STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2020

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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 six months from 1 July 2020 to 31 December 2020 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 2020 to 31 December 2020 ("1H FY20/21"). The comparative figures are in relation to the period from 1 July 2019 to 31 December 2019 ("1H FY19/20").

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 Authority of Singapore ("IRAS") (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.

As at 31 December 2020, 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 The Starhill 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").

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2020

	Notes	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %
Gross revenue	(a)	88,420	96,718	(8.6%)
Net property income	(a)	64,986	74,071	(12.3%)
Income available for distribution	(b)	43,238	50,493	(14.4%)
Income to be distributed to Unitholders	(b)	41,430	49,391	(16.1%)

Footnotes:

(a) The decline in revenue and net property income for 1H FY20/21 were mainly attributed to the rental assistance for eligible tenants of the Group affected by COVID-19 pandemic, including allowance for rental arrears and rebates for Singapore and Australia Properties, partially offset by the appreciation of A$ against S$ and lower other operating expenses.

(b) Approximately S$4.9 million (1H FY19/20: S$1.1 million) of 1H FY20/21 income available for distribution has been retained for working capital purpose. Included in 1H FY20/21 income to be distributed to Unitholders is approximately S$3.1 million from the release of the S$7.7 million of FY19/20 distributable income deferred as allowed under COVID-19 relief measures announced by IRAS.

	Notes	Group 01/07/20 to 31/12/20	Group 01/07/19 to 31/12/19	Increase / (Decrease)
		Cents per unit		%
Distribution per unit ("DPU")				
Unitholders				
For the six months from 1 July to 31 December	(a),(b)	1.88	2.26	(16.8%)
Annualised (based on the six months ended 31 December)		3.74	4.48	(16.5%)

Footnotes:

(a) The current distribution period is for the six-month period from 1 July 2020 to 31 December 2020 (1H FY19/20: comprise three-month periods ended 30 September 2019 and 31 December 2019). The computation of DPU for 1H FY20/21 is based on total number of units entitled to the income to be distributed of 2,203,737,042 (1H FY19/20: 2,184,012,239 units and 2,186,900,678 units for three-month period ended 30 September 2019 and 31 December 2019 respectively). Please refer to Section 6 for more details.

(b) The distribution for 1H FY20/21 includes the release of approximately S$3.1 million or 0.14 cents per unit of FY19/20 distributable income deferred as allowed under COVID-19 relief measures.

DISTRIBUTION DETAILS

Distribution period	1 July 2020 to 31 December 2020
Distribution amount to Unitholders	1.88 cents per unit
Record date	5 February 2021
Payment date	25 March 2021

The Manager has determined that the distribution reinvestment plan ("DRP") will apply to the distribution for the period from 1 July 2020 to 31 December 2020. 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 Friday, 5 February 2021.

Financial Statements Announcement
For The First Half Year Ended 31 December 2020

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 (1H FY20/21 vs 1H FY19/20)

	Notes	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %	Trust 01/07/20 to 31/12/20 S$'000	Trust 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**88,420**	**96,718**	**(8.6%)**	**55,167**	**63,224**	**(12.7%)**
Maintenance and sinking fund contributions	(b)	(3,241)	(3,370)	(3.8%)	(3,204)	(3,334)	(3.9%)
Property management fees	(c)	(2,650)	(2,814)	(5.8%)	(1,673)	(1,910)	(12.4%)
Property tax		(9,667)	(9,739)	(0.7%)	(6,058)	(5,956)	1.7%
Other property expenses	(d)	(7,876)	(6,724)	17.1%	(2,178)	(1,776)	22.6%
Property expenses		**(23,434)**	**(22,647)**	**3.5%**	**(13,113)**	**(12,976)**	**1.1%**
Net property income		**64,986**	**74,071**	**(12.3%)**	**42,054**	**50,248**	**(16.3%)**
Finance income	(e)	242	512	(52.7%)	60	30	100.0%
Interest income from subsidiaries		-	-	-	1,960	2,568	(23.7%)
Dividend income from subsidiaries		-	-	-	4,198	20,406	(79.4%)
Management fees	(f)	(7,789)	(7,923)	(1.7%)	(7,327)	(7,469)	(1.9%)
Trust expenses	(g)	(2,081)	(2,160)	(3.7%)	(1,510)	(1,699)	(11.1%)
Finance expenses	(h)	(20,916)	(19,915)	5.0%	(13,991)	(13,170)	6.2%
Non property (expenses)/income		**(30,544)**	**(29,486)**	**3.6%**	**(16,610)**	**666**	**NM**
Net income before tax		**34,442**	**44,585**	**(22.7%)**	**25,444**	**50,914**	**(50.0%)**
Change in fair value of derivative instruments	(i)	4,749	(781)	NM	3,023	(1,421)	NM
Foreign exchange gain/(loss)	(j)	618	309	100.0%	3,076	(794)	NM
Change in fair value of investment properties	(k)	(199)	-	NM	(193)	-	NM
Total return for the period before tax and distribution		**39,610**	**44,113**	**(10.2%)**	**31,350**	**48,699**	**(35.6%)**
Income tax	(l)	(1,271)	(1,341)	(5.2%)	(329)	(377)	(12.7%)
Total return for the period after tax and before distribution, attributable to Unitholders and perpetual securities holders		**38,339**	**42,772**	**(10.4%)**	**31,021**	**48,322**	**(35.8%)**
Less: Amount reserved for distribution to perpetual securities holders	(m)	(179)	-	NM	(179)	-	NM
Non-tax deductible items and other adjustments	(n)	5,078	7,721	(34.2%)	12,396	2,171	471.0%
Income available for distribution		**43,238**	**50,493**	**(14.4%)**	**43,238**	**50,493**	**(14.4%)**

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 the rental assistance for eligible tenants affected by COVID-19 pandemic, partially offset by the appreciation of A$ against S$. Approximately 38% (1H FY19/20: 35%) of total gross revenue for 1H FY20/21 were contributed by the overseas properties.

(b) The decrease in maintenance and sinking fund contributions for the current period 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. The decrease was mainly due to lower fees for Singapore Properties during the current period.

(d) Other property expenses were higher for the current period mainly due to allowance for rental arrears and rebates for Australia and Singapore Properties, partially offset by lower operating expenses during the current period.

(e) Represents interest income from bank deposits and current accounts for 1H FY20/21.

(f) 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.

(g) The decrease in trust expenses for the Group was mainly due to lower professional fees and project expenses incurred by the Trust during the current period.

(h) Finance expenses were higher for the current period mainly in line with the higher interest costs incurred on existing borrowings and RM330 million Malaysia MTN ("Senior MTN") refinanced in September 2019, as well as write-off of upfront borrowing costs and bank facility fees incurred during the current period.

(i) Represents mainly the change in the fair value of A$ and S$ interest rate swaps, as well as A$ forward contracts for 1H FY20/21.

(j) 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 1H FY20/21.

(k) Represents mainly the fair value adjustment of the right of use ("ROU") assets classified under investment properties in accordance to FRS 116 for 1H FY20/21.

(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 for the Malaysia Properties.

(m) On 15 December 2020, the Trust issued S$100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum, 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.

(n) See details in the distribution statement below.

Distribution Statement (1H FY20/21 vs 1H FY19/20)

	Notes	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %	Trust 01/07/20 to 31/12/20 S$'000	Trust 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**38,339**	**42,772**	**(10.4%)**	**31,021**	**48,322**	**(35.8%)**
Less: Amount reserved for distribution to perpetual securities holders		(179)	-	NM	(179)	-	NM
Non-tax deductible/(chargeable) items and other adjustments:		5,078	7,721	(34.2%)	12,396	2,171	471.0%
Management fees paid/payable in units	(o)	4,103	4,183	(1.9%)	4,103	4,183	(1.9%)
Finance costs		358	308	16.2%	534	470	13.6%
Sinking fund contribution		774	774	-	774	774	-
Depreciation		6	-	NM	6	-	NM
Change in fair value of derivative instruments		(4,692)	485	NM	(2,966)	1,125	NM
Change in fair value of investment properties		199	-	NM	193	-	NM
Deferred income tax		79	77	2.6%	-	-	-
Foreign exchange (gain)/loss		(731)	(140)	422.1%	(3,465)	1,165	NM
Other items	(p)	4,982	2,034	144.9%	5,365	2,247	138.8%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	7,852	(7,793)	NM
Income available for distribution		**43,238**	**50,493**	**(14.4%)**	**43,238**	**50,493**	**(14.4%)**
Income to be distributed to Unitholders	(q)	**41,430**	**49,391**	**(16.1%)**	**41,430**	**49,391**	**(16.1%)**

Footnotes:

(o) Represents part of the base management fee paid/payable to the Manager in the form of units.

(p) Other items include mainly adjustment to reflect the timing difference of property tax refunds, trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees and other non-tax deductible/chargeable costs.

(q) The distribution for 1H FY20/21 includes the release of approximately S$3.1 million of FY19/20 distributable income deferred as allowed under COVID-19 relief measures. Approximately S$4.9 million of income available for distribution for 1H FY20/21 has been retained for working capital requirements.

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

Balance Sheet as at 31 December 2020

	Notes	Group 31/12/20 S$'000	Group 30/06/20 S$'000	Trust 31/12/20 S$'000	Trust 30/06/20 S$'000
Non-current assets					
Investment properties	(a)	2,989,495	2,941,261	2,062,681	2,063,099
Plant and equipment		40	51	27	34
Interests in subsidiaries	(b)	-	-	584,040	519,701
Trade and other receivables	(d)	317	-	-	-
		2,989,852	**2,941,312**	**2,646,748**	**2,582,834**
Current assets					
Derivative financial instruments	(c)	-	1	-	1
Trade and other receivables	(d)	11,757	22,280	8,647	15,474
Cash and cash equivalents	(e)	119,589	117,442	66,451	67,025
		131,346	**139,723**	**75,098**	**82,500**
Total assets		**3,121,198**	**3,081,035**	**2,721,846**	**2,665,334**
Non-current liabilities					
Trade and other payables	(f)	21,281	23,536	17,369	17,689
Derivative financial instruments	(c)	10,571	20,408	3,883	12,465
Deferred tax liabilities	(g)	6,578	6,340	-	-
Borrowings	(h)	781,350	1,056,015	600,541	750,606
Lease liabilities	(i)	624	818	528	718
		820,404	**1,107,117**	**622,321**	**781,478**
Current liabilities					
Trade and other payables	(f)	46,954	39,344	32,394	29,323
Derivative financial instruments	(c)	5,883	305	5,883	305
Income tax payable	(j)	2,960	2,428	-	-
Borrowings	(h)	331,347	161,971	249,896	161,971
Lease liabilities	(i)	267	381	267	381
		387,411	**204,429**	**288,440**	**191,980**
Total liabilities		**1,207,815**	**1,311,546**	**910,761**	**973,458**
Net assets		**1,913,383**	**1,769,489**	**1,811,085**	**1,691,876**
Represented by:					
Unitholders' funds		1,813,754	1,769,489	1,711,456	1,691,876
Perpetual securities holders' funds	(k)	99,629	-	99,629	-
		1,913,383	**1,769,489**	**1,811,085**	**1,691,876**

Footnotes:

(a) Investment properties (including ROU assets) increased mainly due to net movement in foreign currencies in relation to the overseas properties and capital expenditure incurred, partially offset by straight-line rental adjustments and other adjustments during the current period.

The ongoing COVID-19 pandemic has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. Many countries have implemented strict travel restrictions and a range of measures from 'lockdown' to 'social distancing'. These measures have negatively impacted the retail sectors in countries where the Group's investment properties with retail components are located, the extent of which will depend on how long the outbreak lasts. Consequently, the valuations of investment properties are currently subject to significant estimation uncertainty. The carrying amounts of the Group's investment properties were current as at 31 December 2020 only.

(b) The increase in the Trust's interests in subsidiaries was mainly due to net capital injections into Malaysia and Australia subsidiaries, A$55 million unitholder's loan injection into an Australia subsidiary, as well as net movement in foreign currencies. During 1H FY20/21, the Trust subscribed for:
   (i) 35,000,000 new redeemable preference shares in the capital of wholly-owned subsidiary, SG REIT (M) Pte Ltd for RM35 million, where the proceeds were largely to part finance the asset enhancement works in Malaysia; and

   (ii) 1,275,000 new redeemable preference shares and 1,590,909 new units in the capital of wholly-owned subsidiaries, SG REIT (WA) Pte Ltd and SG REIT (WA) Trust respectively for A$2.5 million, where the proceeds were largely to finance the working capital requirements in Australia.

(c) Derivative financial instruments as at 31 December 2020 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 increase in derivative values was mainly due to the change in fair value of the S$ and A$ interest rate swaps during the current period.

(d) The net decrease in trade and other receivables was largely attributed to the net receipt of grant receivables from the Singapore government as part of the COVID-19 relief measures, as well as net settlement of rent arrears (net of allowance) for the Group during the current period.

(e) The increase in cash and cash equivalents was mainly due to balance of proceeds from the issuance of perpetual securities in December 2020 and cash generated from operations, largely offset by net movements in borrowings, payment of distributions, borrowing costs and capital expenditure during the current period.

(f) The net increase in trade and other payables was mainly due to higher payables for the Singapore, Malaysia and Australia Properties, partially offset by net realisation of deferred income arising from passing through the Singapore government's property tax rebates and other cash grants to the tenants in the form of rental rebates, as well as lower security deposits.

(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$410 million term loans, JPY3.7 billion (S$47.4 million) term loan, S$395 million Singapore medium term notes ("MTN"), JPY678 million (S$8.7 million) Japan bond, A$143 million (S$145.7 million) term loans and RM330 million (S$108.6 million) Senior MTN. As at 31 December 2020, the Group's aggregate leverage ratio is 35.8% (June 2020: 39.7%) and interest coverage ratio based on trailing 12 months interest expenses as at 31 December 2020 is approximately 2.6 times. The net decrease in total borrowings and gearing was mainly due to repayment of A$55 million (S$56 million) term loan and net repayment of S$62 million of revolving credit facilities ("RCF") mainly financed by the proceeds from the issuance of perpetual securities in December 2020.

As at 31 December 2020, the S$100 million MTN, S$150 million term loan, as well as A$80 million term loan maturing in February, September and November 2021 respectively were classified as current liabilities. On 28 December 2020, the Group entered into a five-year unsecured S$550 million facility agreement with a club of banks which include new term loan facilities of S$250 million to be utilised in February-March 2021 to refinance the above S$100 million MTN and S$150 million term loan. The Group has available undrawn long-term committed RCF to cover the net current liabilities of the Trust and the Group. 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.

(j) The increase in income tax payable was mainly in line with withholding tax provision for Malaysia and Australia Properties during the current period.

(k) On 15 December 2020, the Trust issued S$100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum. The perpetual securities, net of issuance costs, are classified as equity instruments and recorded as equity in the Statement of Movements in Unitholders' Funds.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/12/20 S$'000	Group 30/06/20 S$'000	Trust 31/12/20 S$'000	Trust 30/06/20 S$'000
Secured borrowings	(a)				
Amount repayable within one year		81,488	-	-	-
Amount repayable after one year		172,775	297,152	-	-
		254,263	**297,152**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		250,000	162,000	250,000	162,000
Amount repayable after one year		611,121	761,726	602,430	752,941
Total borrowings		**1,115,384**	**1,220,878**	**852,430**	**914,941**
Less: Unamortised loan acquisition expenses		(2,687)	(2,892)	(1,993)	(2,364)
Total borrowings		**1,112,697**	**1,217,986**	**850,437**	**912,577**

Footnotes:

a) Secured

The Group has outstanding unrated five-year fixed-rate Senior MTN of RM330 million (S$108.6 million) as at 31 December 2020. 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 loans of A$143 million (S$145.7 million) as at 31 December 2020, comprising:

(i) A$63 million (S$64.2 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$80 million (S$81.5 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 31 December 2020, the Group has outstanding medium term notes of S$295 million issued under its S$2 billion Multicurrency MTN Programme originally established in 2008, 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.

In addition, as at 31 December 2020, the Group has outstanding medium term notes of S$100 million unsecured five-year Singapore MTN (the "2020 Series 001 Notes") (maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrear, issued under its S$2 billion Multicurrency Debt Issuance Programme, established in January 2020.

As at 31 December 2020, the Group has in place:

(i) four-year and five-year unsecured loan facilities with a club of banks, comprising (a) outstanding term loan of S$150 million (maturing in September 2021), (b) term loan of S$260 million (maturing in September 2022) and (c) S$240 million committed RCF (maturing in September 2022). There is no amount outstanding on this RCF as at 31 December 2020.

(ii) five-year unsecured term loan facility of JPY3.7 billion (S$47.4 million) (maturing in September 2024).

(iii) various unsecured and committed RCF lines of S$170 million (maturing between March 2022 to June 2024), of which no amount is outstanding as at 31 December 2020.

The Group has JPY678 million (S$8.7 million) of Japan bond outstanding as at 31 December 2020, 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.

1(c) Consolidated cash flow statement (1H FY20/21 vs 1H FY19/20)

	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000
Operating activities		
Total return for the period before tax and distribution	39,610	44,113
Adjustments for:		
Finance income	(242)	(512)
Depreciation	11	208
Management fees payable in units	4,103	4,183
Finance expenses	20,916	19,915
Change in fair value of derivative instruments	(4,749)	781
Foreign exchange gain	(618)	(309)
Change in fair value of investment properties	199	-
Operating income before working capital changes	59,230	68,379
Changes in working capital:		
Trade and other receivables	8,172	(1,301)
Trade and other payables	8,023	1,885
Income tax paid	(627)	(1,626)
Cash generated from operating activities	**74,798**	**67,337**
Investing activities		
Capital expenditure on investment properties (1)	(19,908)	(16,501)
Interest received on deposits	258	471
Cash flows used in investing activities	**(19,650)**	**(16,030)**
Financing activities		
Borrowing costs paid	(21,201)	(19,403)
Proceeds from borrowings (2)	53,721	253,834
Repayment of borrowings (2)	(171,744)	(245,834)
Net proceeds from issuance of perpetual securities (3)	99,450	-
Payment of lease liabilities (4)	(217)	(211)
Distributions paid to Unitholders	(15,365)	(48,672)
Cash flows used in financing activities	**(55,356)**	**(60,286)**
Net decrease in cash and cash equivalents	**(208)**	**(8,979)**
Cash and cash equivalents at the beginning of the period	117,442	72,946
Effects of exchange rate differences on cash	2,355	(31)
Cash and cash equivalents at the end of the period	**119,589**	**63,936**

Footnotes:

(1) Includes capital expenditure works mainly in relation to The Starhill's asset enhancement and Myer Centre Adelaide during the current period.

(2) The movement during 1H FY20/21 relates mainly to the refinancing of JPY678 million (S$8.7 million) Japan bond, as well as drawdown of S$45 million RCF. The repayment also includes the settlement of RCF of S$107 million and prepayment of A$55 million (S$56 million) term loan during the current period.

(3) Represents the proceeds from the issuance of perpetual securities during the current period, net of issuance costs.

(4) Represents the payment of principal portion of the lease liabilities.

1(d) (i) Statement of movements in Unitholders' Funds (1H FY20/21 vs 1H FY19/20)

	Notes	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000	Trust 01/07/20 to 31/12/20 S$'000	Trust 01/07/19 to 31/12/19 S$'000
Unitholders' funds at the beginning of the period		1,769,489	1,930,021	1,691,876	1,841,605
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	38,339	42,772	31,021	48,322
Less: Amount reserved for distribution to perpetual securities holders		(179)	-	(179)	-
Increase in Unitholders' funds resulting from operations		**38,160**	**42,772**	**30,842**	**48,322**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		15,029	679	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	511	637	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		1,827	(1,776)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	(c)	**17,367**	**(460)**	**-**	**-**
Unitholders' transactions					
Units to be issued:					
- Management fees paid in units	(d)	2,050	2,092	2,050	2,092
- Management fees payable in units	(e)	2,053	2,091	2,053	2,091
Distributions to Unitholders		(15,365)	(48,672)	(15,365)	(48,672)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(11,262)**	**(44,489)**	**(11,262)**	**(44,489)**
Unitholders' funds at the end of the period		**1,813,754**	**1,927,844**	**1,711,456**	**1,845,438**
Perpetual securities holders' funds at the beginning of the period		-	-	-	-
Issue of perpetual securities		100,000	-	100,000	-
Issuance costs		(550)	-	(550)	-
Total return attributable to perpetual securities holders		179	-	179	-
Perpetual securities holders' funds at the end of the period		**99,629**	**-**	**99,629**	**-**

Footnotes:

(a) The change in Unitholders' funds resulting from operations for the Group for 1H FY20/21 includes a gain in fair value of derivative instruments of S$4.7 million (1H FY19/20: loss of S$0.8 million) and a net foreign exchange gain of S$0.6 million (1H FY19/20: S$0.3 million).

(b) 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.

(c) 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.

(d) These represent 4,709,448 units (1H FY19/20: 2,807,804 units) issued to the Manager in October 2020 (1H FY19/20: October 2019) as partial satisfaction of its base management fee for the three months ended 30 September 2020 (1H FY19/20: three months ended 30 September 2019).

(e) There are an estimated 4,069,316 units (1H FY19/20: 2,906,504 units) to be issued to the Manager in January 2021 (1H FY19/20: January 2020) as partial satisfaction of its base management fee for the three months ended 31 December 2020 (1H FY19/20: three months ended 31 December 2019).

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

	Notes	Group and Trust 01/07/20 to 31/12/20 Units	Group and Trust 01/07/19 to 31/12/19 Units
Issued units at the beginning of the period		2,191,127,148	2,181,204,435
Creation of units:			
- Management fees issued in units (base fee)	(a)	8,540,578	2,807,804
- Management fees issued in units (performance fee)	(b)	-	-
Issued units at the end of the period		**2,199,667,726**	**2,184,012,239**
Units to be issued:			
- Management fees payable in units (base fee)	(c)	4,069,316	2,906,504
Total issued and issuable units at the end of the period		**2,203,737,042**	**2,186,918,743**

Footnotes:

(a) These represent the actual number of units issued to the Manager in July 2020 and October 2020 (1H FY19/20: October 2019) as partial satisfaction of the base management fee for the three months ended 30 June 2020 and 30 September 2020 respectively (1H FY19/20: three months ended 30 September 2019).

(b) Performance fees are calculated annually as at 30 June. The performance of Starhill Global REIT's trust index is approximately 139% below the benchmark index as at 30 June 2020.

(c) These are estimated units to be issued to the Manager in January 2021 (1H FY19/20: January 2020) as partial satisfaction of its base management fee for the three months ended 31 December 2020 (1H FY19/20: three months ended 31 December 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 31 December 2020 and 30 June 2020. 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.

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 2020, 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 2020.

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 a number of new and amendments to FRSs, and interpretations effective for the financial period beginning on 1 July 2020. The adoption of new and amendments to FRSs, and interpretations are not expected to have a significant impact on the financial statements of the Group.

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

	Notes	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000
Total return for the period attributable to Unitholders		38,160	42,772
EPU - Basic			
Weighted average number of issued/issuable units	(a)	2,195,989,049	2,182,182,135
Earnings per unit (cents)	(b)	1.74	1.96
EPU - Diluted			
Weighted average number of units on a fully diluted basis	(c)	2,200,036,249	2,185,057,047
Earnings per unit (cents)	(b)	1.73	1.96
DPU			
Number of units issued and issuable at end of period	(d)	2,203,737,042	2,186,918,743
DPU for the period based on the total number of units entitled to distribution (cents)	(e)	1.88	2.26

Footnotes:

(a) For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during 1H FY20/21 are used and have been calculated on a time-weighted basis, where applicable.

For 1H FY20/21, this comprises the weighted average number of (i) units in issue of 2,195,966,933; and (ii) units issuable of 22,116.

(b) The EPU for 1H FY20/21 includes a gain in fair value of derivative instruments of S$4.7 million (1H FY19/20: loss of S$0.8 million) and a net foreign exchange gain of S$0.6 million (1H FY19/20: S$0.3 million).

(c) For the purpose of computing the diluted EPU, the weighted average number of units for 1H FY20/21 is adjusted to include the potential dilutive units assuming issuance of units for the settlement of unpaid base management fees.

For 1H FY20/21, this comprises the (i) weighted average number units in issue of 2,195,966,933; and (ii) estimated number of units issuable to the Manager of 4,069,316.

(d) The number of units comprises:

(i) The number of units in issue as at 31 December 2020 of 2,199,667,726; and

(ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for the three months ended 31 December 2020 of 4,069,316.

(e) For 1H FY20/21, the DPU includes 0.14 cents from the release of FY19/20 distributable income deferred as allowed under COVID-19 relief measures.

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

	Note	Group 31/12/20	Group 30/06/20	Trust 31/12/20	Trust 30/06/20
NAV/NTA per unit attributable to Unitholders (S$) based on:					
- Units issued and issuable at the end of the period	(a)	0.82	0.81	0.78	0.77

Footnote:

(a) The number of units used for computation of NAV and NTA per unit is 2,203,737,042 (June 2020: 2,194,651,816). This comprises:

(i) The number of units in issue as at 31 December 2020 of 2,199,667,726; and

(ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for the three months ended 31 December 2020 of 4,069,316.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(1H FY20/21 vs 1H FY19/20)

	Group 01/07/20 to 31/12/20 S$'000	Group 01/07/19 to 31/12/19 S$'000	Increase / (Decrease) %
Gross revenue	**88,420**	**96,718**	**(8.6%)**
Property expenses	(23,434)	(22,647)	3.5%
Net property income	**64,986**	**74,071**	**(12.3%)**
Non property expenses	(30,544)	(29,486)	3.6%
Net income before tax	**34,442**	**44,585**	**(22.7%)**
Change in fair value of derivative instruments	4,749	(781)	NM
Foreign exchange gain	618	309	100.0%
Change in fair value of investment properties	(199)	-	NM
Total return for the period before tax and distribution	**39,610**	**44,113**	**(10.2%)**
Income tax	(1,271)	(1,341)	(5.2%)
Total return for the period after tax and before distribution, attributable to Unitholders and perpetual securities holders	**38,339**	**42,772**	**(10.4%)**
Less: Amount reserved for distribution to perpetual securities holders	(179)	-	NM
Non-tax deductible items and other adjustments	5,078	7,721	(34.2%)
Income available for distribution	**43,238**	**50,493**	**(14.4%)**
Income to be distributed to Unitholders	**41,430**	**49,391**	**(16.1%)**

<u>1H FY20/21 vs 1H FY19/20</u>

Group revenue of S$88.4 million in 1H FY20/21 was 8.6% lower than the S$96.7 million achieved in the corresponding period. NPI for the Group in 1H FY20/21 was S$65.0 million, representing a decrease of 12.3% over the corresponding period. The decrease in NPI was largely due to the rental assistance for eligible tenants in the Group affected by COVID-19 pandemic, including allowance for rental arrears and rebates for Singapore and Australia Properties, aggregating approximately S$9.0 million in 1H FY20/21, partially offset by appreciation of A$ against S$ and lower other operating expenses.

Singapore Properties contributed 62.4% of total revenue, or S$55.2 million in 1H FY20/21, 12.7% lower than in 1H FY19/20. NPI for 1H FY20/21 was S$42.1 million, 16.3% lower than in 1H FY19/20, mainly due to lower contributions largely attributed to the rental assistance for eligible tenants affected by COVID-19 pandemic, as well as allowance for rental arrears.

Australia Properties contributed 24.6% of total revenue, or S$21.7 million in 1H FY20/21, 1.5% lower than in 1H FY19/20. NPI for 1H FY20/21 was S$12.4 million, 7.3% lower than in 1H FY19/20, largely attributed to lower contributions from the retail portfolio including allowance for rental arrears and rebates for eligible tenants affected by COVID-19 pandemic, partially offset by the appreciation of A$ against S$.

Malaysia Properties contributed 10.4% of total revenue, or S$9.2 million in 1H FY20/21, 1.2% higher than in 1H FY19/20. NPI for 1H FY20/21 was S$8.7 million, 1.1% higher than in 1H FY19/20.

China and Japan Properties contributed 2.6% of total revenue, or S$2.3 million in 1H FY20/21, 0.5% lower than in 1H FY19/20. NPI for 1H FY20/21 was S$1.8 million, 0.7% lower than in 1H FY19/20.

Non property expenses were S$30.5 million in 1H FY20/21, 3.6% higher than in 1H FY19/20, mainly due to higher finance costs incurred during the current period.

The change in fair value of derivative instruments in 1H FY20/21 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings.

The net foreign exchange gain in 1H FY20/21 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 FY20/21 represents mainly the fair value adjustment of ROU assets classified under investment properties in accordance to FRS 116.

Income available for distribution for 1H FY20/21 was S$43.2 million, 14.4% lower than in 1H FY19/20. Including the release of approximately S$3.1 million of FY19/20 distributable income deferred as allowed under COVID-19 relief measures, the income to be distributed to Unitholders for 1H FY20/21 was S$41.4 million, 16.1% lower than in 1H FY19/20. Approximately S$4.9 million of income available for distribution for 1H FY20/21 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

Global growth is projected at 5.2% in 2021, slightly lower than the forecast in June 2020[1]. Due to COVID-19, the Singapore economy contracted by 5.8% in 2020[2]. Singapore moved into Phase 3 of re-opening in December 2020[3]. Retail sales (excluding motor vehicles) fell 2.9% y-o-y in November 2020[4]. With the prolonged global pandemic situation and travel restrictions, international visitor arrivals to Singapore for the first 11 months of 2020 fell by 84.4% y-o-y to 2.7 million[5]. Despite the protracted travel bans which continue to impact crowd levels and sales takings in tourist-centric retail destinations, retail occupancy in Orchard Area was supported by recent major openings[6]. Owing to delays in the construction timeline, the supply pipeline for retail space has been tapering in the last two quarters[6]. Prime retail rents in Orchard Road fell 7.9% y-o-y in Q4 2020[7].

In Singapore, a Re-Align Framework was recently introduced to allow qualifying tenants to renegotiate certain leases[8]. If there is no mutual agreement on adjustments to the terms of the leases, such tenants may terminate their leases without penalties, but remain liable for obligations accrued before termination[8]. The eligibility criteria for qualifying tenants under the Re-Align Framework comprises prescribed annual revenue cap and fall in monthly average gross income[8]. Grade A office rents in Core CBD declined for its fourth consecutive quarter in Q4 2020, representing a full year decline of 10.0%[7]. The weak economic outlook coupled with the adoption of rotational remote working by corporations is expected to dampen demand for office space, partly mitigated by demand from information and technology communications firms.

Australia's gross domestic product rose 3.3% in the three months through September, up from the record 7.0% decline in the June 2020 quarter, as COVID-19 related restrictions eased across most states and territories[9].

In Malaysia, Movement Control Order (MCO) has been re-introduced in most states including Kuala Lumpur from 13 January 2021 to 4 February 2021 to curb rising number of COVID-19 cases[10]. Except for essential services like food and beverage catering to takeaways and deliveries, all retail activities at The Starhill and Lot 10 Property are temporarily halted during the duration of the MCO. While asset enhancement works for The Starhill are allowed to continue, some disruptions may be expected due to the additional measures in place for the construction workers.

While activities have gradually resumed, COVID-19 continues to impact the retail and office sector as safe distancing and travel restrictions remain in place. The rise of new COVID-19 variants, recurring waves of infections and fresh lockdowns in many countries remain risks to global recovery. Leasing demand for commercial space is expected to remain muted and could place downward pressure on occupancy, rents and the need for rental assistance. In view of these, COVID-19 continues to affect the financial performance of Starhill Global REIT in the near term. Given the uncertainty and fluidity of the pandemic, the extent of the impact on Starhill Global REIT's financial performance in the next reporting period and next 12 months cannot be ascertained at this juncture.

Notwithstanding the macro uncertainties, the Group's portfolio is characterised by its quality master retail leases in Singapore and Malaysia which made up about 32.5% of revenue in 1H FY20/21 whilst office portfolio contributed another 15.2% of revenue. Additionally, as at 31 December 2020, the weighted average portfolio lease expiry by gross rent stood at 5.4 years while retail leases expiring in the financial year ending 30 June 2021 comprised 8.8% of gross retail rent. The Group's retail portfolio committed occupancy remained stable at 97.6% as at 31 December 2020.

As part of its proactive capital management, Starhill Global REIT issued its maiden S$100 million perpetual securities in December 2020, which enhanced its financial flexibility and diversified its sources of funding. The net proceeds were largely used to repay A$55 million term loan and existing debts drawn under its revolving credit facilities. Gearing decreased to approximately 35.8% as at 31 December 2020. Additionally, Starhill Global REIT also recently entered into a five-year unsecured S$550 million facility agreement for the refinancing of the S$100 million medium term notes and S$150 million unsecured term loan due in February and September 2021 respectively. Following the refinancing expected in 2H FY20/21, Starhill Global REIT does not have any term debt maturities in the next 12 months, save for the refinancing of A$80 million term loan due in November 2021, which is currently in progress and covered by available undrawn committed revolving credit facilities.

Sources

1. International Monetary Fund, World Economic Outlook, October 2020 – A Long and Difficult Ascent
2. Ministry of Trade and Industry Singapore, Singapore's GDP contracted by 3.8 Per Cent in the Fourth Quarter of 2020, 4 January 2021
3. Gov.sg website, Moving into Phase 3 of Re-Opening on 28 Dec 2020, 14 December 2020
4. Department of Statistics Singapore, Retail Sales Index and Food & Beverage Services Index, November 2020, 5 January 2021
5. Singapore Tourism Board, Monthly Visitor Arrivals, Data up to November 2020
6. Savills Research, Market in Minutes, Singapore Retail November 2020, 19 November 2020
7. CBRE Research, Singapore MarketView Q4 2020, 8 January 2021
8. Ministry of Law Singapore website, Key Features of Re-Align Framework
9. Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product, 2 December 2020
10. CNA, Malaysia COVID-19 restrictions to be extended in 6 states, 3 federal territories until Feb 4, 21 January 2021

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 2020 to 31 December 2020 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 July 2020 to 31 December 2020
	Cents
Taxable income component	1.7900*
Tax-exempt income component	0.0900
Total	**1.8800**

* Includes 0.14 cents from the release of FY19/20 distributable income deferred as allowed under COVID-19 relief measures announced by IRAS.

The Manager has determined that the DRP will apply to the distribution for the period from 1 July 2020 to 31 December 2020.

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.

(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 three-month periods from 1 July 2019 to 30 September 2019 and from 1 October 2019 to 31 December 2019 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution	**Unitholders' Distribution**
	For the period from 1 July 2019 to 30 September 2019	**For the period from 1 October 2019 to 31 December 2019**
	Cents	Cents
Taxable income component	0.9900	0.9700
Tax-exempt income component	0.0400	0.0400
Capital component	0.1000	0.1200
Total	**1.1300**	**1.1300**

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: 25 March 2021

(d) Record Date: 5 February 2021

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 first half year ended 31 December 2020:

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)); and

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.

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 31 December 2020 (comprising the balance sheets as at 31 December 2020, 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 2020, 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	Ho Sing
Chairman	Chief Executive Officer/Director

This document 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, outbreak of contagious diseases or pandemic, 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 costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of 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
28 January 2021