STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 31 MARCH 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 quarter from 1 January 2020 to 31 March 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 January 2020 to 31 March 2020 ("3Q FY19/20") as well as the nine months period from 1 July 2019 to 31 March 2020 ("YTD FY19/20"). The comparative figures are in relation to the period from 1 January 2019 to 31 March 2019 ("3Q FY18/19") as well as the nine months period from 1 July 2018 to 31 March 2019 ("YTD FY18/19").

Starhill Global REIT announced the adoption of half-yearly financial statements reporting with effect from financial year ending 30 June 2021, as well as the change of its distribution frequency to semi-annual distributions from its current quarterly distributions with effect from 3Q FY19/20. The last quarterly distribution for the period from 1 October 2019 to 31 December 2019 has been made to Unitholders on 28 February 2020 and the next distribution period will be for the six-month period from 1 January 2020 to 30 June 2020. For further details, please refer to the SGX-ST announcement issued on 8 April 2020.

As at 31 March 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 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 THIRD QUARTER ENDED 31 MARCH 2020

	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %
Gross revenue	46,684	51,267	(8.9%)
Net property income	35,170	39,555	(11.1%)
Income available for distribution	24,017	25,038	(4.1%)
Income to be distributed to Unitholders	*	23,993	NM

The decline in revenue and net property income for 3Q FY19/20 was mainly attributed to the rental assistance extended to eligible retail tenants in Singapore, Malaysia and China to assist tenants in cushioning the impact of the COVID-19 pandemic, rental rebate extended to the master tenant during the asset enhancement period of Starhill Gallery in Malaysia, as well as the depreciation of A$ against S$. The impact of rental rebates during asset enhancement period of Starhill Gallery on the distributable income will be largely mitigated by the Manager receiving part of its base management fee in units. Excluding Starhill Gallery, revenue and net property income for the Group in 3Q FY19/20 decreased by 5.2% and 6.4% over 3Q FY18/19 respectively.

	Group 01/01/20 to 31/03/20	Group 01/01/19 to 31/03/19	Increase / (Decrease)
	Cents per unit		%
Distribution per unit ("DPU")			
For the quarter from 1 January to 31 March	*	1.10	NM
Annualised (based on the three months ended 31 March)	*	4.46	NM

* Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution to its Unitholders for 3Q FY19/20.

The computation of DPU for the comparative quarter ended 31 March 2019 is based on total number of units entitled to the distributable income for 3Q FY18/19 of 2,181,204,435 units. Please refer to Section 6 for more details.

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 (3Q FY19/20 vs 3Q FY18/19)

	Notes	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %	Trust 01/01/20 to 31/03/20 S$'000	Trust 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**46,684**	**51,267**	**(8.9%)**	**30,012**	**31,794**	**(5.6%)**
Maintenance and sinking fund contributions	(b)	(1,622)	(1,684)	(3.7%)	(1,602)	(1,667)	(3.9%)
Property management fees	(c)	(1,359)	(1,378)	(1.4%)	(904)	(952)	(5.0%)
Property tax		(4,872)	(4,991)	(2.4%)	(3,057)	(3,060)	(0.1%)
Other property expenses	(d)	(3,661)	(3,659)	0.1%	(941)	(1,162)	(19.0%)
Property expenses		**(11,514)**	**(11,712)**	**(1.7%)**	**(6,504)**	**(6,841)**	**(4.9%)**
Net property income		**35,170**	**39,555**	**(11.1%)**	**23,508**	**24,953**	**(5.8%)**
Finance income	(e)	163	230	(29.1%)	23	20	15.0%
Interest income from subsidiaries		-	-	-	1,224	1,388	(11.8%)
Dividend income from subsidiaries		-	-	-	4,333	1,330	225.8%
Management fees	(f)	(3,878)	(3,904)	(0.7%)	(3,649)	(3,677)	(0.8%)
Trust expenses	(g)	(1,193)	(1,124)	6.1%	(878)	(756)	16.1%
Finance expenses	(h)	(9,753)	(9,618)	1.4%	(6,455)	(6,339)	1.8%
Non property expenses		**(14,661)**	**(14,416)**	**1.7%**	**(5,402)**	**(8,034)**	**(32.8%)**
Net income before tax		**20,509**	**25,139**	**(18.4%)**	**18,106**	**16,919**	**7.0%**
Change in fair value of derivative instruments	(i)	(5,639)	(1,639)	244.1%	(4,023)	819	NM
Foreign exchange gain/(loss)	(j)	457	(31)	NM	(1,208)	(876)	37.9%
Total return for the period before tax and distribution		**15,327**	**23,469**	**(34.7%)**	**12,875**	**16,862**	**(23.6%)**
Income tax	(k)	(649)	(934)	(30.5%)	(179)	(205)	(12.7%)
Total return for the period after tax, before distribution		**14,678**	**22,535**	**(34.9%)**	**12,696**	**16,657**	**(23.8%)**
Non-tax deductible items and other adjustments	(l)	9,339	2,503	273.1%	11,321	8,381	35.1%
Income available for distribution		**24,017**	**25,038**	**(4.1%)**	**24,017**	**25,038**	**(4.1%)**

Footnotes:

(a) Gross revenue comprises mainly gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, rental assistance extended to eligible tenants in Singapore, Malaysia and China to cushion the impact of COVID-19 pandemic, as well as the depreciation of A$ against S$. Excluding Starhill Gallery, the gross revenue for the Group decreased by 5.2% over 3Q FY18/19. Approximately 36% (2019: 38%) of total gross revenue for the three months ended 31 March 2020 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. The decrease was mainly due to lower fees for Singapore Properties during the current quarter.

(d) Other property expenses were higher mainly due to higher operating expenses for Australia Properties including allowance for rental arrears, largely offset by lower leasing and upkeep expenses (net of depreciation expenses) for the Singapore Properties.

(e) Represents interest income from bank deposits and current accounts for the three months ended 31 March 2020.

(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. Commencing from 1Q FY19/20, part of the Manager's base management fee will be paid/payable in units (2019: 100% in cash).

(g) The increase in trust expenses for the Group was mainly due to higher professional fees incurred by the Trust during the current quarter.

(h) Includes the interest expense on lease liabilities in relation to the Group's existing leases, following the adoption of FRS 116 effective from 1 July 2019. Finance expenses were higher for the current quarter mainly due to higher interest costs incurred on the RM330 million Malaysia MTN ("Senior MTN") refinanced in September 2019.

(i) Represents mainly the change in the fair value of S$ and A$ interest rate swaps, as well as A$ forward contracts for the three months ended 31 March 2020.

(j) Represents mainly the foreign exchange differences on translation of foreign currency denominated transactions and monetary items for the Group for the three months ended 31 March 2020.

(k) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the three months ended 31 March 2020.

(l) See details in the distribution statement below.

Distribution Statement (3Q FY19/20 vs 3Q FY18/19)

	Notes	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %	Trust 01/01/20 to 31/03/20 S$'000	Trust 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**14,678**	**22,535**	**(34.9%)**	**12,696**	**16,657**	**(23.8%)**
Non-tax deductible/(chargeable) items and other adjustments:		9,339	2,503	273.1%	11,321	8,381	35.1%
Management fees payable in units	(m)	2,043	-	NM	2,043	-	NM
Finance costs		154	144	6.9%	219	209	4.8%
Sinking fund contribution		387	387	-	387	387	-
Change in fair value of derivative instruments		6,407	1,523	320.7%	4,790	(935)	NM
Deferred income tax		39	40	(2.5%)	-	-	-
Foreign exchange (gain)/loss		(399)	88	NM	1,250	943	32.6%
Other items	(n)	708	321	120.6%	881	828	6.4%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	1,751	6,949	(74.8%)
Income available for distribution		**24,017**	**25,038**	**(4.1%)**	**24,017**	**25,038**	**(4.1%)**
Income to be distributed to Unitholders	(o)	*****	**23,993**	**NM**	*****	**23,993**	**NM**

Footnotes:

(m) Represents part of the base management fee for the three months ended 31 March 2020 payable to the Manager in the form of units.

(n) Other items include mainly trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees and other non-tax deductible/chargeable costs.

(o) Approximately S$1.0 million of income available for distribution for 3Q FY18/19 has been retained for working capital requirements.

* Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20.

Statement of Total Return and Distribution (YTD FY19/20 vs YTD FY18/19)

	Notes	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000	Increase / (Decrease) %	Trust 01/07/19 to 31/03/20 S$'000	Trust 01/07/18 to 31/03/19 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**143,402**	**154,330**	**(7.1%)**	**93,236**	**95,331**	**(2.2%)**
Maintenance and sinking fund contributions	(b)	(4,992)	(5,182)	(3.7%)	(4,936)	(5,130)	(3.8%)
Property management fees	(c)	(4,173)	(4,105)	1.7%	(2,814)	(2,864)	(1.7%)
Property tax		(14,611)	(14,871)	(1.7%)	(9,013)	(9,146)	(1.5%)
Other property expenses	(d)	(10,385)	(10,673)	(2.7%)	(2,717)	(2,929)	(7.2%)
Property expenses		**(34,161)**	**(34,831)**	**(1.9%)**	**(19,480)**	**(20,069)**	**(2.9%)**
Net property income		**109,241**	**119,499**	**(8.6%)**	**73,756**	**75,262**	**(2.0%)**
Finance income	(e)	675	678	(0.4%)	53	84	(36.9%)
Interest income from subsidiaries		-	-	-	3,792	4,291	(11.6%)
Dividend income from subsidiaries		-	-	-	24,739	4,638	433.4%
Management fees	(f)	(11,801)	(11,909)	(0.9%)	(11,118)	(11,225)	(1.0%)
Trust expenses	(g)	(3,353)	(3,088)	8.6%	(2,577)	(2,164)	19.1%
Finance expenses	(h)	(29,668)	(28,899)	2.7%	(19,625)	(18,765)	4.6%
Non property expenses		**(44,147)**	**(43,218)**	**2.1%**	**(4,736)**	**(23,141)**	**(79.5%)**
Net income before tax		**65,094**	**76,281**	**(14.7%)**	**69,020**	**52,121**	**32.4%**
Change in fair value of derivative instruments	(i)	(6,420)	(7,413)	(13.4%)	(5,444)	(3,901)	39.6%
Foreign exchange gain/(loss)	(j)	766	(95)	NM	(2,002)	(6,400)	(68.7%)
Total return for the period before tax and distribution		**59,440**	**68,773**	**(13.6%)**	**61,574**	**41,820**	**47.2%**
Income tax	(k)	(1,990)	(2,663)	(25.3%)	(556)	(647)	(14.1%)
Total return for the period after tax, before distribution		**57,450**	**66,110**	**(13.1%)**	**61,018**	**41,173**	**48.2%**
Non-tax deductible items and other adjustments	(l)	17,060	10,296	65.7%	13,492	35,233	(61.7%)
Income available for distribution		**74,510**	**76,406**	**(2.5%)**	**74,510**	**76,406**	**(2.5%)**

Footnotes:

(a) Gross revenue comprises mainly gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, rental assistance extended to eligible tenants in Singapore, Malaysia and China to cushion the impact of COVID-19 pandemic, Ngee Ann City Property (Office), as well as the depreciation of A$ against S$. Excluding Starhill Gallery, the gross revenue for the Group decreased by 2.7% over the corresponding period. Approximately 35% (2019: 38%) of total gross revenue for the nine months ended 31 March 2020 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 increase was mainly due to higher fees for Australia Properties during the current period.

(d) Other property expenses were lower for the current period mainly due to lower leasing and upkeep expenses (net of depreciation expenses) for the Singapore Properties, partially offset by higher operating expenses for Australia Properties including allowance for rental arrears.

(e) Represents interest income from bank deposits and current accounts for the nine months ended 31 March 2020.

(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. Commencing from 1Q FY19/20, part of the Manager's base management fee will be paid/payable in units (2019: 100% in cash).

(g) The increase in trust expenses for the Group was mainly due to higher professional fees and project expenses incurred by the Trust during the current period, partially offset by lower expense incurred by the Malaysia Properties.

(h) Includes the interest expense on lease liabilities in relation to the Group's existing leases, following the adoption of FRS 116 effective from 1 July 2019. Finance expenses were higher for the current period mainly due to higher interest costs incurred on the RM330 million Senior MTN, as well as the existing S$ borrowings for the nine months ended 31 March 2020.

(i) Represents mainly the change in the fair value of S$ and A$ interest rate swaps, as well as A$ forward contracts for the nine months ended 31 March 2020.

(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 the nine months ended 31 March 2020.

(k) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the nine months ended 31 March 2020.

(l) See details in the distribution statement below.

Distribution Statement (YTD FY19/20 vs YTD FY18/19)

	Notes	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000	Increase / (Decrease) %	Trust 01/07/19 to 31/03/20 S$'000	Trust 01/07/18 to 31/03/19 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**57,450**	**66,110**	**(13.1%)**	**61,018**	**41,173**	**48.2%**
Non-tax deductible/(chargeable) items and other adjustments:		17,060	10,296	65.7%	13,492	35,233	(61.7%)
Management fees paid/payable in units	(m)	6,226	-	NM	6,226	-	NM
Finance costs		462	428	7.9%	689	631	9.2%
Sinking fund contribution		1,161	1,291	(10.1%)	1,161	1,291	(10.1%)
Change in fair value of derivative instruments		6,892	7,634	(9.7%)	5,915	4,088	44.7%
Deferred income tax		116	118	(1.7%)	-	-	-
Foreign exchange (gain)/loss		(539)	279	NM	2,415	6,487	(62.8%)
Other items	(n)	2,742	546	402.2%	3,128	2,468	26.7%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	(6,042)	20,268	NM
Income available for distribution		**74,510**	**76,406**	**(2.5%)**	**74,510**	**76,406**	**(2.5%)**
Income to be distributed to Unitholders	(o)	**49,391***	**73,725**	**NM**	**49,391***	**73,725**	**NM**

Footnotes:

(m) Represents part of the base management fee for the nine months ended 31 March 2020 paid/payable to the Manager in the form of units.

(n) Other items include mainly trustee's fee, straight-line rental adjustments, accretion of security deposits, commitment fees and other non-tax deductible/chargeable costs.

(o) Approximately S$1.1 million of income available for distribution for the six months ended 31 December 2019 (2019: S$2.6 million for nine months ended 31 March 2019) has been retained for working capital requirements.

* Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20. The reported number for YTD FY19/20 comprise the total distributions declared for the six-month period from 1 July 2019 to 31 December 2019.

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

Balance Sheet as at 31 March 2020

	Notes	Group 31/03/20 S$'000	Group 30/06/19 S$'000	Trust 31/03/20 S$'000	Trust 30/06/19 S$'000
Non-current assets					
Investment properties	(a)	3,062,110	3,064,861	2,116,897	2,116,000
Plant and equipment		20	26	-	-
Interests in subsidiaries	(b)	-	-	605,725	576,915
		3,062,130	**3,064,887**	**2,722,622**	**2,692,915**
Current assets					
Derivative financial instruments	(c)	778	302	778	302
Trade and other receivables	(d)	15,092	3,846	13,673	4,871
Cash and cash equivalents	(e)	81,428	72,946	22,110	11,517
		97,298	**77,094**	**36,561**	**16,690**
Total assets		**3,159,428**	**3,141,981**	**2,759,183**	**2,709,605**
Non-current liabilities					
Trade and other payables	(f)	24,403	26,581	18,401	20,467
Derivative financial instruments	(c)	18,152	11,432	10,826	4,685
Deferred tax liabilities	(g)	6,408	6,168	-	-
Borrowings	(h)	1,001,676	1,004,271	701,627	799,037
Lease liabilities	(i)	402	-	298	-
		1,051,041	**1,048,452**	**731,152**	**824,189**
Current liabilities					
Trade and other payables	(f)	48,203	32,491	37,006	23,811
Derivative financial instruments	(c)	1	-	1	-
Income tax payable		3,192	3,180	-	-
Borrowings	(h)	155,281	127,837	155,281	20,000
Lease liabilities	(i)	278	-	278	-
		206,955	**163,508**	**192,566**	**43,811**
Total liabilities		**1,257,996**	**1,211,960**	**923,718**	**868,000**
Net assets		**1,901,432**	**1,930,021**	**1,835,465**	**1,841,605**
Represented by:					
Unitholders' funds		1,901,432	1,930,021	1,835,465	1,841,605
		1,901,432	**1,930,021**	**1,835,465**	**1,841,605**

Footnotes:

(a) Investment properties decreased mainly due to net movement in foreign currencies in relation to the overseas properties and straight-line rental adjustments, partially offset by capital expenditure incurred and other adjustments during the current period. In addition, the Group has recognised its existing leases where the Group is a lessee as right of use assets under investment properties, following the adoption of FRS 116 effective from 1 July 2019.

The carrying amounts of the investment properties were based on valuations, using income capitalisation and/or discounted cash flow methods, performed by independent valuers in June 2019. The Manager will be engaging independent valuers to perform a full valuation of the Group's investment properties by June 2020, in accordance with Appendix 6 of the Code of Collective Investment Scheme which stipulates that a full valuation of each of the property fund's real estate assets should be conducted by a valuer at least once a financial year.

The outbreak of the COVID-19 was declared by the World Health Organisation as a global pandemic on 11 March 2020. The spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. Global financial markets have seen steep declines since late February largely on the back of the pandemic over concerns of trade disruptions and falling demand. 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. Accordingly, the carrying amounts of the Group's investment properties as at 31 March 2020 may change significantly after the balance sheet date as the situation unfolds.

(b) The increase in the Trust's interests in subsidiaries was mainly due to the following:

(i) subscription for 65,000,000 new redeemable preference shares in the capital of wholly-owned subsidiary, SG REIT (M) Pte Ltd for RM65 million, where the proceeds were largely to part finance the asset enhancement works in Malaysia; and

(ii) subscription for 4,131,000 new redeemable preference shares and 3,100,781 new units in the capital of wholly-owned subsidiaries, SG REIT (WA) Pte Ltd and SG REIT (WA) Trust respectively for A$8.1 million, where the proceeds were largely to part finance the capital expenditure in Australia.

(c) Derivative financial instruments as at 31 March 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 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 increase in trade and other receivables was largely attributed to the recognition of grant receivable from the Singapore government in relation to the property tax rebates for the period from 1 January 2020 to 31 December 2020 as part of the COVID-19 relief measures, higher prepayments and other receivables for the Australia Properties and Malaysia Properties, as well as higher net rent arrears.

(e) The increase in cash and cash equivalents was mainly due to net movement in borrowings and cash generated from operations, partially offset by payment of distributions, borrowing costs and capital expenditure during the current period.

(f) The net increase in trade and other payables was largely attributed to the recognition of deferred liabilities arising from the recognition of the Singapore government's property tax rebates which will be passed to the tenants in the form of rental rebates, higher payables for the Malaysia Properties, as well as higher security deposits and interest payables for the Group, partially offset by lower payables for the Singapore Properties and Australia Properties during the current period.

(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$55.3 million revolving credit facilities ("RCF"), JPY3.7 billion (S$48.6 million) term loan, S$295 million Singapore MTNs, JPY678 million (S$8.9 million) Japan bond, A$208 million (S$182.6 million) term loans and RM330 million (S$109.1 million) Senior MTN. The net increase in total borrowings was mainly due to net drawdown of S$35.3 million of short-term RCF during the current period, to part finance the asset enhancement works of Starhill Gallery.

As at 31 March 2020, the S$100 million Singapore MTN maturing in February 2021 and S$55.3 million RCF were classified as current liabilities. The Group has available undrawn long-term committed RCF to cover the net current liabilities of the Trust and the Group, including the maturing MTN. Please refer to Section 1(b)(ii) for details of the borrowings.

As at 31 March 2020, the Group's aggregate leverage ratio is 36.7% and interest coverage ratio for the 12 months ended 31 March 2020 is approximately 3.3 times, per the guidelines prescribed under the Property Funds Appendix issued by Monetary Authority of Singapore.

(i) Represents the lease liabilities recognised by the Group on its existing leases, following the adoption of FRS 116 effective from 1 July 2019.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/03/20 S$'000	Group 30/06/19 S$'000	Trust 31/03/20 S$'000	Trust 30/06/19 S$'000
Secured borrowings	(a)				
Amount repayable within one year		-	107,848	-	-
Amount repayable after one year		291,718	197,340	-	-
		291,718	**305,188**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		155,322	20,000	155,322	20,000
Amount repayable after one year		712,492	810,014	703,589	801,494
Total borrowings		**1,159,532**	**1,135,202**	**858,911**	**821,494**
Less: Unamortised loan acquisition expenses		(2,575)	(3,094)	(2,003)	(2,457)
Total borrowings		**1,156,957**	**1,132,108**	**856,908**	**819,037**

Footnotes:

(a) Secured
The Group refinanced its existing senior medium term notes of RM330 million upon maturity via a new unrated issuance of five-year fixed-rate Senior MTN of the same amount in September 2019. The Senior MTN bear a fixed coupon rate of 5.50% per annum and have a carrying amount of RM330 million (S$109.1 million) as at 31 March 2020. The notes have an expected maturity in September 2024 and legal maturity in March 2026, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

The Group has outstanding term loans of A$208 million (S$182.6 million) as at 31 March 2020, comprising:
(i) A$63 million (S$55.3 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$127.3 million) (maturing in November 2021) loan secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. SG REIT (SA) Sub-Trust2 is wholly owned by the Group.

(b) Unsecured
As at 31 March 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 January 2020, the Group established a new S$2 billion multicurrency debt issuance programme. The new programme allows the Group to issue perpetual securities, on top of medium term notes. For more details, please refer to the SGX-ST announcement issued on 3 January 2020.

As at 31 March 2020, 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 31 March 2020.
(ii) five-year unsecured term loan facility of JPY3.7 billion (S$48.6 million) (maturing in September 2024) with a bank.
(iii) three-year unsecured and committed RCF of S$80 million (maturing in March 2022) with two banks, of which S$13.6 million is outstanding as at 31 March 2020.

As at 31 March 2020, the Group has drawn down S$41.7 million of short-term loans from its unsecured and uncommitted RCF.

The Group has JPY678 million (S$8.9 million) of Japan bond outstanding as at 31 March 2020, 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
(3Q FY19/20 vs 3Q FY18/19) and (YTD FY19/20 vs YTD FY18/19)

	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000
Operating activities				
Total return for the period before tax and distribution	15,327	23,469	59,440	68,773
Adjustments for:				
Finance income	(163)	(230)	(675)	(678)
Depreciation	115	3	323	13
Management fees paid/payable in units	2,043	-	6,226	-
Finance expenses	9,753	9,618	29,668	28,899
Change in fair value of derivative instruments	5,639	1,639	6,420	7,413
Foreign exchange (gain)/loss	(457)	31	(766)	95
Operating income before working capital changes	32,257	34,530	100,636	104,515
Changes in working capital:				
Trade and other receivables	460	(101)	(841)	(2,279)
Trade and other payables	55	(423)	1,940	(1,065)
Income tax paid	(305)	(284)	(1,931)	(1,931)
Cash generated from operating activities	**32,467**	**33,722**	**99,804**	**99,240**
Investing activities				
Capital expenditure on investment properties (1)	(8,809)	(1,289)	(25,310)	(5,555)
Purchase of plant and equipment	-	-	-	(1)
Interest received on deposits	206	210	677	654
Cash flows used in investing activities	**(8,603)**	**(1,079)**	**(24,633)**	**(4,902)**
Financing activities				
Borrowing costs paid	(8,808)	(8,733)	(28,211)	(27,588)
Proceeds from borrowings (2)	76,322	18,000	330,156	46,600
Repayment of borrowings (2)	(49,000)	(11,000)	(294,834)	(36,879)
Payment of lease liabilities (3)	(116)	-	(327)	-
Distributions paid to Unitholders	(24,712)	(24,648)	(73,384)	(73,507)
Cash flows used in financing activities	**(6,314)**	**(26,381)**	**(66,600)**	**(91,374)**
Net increase in cash and cash equivalents	**17,550**	**6,262**	**8,571**	**2,964**
Cash and cash equivalents at the beginning of the period	63,936	62,151	72,946	66,730
Effects of exchange rate differences on cash	(58)	71	(89)	(1,210)
Cash and cash equivalents at the end of the period	**81,428**	**68,484**	**81,428**	**68,484**

Footnotes:

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

(2) The movement during the nine months ended 31 March 2020 relates mainly to the refinancing of RM330 million (S$108.9 million) Senior MTN and JPY3.7 billion (S$47.4 million) term loan, as well as drawdown of S$173.8 million RCF. The repayment also includes the settlement of short-term RCF of S$138.5 million during the current period.

(3) Represents the payment of principal portion of the lease liabilities following the adoption of FRS 116 effective from 1 July 2019.

1(d) (i) Statement of movements in Unitholders' Funds (3Q FY19/20 vs 3Q FY18/19)

	Notes	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Trust 01/01/20 to 31/03/20 S$'000	Trust 01/01/19 to 31/03/19 S$'000
Unitholders' funds at the beginning of the period		1,927,844	1,964,013	1,845,438	1,891,088
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	14,678	22,535	12,696	16,657
Increase in Unitholders' funds resulting from operations		**14,678**	**22,535**	**12,696**	**16,657**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(17,197)	1,890	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(2,731)	466	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		1,507	(1,366)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(c)	**(18,421)**	**990**	**-**	**-**
Unitholders' transactions					
Units to be issued:					
- Management fees payable in units	(d)	2,043	-	2,043	-
Distributions to Unitholders		(24,712)	(24,648)	(24,712)	(24,648)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(22,669)**	**(24,648)**	**(22,669)**	**(24,648)**
Unitholders' funds at the end of the period		**1,901,432**	**1,962,890**	**1,835,465**	**1,883,097**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 31 March 2020 includes a loss in fair value of derivative instruments of S$5.6 million (3Q FY18/19: S$1.6 million) and a net foreign exchange gain of S$0.5 million (3Q FY18/19: loss of S$31,000).

(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) There are an estimated 4,872,587 units to be issued to the Manager in April 2020 as partial satisfaction of its base management fee for the three months ended 31 March 2020.

Statement of movements in Unitholders' Funds (YTD FY19/20 vs YTD FY18/19)

	Notes	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000	Trust 01/07/19 to 31/03/20 S$'000	Trust 01/07/18 to 31/03/19 S$'000
Unitholders' funds at the beginning of the period		1,930,021	1,990,296	1,841,605	1,915,431
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	57,450	66,110	61,018	41,173
Increase in Unitholders' funds resulting from operations		**57,450**	**66,110**	**61,018**	**41,173**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(16,518)	(15,750)	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(2,094)	344	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(269)	(4,603)	-	-
Net loss recognised directly in Unitholders' funds	(c)	**(18,881)**	**(20,009)**	**-**	**-**
Unitholders' transactions					
- Management fees paid in units	(d)	4,183	-	4,183	-
- Management fees payable in units	(e)	2,043	-	2,043	-
Distributions to Unitholders		(73,384)	(73,507)	(73,384)	(73,507)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(67,158)**	**(73,507)**	**(67,158)**	**(73,507)**
Unitholders' funds at the end of the period		**1,901,432**	**1,962,890**	**1,835,465**	**1,883,097**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the nine months ended 31 March 2020 includes a loss in fair value of derivative instruments of S$6.4 million (YTD FY18/19: S$7.4 million) and a net foreign exchange gain of S$0.8 million (YTD FY18/19: loss of 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 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 a total of 5,696,243 units issued to the Manager in October 2019 and January 2020 as partial satisfaction of its base management fee for the six months ended 31 December 2019.

(e) There are an estimated 4,872,587 units to be issued to the Manager in April 2020 as partial satisfaction of its base management fee for the three months ended 31 March 2020.

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

	Notes	Group and Trust 01/01/20 to 31/03/20 Units	Group and Trust 01/01/19 to 31/03/19 Units	Group and Trust 01/07/19 to 31/03/20 Units	Group and Trust 01/07/18 to 31/03/19 Units
Issued units at the beginning of the period		2,184,012,239	2,181,204,435	2,181,204,435	2,181,204,435
Creation of units:					
- Management fees issued in units (base fee)	(a)	2,888,439	-	5,696,243	-
- Management fees issued in units (performance fee)	(b)	-	-	-	-
Issued units at the end of the period		**2,186,900,678**	**2,181,204,435**	**2,186,900,678**	**2,181,204,435**
Units to be issued:					
- Management fees payable in units (base fee)	(c)	4,872,587	-	4,872,587	-
Total issued and issuable units at the end of the period		**2,191,773,265**	**2,181,204,435**	**2,191,773,265**	**2,181,204,435**

Footnotes:

(a) Commencing from 1Q FY19/20, part of the Manager's base management fee will be paid/payable in units, as per the Circular to Unitholders dated 25 April 2019. These represent the actual number of units issued to the Manager in October 2019 and January 2020 as partial satisfaction of the base management fee for 1Q FY19/20 and 2Q FY19/20 respectively.

(b) Performance fees are calculated annually as at 30 June. The performance of Starhill Global REIT's trust index is approximately 83% below the benchmark index as at 30 June 2019.

(c) These are estimated units to be issued to the Manager in April 2020 as partial satisfaction of its base management fee for 3Q FY19/20.

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 March 2020 and 30 June 2019. The total number of issued units as at the end of the current period, and as at the end of the immediately preceding year are disclosed in Section 1(d)(ii).

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

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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

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

Not applicable.

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

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

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

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

FRS 116 Leases

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

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

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

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

	Notes	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000
Total return for the period after tax, before distribution		14,678	22,535	57,450	66,110
EPU - Basic					
Weighted average number of issued/issuable units	(a)	2,186,001,990	2,181,204,435	2,183,460,848	2,181,204,435
Earnings per unit (cents)	(b)	0.67	1.03	2.63	3.03
EPU - Diluted					
Weighted average number of units on a fully diluted basis	(c)	2,190,821,032	2,181,204,435	2,188,279,890	2,181,204,435
Earnings per unit (cents)	(b)	0.67	1.03	2.63	3.03
DPU					
Number of units issued and issuable at end of period	(d)	2,191,773,265	2,181,204,435	2,191,773,265	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		*	1.10	2.26*	3.38

Footnotes:

(a) For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the three and nine months ended 31 March 2020 are used and have been calculated on a time-weighted basis, where applicable.

For 3Q FY19/20, this comprises the weighted average number of (i) units in issue of 2,185,948,445; and (ii) units issuable of 53,545.

For YTD FY19/20, this comprises the weighted average number of (i) units in issue of 2,183,407,303; and (ii) units issuable of 53,545.

(b) The EPU for the three months ended 31 March 2020 includes a loss in fair value of derivative instruments of S$5.6 million (3Q FY18/19: S$1.6 million) and a net foreign exchange gain of S$0.5 million (3Q FY18/19: loss of S$31,000).

The EPU for the nine months ended 31 March 2020 includes a loss in fair value of derivative instruments of S$6.4 million (YTD FY18/19: S$7.4 million) and a net foreign exchange gain of S$0.8 million (YTD FY18/19: loss of S$0.1 million).

(c) For the purpose of computing the diluted EPU, the weighted average number of units for the three and nine months ended 31 March 2020 is adjusted to include the potential dilutive units assuming issuance of units for the settlement of unpaid base management fees.

For 3Q FY19/20, this comprises the (i) weighted average number units in issue of 2,185,948,445; and (ii) estimated number of units issuable to the Manager of 4,872,587.

For YTD FY19/20, this comprises the (i) weighted average number units in issue of 2,183,407,303; and (ii) estimated number of units issuable to the Manager of 4,872,587.

(d) The number of units comprises:

(i) The number of units in issue as at 31 March 2020 of 2,186,900,678; and

(ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for 3Q FY19/20 of 4,872,587.

* Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20. The reported number for YTD FY19/20 represents DPU for the six months ended 31 December 2019.

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

	Note	Group 31/03/20	Group 30/06/19	Trust 31/03/20	Trust 30/06/19
NAV/NTA per unit (S$) based on:					
- units issued and issuable at the end of the period	(a)	0.87	0.88	0.84	0.84

Footnote:

(a) The number of units used for computation of NAV and NTA per unit is 2,191,773,265 (2019: 2,181,204,435). This comprises:

(i) The number of units in issue as at 31 March 2020 of 2,186,900,678; and

(ii) The estimated number of units issuable to the Manager as partial satisfaction of its base management fee for 3Q FY19/20 of 4,872,587.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(3Q FY19/20 vs 3Q FY18/19) and (YTD FY19/20 vs YTD FY18/19)

	Group 01/01/20 to 31/03/20 S$'000	Group 01/01/19 to 31/03/19 S$'000	Increase / (Decrease) %	Group 01/07/19 to 31/03/20 S$'000	Group 01/07/18 to 31/03/19 S$'000	Increase / (Decrease) %
Gross revenue	**46,684**	**51,267**	**(8.9%)**	**143,402**	**154,330**	**(7.1%)**
Property expenses	(11,514)	(11,712)	(1.7%)	(34,161)	(34,831)	(1.9%)
Net property income	**35,170**	**39,555**	**(11.1%)**	**109,241**	**119,499**	**(8.6%)**
Non property expenses	(14,661)	(14,416)	1.7%	(44,147)	(43,218)	2.1%
Net income before tax	**20,509**	**25,139**	**(18.4%)**	**65,094**	**76,281**	**(14.7%)**
Change in fair value of derivative instruments	(5,639)	(1,639)	244.1%	(6,420)	(7,413)	(13.4%)
Foreign exchange gain/(loss)	457	(31)	NM	766	(95)	NM
Total return for the period before tax and distribution	**15,327**	**23,469**	**(34.7%)**	**59,440**	**68,773**	**(13.6%)**
Income tax	(649)	(934)	(30.5%)	(1,990)	(2,663)	(25.3%)
Total return for the period after tax, before distribution	**14,678**	**22,535**	**(34.9%)**	**57,450**	**66,110**	**(13.1%)**
Non-tax deductible items and other adjustments	9,339	2,503	273.1%	17,060	10,296	65.7%
Income available for distribution	**24,017**	**25,038**	**(4.1%)**	**74,510**	**76,406**	**(2.5%)**
Income to be distributed to Unitholders	*****	**23,993**	**NM**	**49,391*****	**73,725**	**NM**

* Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20. The reported number for YTD FY19/20 represents actual income to be distributed to Unitholders for the six months ended 31 December 2019.

3Q FY19/20 vs 3Q FY18/19

Revenue for the Group in 3Q FY19/20 was S$46.7 million, representing a decrease of 8.9% over 3Q FY18/19. Net property income ("NPI") for the Group was S$35.2 million, representing a decrease of 11.1% over 3Q FY18/19. The decrease in NPI was largely due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, rental assistance extended to eligible tenants in Singapore, Malaysia and China to cushion the impact of COVID-19 pandemic, as well as the depreciation of A$ against S$. Excluding Starhill Gallery, the gross revenue and NPI for the Group decreased by 5.2% and 6.4% over 3Q FY18/19 respectively. As at 31 March 2020, approximately S$2.1 million rental rebates have been disbursed to the tenants, while the remaining S$11.6 million rental assistance will be funded largely by the S$10.8 million property tax rebates to be received from the Singapore Government.

Singapore Properties contributed 64.3% of total revenue, or S$30.0 million in 3Q FY19/20, 5.6% lower than in 3Q FY18/19. NPI for 3Q FY19/20 was S$23.5 million, 5.8% lower than in 3Q FY18/19, mainly due to lower contributions largely attributed to the rental assistance extended to eligible tenants to cushion the impact of COVID-19 pandemic.

Australia Properties contributed 23.3% of total revenue, or S$10.9 million in 3Q FY19/20, 4.2% lower than in 3Q FY18/19. NPI for 3Q FY19/20 was S$6.4 million, 8.5% lower than in 3Q FY18/19, mainly due to the depreciation of A$ against S$ and lower contributions from Australia's retail portfolio including allowance for rental arrears, partially offset by higher contributions from Myer Centre Adelaide (Office).

Malaysia Properties contributed 10.0% of total revenue, or S$4.7 million in 3Q FY19/20, 32.8% lower than in 3Q FY18/19. NPI for 3Q FY19/20 was S$4.4 million, 34.0% lower than in 3Q FY18/19. The decrease in revenue and NPI was mainly due to the rental rebate extended to the master tenant during the asset enhancement period of Starhill Gallery, as well as rental assistance extended to the master tenant.

China and Japan Properties contributed 2.4% of total revenue, or S$1.1 million in 3Q FY19/20. NPI for 3Q FY19/20 was S$0.8 million, 7.2% lower than in 3Q FY18/19, largely attributed to rental assistance offered to the tenant in China in March 2020.

Non property expenses were S$14.7 million in 3Q FY19/20, 1.7% higher than in 3Q FY18/19, mainly due to higher trust expenses and higher interest costs incurred on the RM330 million Senior MTN refinanced in September 2019.

The change in fair value of derivative instruments in 3Q FY19/20 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 A$ forward contracts.

The net foreign exchange gain in 3Q FY19/20 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items.

The decrease in income tax for 3Q FY19/20 was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the three months ended 31 March 2020.

Income available for distribution for 3Q FY19/20 was S$24.0 million, being 4.1% lower than in 3Q FY18/19. Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20.

YTD FY19/20 vs YTD FY18/19

Group revenue of S$143.4 million in YTD FY19/20 was 7.1% lower than the S$154.3 million achieved in the corresponding period. NPI for the Group in YTD FY19/20 was S$109.2 million, representing a decrease of 8.6% over the corresponding period. The decrease in NPI was largely due to lower contributions from Starhill Gallery in relation to its planned asset enhancement, rental assistance extended to eligible tenants in Singapore, Malaysia and China to cushion the impact of COVID-19 pandemic, Ngee Ann City Property (Office), as well as the depreciation of A$ against S$. Excluding Starhill Gallery, the gross revenue and NPI for the Group decreased by 2.7% and 2.9% over the corresponding period respectively.

Singapore Properties contributed 65.0% of total revenue, or S$93.2 million in YTD FY19/20, 2.2% lower than in the corresponding period. NPI decreased by 2.0% to S$73.8 million for YTD FY19/20 mainly due to lower contributions largely attributed to the rental assistance extended to eligible tenants to cushion the impact of COVID-19 pandemic and Ngee Ann City Property (Office), partially offset by lower operating expenses for Wisma Atria Property.

Australia Properties contributed 23.0% of total revenue, or S$33.0 million in YTD FY19/20, 5.1% lower than in the corresponding period. NPI was S$19.8 million, 7.7% lower than in the corresponding period, mainly due to the depreciation of A$ against S$ and lower contributions from Australia's retail portfolio, partially offset by higher contributions from Myer Centre Adelaide (Office).

Malaysia Properties contributed 9.6% of total revenue, or S$13.7 million in YTD FY19/20, 34.1% lower than in the corresponding period. NPI was S$13.0 million, 35.2% lower than in the corresponding period. The decrease in revenue and NPI was mainly in line with the partial income disruption from the planned asset enhancement of Starhill Gallery, including the rental rebate extended to the master tenant from the commencement of the works in October 2019, as well as rental assistance extended to the master tenant.

China and Japan Properties contributed 2.4% of total revenue, or S$3.5 million in YTD FY19/20, 0.2% higher than in the corresponding period. NPI for YTD FY19/20 was S$2.7 million, 0.7% lower than in the corresponding period.

Non property expenses were S$44.1 million in YTD FY19/20, 2.1% higher than in the corresponding period, mainly due to higher interest costs incurred on the RM330 million Senior MTN and the existing S$ borrowings, as well as higher trust expenses.

The change in fair value of derivative instruments in YTD FY19/20 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 A$ forward contracts.

The net foreign exchange gain in YTD FY19/20 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts.

The decrease in income tax for YTD FY19/20 was mainly attributed to lower withholding tax accrued for the Malaysia Properties for the current period.

Income available for distribution for YTD FY19/20 was S$74.5 million, being 2.5% lower than the corresponding period. Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution declared for 3Q FY19/20. The income to be distributed to Unitholders of S$49.4 million reported for YTD FY19/20 comprise the total distributions declared for the six-month period from 1 July 2019 to 31 December 2019.

9 Variance between forecast and the actual results

The Trust has not disclosed any forecast to the market.

10 Commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The unprecedented COVID-19 pandemic has adversely impacted many industries worldwide including the retail sector and created significant uncertainty in global economic prospects and the Group's operating environment. Globally, many Governments have implemented measures to contain the spread. Our assets in Singapore and Malaysia have encountered movement restriction orders while retail tenants in Australia and China were impacted by stricter social distancing measures and lower tourist arrivals. As a result of the pandemic, the global economy is projected to contract sharply by -3% in 2020, much worse than during the 2008-2009 financial crisis[1].

Based on advanced estimates, Singapore's economy contracted by 2.2% year-on-year (y-o-y) in the first quarter of 2020[2]. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 10.6%[2]. The gross domestic product growth forecast for 2020 has been further downgraded to -4.0% to -1.0%[2]. Consumer spending was also hit, as retail sales (excluding motor vehicles) declined by 10.2% y-o-y in February 2020[3]. The Singapore Tourism Board expects visitor arrivals in 2020 to fall by about 25% to 30%[4]. International visitor arrivals in February 2020 plunged by 51.2% y-o-y[5], following significantly tighter border controls since February 2020[2]. In Australia, a significant economic contraction is expected in the June quarter and the unemployment rate is expected to increase to its highest level in years[6].

In Singapore, 'circuit breaker' measures announced by the Singapore Government on 3 April 2020 have been extended for another four weeks until 1 June 2020 and tighter measures are being implemented to curb the spread of COVID-19 infections. Wisma Atria Property and Ngee Ann City Property are open only for some essential services between 7 April 2020 and 1 June 2020. A new temporary law, COVID-19 (Temporary Measures) Act, was passed in April 2020 which allows tenants to defer their rent payments for an initial period of six months, if they satisfy certain conditions set out in the Act. The rental payments of affected tenants may potentially be deferred during this period. In Australia, while David Jones remains open, most of our tenants including Myer and UNIQLO have chosen to temporarily close their stores in response to heightened social distancing measures. Myer has been closed since 29 March 2020 and will remain so until at least 11 May 2020. In Malaysia, Starhill Gallery and Lot 10 Property have largely closed since Movement Control Order (MCO) kicked in on 18 March 2020.

To help tenants mitigate the business disruption, rental rebates amounting to approximately S$13.7 million were extended in phases to tenants in Starhill Global REIT's portfolio, of which approximately S$10.8 million relate to the property tax rebate to be received from the Singapore Government[7] which will be passed on in full to our tenants in Singapore. The Manager is currently evaluating partial rental rebate and deferments for our tenants in Australia based on the Mandatory Code of Conduct for landlords and tenants released by the National Cabinet of Australia. Starhill Global REIT's Australia portfolio contributed 18.2% to the Group's NPI in 3Q FY19/20.

The Group's portfolio is characterised by its quality master retail leases in Singapore and Malaysia which make up about 33.4% of revenue in 3Q FY19/20. Office portfolio contributed another 14.8% of revenue in 3Q FY19/20. Additionally, as at 31 March 2020, the weighted average portfolio lease expiry by gross rent stands at 5.7 years.

The Group does not have any debt maturities in the next 12 months, save for S$100 million medium term notes due in February 2021 and some short-term debts drawn under its revolving credit facilities. Additionally, the Group has available undrawn committed revolving credit facilities which is in excess of maturing debts and can be drawn down to fund its working capital requirements. The Group's gearing level is at 36.7% as at 31 March 2020.

The Manager is also undertaking cost-saving measures, including a 10% reduction in the base management fees payable by Starhill Global REIT for three months effective from April 2020, and delaying non-essential capital expenditures. Starhill Global REIT will also switch to semi-annual dividend distribution to achieve cost savings and greater financial flexibility.

The COVID-19 pandemic which has caused intensified social distancing measures in our core markets is expected to have a significant adverse impact on Starhill Global REIT's financial performance, income available for distribution and cashflow for the remaining period of the financial year ending 30 June 2020. Consumption spending on discretionary items and retail sales are likely to take a further hit as stay at home measures come into effect, along with the barring of international visitors and social distancing measures in malls[8]. Rental decline is expected to accelerate next quarter, as landlords face increasing pressure to strike the balance between occupancy and rents[8]. Tenant sales and shopper traffic are expected to decline substantially in the next quarter following strict social distancing and 'circuit breaker' measures as well as lower tourist arrivals. Tenant relief measures will also impact revenue contribution from the Group's retail portfolio. Valuations of investment properties will be subjected to significant uncertainty given the constantly evolving impact from COVID-19 pandemic. Given the fluidity of the COVID-19 pandemic, the full impact cannot be ascertained at this juncture. The Manager will closely monitor the COVID-19 situation and work proactively with the tenants to tide through this difficult period.

The Manager has recently received a reply from the Malaysian tax authority to clarify that the Earnings Stripping Rule (ESR), which limit the tax-deductibility of certain interest expense, applies to Starhill Global REIT's investment structure in Malaysia. The impact of ESR is not expected to be material on the distributable income of Starhill Global REIT for the financial year ending 30 June 2020.

Sources

1. International Monetary Fund, World Economic Outlook, April 2020 – Chapter 1: The Great Lockdown, 6 April 2020
2. Ministry of Trade and Industry Singapore, Singapore's GDP contracted by 2.2 Per Cent in the First Quarter of 2020, 26 March 2020
3. Singapore Department of Statistics, Retail Sales Index, Food and Beverage Services Index, February 2020, 3 April 2020
4. Singapore Tourism Board, STB rallies tourism sector to face biggest challenge since SARS, 11 February 2020
5. Singapore Tourism Board, International Visitor Arrivals Statistics, 18 March 2020
6. Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 7 April 2020
7. Property tax rebate as per the Budget 2020 announced by the Singapore Government on 18 February 2020 and the Resilience Budget announced on 26 March 2020
8. CBRE Research, Singapore MarketView Q1 2020, Cold feet from COVID-19, 17 April 2020

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: No

(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 January 2019 to 31 March 2019 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 January 2019 to 31 March 2019
	Cents
Taxable income component	0.8700
Tax-exempt income component	0.1100
Capital component	0.1200
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.

(c) Date payable: Not applicable

(d) Books Closure Date: Not applicable

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

Following Starhill Global REIT's change of its distribution frequency to semi-annual distributions, there is no proposed distribution to its Unitholders for 3Q FY19/20. For further details, please refer to the SGX-ST announcement issued on 8 April 2020.

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 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 March 2020 (comprising the balance sheets as at 31 March 2020, the statements of total return and distribution, the cash flow statements and statements of changes in Unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

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

Ho Sing
Chief Executive Officer/Director

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

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

BY ORDER OF THE BOARD
YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED
AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

Lam Chee Kin
Joint Company Secretary
28 April 2020