2.4% over 1Q FY18/19. Approximately 34% (2018: 39%) of total gross revenue for the three months ended 30 September 2019 were contributed by the overseas properties.
- (b) The decrease in maintenance and sinking fund contributions for the current quarter was mainly attributed to Wisma Atria Property.
- (c) Property management fees comprise mainly 3.0% per annum of the gross revenue from Singapore Properties and fees paid to external property managers for Australia Properties and Japan Properties.
- (d) Property tax expenses were lower for the current quarter mainly attributed to Wisma Atria Property.
- (e) Other property expenses were lower for the current quarter mainly due to lower allowance for rental arrears for Wisma Atria Property and Australia Properties, as well as lower leasing and upkeep expenses (net of depreciation expenses) for Wisma Atria Property.
- (f) Represents interest income from bank deposits and current accounts for the three months ended 30 September 2019.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

- (g) Management fees comprise mainly the base fee, which is calculated largely based on 0.5% per annum of the value of the trust property payable in the form of cash and/or units. Commencing from 1Q FY19/20, part of the Manager's base management fee will be payable in units (2018: 100% in cash).
- (h) The decrease in trust expenses for the Group was mainly due to lower expenses incurred by the Malaysia Properties and the Trust.
- (i) Includes the interest expense on lease liabilities in relation to the Group's existing leases, following the adoption of FRS 116 effective from 1 July 2019. Finance expenses were higher for the current quarter mainly due to higher interest costs incurred on the existing S\$ borrowings for the three months ended 30 September 2019.
- (j) Represents mainly the change in the fair value of A\$ and S\$ interest rate swaps for the three months ended 30 September 2019.
- (k) Represents mainly 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 for the Group for the three months ended 30 September 2019.
- (l) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the three months ended 30 September 2019.
- (m) See details in the distribution statement below.

### Distribution Statement (1Q FY19/20 vs 1Q FY18/19)

| Notes  | Group                              | Group                              | Increase /<br>(Decrease)<br>% | Trust                              | Trust                              | Increase /<br>(Decrease)<br>% |
|--|------------------------------------|------------------------------------|-------------------------------|------------------------------------|------------------------------------|-------------------------------|
|  | 01/07/19 to<br>30/09/19<br>S\$'000 | 01/07/18 to<br>30/09/18<br>S\$'000 |                               | 01/07/19 to<br>30/09/19<br>S\$'000 | 01/07/18 to<br>30/09/18<br>S\$'000 |                               |
| <b>Total return after tax, before distribution</b>                       | <b>21,335</b>                      | <b>24,722</b>                      | <b>(13.7%)</b>                | <b>29,618</b>                      | <b>14,453</b>                      | <b>104.9%</b>                 |
| Non-tax deductible/(chargeable) items and other adjustments:             | 3,999                              | 1,491                              | 168.2%                        | (4,284)                            | 11,760                             | NM                            |
| Management fees payable in units (n)                                     | 2,092                              | -                                  | NM                            | 2,092                              | -                                  | NM                            |
| Finance costs  | 154                                | 140                                | 10.0%                         | 251                                | 213                                | 17.8%                         |
| Sinking fund contribution  | 387                                | 452                                | (14.4%)                       | 387                                | 452                                | (14.4%)                       |
| Change in fair value of derivative instruments                           | 985                                | 301                                | 227.2%                        | 204                                | 170                                | 20.0%                         |
| Deferred income tax  | 39                                 | 39                                 | -                             | -                                  | -                                  | -                             |
| Foreign exchange (gain)/loss   | (518)                              | 463                                | NM                            | (91)                               | 3,707                              | NM                            |
| Other items (o)  | 860                                | 96                                 | 795.8%                        | 631                                | 1,008                              | (37.4%)                       |
| Net overseas income not distributed to the Trust, net of amount received | -                                  | -                                  | -                             | (7,758)                            | 6,210                              | NM                            |
| <b>Income available for distribution</b>                                 | <b>25,334</b>                      | <b>26,213</b>                      | <b>(3.4%)</b>                 | <b>25,334</b>                      | <b>26,213</b>                      | <b>(3.4%)</b>                 |
| <b>Income to be distributed to Unitholders (p)</b>                       | <b>24,679</b>                      | <b>25,084</b>                      | <b>(1.6%)</b>                 | <b>24,679</b>                      | <b>25,084</b>                      | <b>(1.6%)</b>                 |

Footnotes:

- (n) Represents part of the base management fee for the three months ended 30 September 2019 payable to the Manager in the form of units.
- (o) Other items include mainly trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees and other non-tax deductible/chargeable costs.
- (p) Approximately S\$0.7 million of income available for distribution for the three months ended 30 September 2019 has been retained for working capital requirements.

**Financial Statements Announcement  
For The First Quarter Ended 30 September 2019**

**1(b) (i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year**

**Balance Sheet as at 30 September 2019**

|                                  | Notes | Group<br>30/09/19<br>S\$'000 | Group<br>30/06/19<br>S\$'000 | Trust<br>30/09/19<br>S\$'000 | Trust<br>30/06/19<br>S\$'000 |
|----------------------------------|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Non-current assets</b>        |       |                              |                              |                              |                              |
| Investment properties            | (a)   | 3,062,289                    | 3,064,861                    | 2,116,880                    | 2,116,000                    |
| Plant and equipment              |       | 24                           | 26                           | -                            | -                            |
| Interests in subsidiaries        | (b)   | -                            | -                            | 587,095                      | 576,915                      |
|                                  |       | <b>3,062,313</b>             | <b>3,064,887</b>             | <b>2,703,975</b>             | <b>2,692,915</b>             |
| <b>Current assets</b>            |       |                              |                              |                              |                              |
| Derivative financial instruments | (c)   | 292                          | 302                          | 292                          | 302                          |
| Trade and other receivables      | (d)   | 4,879                        | 3,846                        | 4,961                        | 4,871                        |
| Cash and cash equivalents        | (e)   | 73,244                       | 72,946                       | 11,279                       | 11,517                       |
|                                  |       | <b>78,415</b>                | <b>77,094</b>                | <b>16,532</b>                | <b>16,690</b>                |
| <b>Total assets</b>              |       | <b>3,140,728</b>             | <b>3,141,981</b>             | <b>2,720,507</b>             | <b>2,709,605</b>             |
| <b>Non-current liabilities</b>   |       |                              |                              |                              |                              |
| Trade and other payables         | (f)   | 26,892                       | 26,581                       | 20,126                       | 20,467                       |
| Derivative financial instruments | (c)   | 12,424                       | 11,432                       | 4,916                        | 4,685                        |
| Deferred tax liabilities         | (g)   | 6,108                        | 6,168                        | -                            | -                            |
| Borrowings                       | (h)   | 1,110,982                    | 1,004,271                    | 799,957                      | 799,037                      |
| Lease liabilities                | (i)   | 309                          | -                            | 309                          | -                            |
|                                  |       | <b>1,156,715</b>             | <b>1,048,452</b>             | <b>825,308</b>               | <b>824,189</b>               |
| <b>Current liabilities</b>       |       |                              |                              |                              |                              |
| Trade and other payables         | (f)   | 31,831                       | 32,491                       | 23,098                       | 23,811                       |
| Income tax payable               | (j)   | 2,521                        | 3,180                        | -                            | -                            |
| Borrowings                       | (h)   | 22,500                       | 127,837                      | 22,500                       | 20,000                       |
| Lease liabilities                | (i)   | 381                          | -                            | 279                          | -                            |
|                                  |       | <b>57,233</b>                | <b>163,508</b>               | <b>45,877</b>                | <b>43,811</b>                |
| <b>Total liabilities</b>         |       | <b>1,213,948</b>             | <b>1,211,960</b>             | <b>871,185</b>               | <b>868,000</b>               |
| <b>Net assets</b>                |       | <b>1,926,780</b>             | <b>1,930,021</b>             | <b>1,849,322</b>             | <b>1,841,605</b>             |
| <b>Represented by:</b>           |       |                              |                              |                              |                              |
| Unitholders' funds               |       | 1,926,780                    | 1,930,021                    | 1,849,322                    | 1,841,605                    |
|                                  |       | <b>1,926,780</b>             | <b>1,930,021</b>             | <b>1,849,322</b>             | <b>1,841,605</b>             |

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

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Footnotes:

- (a) Investment properties decreased mainly due to negative net movement in foreign currencies in relation to the overseas properties, partially offset by capital expenditure incurred and straight-line rental adjustments during the current period. In addition, the Group has recognised its existing leases where the Group is a lessee as right of use assets under investment properties, following the adoption of FRS 116 effective from 1 July 2019.
- (b) The increase in the Trust's interests in subsidiaries was mainly due to the subscription for 28,000,000 new redeemable preference shares in the capital of wholly-owned subsidiary, SG REIT (M) Pte Ltd for RM28 million, where the proceeds were largely intended to part finance the asset redevelopment works in Malaysia, as well as net movement in foreign currencies during the current period.
- (c) Derivative financial instruments as at 30 September 2019 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings and foreign exchange forward contracts. The net decrease in derivative values was mainly due to the change in fair value of the A\$ and S\$ interest rate swaps during the current period.
- (d) The increase in trade and other receivables was mainly due to increase in prepaid expenses and other receivables for Australia and Malaysia Properties.
- (e) The increase in cash and cash equivalents was mainly due to cash generated from operations and net movement in borrowings, partially offset by payment of distributions and borrowing costs during the current period.
- (f) The net decrease in trade and other payables was mainly in line with the lower payables for Singapore Properties (including management fees payable in cash) and Australia Properties, partially offset by higher interest payables and security deposits for the Group, as well as higher payables for China Property.
- (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 S\$460 million term loans, S\$22.5 million revolving credit facilities ("RCF"), JPY3.7 billion (S\$47.4 million) term loan, S\$295 million Singapore MTNs, JPY678 million (S\$8.7 million) Japan bond, A\$208 million (S\$194.1 million) term loans and RM330 million (S\$108.9 million) Malaysia MTN. The net increase in total borrowings was mainly due to net drawdown of S\$2.5 million of short-term RCF during the current period, partially offset by the net movement in foreign currencies.

As at 30 September 2019, the Group has available undrawn long-term committed RCF to cover the net current liabilities of the Trust. Please refer to Section 1(b)(ii) for details of the borrowings.

- (i) Represents the lease liabilities recognised by the Group on its existing leases, following the adoption of FRS 116 effective from 1 July 2019.
- (j) The decrease in income tax payable was mainly in line with the settlement of withholding taxes for Malaysia Properties during the current period.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 1(b) (ii) Aggregate amount of borrowings

|   | Notes | Group            | Group            | Trust          | Trust          |
|---|-------|------------------|------------------|----------------|----------------|
|   |       | 30/09/19         | 30/06/19         | 30/09/19       | 30/06/19       |
|   |       | S\$'000          | S\$'000          | S\$'000        | S\$'000        |
| <b>Secured borrowings</b>                   |       |                  |                  |                |                |
|   | (a)   |                  |                  |                |                |
| Amount repayable within one year            |       | -                | 107,848          | -              | -              |
| Amount repayable after one year             |       | 303,059          | 197,340          | -              | -              |
|   |       | <b>303,059</b>   | <b>305,188</b>   | -              | -              |
| <b>Unsecured borrowings</b>                 |       |                  |                  |                |                |
|   | (b)   |                  |                  |                |                |
| Amount repayable within one year            |       | 22,500           | 20,000           | 22,500         | 20,000         |
| Amount repayable after one year             |       | 811,087          | 810,014          | 802,401        | 801,494        |
|   |       | <b>1,136,646</b> | <b>1,135,202</b> | <b>824,901</b> | <b>821,494</b> |
| Less: Unamortised loan acquisition expenses |       | (3,164)          | (3,094)          | (2,444)        | (2,457)        |
| <b>Total borrowings</b>                     |       | <b>1,133,482</b> | <b>1,132,108</b> | <b>822,457</b> | <b>819,037</b> |

Footnotes:

(a) Secured

During the current period, the Group refinanced its existing senior medium term notes of RM330 million (S\$108.9 million) upon maturity via a new unrated issuance of five-year fixed-rate senior medium term notes of the same amount ("Senior MTN") in September 2019. 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. They 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 loans of A\$208 million (S\$194.1 million) as at 30 September 2019, comprising:

- (i) A\$63 million (S\$58.8 million) (maturing in July 2023) loan 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; and
- (ii) A\$145 million (S\$135.3 million) (maturing in November 2021) loan secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. SG REIT (SA) Sub-Trust2 is wholly owned by the Group.

(b) Unsecured

As at 30 September 2019, the Group has outstanding medium term notes of S\$295 million issued under its S\$2 billion Multicurrency MTN Programme, comprising:

- (i) S\$100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (maturing in February 2021) which bear a fixed rate interest of 3.50% per annum payable semi-annually in arrear;
- (ii) S\$125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrear; and
- (iii) S\$70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrear.

As at 30 September 2019, the Group has in place:

- (i) four-year and five-year unsecured loan facilities with a club of seven banks at inception, comprising (a) term loan of S\$200 million (maturing in September 2021), (b) term loan of S\$260 million (maturing September 2022) and (c) S\$240 million committed RCF (maturing in September 2022). There is no amount outstanding on this RCF as at 30 September 2019.
- (ii) five-year unsecured term loan facility of JPY3.7 billion (S\$47.4 million) (maturing in September 2024) with a bank.
- (iii) three-year unsecured and committed RCF of S\$80 million (maturing in March 2022) with two banks, of which S\$22.5 million is outstanding as at 30 September 2019.

The Group has JPY678 million (S\$8.7 million) of Japan bond outstanding as at 30 September 2019, maturing in August 2021 ("Series 3 Bonds"). The bondholders of Series 3 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.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 1(c) Consolidated cash flow statement (1Q FY19/20 vs 1Q FY18/19)

|   | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 |
|---|---|---|
| <b>Operating activities</b>                                     |   |   |
| Total return for the period before tax and distribution         | 21,993                                      | 25,591                                      |
| <b>Adjustments for:</b>   |   |   |
| Finance income  | (297)                                       | (215)                                       |
| Depreciation  | 99  | 3   |
| Management fees payable in units                                | 2,092                                       | -   |
| Finance expenses  | 9,975                                       | 9,487                                       |
| Change in fair value of derivative instruments                  | 997   | 201   |
| Foreign exchange (gain)/loss                                    | (533)                                       | 392   |
| Operating income before working capital changes                 | 34,326                                      | 35,459                                      |
| Changes in working capital:                                     |   |   |
| Trade and other receivables                                     | (1,414)                                     | (1,149)                                     |
| Trade and other payables  | (1,055)                                     | 663   |
| Income tax paid   | (1,315)                                     | (825)                                       |
| <b>Cash generated from operating activities</b>                 | <b>30,542</b>                               | <b>34,148</b>                               |
| <b>Investing activities</b>                                     |   |   |
| Capital expenditure on investment properties                    | (91)  | (755)                                       |
| Interest received on deposits                                   | 285   | 221   |
| <b>Cash flows from/(used in) investing activities</b>           | <b>194</b>                                  | <b>(534)</b>                                |
| <b>Financing activities</b>                                     |   |   |
| Borrowing costs paid  | (9,078)                                     | (8,743)                                     |
| Proceeds from borrowings <sup>(1)</sup>                         | 188,834                                     | 12,000                                      |
| Repayment of borrowings <sup>(1)</sup>                          | (186,334)                                   | (16,279)                                    |
| Payment of lease liabilities <sup>(2)</sup>                     | (100)                                       | -   |
| Distributions paid to Unitholders                               | (23,993)                                    | (23,775)                                    |
| <b>Cash flows used in financing activities</b>                  | <b>(30,671)</b>                             | <b>(36,797)</b>                             |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>65</b>                                   | <b>(3,183)</b>                              |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>72,946</b>                               | <b>66,730</b>                               |
| Effects of exchange rate differences on cash                    | 233   | (1,150)                                     |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>73,244</b>                               | <b>62,397</b>                               |

Footnotes:

- (1) The movement during the three months ended 30 September 2019 relates mainly to the refinancing of RM330 million (S\$108.9 million) Senior MTN and JPY3.7 billion (S\$47.4 million) term loan, as well as drawdown of S\$32.5 million RCF. The repayment also includes the settlement of short-term RCF of S\$30.0 million during the current period.
- (2) Represents the payment of principal portion of the lease liabilities following the adoption of FRS 116 effective from 1 July 2019.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 1(d) (i) Statement of movements in Unitholders' Funds (1Q FY19/20 vs 1Q FY18/19)

|   | Notes | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 | Trust<br>01/07/19 to<br>30/09/19<br>S\$'000 | Trust<br>01/07/18 to<br>30/09/18<br>S\$'000 |
|---|-------|---|---|---|---|
| <b>Unitholders' funds at the beginning of the period</b>                                    |       | 1,930,021                                   | 1,990,296                                   | 1,841,605                                   | 1,915,431                                   |
| <b>Operations</b>   |       |   |   |   |   |
| Change in Unitholders' funds resulting from operations, before distributions                | (a)   | 21,335                                      | 24,722                                      | 29,618                                      | 14,453                                      |
| <b>Increase in Unitholders' funds resulting from operations</b>                             |       | <b>21,335</b>                               | <b>24,722</b>                               | <b>29,618</b>                               | <b>14,453</b>                               |
| <b>Foreign currency translation reserve</b>   |       |   |   |   |   |
| Translation differences from financial statements of foreign entities                       |       | (2,729)                                     | (10,417)                                    | -   | -   |
| Transfer of translation differences from total return arising from hedge accounting         | (b)   | (906)                                       | 1,014                                       | -   | -   |
| Exchange differences on monetary items forming part of net investment in foreign operations |       | 960   | (3,875)                                     | -   | -   |
| <b>Net loss recognised directly in Unitholders' funds</b>                                   | (c)   | <b>(2,675)</b>                              | <b>(13,278)</b>                             | -   | -   |
| <b>Unitholders' transactions</b>  |       |   |   |   |   |
| Units to be issued:   |       |   |   |   |   |
| - Management fees payable in units  | (d)   | 2,092                                       | -   | 2,092                                       | -   |
| Distributions to Unitholders  |       | (23,993)                                    | (23,775)                                    | (23,993)                                    | (23,775)                                    |
| <b>Decrease in Unitholders' funds resulting from Unitholders' transactions</b>              |       | <b>(21,901)</b>                             | <b>(23,775)</b>                             | <b>(21,901)</b>                             | <b>(23,775)</b>                             |
| <b>Unitholders' funds at the end of the period</b>  |       | <b>1,926,780</b>                            | <b>1,977,965</b>                            | <b>1,849,322</b>                            | <b>1,906,109</b>                            |

Footnotes:

- Change in Unitholders' funds resulting from operations for the Group for the three months ended 30 September 2019 includes a loss in fair value of derivative instruments of S\$1.0 million (2018: S\$0.2 million) and a net foreign exchange gain of S\$0.5 million (2018: loss of S\$0.4 million).
- The Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the foreign currency differences on the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan operations.
- The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities, and transfer of translation differences arising from hedge accounting.
- There are an estimated 2,793,180 units to be issued to the Manager in October 2019 as partial satisfaction of its base management fee for the three months ended 30 September 2019.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 1(d) (ii) Details of any change in the units since the end of the previous period reported on

|   | Notes | Group and Trust<br>01/07/19 to<br>30/09/19<br>Units | Group and Trust<br>01/07/18 to<br>30/09/18<br>Units |
|---|-------|---|---|
| <b>Issued units at the beginning of the period</b>              |       | 2,181,204,435                                       | 2,181,204,435                                       |
| Creation of units:  |       |   |   |
| - Management fees issued in units (base fee)                    | (a)   | -   | -   |
| - Management fees issued in units (performance fee)             | (b)   | -   | -   |
| <b>Issued units at the end of the period</b>                    |       | <b>2,181,204,435</b>                                | <b>2,181,204,435</b>                                |
| Units to be issued:   |       |   |   |
| - Management fees payable in units (base fee)                   | (c)   | 2,793,180   | -   |
| <b>Total issued and issuable units at the end of the period</b> |       | <b>2,183,997,615</b>                                | <b>2,181,204,435</b>                                |

Footnotes:

- (a) Commencing from 1Q FY19/20, part of the Manager's base management fee will be payable in units, as per the Circular to Unitholders dated 25 April 2019. Refer to Note (c) below.
- (b) Performance fees are calculated annually as at 30 June. The performance of Starhill Global REIT's trust index is approximately 83% below the benchmark index as at 30 June 2019.
- (c) These are estimated units to be issued to the Manager in October 2019 as partial satisfaction of its base management fee for the three months ended 30 September 2019.

### 1(d) (iii) 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 30 September 2019 and 30 June 2019. 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 Section 1(d)(ii).

### 1(d) (iv) 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 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

### 3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

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**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

The Group has applied the same accounting policies and method of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 30 June 2019, except for the adoption of the new and revised Financial Reporting Standards (“FRSs”) in Singapore which became effective for financial period beginning on or after 1 July 2019.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted new FRSs in Singapore and interpretations effective for the financial period beginning 1 July 2019 as follows:

**FRS 116 Leases**

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises its existing operating lease arrangements as ROU assets with the corresponding lease liabilities measured by applying a single discount rate to the leases. The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 July 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of FRS 116, where applicable.

The nature of expenses related to such leases has changed as the principles under FRS 116 replaces the straight-line operating lease expense with net change in fair value of investment properties and depreciation expenses for ROU assets, and interest expense on lease liabilities. There is no significant impact to the financial statements of the Group for the current and comparative period arising from the adoption of FRS 116.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 6 Consolidated earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period

|  | Notes | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 |
|--|-------|---|---|
| Total return for the period after tax, before distribution                             |       | 21,335                                      | 24,722                                      |
| <b>EPU - Basic</b>   |       |   |   |
| Weighted average number of issued/issuable units                                       | (a)   | 2,181,234,796                               | 2,181,204,435                               |
| Earnings per unit (cents)  |       | 0.98  | 1.13  |
| <b>EPU - Diluted</b>   |       |   |   |
| Weighted average number of units on a fully diluted basis                              | (b)   | 2,183,997,615                               | 2,181,204,435                               |
| Earnings per unit (cents)  |       | 0.98  | 1.13  |
| <b>DPU</b>   |       |   |   |
| Number of units issued and issuable at end of period                                   | (c)   | 2,183,997,615                               | 2,181,204,435                               |
| DPU for the period based on the total number of units entitled to distribution (cents) |       | 1.13  | 1.15  |

Footnotes:

- (a) For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months ended 30 September 2019 are used and have been calculated on a time-weighted basis, where applicable. The weighted average number of units of 2,181,234,796 for the current period (2018: 2,181,204,435) comprises:
- (i) The number of units in issue of 2,181,204,435; and
  - (ii) Weighted average number of units issuable to the Manager of 30,361.
- (b) For the purpose of computing the diluted EPU, the weighted average number of units for the three months ended 30 September 2019 is adjusted to include the potential dilutive units assuming issuance of units for the settlement of unpaid base management fees. The weighted average number of units on a fully diluted basis of 2,183,997,615 for the current period (2018: 2,181,204,435) comprises:
- (i) The number of units in issue of 2,181,204,435; and
  - (ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for the three months ended 30 September 2019 of 2,793,180.
- (c) The computation of DPU for the three months ended 30 September 2019 are based on number of units entitled to distributions of 2,183,997,615 (2018: 2,181,204,435) which comprises:
- (i) The number of units in issue as at 30 September 2019 of 2,181,204,435; and
  - (ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for the three months ended 30 September 2019 of 2,793,180.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 7 Net asset value (“NAV”) and Net tangible asset (“NTA”) per unit based on units issued at the end of the period

| Note   | Group    | Group    | Trust    | Trust    |
|--|----------|----------|----------|----------|
|  | 30/09/19 | 30/06/19 | 30/09/19 | 30/06/19 |
| NAV/NTA per unit (S\$) based on:                         |          |          |          |          |
| - units issued and issuable at the end of the period (a) | 0.88     | 0.88     | 0.85     | 0.84     |

Footnote:

- (a) The number of units used for computation of NAV and NTA per unit is 2,183,997,615 (2018: 2,181,204,435). This comprises:
- (i) The number of units in issue as at 30 September 2019 of 2,181,204,435; and
  - (ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for the three months ended 30 September 2019 of 2,793,180.

### 8 Review of the performance Consolidated Statement of Total Return and Distribution (1Q FY19/20 vs 1Q FY18/19)

|   | Group<br>01/07/19 to<br>30/09/19<br>S\$'000 | Group<br>01/07/18 to<br>30/09/18<br>S\$'000 | Increase /<br>(Decrease)<br>% |
|---|---|---|-------------------------------|
| <b>Gross revenue</b>  | <b>47,979</b>                               | <b>52,022</b>                               | <b>(7.8%)</b>                 |
| Property expenses   | (11,074)                                    | (11,586)                                    | (4.4%)                        |
| <b>Net property income</b>  | <b>36,905</b>                               | <b>40,436</b>                               | <b>(8.7%)</b>                 |
| Non property expenses   | (14,448)                                    | (14,252)                                    | 1.4%                          |
| <b>Net income before tax</b>                                      | <b>22,457</b>                               | <b>26,184</b>                               | <b>(14.2%)</b>                |
| Change in fair value of derivative instruments                    | (997)                                       | (201)                                       | 396.0%                        |
| Foreign exchange gain/(loss)                                      | 533   | (392)                                       | NM                            |
| <b>Total return for the period before tax and distribution</b>    | <b>21,993</b>                               | <b>25,591</b>                               | <b>(14.1%)</b>                |
| Income tax  | (658)                                       | (869)                                       | (24.3%)                       |
| <b>Total return for the period after tax, before distribution</b> | <b>21,335</b>                               | <b>24,722</b>                               | <b>(13.7%)</b>                |
| Non-tax deductible items and other adjustments                    | 3,999                                       | 1,491                                       | 168.2%                        |
| <b>Income available for distribution</b>                          | <b>25,334</b>                               | <b>26,213</b>                               | <b>(3.4%)</b>                 |
| <b>Income to be distributed to Unitholders</b>                    | <b>24,679</b>                               | <b>25,084</b>                               | <b>(1.6%)</b>                 |

Revenue for the Group in 1Q FY19/20 was S\$48.0 million, representing a decrease of 7.8% over 1Q FY18/19. Net property income (“NPI”) for the Group was S\$36.9 million, representing a decrease of 8.7% over 1Q FY18/19. The decrease in NPI was largely due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, as well as the retail portfolio in Australia including the depreciation of A\$ against S\$. Excluding Starhill Gallery, the gross revenue and NPI for the Group decreased by 2.4% and 1.7% over 1Q FY18/19 respectively.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

Singapore Properties contributed 65.9% of total revenue, or S\$31.6 million in 1Q FY19/20, 0.9% lower than in 1Q FY18/19. NPI for 1Q FY19/20 was S\$25.3 million, 0.3% higher than in 1Q FY18/19, mainly due to lower operating expenses for Wisma Atria Property (Retail) and the Singapore office portfolio.

Australia Properties contributed 23.1% of total revenue, or S\$11.1 million in 1Q FY19/20, 7.4% lower than in 1Q FY18/19. NPI for 1Q FY19/20 was S\$6.8 million, 9.5% lower than in 1Q FY18/19, mainly due to lower contributions from the retail portfolio in Australia, in line with the depreciation of A\$ against S\$.

Malaysia Properties contributed 8.5% of total revenue, or S\$4.1 million in 1Q FY19/20, 41.7% lower than in 1Q FY18/19. NPI for 1Q FY19/20 was S\$3.8 million, 43.1% lower than in 1Q FY18/19. The decrease in revenue and NPI was mainly in line with the partial income disruption from the planned asset enhancement of Starhill Gallery in 1Q FY19/20. Excluding Starhill Gallery, the gross revenue and NPI for the Malaysia portfolio increased by 0.3% and 0.2% over 1Q FY18/19 respectively.

China and Japan Properties contributed 2.5% of total revenue, or S\$1.2 million in 1Q FY19/20. NPI for 1Q FY19/20 was S\$0.9 million, 2.9% higher than in 1Q FY18/19.

Non property expenses were S\$14.4 million in 1Q FY19/20, 1.4% higher than in 1Q FY18/19, mainly due to higher interest costs incurred on the existing S\$ borrowings, partially offset by lower trust expenses.

The change in fair value of derivative instruments in 1Q FY19/20 represents mainly the change in the fair value of A\$ and S\$ interest rate swaps entered into for the Group's borrowings.

The net foreign exchange gain in 1Q FY19/20 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 decrease in income tax for 1Q FY19/20 was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the three months ended 30 September 2019.

Income available for distribution for 1Q FY19/20 was S\$25.3 million, being 3.4% lower than the corresponding quarter. Income to be distributed to Unitholders was S\$24.7 million, 1.6% lower than the corresponding quarter. Approximately S\$0.7 million of income available for distribution for 1Q FY19/20 has been retained for working capital requirements.

### **9 Variance between forecast and the actual results**

The Trust has not disclosed any forecast to the market.

### **10 Commentary on 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 reporting period and the next 12 months**

The global economy is currently in a synchronised slowdown, said International Monetary Fund's (IMF) newest chief, who noted that the IMF expects slower growth in 90% of the world in 2019<sup>1</sup>, in view of the uncertain outcome of the pending trade war between the United States and China.

Closer to home, advance estimates showed that the Singapore economy was affected by the global slowdown, rising just 0.1% year-on-year (y-o-y) in the third quarter of 2019, the same pace of growth as in the previous quarter<sup>2</sup>. Weaker sentiments caused retail sales (excluding motor vehicles) to decline by 1.0% y-o-y in August 2019<sup>3</sup>. International visitor arrivals for the first eight months of 2019 rose by 1.9% y-o-y to 12.9 million with Chinese and Japanese visitor arrivals increasing by 5.1% and 7.3% y-o-y respectively<sup>4</sup>.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

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In Singapore, in light of the economic slowdown and less favourable retail climate, some tenants have grown to be increasingly selective and more reluctant to expand<sup>5</sup>. Major movements in prime retail rents for 2H 2019 are not expected and the limited upcoming supply will help to cushion the extent of any potential rental decline<sup>6</sup>, based on CBRE Research report. Amid heightened uncertainties around the weaker global growth, cautious sentiment prevailed in the office market in 3Q 2019<sup>5</sup>.

In Australia, retail sales for South Australia and Western Australia grew by 2.1% and 1.2% y-o-y respectively for the 12 months to August 2019<sup>7</sup>. In South Australia, Adelaide has become an attractive destination for international retailers<sup>8</sup> as seen from the opening of the first store in Adelaide by H&M<sup>9</sup> and Sephora<sup>10</sup> as well as Mecca Brand's flagship store along Rundle Mall street<sup>8</sup>, where the Group's Myer Centre Adelaide is located. In Western Australia, soft trading conditions and the increased availability of space have led some landlords to take a more realistic approach towards rental demands<sup>9</sup>. The Group has anchor leases in Australia, with upmarket departmental store Myer Pty Ltd in Adelaide and David Jones Limited in Perth, contributing approximately 7.1% and 4.6% of its portfolio gross rents respectively as at 30 September 2019.

In Malaysia, all the requisite approvals for the asset enhancement works under the Starhill Gallery master tenancy agreement dated 18 March 2019 were recently obtained and renovation works have commenced. As such, the annual rent of RM52 million (subject to rent rebate of RM26 million per annum) for the first two years of the initial three-year term of the Starhill Gallery master tenancy agreement has commenced in October 2019. Please refer to the Circular to Unitholders dated 25 April 2019 for more information.

Starhill Global REIT has a portfolio of 10 mid-to high-end properties located at prime areas in six Asia-Pacific cities, where its core assets are mainly based in Singapore, contributing approximately 65.9% of total revenue for 1Q FY19/20. The impact of the volatility in foreign currencies on its distributions has been partially mitigated by foreign currency denominated borrowings as a natural hedge, and short-term foreign currency forward contracts, where appropriate.

Following the issuance of the rules and guidelines in relation to the Earnings Stripping Rule (ESR) which is effective from 1 July 2019 to limit the tax deductibility of interest expense on any financial assistance in a controlled transaction at 20% of tax-EBITDA, the Manager is currently seeking clarification with the local tax authority if ESR applies to Starhill Global REIT's investment structure in Malaysia. Based on preliminary assessment and certain assumptions, the potential impact of ESR, if applicable, is not expected to be material on the distributable income of Starhill Global REIT.

### Sources

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2. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 0.1 Per Cent in the Third Quarter of 2019, 14 October 2019
3. Singapore Department of Statistics, Retail Sales Index, Food and Beverage Services Index, August 2019, 11 October 2019
4. Singapore Tourism Board, International Visitor Arrivals Statistics, Visitor Arrivals 2019, 8 October 2019
5. CBRE Research, Singapore MarketView, Q3 2019
6. CBRE Research, Singapore MarketView, Q2 2019
7. Australian Bureau of Statistics, Australia Retail Trade August 2019, 4 October 2019
8. Inside Retail Australia, Mecca hits 100-store milestone with Adelaide flagship, 16 April 2019
9. Colliers International, Australia Retail – First Half 2019, 13 June 2019
10. Broadsheet, Sephora announces opening date in Adelaide, 30 September 2019

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### 11 Distributions (a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Distribution to Unitholders for the period from 1 July 2019 to 30 September 2019 ("Unitholders' Distribution")

Distribution rate:

|                             | <b>Unitholders' Distribution</b>                                    |
|-----------------------------|---|
|                             | <b>For the period from<br/>1 July 2019 to<br/>30 September 2019</b> |
|                             | Cents   |
| Taxable income component    | 0.9900  |
| Tax-exempt income component | 0.0400  |
| Capital component           | 0.1000  |
| <b>Total</b>                | <b>1.1300</b>   |

Par value of units: Not applicable

Tax rate: Taxable income component  
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).

Tax-exempt component  
Tax-exempt income component is exempt from tax in the hands of all Unitholders.

Capital component  
The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

### (b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Distribution to Unitholders for the period from 1 July 2018 to 30 September 2018 (“Unitholders’ Distribution”)

Distribution rate:

|                             | Unitholders’ Distribution                                  |
|-----------------------------|--|
|                             | For the period from<br>1 July 2018 to<br>30 September 2018 |
|                             | Cents  |
| Taxable income component    | 0.8900   |
| Tax-exempt income component | 0.1700   |
| Capital component           | 0.0900   |
| <b>Total</b>                | <b>1.1500</b>  |

Par value of units: Not applicable

Tax rate: Taxable income component  
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).

Tax-exempt component  
Tax-exempt income component is exempt from tax in the hands of all Unitholders.

Capital component  
The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

(c) Date payable: 29 November 2019

(d) Books Closure Date: 6 November 2019

## Financial Statements Announcement For The First Quarter Ended 30 September 2019

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

Not applicable.

**13 General mandate for interested person transactions**

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

**14 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual**

The Board of Directors confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

**15 Certification pursuant to Paragraph 7.3 of the Property Funds Appendix**

The Manager hereby certifies that in relation to the distribution to the Unitholders of Starhill Global REIT for the quarter ended 30 September 2019:

1. Starhill Global REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period after tax before distribution for the purpose of this certification). The excess is mainly a result of differences between Financial Reporting Standards and income tax rules, applied to certain items reported in the statement of total return (see details in the distribution statement in Section 1(a));
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, Starhill Global REIT will be able to fulfil from its deposited property, its liabilities as and when they fall due.

Starhill Global REIT's distribution policy is to distribute at least 90% of its taxable income to its Unitholders, with the actual level of distribution to be determined at the discretion of the Manager.

**16 Directors' confirmation**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 30 September 2019 (comprising the balance sheets as at 30 September 2019, the statements of total return and distribution, the cash flow statements and statements of changes in Unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping  
Chairman

Ho Sing  
Chief Executive Officer/Director

## **Financial Statements Announcement For The First Quarter Ended 30 September 2019**

This release may contain forward-looking statements that involve 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, interest rate and foreign exchange trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

**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  
29 October 2019