STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 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 April 2019 to 30 June 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 April 2019 to 30 June 2019 ("4Q FY18/19") as well as the 12 months period from 1 July 2018 to 30 June 2019 ("FY18/19"). The comparative figures are in relation to the period from 1 April 2018 to 30 June 2018 ("4Q FY17/18") as well as the 12 months period from 1 July 2017 to 30 June 2018 ("FY17/18").

As at 30 June 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").

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2019

	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %
Gross revenue	51,860	51,635	0.4%	206,190	208,814	(1.3%)
Net property income	39,907	40,048	(0.4%)	159,406	162,187	(1.7%)
Income available for distribution	24,913	25,349	(1.7%)	101,319	103,136	(1.8%)
Income to be distributed to Unitholders	23,993	23,775	0.9%	97,718	99,244	(1.5%)

	Group 01/04/19 to 30/06/19	Group 01/04/18 to 30/06/18	Increase / (Decrease)
	Cents per unit		%
Distribution per unit ("DPU")			
For the quarter from 1 April to 30 June [1]	1.10	1.09	0.9%
Annualised (based on the three months ended 30 June)	4.41	4.37	0.9%
For the 12 months ended 30 June	4.48	4.55	(1.5%)

Footnote:

(1) The computation of DPU for the quarter ended 30 June 2019 is based on total number of units entitled to the distributable income for the period from 1 April 2019 to 30 June 2019 of 2,181,204,435.

DISTRIBUTION DETAILS

Distribution period	1 April 2019 to 30 June 2019
Distribution amount to Unitholders	1.10 cents per unit
Books closure date	7 August 2019
Payment date	29 August 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 (4Q FY18/19 vs 4Q FY17/18)

	Notes	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %	Trust 01/04/19 to 30/06/19 S$'000	Trust 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**51,860**	**51,635**	**0.4%**	**31,817**	**32,132**	**(1.0%)**
Maintenance and sinking fund contributions	(b)	(1,685)	(1,753)	(3.9%)	(1,666)	(1,731)	(3.8%)
Property management fees	(c)	(1,380)	(1,359)	1.5%	(948)	(958)	(1.0%)
Property tax	(d)	(4,948)	(5,200)	(4.8%)	(3,066)	(3,113)	(1.5%)
Other property expenses	(e)	(3,940)	(3,275)	20.3%	(1,119)	(815)	37.3%
Property expenses		**(11,953)**	**(11,587)**	**3.2%**	**(6,799)**	**(6,617)**	**2.8%**
Net property income		**39,907**	**40,048**	**(0.4%)**	**25,018**	**25,515**	**(1.9%)**
Finance income	(f)	278	221	25.8%	22	32	(31.3%)
Interest income from subsidiaries		-	-	-	1,386	1,463	(5.3%)
Dividend income from subsidiaries		-	-	-	2,342	6,573	(64.4%)
Management fees	(g)	(3,937)	(3,999)	(1.6%)	(3,711)	(3,765)	(1.4%)
Trust expenses	(h)	(1,596)	(1,039)	53.6%	(1,305)	(681)	91.6%
Finance expenses	(i)	(9,798)	(9,273)	5.7%	(6,519)	(5,800)	12.4%
Non property expenses		**(15,053)**	**(14,090)**	**6.8%**	**(7,785)**	**(2,178)**	**257.4%**
Net income before tax		**24,854**	**25,958**	**(4.3%)**	**17,233**	**23,337**	**(26.2%)**
Change in fair value of derivative instruments	(j)	(4,519)	571	NM	(2,131)	579	NM
Foreign exchange gain/(loss)	(k)	273	32	753.1%	645	(107)	NM
Change in fair value of investment properties	(l)	(20,315)	(22,669)	(10.4%)	(32,041)	(1,496)	NM
Gain on divestment of investment property	(m)	-	1,147	(100.0%)	-	-	-
Impairment loss on investment in subsidiaries	(n)	-	-	-	(1,000)	(1,400)	(28.6%)
Total return for the period before tax and distribution		**293**	**5,039**	**(94.2%)**	**(17,294)**	**20,913**	**NM**
Income tax	(o)	(816)	(203)	302.0%	(205)	(223)	(8.1%)
Total return for the period after tax, before distribution		**(523)**	**4,836**	**NM**	**(17,499)**	**20,690**	**NM**
Non-tax deductible items and other adjustments	(p)	25,436	20,513	24.0%	42,412	4,659	810.3%
Income available for distribution		**24,913**	**25,349**	**(1.7%)**	**24,913**	**25,349**	**(1.7%)**

Footnotes:

(a) Gross revenue comprises mainly gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue for the Group was mainly due to higher contributions from the office portfolio and Myer Centre Adelaide, partially offset by lower contributions from the retail portfolio in Singapore and the depreciation of A$ and RM against S$. Approximately 39% (4Q FY17/18: 38%) of total gross revenue for the three months ended 30 June 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 (Retail).

(e) Other property expenses were higher for the current quarter mainly due to higher leasing and upkeep expenses for Wisma Atria Property and administrative expenses for Ngee Ann City Property, as well as higher operating expenses including allowance for rental arrears for Australia Properties.

(f) Represents interest income from bank deposits and current accounts for the three months ended 30 June 2019.

(g) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.

(h) The increase in trust expenses for the Group was mainly due to higher expenses incurred by the Trust including project expenses and professional fees in relation to the renewal of Malaysia master tenancy agreements, partially offset by lower expenses incurred by Malaysia Properties.

(i) 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 June 2019.

(j) Represents mainly the change in the fair value of S$ and A$ interest rate swaps, as well as foreign exchange forward contracts for the three months ended 30 June 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 June 2019.

(l) As at 30 June 2019, the Singapore Properties were revalued at S$2,116.0 million by Savills Valuation and Professional Services (S) Pte Ltd, the Australia Properties were revalued at A$516.2 million (S$489.8 million) by Savills Valuations Pty Ltd and Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, the Malaysia Properties were revalued at RM1,134.0 million (S$370.8 million) by IVPS Property Consultant Sdn Bhd, the China Property was revalued at RMB144.0 million (S$28.4 million) by Cushman & Wakefield Limited and the Japan Properties were revalued at JPY4,770.0 million (S$59.9 million) by CBRE K.K., resulting in a net revaluation loss totaling S$20.3 million for the Group for the three months ended 30 June 2019.

(m) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018.

(n) Represents the impairment loss on the Trust's China investment determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.

(o) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The increase was mainly attributed to the higher deferred tax reversal arising from downward revaluation of the China Property in the corresponding quarter.

(p) See details in the distribution statement below.

Distribution Statement (4Q FY18/19 vs 4Q FY17/18)

	Notes	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %	Trust 01/04/19 to 30/06/19 S$'000	Trust 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**(523)**	**4,836**	**NM**	**(17,499)**	**20,690**	**NM**
Non-tax deductible items and other adjustments:		25,436	20,513	24.0%	42,412	4,659	810.3%
Finance costs	(q)	154	131	17.6%	217	198	9.6%
Sinking fund contribution		387	452	(14.4%)	387	452	(14.4%)
Change in fair value of derivative instruments		4,555	(571)	NM	2,166	(579)	NM
Change in fair value of investment properties		20,315	22,669	(10.4%)	32,041	1,496	NM
Deferred income tax		(10)	(628)	(98.4%)	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	1,000	1,400	(28.6%)
Foreign exchange (gain)/loss		(207)	(60)	245.0%	(572)	101	NM
Other items	(r)	242	(1,480)	NM	1,213	522	132.4%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	5,960	1,069	457.5%
Income available for distribution		**24,913**	**25,349**	**(1.7%)**	**24,913**	**25,349**	**(1.7%)**
Income to be distributed to Unitholders	(s)	**23,993**	**23,775**	**0.9%**	**23,993**	**23,775**	**0.9%**

Footnotes:

(q) Finance costs include mainly amortisation of upfront borrowing costs.

(r) Other items include mainly trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees, reversal of gross profit from Japan divestment and other non-tax deductible/chargeable costs.

(s) Approximately S$0.9 million of income available for distribution for the three months ended 30 June 2019 has been retained for working capital requirements.

Statement of Total Return and Distribution (FY18/19 vs FY17/18)

	Notes	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %	Trust 01/07/18 to 30/06/19 S$'000	Trust 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**206,190**	**208,814**	**(1.3%)**	**127,148**	**129,736**	**(2.0%)**
Maintenance and sinking fund contributions	(b)	(6,867)	(7,018)	(2.2%)	(6,796)	(6,926)	(1.9%)
Property management fees	(c)	(5,485)	(5,581)	(1.7%)	(3,812)	(3,873)	(1.6%)
Property tax	(d)	(19,819)	(20,255)	(2.2%)	(12,212)	(12,306)	(0.8%)
Other property expenses	(e)	(14,613)	(13,773)	6.1%	(4,048)	(3,644)	11.1%
Property expenses		**(46,784)**	**(46,627)**	**0.3%**	**(26,868)**	**(26,749)**	**0.4%**
Net property income		**159,406**	**162,187**	**(1.7%)**	**100,280**	**102,987**	**(2.6%)**
Finance income	(f)	956	900	6.2%	106	151	(29.8%)
Interest income from subsidiaries		-	-	-	5,677	6,022	(5.7%)
Dividend income from subsidiaries		-	-	-	6,980	17,557	(60.2%)
Management fees	(g)	(15,846)	(16,094)	(1.5%)	(14,936)	(15,167)	(1.5%)
Trust expenses	(h)	(4,684)	(4,123)	13.6%	(3,469)	(2,540)	36.6%
Finance expenses	(i)	(38,697)	(38,259)	1.1%	(25,284)	(24,223)	4.4%
Non property expenses		**(58,271)**	**(57,576)**	**1.2%**	**(30,926)**	**(18,200)**	**69.9%**
Net income before tax		**101,135**	**104,611**	**(3.3%)**	**69,354**	**84,787**	**(18.2%)**
Change in fair value of derivative instruments	(j)	(11,932)	4,467	NM	(6,032)	4,194	NM
Foreign exchange gain/(loss)	(k)	178	134	32.8%	(5,755)	(8,501)	(32.3%)
Change in fair value of investment properties	(l)	(20,315)	(22,669)	(10.4%)	(32,041)	(1,496)	NM
Gain on divestment of investment property	(m)	-	1,147	(100.0%)	-	-	-
Impairment loss on investment in subsidiaries	(n)	-	-	-	(1,000)	(1,400)	(28.6%)
Total return for the period before tax and distribution		**69,066**	**87,690**	**(21.2%)**	**24,526**	**77,584**	**(68.4%)**
Income tax	(o)	(3,479)	(3,446)	1.0%	(852)	(907)	(6.1%)
Total return for the period after tax, before distribution		**65,587**	**84,244**	**(22.1%)**	**23,674**	**76,677**	**(69.1%)**
Non-tax deductible items and other adjustments	(p)	35,732	18,892	89.1%	77,645	26,459	193.5%
Income available for distribution		**101,319**	**103,136**	**(1.8%)**	**101,319**	**103,136**	**(1.8%)**

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 Wisma Atria Property and Australia portfolio largely due to the depreciation of A$ against S$. Approximately 38% (FY17/18: 38%) of total gross revenue for the financial year ended 30 June 2019 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.

(d) Property tax expenses were lower for the current period mainly attributed to Wisma Atria Property (Retail).

(e) Other property expenses were higher for the current period mainly due to higher operating expenses including allowance for rental arrears for Australia Properties and Wisma Atria Property (Retail), as well as higher administrative expenses for Ngee Ann City Property.

(f) Represents interest income from bank deposits and current accounts for the financial year ended 30 June 2019.

(g) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.

(h) The increase in trust expenses for the Group was mainly due to higher expenses incurred by the Trust including project expenses and professional fees in relation to the renewal of Malaysia master tenancy agreements, largely offset by lower expenses for Malaysia Properties.

(i) Finance expenses were higher for the current period mainly due to higher interest costs incurred on the existing S$ borrowings for the financial year ended 30 June 2019, partially offset by weaker foreign currencies and the write-off of upfront borrowing costs following the refinancing of the S$ term loans in the corresponding period.

(j) Represents mainly the change in the fair value of S$ and A$ interest rate swaps, as well as foreign exchange forward contracts for the financial year ended 30 June 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 financial year ended 30 June 2019.

(l) As at 30 June 2019, the Singapore Properties were revalued at S$2,116.0 million by Savills Valuation and Professional Services (S) Pte Ltd, the Australia Properties were revalued at A$516.2 million (S$489.8 million) by Savills Valuations Pty Ltd and Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, the Malaysia Properties were revalued at RM1,134.0 million (S$370.8 million) by IVPS Property Consultant Sdn Bhd, the China Property was revalued at RMB144.0 million (S$28.4 million) by Cushman & Wakefield Limited and the Japan Properties were revalued at JPY4,770.0 million (S$59.9 million) by CBRE K.K., resulting in a net revaluation loss totaling S$20.3 million for the Group for the financial year ended 30 June 2019.

(m) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018.

(n) Represents the impairment loss on the Trust's China investment determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.

(o) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly due to the lower deferred tax reversal arising from downward revaluation of the China Property for the financial year ended 30 June 2019 and higher Malaysia withholding taxes paid in the corresponding period.

(p) See details in the distribution statement below.

Distribution Statement (FY18/19 vs FY17/18)

	Notes	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %	Trust 01/07/18 to 30/06/19 S$'000	Trust 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**65,587**	**84,244**	**(22.1%)**	**23,674**	**76,677**	**(69.1%)**
Non-tax deductible items and other adjustments:		35,732	18,892	89.1%	77,645	26,459	193.5%
Finance costs	(q)	582	1,304	(55.4%)	848	1,857	(54.3%)
Sinking fund contribution		1,678	1,808	(7.2%)	1,678	1,808	(7.2%)
Change in fair value of derivative instruments		12,189	(4,467)	NM	6,254	(4,194)	NM
Change in fair value of investment properties		20,315	22,669	(10.4%)	32,041	1,496	NM
Deferred income tax		108	(506)	NM	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	1,000	1,400	(28.6%)
Foreign exchange loss/(gain)		72	(319)	NM	5,915	8,336	(29.0%)
Other items	(r)	788	(1,597)	NM	3,681	2,037	80.7%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	26,228	13,719	91.2%
Income available for distribution		**101,319**	**103,136**	**(1.8%)**	**101,319**	**103,136**	**(1.8%)**
Income to be distributed to Unitholders	(s)	**97,718**	**99,244**	**(1.5%)**	**97,718**	**99,244**	**(1.5%)**

Footnotes:

(q) Finance costs include mainly amortisation of upfront borrowing costs. The variance was largely in line with the write-off of upfront borrowing costs following the refinancing of the S$ term loans in the corresponding period.

(r) Other items include mainly trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees, reversal of gross profit from Japan divestment and other non-tax deductible/chargeable costs.

(s) Approximately S$3.6 million of income available for distribution for the financial year ended 30 June 2019 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 30 June 2019

	Notes	Group 30/06/19 S$'000	Group 30/06/18 S$'000	Trust 30/06/19 S$'000	Trust 30/06/18 S$'000
Non-current assets					
Investment properties	(a)	3,064,861	3,118,338	2,116,000	2,147,000
Plant and equipment		26	42	-	-
Interests in subsidiaries	(b)	-	-	576,915	590,224
Derivative financial instruments	(c)	-	1,964	-	1,964
		3,064,887	**3,120,344**	**2,692,915**	**2,739,188**
Current assets					
Derivative financial instruments	(c)	302	244	302	242
Trade and other receivables	(d)	3,846	4,191	4,871	2,929
Cash and cash equivalents	(e)	72,946	66,730	11,517	20,420
		77,094	**71,165**	**16,690**	**23,591**
Total assets		**3,141,981**	**3,191,509**	**2,709,605**	**2,762,779**
Non-current liabilities					
Trade and other payables	(f)	26,581	22,460	20,467	20,549
Derivative financial instruments	(c)	11,432	1,242	4,685	453
Deferred tax liabilities	(g)	6,168	6,336	-	-
Borrowings	(h)	1,004,271	1,066,931	799,037	801,954
		1,048,452	**1,096,969**	**824,189**	**822,956**
Current liabilities					
Trade and other payables	(f)	32,491	38,633	23,811	24,307
Derivative financial instruments	(c)	-	199	-	85
Income tax payable	(i)	3,180	2,014	-	-
Borrowings	(h)	127,837	63,398	20,000	-
		163,508	**104,244**	**43,811**	**24,392**
Total liabilities		**1,211,960**	**1,201,213**	**868,000**	**847,348**
Net assets		**1,930,021**	**1,990,296**	**1,841,605**	**1,915,431**
Represented by:					
Unitholders' funds		1,930,021	1,990,296	1,841,605	1,915,431
		1,930,021	**1,990,296**	**1,841,605**	**1,915,431**

Footnotes:

(a) Investment properties decreased mainly due to downward revaluation of the Singapore Properties and negative net movement in foreign currencies in relation to the overseas properties during the current period, partially offset by upward revaluation of the Malaysia Properties. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments during the current period. The Singapore Properties, Australia Properties, Malaysia Properties, China Property and Japan Properties were independently revalued on 30 June 2019, by Savills Valuation and Professional Services (S) Pte Ltd, Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, Savills Valuations Pty Ltd, IVPS Property Consultant Sdn Bhd, Cushman & Wakefield Limited and CBRE K.K. respectively.

(b) The decrease in the Trust's interests in subsidiaries was mainly due to capital redemptions, impairment loss on the Trust's China investment and net movement in foreign currencies during the current period.

During the financial year ended 30 June 2019, the Trust subscribed for 2,863,395 new redeemable preference shares and 1,937,398 new units in the capital of wholly-owned subsidiary, SG REIT (WA) Pte Ltd and SG REIT (WA) Trust respectively for A$5.6 million, which was financed by capitalisation of part of the Trust's intercompany loan to SG REIT (WA) Sub-Trust1.

(c) Derivative financial instruments as at 30 June 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 S$ and A$ interest rate swaps during the current period.

(d) The decrease in trade and other receivables was mainly due to lower net rent arrears and other receivables for Australia 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, borrowing costs and capital expenditure during the current period.

(f) The net decrease in trade and other payables was mainly due to lower security deposits for the Group and lower payables for China, Australia and Singapore Properties, partially offset by higher payables for Malaysia Properties. Following the renewal of the master tenancy agreements in June 2019, the corresponding security deposits for the Malaysia Properties have been reclassified to non-current liabilities as at 30 June 2019.

(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$20 million revolving credit facilities ("RCF"), JPY3.7 billion (S$46.5 million) term loan, S$295 million Singapore MTNs, JPY678 million (S$8.5 million) Japan bond, A$208 million (S$197.3 million) term loans and RM329.8 million (S$107.8 million) Malaysia MTN. The net increase in total borrowings was mainly due to net drawdown of S$20 million of short-term RCF during the current period, partially offset by the net movement in foreign currencies and prepayment of S$4.3 million (JPY350 million) of JPY term loan.

As at 30 June 2019, the RM329.8 million (S$107.8 million) secured Malaysia MTN maturing in September 2019 was classified as current liabilities, whereby the refinancing exercise for the MTN is ongoing. As at 30 June 2019, the Group has available undrawn long-term committed RCF to cover the net current liabilities of the Trust and the Group, including the maturing Malaysia MTN. Please refer to Note 1(b)(ii) for details of the borrowings.

(i) The increase in income tax payable was mainly due to higher withholding tax payable for Malaysia Properties as at 30 June 2019.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/06/19 S$'000	Group 30/06/18 S$'000	Trust 30/06/19 S$'000	Trust 30/06/18 S$'000
Secured borrowings	(a)				
Amount repayable within one year		107,848	63,479	-	-
Amount repayable after one year		197,340	257,255	-	-
		305,188	**320,734**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		20,000	-	20,000	-
Amount repayable after one year		810,014	813,292	801,494	804,933
Total borrowings		**1,135,202**	**1,134,026**	**821,494**	**804,933**
Less: Unamortised loan acquisition expenses		(3,094)	(3,697)	(2,457)	(2,979)
Total borrowings		**1,132,108**	**1,130,329**	**819,037**	**801,954**

Footnotes:

(a) Secured
The Group has outstanding five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Senior MTN") issued at a discounted cash consideration of approximately RM325 million. The Senior MTN bear a fixed coupon rate of 4.48% per annum and have a carrying amount of approximately RM329.8 million (S$107.8 million) as at 30 June 2019. The notes have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

The Group has outstanding term loans of A$208 million (S$197.3 million) as at 30 June 2019, comprising:
(i) A$63 million (S$59.8 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$137.6 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 June 2019, the Group has outstanding medium term notes of S$295 million issued under its S$2 billion Multicurrency MTN Programme and rated at "BBB+" by Standard & Poor's Rating Services, 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 June 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 June 2019.
(ii) five-year unsecured term loan facilities of balance JPY3.7 billion (S$46.5 million) (maturing in July 2020) with two banks.
(iii) three-year unsecured and committed RCF of S$80 million (maturing in March 2022) with two banks, of which S$10 million is outstanding as at 30 June 2019.

As at 30 June 2019, the Group has outstanding S$10 million of borrowings from its other uncommitted RCF lines.

The Group has JPY678 million (S$8.5 million) of Japan bond outstanding as at 30 June 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.

1(c) Consolidated cash flow statement (4Q FY18/19 vs 4Q FY17/18) and (FY18/19 vs FY17/18)

	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000
Operating activities				
Total return for the period before tax and distribution	293	5,039	69,066	87,690
Adjustments for:				
Finance income	(278)	(221)	(956)	(900)
Depreciation	2	3	15	12
Finance expenses	9,798	9,273	38,697	38,259
Gain on divestment of investment property	-	(1,147)	-	(1,147)
Plant and equipment written off	-	-	-	6
Change in fair value of derivative instruments	4,519	(571)	11,932	(4,467)
Foreign exchange gain	(273)	(32)	(178)	(134)
Change in fair value of investment properties	20,315	22,669	20,315	22,669
Operating income before working capital changes	34,376	35,013	138,891	141,988
Changes in working capital:				
Trade and other receivables	958	3,113	(1,321)	568
Trade and other payables	(284)	(1,226)	(1,349)	(2,211)
Income tax paid [(1)]	(325)	(782)	(2,256)	(4,433)
Cash generated from operating activities	**34,725**	**36,118**	**133,965**	**135,912**
Investing activities				
Net proceeds on divestment of investment property [(2)]	-	6,206	-	6,206
Capital expenditure on investment properties [(3)]	(2,118)	(3,738)	(7,673)	(13,702)
Purchase of plant and equipment	-	-	(1)	-
Interest received on deposits	304	218	958	890
Cash flows (used in)/from investing activities	**(1,814)**	**2,686**	**(6,716)**	**(6,606)**
Financing activities				
Borrowing costs paid	(10,171)	(9,676)	(37,759)	(39,094)
Proceeds from borrowings [(4)]	35,000	7,000	81,600	482,000
Repayment of borrowings [(4)]	(29,000)	(7,823)	(65,879)	(480,791)
Distributions paid to Unitholders	(23,993)	(23,775)	(97,500)	(101,207)
Cash flows used in financing activities	**(28,164)**	**(34,274)**	**(119,538)**	**(139,092)**
Net increase/(decrease) in cash and cash equivalents	**4,747**	**4,530**	**7,711**	**(9,786)**
Cash and cash equivalents at the beginning of the period	68,484	62,162	66,730	76,603
Effects of exchange rate differences on cash	(285)	38	(1,495)	(87)
Cash and cash equivalents at the end of the period	**72,946**	**66,730**	**72,946**	**66,730**

Footnotes:

(1) The variance was largely in line with the higher withholding taxes for the Malaysia Properties paid in the corresponding period.

(2) Net cashflows on divestment of Nakameguro Place represent the sale proceeds, net of directly attributable costs paid in May 2018.

(3) Includes mainly capital expenditure works paid in relation to Myer Centre Adelaide, David Jones Building and Wisma Atria Property (Retail) during the current period.

(4) The movement during the financial year ended 30 June 2019 relates mainly to the drawdown of S$81.6 million RCF. The repayment includes mainly the prepayment of S$4.3 million (JPY350 million) of JPY term loan, as well as the settlement of short-term RCF by S$61.6 million during the current period.

1(d) (i) Statement of movements in Unitholders' Funds (4Q FY18/19 vs 4Q FY17/18)

	Notes	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Trust 01/04/19 to 30/06/19 S$'000	Trust 01/04/18 to 30/06/18 S$'000
Unitholders' funds at the beginning of the period		1,962,890	2,010,219	1,883,097	1,918,516
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	(523)	4,836	(17,499)	20,690
(Decrease)/Increase in Unitholders' funds resulting from operations		**(523)**	**4,836**	**(17,499)**	**20,690**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(8,844)	(1,421)	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(1,221)	(69)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		1,712	506	-	-
Net loss recognised directly in Unitholders' funds	(c)	**(8,353)**	**(984)**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(23,993)	(23,775)	(23,993)	(23,775)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(23,993)**	**(23,775)**	**(23,993)**	**(23,775)**
Unitholders' funds at the end of the period		**1,930,021**	**1,990,296**	**1,841,605**	**1,915,431**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 30 June 2019 includes a loss in the fair value of investment properties of S$20.3 million (4Q FY17/18: S$22.7 million), a loss in fair value of derivative instruments of S$4.5 million (4Q FY17/18: gain of S$0.6 million) and a net foreign exchange gain of S$0.3 million (4Q FY17/18: S$0.1 million).

(b) The Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

(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.

1(d) (i) Statement of movements in Unitholders' Funds (FY18/19 vs FY17/18)

	Notes	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Trust 01/07/18 to 30/06/19 S$'000	Trust 01/07/17 to 30/06/18 S$'000
Unitholders' funds at the beginning of the period		1,990,296	2,009,346	1,915,431	1,939,961
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	65,587	84,244	23,674	76,677
Increase in Unitholders' funds resulting from operations		**65,587**	**84,244**	**23,674**	**76,677**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(24,594)	2,002	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(877)	(158)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(2,891)	(3,931)	-	-
Net loss recognised directly in Unitholders' funds	(c)	**(28,362)**	**(2,087)**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(97,500)	(101,207)	(97,500)	(101,207)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(97,500)**	**(101,207)**	**(97,500)**	**(101,207)**
Unitholders' funds at the end of the period		**1,930,021**	**1,990,296**	**1,841,605**	**1,915,431**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the financial year ended 30 June 2019 includes a loss in the fair value of investment properties of S$20.3 million (FY17/18: S$22.7 million), a loss in the fair value of derivative instruments of S$11.9 million (FY17/18: gain of S$4.5 million) and a net foreign exchange gain of S$0.2 million (FY17/18: S$0.1 million).

(b) The Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

(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.

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

	Notes	Group and Trust 01/04/19 to 30/06/19 Units	Group and Trust 01/04/18 to 30/06/18 Units	Group and Trust 01/07/18 to 30/06/19 Units	Group and Trust 01/07/17 to 30/06/18 Units
Issued units at the beginning of the period		2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
Total issued units at the end of the period		**2,181,204,435**	**2,181,204,435**	**2,181,204,435**	**2,181,204,435**

Footnotes:

(a) The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the financial year ended 30 June 2019. Commencing from the quarter ending 30 September 2019, part of the Manager's base management fees will be paid in units to demonstrate its alignment of interest and support to minority Unitholders to mitigate the disruption and costs resulting from the asset enhancement works and to stabilise the DPU as a result of the new master tenancy agreements for the Malaysia Properties and asset enhancement works for Starhill Gallery. Please refer to the Circular to Unitholders dated 25 April 2019 for more details.

(b) Performance fees are calculated annually as at 30 June. There is no performance fee for the financial year ended 30 June 2019 as the performance of Starhill Global REIT's trust index is approximately 83% below the benchmark index as at 30 June 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 June 2019 and 30 June 2018. 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 2018, except for the adoption of the new and revised Financial Reporting Standards which became effective for financial periods beginning on or after 1 July 2018.

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 the following new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 July 2018:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. There is no significant impact to the financial statements of the Group for the current and comparative financial period arising from the adoption of FRS 115.

(ii) FRS 109 Financial Instruments

FRS 109 introduces revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

There is no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach by applying lifetime expected credit losses on its loans and receivables (if applicable). There is no significant impact to the financial statements of the Group for the current and comparative financial period arising from the adoption of FRS 109.

The Group's existing net investment hedge for its Japan operations that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

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

	Notes	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000
Total return for the period after tax, before distribution		(523)	4,836	65,587	84,244
EPU - Basic and Diluted					
Weighted average number of units	(a)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Earnings per unit (cents)	(b)	(0.02)	0.22	3.01	3.86
DPU					
Number of units issued at end of period	(c)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		1.10	1.09	4.48	4.55

Footnotes:

(a) For the purpose of computing the EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months and financial year ended 30 June 2019 are used and have been calculated on a time-weighted basis, where applicable.

(b) The EPU for the three months ended 30 June 2019 includes a loss in the fair value of investment properties of S$20.3 million (4Q FY17/18: S$22.7 million), a loss in fair value of derivative instruments of S$4.5 million (4Q FY17/18: gain of S$0.6 million) and a net foreign exchange gain of S$0.3 million (4Q FY17/18: S$0.1 million). The diluted EPU is the same as basic EPU.

The EPU for the financial year ended 30 June 2019 includes a loss in the fair value of investment properties of S$20.3 million (FY17/18: S$22.7 million), a loss in the fair value of derivative instruments of S$11.9 million (FY17/18: gain of S$4.5 million) and a net foreign exchange gain of S$0.2 million (FY17/18: S$0.1 million). The diluted EPU is the same as basic EPU.

(c) The computation of DPU for the three months and financial year ended 30 June 2019 are based on number of units in issue as at 30 June 2019 of 2,181,204,435.

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

	Note	Group 30/06/19	Group 30/06/18	Trust 30/06/19	Trust 30/06/18
NAV/NTA per unit (S$) based on:					
- units issued at the end of the period	(a)	0.88	0.91	0.84	0.88

Footnote:

(a) The number of units used for computation of NAV and NTA per unit is 2,181,204,435 which represents the number of units in issue as at 30 June 2019 and 30 June 2018.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(4Q FY18/19 vs 4Q FY17/18) and (FY18/19 vs FY17/18)

	Group 01/04/19 to 30/06/19 S$'000	Group 01/04/18 to 30/06/18 S$'000	Increase / (Decrease) %	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %
Gross revenue	**51,860**	**51,635**	**0.4%**	**206,190**	**208,814**	**(1.3%)**
Property expenses	(11,953)	(11,587)	3.2%	(46,784)	(46,627)	0.3%
Net property income	**39,907**	**40,048**	**(0.4%)**	**159,406**	**162,187**	**(1.7%)**
Non property expenses	(15,053)	(14,090)	6.8%	(58,271)	(57,576)	1.2%
Net income before tax	**24,854**	**25,958**	**(4.3%)**	**101,135**	**104,611**	**(3.3%)**
Change in fair value of derivative instruments	(4,519)	571	NM	(11,932)	4,467	NM
Foreign exchange gain	273	32	753.1%	178	134	32.8%
Change in fair value of investment properties	(20,315)	(22,669)	(10.4%)	(20,315)	(22,669)	(10.4%)
Gain on divestment of investment property	-	1,147	(100.0%)	-	1,147	(100.0%)
Total return for the period before tax and distribution	**293**	**5,039**	**(94.2%)**	**69,066**	**87,690**	**(21.2%)**
Income tax	(816)	(203)	302.0%	(3,479)	(3,446)	1.0%
Total return for the period after tax, before distribution	**(523)**	**4,836**	**NM**	**65,587**	**84,244**	**(22.1%)**
Non-tax deductible items and other adjustments	25,436	20,513	24.0%	35,732	18,892	89.1%
Income available for distribution	**24,913**	**25,349**	**(1.7%)**	**101,319**	**103,136**	**(1.8%)**
Income to be distributed to Unitholders	**23,993**	**23,775**	**0.9%**	**97,718**	**99,244**	**(1.5%)**

4Q FY18/19 vs 4Q FY17/18

Revenue for the Group in 4Q FY18/19 was S$51.9 million, representing an increase of 0.4% over 4Q FY17/18. Net property income ("NPI") for the Group was S$39.9 million, representing a decrease of 0.4% over 4Q FY17/18. The decrease in NPI was largely due to lower contributions from the retail portfolio in Singapore and the depreciation of A$ and RM against S$, as well as higher operating expenses for Australia Properties and retail portfolio in Singapore, partially offset by higher contributions mainly from the office portfolio and Myer Centre Adelaide.

Singapore Properties contributed 61.4% of total revenue, or S$31.8 million in 4Q FY18/19, 1.0% lower than in 4Q FY17/18. NPI for 4Q FY18/19 was S$25.0 million, 1.9% lower than in 4Q FY17/18, mainly due to lower contributions from Wisma Atria Property, as well as higher operating expenses for the retail portfolio, partially offset by higher contributions from Ngee Ann City Property (Office).

Australia Properties contributed 22.1% of total revenue, or S$11.5 million in 4Q FY18/19, 2.2% higher than in 4Q FY17/18. NPI for 4Q FY18/19 was S$6.9 million, 0.6% higher than in 4Q FY17/18, mainly due to higher contributions from Myer Centre Adelaide, partially offset by the depreciation of A$ against S$ and higher operating expenses including allowance for rental arrears.

Malaysia Properties contributed 14.2% of total revenue, or S$7.4 million in 4Q FY18/19, 3.7% higher than in 4Q FY17/18. NPI for 4Q FY18/19 was S$7.1 million, 3.9% higher than in 4Q FY17/18. The higher contributions from the Malaysia Properties were partially offset by the depreciation of RM against S$.

China and Japan Properties contributed 2.3% of total revenue, or S$1.2 million in 4Q FY18/19, unchanged from 4Q FY17/18. NPI for 4Q FY18/19 was S$0.9 million, 5.2% higher than in 4Q FY17/18 mainly due to lower operating expenses for Japan Properties.

Non property expenses were S$15.1 million in 4Q FY18/19, 6.8% higher than in 4Q FY17/18, mainly due to higher trust expenses and interest costs incurred on the existing S$ borrowings.

The change in fair value of derivative instruments in 4Q FY18/19 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange gain in 4Q FY18/19 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 of S$20.3 million represents the net revaluation loss on the Group's investment properties in 4Q FY18/19.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018.

The increase in income tax for 4Q FY18/19 was mainly attributed to the higher deferred tax reversal arising from downward revaluation of the China Property in the corresponding quarter.

Income available for distribution for 4Q FY18/19 was S$24.9 million, being 1.7% lower than the corresponding quarter. Income to be distributed to Unitholders was S$24.0 million, 0.9% higher than the corresponding quarter. Approximately S$0.9 million of income available for distribution for 4Q FY18/19 has been retained for working capital requirements.

FY18/19 vs FY17/18

Group revenue of S$206.2 million for FY18/19 was 1.3% lower than the S$208.8 million achieved in the corresponding period. NPI for the Group was S$159.4 million, representing a decrease of 1.7% over the corresponding period. The decrease in NPI was largely due to lower contributions from Wisma Atria Property and Australia portfolio largely due to the depreciation of A$ against S$.

Singapore Properties contributed 61.7% of total revenue, or S$127.1 million in FY18/19, 2.0% lower than in the corresponding period. NPI decreased by 2.6% to S$100.3 million in FY18/19, mainly due to lower contributions from Wisma Atria Property, as well as higher operating expenses for the retail portfolio, partially offset by higher contributions from Ngee Ann City Property (Office).

Australia Properties contributed 22.4% of total revenue, or S$46.2 million in FY18/19, 0.4% lower than in the corresponding period. NPI was S$28.3 million, 1.4% lower than in the corresponding period, mainly in line with the depreciation of A$ against S$ and higher operating expenses including allowance for rental arrears, partially offset by higher contributions from Myer Centre Adelaide.

Malaysia Properties contributed 13.6% of total revenue, or S$28.2 million in FY18/19, 1.1% higher than in the corresponding period. NPI was S$27.3 million, 1.3% higher than in the corresponding period.

China and Japan Properties contributed 2.3% of total revenue, or S$4.7 million in FY18/19, 3.1% lower than in the corresponding period. NPI was S$3.6 million, 0.6% lower than in the corresponding period, mainly due to one-off management fee income in relation to tenant's renovation works for the China Property recorded in the corresponding period, partially offset by lower operating expenses for China and Japan Properties.

Non property expenses were S$58.3 million in FY18/19, 1.2% higher than in the corresponding period, mainly due to higher trust expenses and interest costs incurred on the existing S$ borrowings.

The change in fair value of derivative instruments in FY18/19 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange gain in FY18/19 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 of S$20.3 million represents the net revaluation loss on the Group's investment properties in FY18/19.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018.

The variance in income tax was mainly due to the lower deferred tax reversal arising from downward revaluation of the China Property in FY18/19 and higher Malaysia withholding taxes paid in FY17/18.

Income available for distribution for FY18/19 was S$101.3 million, being 1.8% lower than the corresponding period. Income to be distributed to Unitholders was S$97.7 million, 1.5% lower than the corresponding period. Approximately S$3.6 million of income available for distribution for FY18/19 has been retained for working capital requirements.

Change in fair value of investment properties

The Group's portfolio of 10 prime properties across five countries was independently revalued at S$3,064.9 million as at 30 June 2019 (June 2018: S$3,118.3 million). The decrease was mainly due to downward revaluation of the Singapore Properties and negative net movement in foreign currencies in relation to the overseas properties during the current period, partially offset by upward revaluation of the Malaysia Properties. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments during the current period. The geographic breakdown of the portfolio by asset value as at 30 June 2019 was as follows: Singapore 69.0%, Australia 16.0%, Malaysia 12.1%, Japan 2.0%, and China 0.9%.

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 remains subdued with growth forecasted at 3.2% in 2019 and 3.5% in 2020[1]. Gross domestic product releases so far this year, together with generally softening inflation, point to weaker-than-anticipated global activity[1].

Similarly, advance estimates showed that the Singapore economy grew by 0.1% year-on-year (y-o-y) in the second quarter of 2019, down from the 1.1% growth in the previous quarter[2]. Retail sales (excluding motor vehicles) declined by 1.0% y-o-y in May 2019, compared to 2.1% y-o-y contraction in April 2019[3]. Meanwhile, international visitor arrivals for the first five months of 2019 was 7.77 million, an increase of 1.5% y-o-y[4].

In Singapore, supply pipeline is expected to tighten over the next few years[5]. Rents for prime retail space continued to hold firm in the Orchard submarket in 1Q 2019[6]. For the office sector, 1Q 2019 net absorption of supply was driven by technology and flexible workspace sectors, as vacancy tightened to 3.9%[7].

In Australia, retail sales for South Australia and Western Australia grew by 2.4% y-o-y and 0.4% y-o-y respectively for the 12 months to May 2019[8]. In South Australia, increasing number of international travellers to Adelaide and growth of international students strengthen the Adelaide retail precincts[9]. In Western Australia, the jobless rate spiked to a 17-year high in January 2019 at 6.8% in seasonally-adjusted terms[10]. Mining investment has risen, with a number of larger scale projects announced and being committed[11]. The Group has anchor leases in Australia, with upmarket departmental store Myer Pty Ltd in Adelaide and David Jones Limited in Perth, contributing approximately 7.0% and 4.7% of its portfolio gross rents respectively as at 30 June 2019.

In Malaysia, the new master tenancy agreements dated 18 March 2019 for the Malaysia Properties entered into with the current master tenant, Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL Corporation Berhad, were approved by Unitholders on 16 May 2019. For Starhill Gallery, all the requisite approvals for the asset enhancement works have not been fully obtained as at 30 June 2019, as assumed in the Circular to Unitholders dated 25 April 2019. The development order has been obtained whilst the approvals for the building plans and erection of building are still pending. As such, the interim annual rent of RM21 million, which commenced on 28 June 2019, will continue to apply until all the approvals are obtained. Please refer to the Circular for more details.

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. Master leases and anchor leases contributed approximately 45.8% of the portfolio gross rent as at 30 June 2019, including the Toshin master lease for Ngee Ann City Property. Following a rent review in June 2019, the new base rent for the Toshin master lease is equal to the existing rent.

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.

The Malaysian government has recently issued the rules and guidelines in relation to the Earning Stripping Rule (ESR) in June 2019, which clarified that ESR will be effective from 1 July 2019 to limit the tax deductibility of interest expense on any financial assistance in a controlled transaction (as defined under the ESR rules and guidelines) at 20% of tax-EBITDA. The Manager will be 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 have a material impact on the distributable income of Starhill Global REIT.

Sources

1. International Monetary Fund, World Economic Outlook: Still Sluggish Global Growth, July 2019
2. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 0.1 Per Cent in the Second Quarter of 2019, 12 July 2019
3. Singapore Department of Statistics, Retail Sales Index, Food and Beverage Services Index, May 2019, 12 July 2019
4. Singapore Tourism Board, International Visitor Arrivals Statistics, Visitor Arrivals 2019, 5 July 2019
5. CBRE Research, Singapore MarketView Q1 2019, 12 April 2019
6. Jones Lang LaSalle Research, Singapore Property Market Monitor, April 2019
7. Colliers International, Singapore Office Research Q1 2019, 23 April 2019
8. Australian Bureau of Statistics, Australia Retail Trade May 2019, 4 July 2019
9. Colliers International, Australia Retail – First Half 2019, 13 June 2019
10. Perth Now, WA unemployment rate jumps to 17-year high at 6.8 per cent, 21 February 2019
11. Savills Research, Western Australia, Perth CBD Office Briefing, May 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 April 2019 to 30 June 2019 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 April 2019 to 30 June 2019
	Cents
Taxable income component	0.8500
Tax-exempt income component	0.1100
Capital component	0.1400
Total	**1.1000**

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.

(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 April 2018 to 30 June 2018 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 April 2018 to 30 June 2018
	Cents
Taxable income component	0.9500
Tax-exempt income component	0.1400
Total	**1.0900**

Par value of units: Not applicable

Tax rate:

<u>Taxable income component</u>
Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

<u>Tax-exempt component</u>
Tax-exempt income component is exempt from tax in the hands of all Unitholders.

(c) Date payable: 29 August 2019

(d) Books Closure Date: 7 August 2019

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 Segmented revenue and results for business or geographical segments (of the Group) FY18/19

	Wisma Atria Property (Singapore) FY18/19 S$'000	Ngee Ann City Property (Singapore) FY18/19 S$'000	Australia Properties (Australia) FY18/19 S$'000	Malaysia Properties (Malaysia) FY18/19 S$'000	Other Properties (China/Japan) FY18/19 S$'000	Total FY18/19 S$'000
External revenue	61,778	65,370	46,186	28,179	4,677	206,190
Depreciation	-	-	-	-	15	15
Reportable segment net property income	46,835	53,445	28,265	27,278	3,583	159,406
Other material non-cash items:						
Change in fair value of investment properties	(20,244)	(11,797)	(4,952)	15,139	1,539	(20,315)
Unallocated items:						
Finance income						956
Non-property expenses						(20,530)
Finance expenses						(38,697)
Change in fair value of derivative instruments						(11,932)
Foreign exchange gain						178
Total return for the year before tax						69,066
Income tax						(3,479)
Total return for the year						65,587
Reportable segment assets	978,847	1,138,520	491,677	371,157	88,519	3,068,720
Unallocated assets						73,261
Total assets						3,141,981
Reportable segment liabilities	(17,896)	(18,848)	(5,384)	(5,668)	(3,743)	(51,539)
Unallocated liabilities						(1,160,421)
Total liabilities						(1,211,960)
Other segmental information						
Capital expenditure	673	16	6,757	197	31	7,674
Non-current assets	978,000	1,138,000	489,745	370,818	88,324	3,064,887

Geographical segments:

As at 30 June 2019, the Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of Starhill Gallery and Lot 10 Property), and others (consisting of China Property in Chengdu and two Japan Properties in Tokyo). Accordingly, no geographical segmental analysis is separately presented.

Segmented revenue and results for business or geographical segments (of the Group) FY17/18

Operating Segments

	Wisma Atria Property (Singapore) FY17/18 S$'000	Ngee Ann City Property (Singapore) FY17/18 S$'000	Australia Properties (Australia) FY17/18 S$'000	Malaysia Properties (Malaysia) FY17/18 S$'000	Other Properties (China/Japan) FY17/18 S$'000	Total FY17/18 S$'000
External revenue	65,845	63,891	46,382	27,867	4,829	208,814
Depreciation	-	-	-	-	12	12
Reportable segment net property income	51,026	51,961	28,658	26,938	3,604	162,187
Other material non-cash items:						
Change in fair value of investment properties	(666)	(830)	(7,130)	(13,339)	(704)	(22,669)
Unallocated items:						
Finance income						900
Non-property expenses						(19,070)
Finance expenses						(38,259)
Change in fair value of derivative instruments						4,467
Foreign exchange gain						134
Total return for the year before tax						87,690
Income tax						(3,446)
Total return for the year						84,244
Reportable segment assets	997,895	1,150,443	519,246	367,702	87,272	3,122,558
Unallocated assets						68,951
Total assets						3,191,509
Reportable segment liabilities	(18,154)	(19,248)	(6,116)	(5,376)	(4,744)	(53,638)
Unallocated liabilities						(1,147,575)
Total liabilities						(1,201,213)
Other segmental information						
Capital expenditure	612	260	8,950	3,871	9	13,702
Non-current assets	997,000	1,150,000	516,898	367,385	87,097	3,118,380

Geographical segments:

As at 30 June 2018, the Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of Starhill Gallery and Lot 10 Property), and others (consisting of China Property in Chengdu and two Japan Properties in Tokyo). Accordingly, no geographical segmental analysis is separately presented.

15 In the review of performance, the factors leading to any changes in contributions to turnover and earning by the business or geographical segments

Please refer to Section 8 for the review of actual performance.

16 Breakdown of sales

	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000	Increase / (Decrease) %
Gross revenue report for six months from 1 Jul to 31 Dec	103,063	105,437	(2.3%)
Total return after tax for six months from 1 Jul to 31 Dec	43,575	52,726	(17.4%)
Gross revenue report for six months from 1 Jan to 30 Jun	103,127	103,377	(0.2%)
Total return after tax for six months from 1 Jan to 30 Jun	22,012	31,518	(30.2%)

17 Breakdown of total distribution during the financial year ended 30 June 2019

	Group 01/07/18 to 30/06/19 S$'000	Group 01/07/17 to 30/06/18 S$'000
Unitholders' distribution		
Distribution of 1.09 cents (2017: 1.18 cents) per unit for the period 1 April to 30 June 2018	23,775	25,738
Distribution of 1.15 cents (2017: 1.20 cents) per unit for the period 1 July to 30 September 2018	25,084	26,174
Distribution of 1.13 cents (2017: 1.17 cents) per unit for the period 1 October to 31 December 2018	24,648	25,520
Distribution of 1.10 cents (2018: 1.09 cents) per unit for the period 1 January to 31 March 2019	23,993	23,775
	97,500	101,207

The amounts shown above are based on actual distribution paid to Unitholders for the respective periods.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial unitholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Manager confirms that there is no person occupying a managerial position in the Manager or in any principal subsidiaries of the Manager or Starhill Global REIT who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of Starhill Global REIT for the financial year ended 30 June 2019.

19 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.

20 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 June 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.

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
30 July 2019