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

Interim Financial Statements
For the second half and full year ended 30 June 2022

**Table of Content**

## Summary of results

| | Group 01/01/22 to 30/06/22 $'000 | Group 01/01/21 to 30/06/21 $'000 | Increase / (Decrease) % | Group 01/07/21 to 30/06/22 $'000 | Group 01/07/20 to 30/06/21 $'000 | Increase / (Decrease) % |
|---|---|---|---|---|---|---|
| Gross revenue | 95,463 | 92,867 | 2.8% | 186,434 | 181,287 | 2.8% |
| Net property income [(a)] | 75,071 | 69,751 | 7.6% | 144,710 | 134,737 | 7.4% |
| Income available for distribution [(b)] | 47,121 | 44,939 | 4.9% | 89,779 | 88,177 | 1.8% |
| Income to be distributed to unitholders [(c)] | 45,257 | 45,909 | (1.4%) | 84,996 | 87,339 | (2.7%) |
| **Distribution per unit ("DPU")** | Cents per unit | | % | Cents per unit | | % |
| DPU (excluding effects of deferred amount) [(c), (d), (e)] | 2.02 | 1.86 | 8.6% | 3.80 | 3.60 | 5.6% |
| DPU (including effects of deferred amount) [(c), (d), (e)] | 2.02 | 2.07 | (2.4%) | 3.80 | 3.95 | (3.8%) |

Footnotes:

(a) The increase in net property income (“NPI”) for second half year ended 30 June 2022 (“2H FY21/22”) was mainly due to the cessation of rental rebates in Malaysia following the completion of asset enhancement works at The Starhill in December 2021, as well as lower operating expenses, partially offset by lower rental contribution from Wisma Atria Property (Retail) and depreciation of A$ against S$.

(b) The increase in income available for distribution for 2H FY21/22 and full year ended 30 June 2022 (“FY21/22”) were mainly in line with the higher NPI including straight-lining adjustment, as well as lower finance costs and other non-property items, partially offset by one-off adjustment to reflect the timing difference of Singapore property tax refunds in the full year ended 30 June 2021 (“FY20/21”), as well as lower management fees paid/payable in units and full period of distribution to perpetual securities holders in FY21/22.

(c) Approximately $1.9 million and $4.8 million (second half year ended 30 June 2021 (“2H FY20/21”) and FY20/21: $3.6 million and $8.5 million) of income available for distribution for 2H and FY21/22 has been retained for working capital requirements respectively. Included respectively in 2H and FY20/21 income to be distributed to Unitholders is the release of $4.6 million (or 0.21 cents per unit) and $7.7 million (or 0.35 cents per unit) relating to FY19/20’s deferred distributable income.

(d) The computation of DPU for 2H FY21/22 is based on the number of units entitled to distributions comprising issued and issuable units of 2,240,430,617 (2H FY20/21: 2,217,585,902).

(e) The computation of DPU for FY21/22 is based on the number of units entitled to distributions comprising of (i) 2,232,571,530 units for first half year ended FY21/22 (“1H FY21/22”), and (ii) issued and issuable units of 2,240,430,617 for 2H FY21/22 (FY20/21: 2,203,594,600 for first half year ended FY20/21 (“1H FY20/21”) and 2,217,585,902 for 2H FY20/21).

## Distribution details

| | |
|---|---|
| Distribution period | 1 January 2022 to 30 June 2022 |
| Distribution amount to Unitholders | 2.02 cents per unit |
| Record date | 5 August 2022 |
| Payment date | 23 September 2022 |

The Manager has determined that the distribution reinvestment plan (“DRP”) will apply to the distribution for the period from 1 January 2022 to 30 June 2022. The issue price of each new unit for this DRP will be set at a discount of approximately 2% to the volume-weighted average traded price per unit for all trades on the SGX-ST for each of the market days during the period of 10 market days prior to and ending on the record date. The Manager will announce further details on the issue price of the new units for the DRP on or around Friday, 5 August 2022.

## Balance sheets [1]
## As at 30 June 2022

| | Note | Group 2022 $'000 | Group 2021 $'000 | Trust 2022 $'000 | Trust 2021 $'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investment properties | 4 | 2,893,294 | 2,964,648 | 1,969,955 | 2,008,704 |
| Plant and equipment | | 14 | 29 | 13 | 21 |
| Interests in subsidiaries | | – | – | 667,224 | 659,123 |
| Derivative financial instruments | | 15,163 | 1,303 | 14,426 | 1,303 |
| Trade and other receivables | | – | 185 | – | – |
| | | 2,908,471 | 2,966,165 | 2,651,618 | 2,669,151 |
| **Current assets** | | | | | |
| Derivative financial instruments | | 436 | 91 | 391 | 91 |
| Trade and other receivables | | 2,855 | 5,008 | 2,865 | 5,386 |
| Cash and cash equivalents | | 85,663 | 108,323 | 33,820 | 50,913 |
| | | 88,954 | 113,422 | 37,076 | 56,390 |
| **Total assets** | | 2,997,425 | 3,079,587 | 2,688,694 | 2,725,541 |
| **Non-current liabilities** | | | | | |
| Trade and other payables | | 21,413 | 22,799 | 17,382 | 18,093 |
| Derivative financial instruments | | – | 7,324 | – | 5,020 |
| Deferred tax liabilities | | 6,844 | 6,795 | – | – |
| Borrowings | 5 | 955,962 | 1,105,353 | 784,932 | 927,150 |
| Lease liabilities | | 580 | 341 | 500 | 248 |
| | | 984,799 | 1,142,612 | 802,814 | 950,511 |
| **Current liabilities** | | | | | |
| Trade and other payables | | 38,894 | 41,514 | 26,522 | 28,467 |
| Derivative financial instruments | | 213 | 2,489 | 199 | 689 |
| Income tax payable | | 1,163 | 2,418 | – | – |
| Borrowings | 5 | 124,974 | – | 124,974 | – |
| Lease liabilities | | 355 | 457 | 355 | 457 |
| | | 165,599 | 46,878 | 152,050 | 29,613 |
| **Total liabilities** | | 1,150,398 | 1,189,490 | 954,864 | 980,124 |
| **Net assets** | | 1,847,027 | 1,890,097 | 1,733,830 | 1,745,417 |
| Represented by: | | | | | |
| Unitholders' funds | | 1,747,408 | 1,790,478 | 1,634,211 | 1,645,798 |
| Perpetual securities holders' funds | 6 | 99,619 | 99,619 | 99,619 | 99,619 |
| **Units in issue ('000)** | 7 | 2,239,028 | 2,214,204 | 2,239,028 | 2,214,204 |
| **Net asset value and net tangible asset per unit ($) based on:** | | | | | |
| Units issued and issuable at the end of the year | 8 | 0.78 | 0.81 | 0.73 | 0.74 |

**Note:**

[1] Please refer to FS36-37 for the key explanatory notes on the above items.

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

## Statements of total return
## Year ended 30 June 2022

| | Note | Group | | Trust | |
|---|---|---|---|---|---|
| | | 12 months ended 30 June 2022 $'000 | 12 months ended 30 June 2021 $'000 | 12 months ended 30 June 2022 $'000 | 12 months ended 30 June 2021 $'000 |
| **Gross revenue** | 9 | 186,434 | 181,287 | 113,225 | 114,006 |
| Property operating expenses | 10 | (41,724) | (46,550) | (24,234) | (26,638) |
| **Net property income** | | 144,710 | 134,737 | 88,991 | 87,368 |
| Interest income from fixed deposits and bank balances | | 387 | 451 | 67 | 119 |
| Interest income from subsidiaries | | – | – | 8,988 | 5,711 |
| Dividend income from subsidiaries | | – | – | 20,207 | 4,989 |
| Management fees | | (15,288) | (15,500) | (14,278) | (14,524) |
| Performance fees [(1)] | | – | – | – | – |
| Trust expenses | 11 | (3,920) | (3,924) | (2,495) | (2,763) |
| Finance expenses | 12 | (37,849) | (41,411) | (27,982) | (28,021) |
| | | 88,040 | 74,353 | 73,498 | 52,879 |
| Change in fair value of derivative instruments | | 19,953 | 12,755 | 15,523 | 8,466 |
| Foreign exchange loss | | (2,358) | (1,033) | (12,116) | (543) |
| Change in fair value of investment properties | 4 | (49,587) | (28,095) | (45,811) | (59,043) |
| Reversal of allowance on interests in subsidiaries | | – | – | 31,057 | – |
| Total return for the year before tax and distribution | | 56,048 | 57,980 | 62,151 | 1,759 |
| Income tax | | (2,251) | (1,462) | (1,316) | (698) |
| **Total return for the year after tax, before distribution** | | 53,797 | 56,518 | 60,835 | 1,061 |
| Less: Amount reserved for distribution to perpetual securities holders | | (3,850) | (2,088) | (3,850) | (2,088) |
| Non-tax deductible items and other adjustments | | 39,832 | 33,747 | 32,794 | 89,204 |
| **Income available for distribution** | | 89,779 | 88,177 | 89,779 | 88,177 |
| **Earnings per unit (cents)** | | | | | |
| Basic | 13 | 2.24 | 2.47 | 2.55 | (0.05) |
| Diluted | 13 | 2.24 | 2.47 | 2.55 | (0.05) |

**Note:**

(1) Performance fees are calculated annually as at 30 June. There is no performance fee for the year ended 30 June 2022 as the performance of Starhill Global REIT's trust index is approximately 115% below the benchmark index as at 30 June 2022.

**Distribution statements**
**Year ended 30 June 2022**

| | Group | | Trust | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** |
| **Income available for distribution at the beginning of the year** | 90,587 | 59,203 | 90,587 | 59,203 |
| Total return after tax, before distribution | 53,797 | 56,518 | 60,835 | 1,061 |
| Less: Amount reserved for distribution to perpetual securities holders | (3,850) | (2,088) | (3,850) | (2,088) |
| Net tax and other adjustments (Note A below) | 39,832 | 33,747 | 32,794 | 89,204 |
| Income available for distribution | 180,366 | 147,380 | 180,366 | 147,380 |
| Distributions during the year: | | | | |
| Unitholders | | | | |
| Distribution of 2.07 cents (2020: 0.70 cents) per unit for the period 1 January to 30 June 2021 | (45,903) | (15,365) | (45,903) | (15,365) |
| Distribution of 1.78 cents (2020: 1.88 cents) per unit for the period 1 July to 31 December 2021 | (39,740) | (41,428) | (39,740) | (41,428) |
| | (85,643) | (56,793) | (85,643) | (56,793) |
| **Income available for distribution at the end of the year** | 94,723 | 90,587 | 94,723 | 90,587 |

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

**Distribution statements (continued)**
**Year ended 30 June 2022**

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** |
| Number of units issued and issuable ('000) | 7 | 2,240,431 | 2,217,828 | 2,240,431 | 2,217,828 |
| Distribution per unit for the year (cents) | | 3.80 | 3.95 [1] | 3.80 | 3.95 [1] |
| ***Note A – Net tax and other adjustments*** | | | | | |
| Non-tax deductible/ (chargeable) items and other adjustments: | | | | | |
| - Management fees paid/payable in units | | 5,664 | 8,133 | 5,664 | 8,133 |
| - Finance costs | | 831 | 1,171 | 1,286 | 1,466 |
| - Sinking fund contribution | | 1,549 | 1,549 | 1,549 | 1,549 |
| - Depreciation | | 14 | 13 | 14 | 13 |
| - Change in fair value of derivative instruments | | (19,621) | (12,363) | (15,222) | (8,073) |
| - Change in fair value of investment properties | | 49,587 | 28,095 | 45,811 | 59,043 |
| - Deferred tax | | 63 | 109 | – | – |
| - Reversal of allowance on interests in subsidiaries | | – | – | (32,000) | – |
| - Foreign exchange loss | | 2,484 | 738 | 12,235 | (172) |
| - Other items | | (739) | 6,302 | 2,750 | 7,230 |
| - Net overseas income not distributed to the Trust, net of amount received | | – | – | 10,707 | 20,015 |
| Net tax and other adjustments | | 39,832 | 33,747 | 32,794 | 89,204 |

**Note:**

[1] Included the full release of $7.7 million (or 0.35 cents per unit) of FY19/20's deferred distributable income.

**Statements of total return**
**Second half year ended 30 June 2022**

| | Note | Group<br>6 months ended 30 June 2022<br>$'000 | Group<br>6 months ended 30 June 2021<br>$'000 | Trust<br>6 months ended 30 June 2022<br>$'000 | Trust<br>6 months ended 30 June 2021<br>$'000 |
|---|---|---|---|---|---|
| **Gross revenue** | 9 | 95,463 | 92,867 | 57,199 | 58,839 |
| Property operating expenses | 10 | (20,392) | (23,116) | (12,109) | (13,525) |
| **Net property income** | | 75,071 | 69,751 | 45,090 | 45,314 |
| Interest income from fixed deposits and bank balances | | 225 | 209 | 43 | 59 |
| Interest income from subsidiaries | | – | – | 4,000 | 3,751 |
| Dividend income from subsidiaries | | – | – | 12,549 | 791 |
| Management fees | | (7,565) | (7,711) | (7,066) | (7,197) |
| Performance fees | | – | – | – | – |
| Trust expenses | 11 | (1,966) | (1,843) | (1,167) | (1,253) |
| Finance expenses | 12 | (17,844) | (20,495) | (13,665) | (14,030) |
| | | 47,921 | 39,911 | 39,784 | 27,435 |
| Change in fair value of derivative instruments | | 12,368 | 8,006 | 10,288 | 5,443 |
| Foreign exchange loss | | (1,755) | (1,651) | (7,560) | (3,619) |
| Change in fair value of investment properties | 4 | (49,393) | (27,896) | (45,623) | (58,850) |
| Reversal of allowance on interests in subsidiaries | | – | – | 31,057 | – |
| Total return for the period before tax and distribution | | 9,141 | 18,370 | 27,946 | (29,591) |
| Income tax | | (861) | (191) | (544) | (369) |
| **Total return for the period after tax, before distribution** | | 8,280 | 18,179 | 27,402 | (29,960) |
| Less: Amount reserved for distribution to perpetual securities holders | | (1,909) | (1,909) | (1,909) | (1,909) |
| Non-tax deductible items and other adjustments | | 40,750 | 28,669 | 21,628 | 76,808 |
| **Income available for distribution** | | 47,121 | 44,939 | 47,121 | 44,939 |
| **Earnings per unit (cents)** | | | | | |
| Basic | 13 | 0.28 | 0.74 | 1.14 | (1.44) |
| Diluted | 13 | 0.28 | 0.74 | 1.14 | (1.44) |

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

**Distribution statements**
**Second half year ended 30 June 2022**

| | Group | | Trust | |
|---|---|---|---|---|
| | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| **Income available for distribution at the beginning of the period** | 87,342 | 87,076 | 87,342 | 87,076 |
| Total return after tax, before distribution | 8,280 | 18,179 | 27,402 | (29,960) |
| Less: Amount reserved for distribution to perpetual securities holders | (1,909) | (1,909) | (1,909) | (1,909) |
| Net tax and other adjustments (Note A below) | 40,750 | 28,669 | 21,628 | 76,808 |
| Income available for distribution | 134,463 | 132,015 | 134,463 | 132,015 |
| Distributions during the period: | | | | |
| Unitholders | | | | |
| Distribution of 1.78 cents (2020: 1.88 cents) per unit for the period 1 July to 31 December 2021 | (39,740) | (41,428) | (39,740) | (41,428) |
| | (39,740) | (41,428) | (39,740) | (41,428) |
| **Income available for distribution at the end of the period** | 94,723 | 90,587 | 94,723 | 90,587 |

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

**Distribution statements (continued)**
**Second half year ended 30 June 2022**

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Number of units issued and issuable ('000) | 7 | 2,240,431 | 2,217,828 | 2,240,431 | 2,217,828 |
| Distribution per unit for the period (cents) | | 2.02 | 2.07 [1] | 2.02 | 2.07 [1] |
| ***Note A – Net tax and other adjustments*** | | | | | |
| Non-tax deductible/ (chargeable) items and other adjustments: | | | | | |
| - Management fees paid/payable in units | | 1,625 | 4,030 | 1,625 | 4,030 |
| - Finance costs | | 407 | 813 | 553 | 932 |
| - Sinking fund contribution | | 775 | 775 | 775 | 775 |
| - Depreciation | | 7 | 7 | 7 | 7 |
| - Change in fair value of derivative instruments | | (11,983) | (7,671) | (9,937) | (5,107) |
| - Change in fair value of investment properties | | 49,393 | 27,896 | 45,623 | 58,850 |
| - Deferred tax | | (20) | 30 | – | – |
| - Reversal of allowance on interests in subsidiaries | | – | – | (32,000) | – |
| - Foreign exchange loss | | 1,802 | 1,469 | 7,559 | 3,293 |
| - Other items | | (1,256) | 1,320 | 829 | 1,865 |
| - Net overseas income not distributed to the Trust, net of amount received | | – | – | 6,594 | 12,163 |
| Net tax and other adjustments | | 40,750 | 28,669 | 21,628 | 76,808 |

**Note:**

[1] Included the release of $4.6 million (or 0.21 cents per unit) relating to remaining portion of the $7.7 million of FY19/20's deferred distributable income.

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

**Statements of movements in unitholders' funds**
**Year ended 30 June 2022**

| | Group | | Trust | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** |
| **Unitholders' funds at the beginning of the year** | 1,790,478 | 1,769,489 | 1,645,798 | 1,691,876 |
| **Operations** | | | | |
| Change in unitholders' funds resulting from operations, before distributions | 53,797 | 56,518 | 60,835 | 1,061 |
| Amount reserved for distribution to perpetual securities holders | (3,850) | (2,088) | (3,850) | (2,088) |
| Increase/(decrease) in unitholders' funds resulting from operations | 49,947 | 54,430 | 56,985 | (1,027) |
| **Foreign currency translation reserve** | | | | |
| Translation differences from financial statements of foreign entities | (13,096) | 11,762 | – | – |
| Transfer of translation differences from total return arising from hedge accounting (1) | 12,550 | 4,209 | – | – |
| Exchange differences on monetary items forming part of net investment in foreign operations | (23,899) | (4,361) | – | – |
| Net (loss)/gain recognised directly in unitholders' funds | (24,445) | 11,610 | – | – |
| **Hedging reserve** | | | | |
| Changes in fair value of cash flow hedges (2) | 3,128 | – | 3,128 | – |
| **Unitholders' transactions** | | | | |
| Management fees paid in units | 4,850 | 6,114 | 4,850 | 6,114 |
| Management fees payable in units | 814 | 2,019 | 814 | 2,019 |
| Distribution reinvestment plan (3) | 8,279 | 3,609 | 8,279 | 3,609 |
| Distributions to unitholders | (85,643) | (56,793) | (85,643) | (56,793) |
| Decrease in unitholders' funds resulting from unitholders' transactions | (71,700) | (45,051) | (71,700) | (45,051) |
| **Unitholders' funds at the end of the year** | 1,747,408 | 1,790,478 | 1,634,211 | 1,645,798 |

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

**Statements of movements in unitholders' funds (continued)**
**Year ended 30 June 2022**

| | Group | | Trust | |
|---|---|---|---|---|
| | 12 months ended 30 June 2022 $'000 | 12 months ended 30 June 2021 $'000 | 12 months ended 30 June 2022 $'000 | 12 months ended 30 June 2021 $'000 |
| **Perpetual securities holders' funds** | | | | |
| **Balance at the beginning of the year** | 99,619 | – | 99,619 | – |
| Issue of perpetual securities | – | 100,000 | – | 100,000 |
| Issuance cost | – | (550) | – | (550) |
| Total return attributable to perpetual securities holders | 3,850 | 2,088 | 3,850 | 2,088 |
| Distribution to perpetual securities holders | (3,850) | (1,919) | (3,850) | (1,919) |
| **Balance at the end of the year** | 99,619 | 99,619 | 99,619 | 99,619 |

**Notes:**

(1) The Group designated its JPY and AUD loans as net investment hedges for part of its Japan and Australia operations. Correspondingly, the foreign currency differences on the JPY and AUD loans were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan and Australia operations.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group.

(3) Represent 13,808,677 units (2021: 7,042,361 units issued in March 2021) issued in September 2021 and March 2022 as part payment of distribution for 2H FY20/21 and 1H FY21/22 (2021: 1H FY20/21) through distribution reinvestment plan.

## Statements of movements in unitholders' funds
## Second half year ended 30 June 2022

| | Group | | Trust | |
|---|---|---|---|---|
| | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| **Unitholders' funds at the beginning of the period** | 1,789,035 | 1,813,754 | 1,640,547 | 1,711,456 |
| **Operations** | | | | |
| Change in unitholders' funds resulting from operations, before distributions | 8,280 | 18,179 | 27,402 | (29,960) |
| Amount reserved for distribution to perpetual securities holders | (1,909) | (1,909) | (1,909) | (1,909) |
| Increase/(decrease) in unitholders' funds resulting from operations | 6,371 | 16,270 | 25,493 | (31,869) |
| **Foreign currency translation reserve** | | | | |
| Translation differences from financial statements of foreign entities | (9,118) | (3,267) | – | – |
| Transfer of translation differences from total return arising from hedge accounting [(1)] | 7,984 | 3,698 | – | – |
| Exchange differences on monetary items forming part of net investment in foreign operations | (15,035) | (6,188) | – | – |
| Net loss recognised directly in unitholders' funds | (16,169) | (5,757) | – | – |
| **Hedging reserve** | | | | |
| Changes in fair value of cash flow hedges[(2)] | 3,168 | – | 3,168 | – |
| **Unitholders' transactions** | | | | |
| Management fees paid in units | 811 | 2,011 | 811 | 2,011 |
| Management fees payable in units | 814 | 2,019 | 814 | 2,019 |
| Distribution reinvestment plan [(3)] | 3,118 | 3,609 | 3,118 | 3,609 |
| Distributions to unitholders | (39,740) | (41,428) | (39,740) | (41,428) |
| Decrease in unitholders' funds resulting from unitholders' transactions | (34,997) | (33,789) | (34,997) | (33,789) |
| **Unitholders' funds at the end of the period** | 1,747,408 | 1,790,478 | 1,634,211 | 1,645,798 |
| **Perpetual securities holders' funds** | | | | |
| **Balance at the beginning of the period** | 99,629 | 99,629 | 99,629 | 99,629 |
| Total return attributable to perpetual securities holders | 1,909 | 1,909 | 1,909 | 1,909 |
| Distribution to perpetual securities holders | (1,919) | (1,919) | (1,919) | (1,919) |
| **Balance at the end of the period** | 99,619 | 99,619 | 99,619 | 99,619 |

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

## Statements of movements in unitholders' funds (continued)
## Second half year ended 30 June 2022

**Notes:**

(1) The Group designated its JPY and AUD loans as net investment hedges for part of its Japan and Australia operations. Correspondingly, the foreign currency differences on the JPY and AUD loans were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan and Australia operations.

(2) Represent the changes in fair value of the cash flow hedges as a result of certain interest rate swaps entered into by the Group.

(3) Represent 5,100,433 units (2021: 7,042,361 units issued in March 2021) issued in March 2022 as part payment of distribution for 1H FY21/22 (2021: 1H FY20/21) through distribution reinvestment plan.

## Investment properties portfolio statement
## As at 30 June 2022

| Description of property | Tenure | Term of lease | Remaining term of lease | Location | Existing use | Occupancy rate [12] 2022 % | At valuation 2022 $'000 | At valuation 2021 $'000 | Percentage of Unitholders' funds 2022 % | Percentage of Unitholders' funds 2021 % |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | | |
| Ngee Ann City Property | Leasehold | Leasehold estate of 69 years expiring on 31 March 2072 | 50 years | 391/391B Orchard Road, Singapore 238874 | Retail/Office | 98.5/92.6 | 1,131,500[5] | 1,130,000 | 64.8 | 63.1 |
| Wisma Atria Property | Leasehold | Leasehold estate of 99 years expiring on 31 March 2061 | 39 years | 435 Orchard Road, Singapore 238877 | Retail/Office | 97.6/94.5 | 837,600[5] | 878,000 | 47.9 | 49.0 |
| Myer Centre Adelaide [1] | Freehold | – | – | 14-38 Rundle Mall, Adelaide, Australia | Retail/Office | 88.3/93.3 | 239,262[6] | 243,507 | 13.7 | 13.6 |
| David Jones Building [1] | Freehold | – | – | 622-648 Hay Street Mall, Perth, Australia | Retail | 98.5 | 136,858[7] | 146,508 | 7.8 | 8.2 |
| Plaza Arcade [1] | Freehold | – | – | 650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia | Retail | 77.6 | 46,417[7] | 49,004 | 2.7 | 2.7 |
| The Starhill [2] | Freehold | – | – | 181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia | Retail/Hotel [11] | 100.0 | 278,044[8] | 279,763 | 15.9 | 15.6 |
| Lot 10 Property [2] | Leasehold | Leasehold estate of 99 years expiring on 29 July 2076 | 54 years | 50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia | Retail/Office | 100.0 | 142,651[8] | 147,005 | 8.2 | 8.2 |
| China Property [3] | Leasehold | Leasehold estate expiring on 27 December 2035 | 13 years | 19, 4th Section, Renminnan Road, Chengdu, Sichuan, China | Retail | 100.0 | 29,293[9] | 29,760 | 1.6 | 1.7 |
| Ebisu Fort [4] | Freehold | – | – | 1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan | Retail/Office | 100.0 | 36,953[10] | 44,377 | 2.1 | 2.5 |
| Daikanyama [4] | Freehold | – | – | 1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan | Retail/Office | 100.0 | 13,781[10] | 15,927 | 0.8 | 0.9 |
| **Investment properties – fair value** | | | | | | | 2,892,359 | 2,963,851 | 165.5 | 165.5 |
| **Investment properties – right-of-use assets** | | | | | | | 935 | 797 | 0.1 | 0.1 |
| **Total investment properties** | | | | | | | 2,893,294 | 2,964,648 | 165.6 | 165.6 |
| **Other assets and liabilities (net)** | | | | | | | (1,046,267) | (1,074,551) | (59.9) | (60.0) |
| **Net assets** | | | | | | | 1,847,027 | 1,890,097 | 105.7 | 105.6 |
| **Perpetual securities holders' funds** | | | | | | | (99,619) | (99,619) | (5.7) | (5.6) |
| **Unitholders' funds** | | | | | | | 1,747,408 | 1,790,478 | 100.0 | 100.0 |

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

## Investment properties portfolio statement (continued)
## As at 30 June 2022

### Notes:

(1) David Jones Building, Plaza Arcade and Myer Centre Adelaide (the “Australia Properties”) were acquired on 20 January 2010, 1 March 2013 and 18 May 2015 respectively.

(2) The Starhill and Lot 10 Property (the “Malaysia Properties”) were acquired on 28 June 2010.

(3) China Property was acquired on 28 August 2007.

(4) The Japan Properties comprise two properties as at 30 June 2022. Daikanyama and Ebisu Fort were acquired on 30 May 2007 and 26 September 2007 respectively.

(5) The valuation of the Trust’s Ngee Ann City Property and Wisma Atria Property were based on the valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2022.

(6) Based on the valuation performed by Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations & Advisory South Australia as at 30 June 2022 and translated at the exchange rate of A$1.04 : $1.00 (2021: A$0.99 : $1.00).

(7) Based on the valuation performed by CIVAS (WA) Pty Limited as at 30 June 2022 and translated at the exchange rate of A$1.04 : $1.00 (2021: A$0.99 : $1.00).

(8) Based on the valuation performed by Nawawi Tie Leung Property Consultants Sdn Bhd as at 30 June 2022 and translated at the exchange rate of RM3.17 : $1.00 (2021: RM3.09 : $1.00).

(9) Based on the valuation performed by Cushman & Wakefield Limited as at 30 June 2022 and translated at the exchange rate of RMB4.81 : $1.00 (2021: RMB4.81 : $1.00).

(10) Based on the valuation performed by CBRE K.K. as at 30 June 2022 and translated at the exchange rate of JPY97.96 : $1.00 (2021: JPY82.25 : $1.00).

(11) The Starhill has completed asset enhancement works in December 2021 to convert it into an integrated development comprising retail and hotel elements.

(12) Based on commenced leases as at 30 June 2022.

The Manager believes that the above independent valuers have appropriate professional qualifications and experience in the location and category of the Group’s investment properties being valued. Full valuations of the above properties were performed as at year-end.

**Consolidated cash flow statement**
**Second half and full year ended 30 June 2022**

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| **Cash flows from operating activities** | | | | |
| Total return for the year before tax and distribution | 56,048 | 57,980 | 9,141 | 18,370 |
| Adjustments for: | | | | |
| Finance income | (387) | (451) | (225) | (209) |
| Depreciation | 22 | 22 | 10 | 11 |
| Management fees paid/payable in units | 5,664 | 8,133 | 1,625 | 4,030 |
| Finance expenses | 37,849 | 41,411 | 17,844 | 20,495 |
| Change in fair value of derivative instruments | (19,953) | (12,755) | (12,368) | (8,006) |
| Foreign exchange loss | 2,358 | 1,033 | 1,755 | 1,651 |
| Change in fair value of investment properties | 49,587 | 28,095 | 49,393 | 27,896 |
| Operating income before working capital changes | 131,188 | 123,468 | 67,175 | 64,238 |
| Trade and other receivables | (1,335) | 13,530 | 1,132 | 5,358 |
| Trade and other payables | (2,422) | 6,460 | 2,819 | (1,563) |
| Income tax paid | (3,146) | (1,241) | (1,906) | (614) |
| **Net cash from operating activities** | 124,285 | 142,217 | 69,220 | 67,419 |
| **Cash flows from investing activities** | | | | |
| Capital expenditure on investment properties | (20,073) | (34,937) | (10,111) | (15,029) |
| Purchase of plant and equipment | (6) | – | – | – |
| Interest received on deposits | 372 | 473 | 210 | 215 |
| **Net cash used in investing activities** | (19,707) | (34,464) | (9,901) | (14,814) |

**Consolidated cash flow statement (continued)**
**Second half and full year ended 30 June 2022**

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| **Cash flows from financing activities** | | | | |
| Borrowing costs paid | (36,533) | (44,261) | (17,630) | (23,060) |
| Proceeds from borrowings [(1)] | 235,000 | 405,729 | 110,000 | 352,008 |
| Repayment of borrowings [(1)] | (240,000) | (523,544) | (115,000) | (351,800) |
| Net proceeds from issuance of perpetual securities [(2)] | – | 99,450 | – | – |
| Payment of lease liabilities | (412) | (387) | (196) | (170) |
| Distributions paid to unitholders [(3)] | (77,364) | (53,184) | (36,622) | (37,819) |
| Distributions paid to perpetual securities holders | (3,850) | (1,919) | (1,919) | (1,919) |
| **Net cash used in financing activities** | (123,159) | (118,116) | (61,367) | (62,760) |
| | | | | |
| **Net decrease in cash and cash equivalents** | (18,581) | (10,363) | (2,048) | (10,155) |
| **Cash and cash equivalents at the beginning of the year/period** | 108,323 | 117,442 | 90,562 | 119,589 |
| Effects of exchange rate differences on cash | (4,079) | 1,244 | (2,851) | (1,111) |
| **Cash and cash equivalents at the end of the year/period** | 85,663 | 108,323 | 85,663 | 108,323 |

**Notes:**

(1) The movement during the year ended 30 June 2022 relates to the prepayment of $240 million term loan, issuance of $125 million medium term notes ("MTN") and drawdown of $110 million term loan facilities during the current period.

(2) Represents the proceeds from the issuance of perpetual securities during the previous corresponding period, net of issuance costs.

(3) Excludes the non-cash portion of the distributions, which was paid through the distribution reinvestment plan during the current period.

# Notes to the Financial Statements

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

## 1. General

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Starhill Global REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

## 2. Basis of preparation

### 2.1 Statement of compliance

The Financial Statements have been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS"). The Financial Statements are to be read in conjunction with the Group's last annual consolidated financial statements for the year ended 30 June 2021. The Financial Statements does not contain all of the information required for a full set of annual financial statements.

### 2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except as set out in the financial statements for the year ended 30 June 2021.

### 2.3 Functional and presentation currency

The Financial Statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial statements presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of Financial Statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

In preparing the Financial Statements, the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements were the same as those applied in the financial statements for the year ended 30 June 2021.

## 3. Significant accounting policies

The accounting policies applied by the Group in the Financial Statements are the same as those applied in its financial statements for the year ended 30 June 2021, except for the adoption of the new standards and amendments which became effective for financial year beginning on or after 1 July 2021. The adoption of these amendments to standards and interpretations do not have a significant impact on the Financial Statements.

A number of new standards, amendments to standards and interpretations that have been issued as of the balance sheet date but are not yet effective for the year ended 30 June 2022 have not been applied in preparing the Financial Statements. The adoption of these new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group's financial statements.

## 4. Investment properties

| | **Group** **\$'000** | **Trust** **\$'000** |
|---|---|---|
| At 1 July 2020 | 2,941,261 | 2,063,099 |
| Additions, straight-line rental and other adjustments | 34,794 | 4,648 |
| Change in fair value of investment properties | (28,095) | (59,043) |
| Translation differences | 16,688 | – |
| At 30 June 2021 | 2,964,648 | 2,008,704 |
| | | |
| At 1 July 2021 | 2,964,648 | 2,008,704 |
| Additions, straight-line rental and other adjustments | 22,216 | 7,062 |
| Change in fair value of investment properties [1] | (49,587) | (45,811) |
| Translation differences | (43,983) | – |
| At 30 June 2022 | 2,893,294 | 1,969,955 |

(1) Represents fair value adjustments on the investment properties including right-of-use assets as at 30 June 2022, following the property revaluation exercise in June 2022.

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and experience in the location and category of property being valued. The Group has a framework with respect to the measurement of fair values of its investment properties, which is regularly reviewed by the Manager.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. Due to the unknown future impact that the ongoing COVID-19 outbreak might have on the real estate market, the valuation of the Group's investment properties might change more significantly than during standard market conditions.

The valuers have used valuation techniques which include the capitalisation and discounted cash flow approaches, in arriving at the fair value as at the balance sheet date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

As at 30 June 2022, investment properties with a carrying value of approximately $557.6 million (2021: $573.3 million) are mortgaged to secure credit facilities for the Group.

**Fair value hierarchy**

The Group's and the Trust's investment properties of approximately $2,892.4 million (2021: $2,963.9 million) and $1,969.1 million (2021: $2,008.0 million) respectively (excluding the carrying amount of lease liabilities of approximately $0.9 million and $0.8 million respectively) as at 30 June 2022 are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2022:

| **Investment properties** | **Key unobservable inputs** | **Inter-relationship between key unobservable inputs and fair value measurement** |
|---|---|---|
| Commercial properties for leasing | • Capitalisation rates from 3.60% to 7.00% (2021: from 3.50% to 7.00%)<br>• Discount rates from 3.40% to 8.25% (2021: from 3.30% to 8.50%) | The estimated fair value would increase if capitalisation rates and discount rates decrease. |

Key unobservable inputs correspond to:

- Capitalisation rates largely derived from comparable transactions.
- Discount rates, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

# 5. Borrowings

| | Group | | Trust | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Non-current** | | | | |
| Secured borrowings | 164,442 | 170,509 | – | – |
| Unsecured borrowings | 795,396 | 939,268 | 788,475 | 931,025 |
| Unamortised loan acquisition expenses | (3,876) | (4,424) | (3,543) | (3,875) |
| | 955,962 | 1,105,353 | 784,932 | 927,150 |
| **Current** | | | | |
| Unsecured borrowings | 125,000 | – | 125,000 | – |
| Unamortised loan acquisition expenses | (26) | – | (26) | – |
| | 124,974 | – | 124,974 | – |
| Total borrowings (net of borrowing costs) | 1,080,936 | 1,105,353 | 909,906 | 927,150 |

**Secured**

The Group has outstanding unrated 5-year fixed-rate Senior MTN of RM330 million ($104.1 million) as at 30 June 2022 (2021: RM330 million ($106.9 million)). The Senior MTN bear a fixed coupon rate of 5.50% per annum, and have an expected maturity in September 2024 and legal maturity in March 2026. The notes are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

The Group has outstanding term loan of A$63 million ($60.3 million) (maturing in July 2023) as at 30 June 2022 (2021: A$63 million ($63.7 million)) secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. SG REIT (WA) Trust is wholly owned by the Group.

**Unsecured**

As at 30 June 2022, the Group has outstanding medium term notes of $195 million (2021: $195 million) issued under its $2 billion Multicurrency MTN Programme originally established in 2008, comprising:

- $125 million unsecured 8-year Singapore MTN (maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrear; and

- $70 million unsecured 10-year Singapore MTN (maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrear.

In addition, as at 30 June 2022, the Group has outstanding medium term notes of $225 million (2021: $100 million) issued under its $2 billion Multicurrency Debt Issuance Programme, established in January 2020, comprising:

- $100 million unsecured 5-year Singapore MTN (maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrear; and

- $125 million unsecured 7-year Singapore MTN (maturing in September 2028) which bear a fixed rate interest of 2.23% per annum payable semi-annually in arrear.

As at 30 June 2022, the Group has in place:

- 5-year unsecured loan facilities with a club of various banks, comprising (a) term loan of $250 million (maturing in February 2026) drawn in February 2021 and (b) $200 million committed revolving credit facilities (maturing in February 2026). There is no amount outstanding on these revolving credit facilities as at 30 June 2022;
- 5.5-year unsecured term loan facility of $60 million (maturing in September 2027) drawn in March 2022;
- 5-year unsecured term loan facility of $50 million (maturing in June 2027) drawn in June 2022;
- 5-year unsecured term loan facility of JPY3.7 billion ($37.8 million) (maturing in September 2024) (2021: JPY3.7 billion ($45.0 million));
- 5.5-year unsecured term loan facility of A$100 million ($95.7 million) (maturing in November 2026) (2021: A$100 million ($101.0 million)); and
- various unsecured and committed revolving credit facilities of $140 million (maturing between October 2023 and January 2025), of which no amount is outstanding as at 30 June 2022.

The Group has JPY678 million ($6.9 million) of Japan bond outstanding as at 30 June 2022 (2021: JPY678 million ($8.2 million)), maturing in August 2025 ("Series 4 Bonds"). The bondholders of Series 4 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

## 6. Perpetual securities holders' funds

The Trust issued $100 million of subordinated perpetual securities at a fixed rate of 3.85% per annum in December 2020, with the first distribution rate reset falling on 15 December 2025 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and is non-cumulative. Accordingly, the perpetual securities are classified as equity. The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

## 7. Units in issue

| | **Group and Trust** | |
|---|---|---|
| | **2022** | **2021** |
| | **No. of units** | **No. of units** |
| | **'000** | **'000** |
| At 1 July | 2,214,204 | 2,191,127 |
| Issue of units: | | |
| • Management fees paid in units (base fee) (1) | 11,015 | 16,034 |
| • Distribution reinvestment plan (2) | 13,809 | 7,043 |
| At 30 June | 2,239,028 | 2,214,204 |
| | | |
| Units to be issued: | | |
| • Management fees payable in units (base fee) (3) | 1,403 | 3,624 |
| Total issued and issuable units at 30 June | 2,240,431 | 2,217,828 |

(1) During the year ended 30 June 2022, the Trust issued 11,015,078 (2021: 16,034,142) units at the issue price ranging from $0.5972 to $0.6519 (2021: $0.4353 to $0.5637) per unit, as partial satisfaction of the above base management fees to the Manager.

(2) During the year ended 30 June 2022, the Trust issued 13,808,677 (2021: 7,042,361) units at the issue price ranging from $0.5926 to $0.6109 (2021: $0.5123) per unit pursuant to the distribution reinvestment plan.

(3) An estimated 1,403,211 (2021: 3,624,404) units are issuable by the Trust to the Manager as at 30 June 2022, as partial satisfaction of the base management fees for the period from 1 April to 30 June 2022 (2021: 1 April to 30 June 2021).

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Attend all unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or of the unitholders representing not less than 10% of the issued units) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;

- Receive income and other distributions attributable to the units held; and

- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him.

The restrictions of a unitholder include the following:

- A unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and

- A unitholder has no right to request the Trust to redeem his units while the units are listed on SGX-ST.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any units in the Trust. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022<br>$ | 2021<br>$ | 2022<br>$ | 2021<br>$ |
| NAV and NTA per unit based on: | | | | |
| Units issued and issuable at the end of the year [(1)] | 0.78 | 0.81 | 0.73 | 0.74 |

(1) The number of units used for computation of NAV and NTA per unit attributable to Unitholders is 2,240,430,617 (2021: 2,217,828,055). This comprises of (i) the number of units in issue as at 30 June 2022 of 2,239,027,406 (2021: 2,214,203,651); and (ii) the estimated number of units issuable to the Manager as partial satisfaction of its base management fee for 1 April to 30 June 2022 (2021: 1 April to 30 June 2021) of 1,403,211 (2021: 3,624,404).

## 9. Gross revenue

| | Group | | | |
|---|---|---|---|---|
| | 12 months ended 30 June 2022<br>$'000 | 12 months ended 30 June 2021<br>$'000 | 6 months ended 30 June 2022<br>$'000 | 6 months ended 30 June 2021<br>$'000 |
| Property rental income | 181,052 | 177,255 | 92,440 | 90,782 |
| Turnover rental income | 2,323 | 1,728 | 1,332 | 1,033 |
| Other income | 3,059 | 2,304 | 1,691 | 1,052 |
| | 186,434 | 181,287 | 95,463 | 92,867 |

| | Trust | | | |
|---|---|---|---|---|
| | 12 months ended 30 June 2022<br>$'000 | 12 months ended 30 June 2021<br>$'000 | 6 months ended 30 June 2022<br>$'000 | 6 months ended 30 June 2021<br>$'000 |
| Property rental income | 108,726 | 110,195 | 54,639 | 56,934 |
| Turnover rental income | 2,035 | 1,518 | 1,279 | 859 |
| Other income | 2,464 | 2,293 | 1,281 | 1,046 |
| | 113,225 | 114,006 | 57,199 | 58,839 |

## 10. Property operating expenses

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Maintenance and sinking fund contributions | 6,479 | 6,486 | 3,236 | 3,245 |
| Property management fees | 5,406 | 5,377 | 2,728 | 2,727 |
| Property tax | 18,313 | 19,309 | 8,904 | 9,642 |
| Depreciation expense | 22 | 22 | 10 | 11 |
| Leasing and upkeep expenses | 9,148 | 10,428 | 4,619 | 6,584 |
| Marketing expenses | 1,276 | 1,287 | 682 | 643 |
| (Reversal of allowance)/ impairment loss recognised on trade receivables | (349) | 2,389 | (459) | (451) |
| Administrative expenses and others | 1,429 | 1,252 | 672 | 715 |
| | 41,724 | 46,550 | 20,392 | 23,116 |

| | Trust | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Maintenance and sinking fund contributions | 6,408 | 6,408 | 3,204 | 3,204 |
| Property management fees | 3,385 | 3,421 | 1,702 | 1,748 |
| Property tax | 11,581 | 11,988 | 5,749 | 5,930 |
| Depreciation expense | 14 | 14 | 7 | 6 |
| Leasing and upkeep expenses | 1,315 | 1,154 | 779 | 830 |
| Marketing expenses | 1,020 | 988 | 554 | 523 |
| (Reversal of allowance)/ impairment loss recognised on trade receivables | (488) | 1,876 | (418) | 831 |
| Administrative expenses and others | 999 | 789 | 532 | 453 |
| | 24,234 | 26,638 | 12,109 | 13,525 |

## 11. Trust expenses

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Auditors' remuneration | 335 | 346 | 164 | 173 |
| Trustee's fees | 465 | 470 | 230 | 234 |
| Others (1) | 3,120 | 3,108 | 1,572 | 1,436 |
| | 3,920 | 3,924 | 1,966 | 1,843 |

| | Trust | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Auditors' remuneration | 225 | 225 | 112 | 113 |
| Trustee's fees | 465 | 470 | 230 | 234 |
| Others (1) | 1,805 | 2,068 | 825 | 906 |
| | 2,495 | 2,763 | 1,167 | 1,253 |

**(1)** Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group and Trust of approximately $121,000 (2021: $127,000) and $80,000 (2021: $125,000) respectively; and (ii) fees paid/payable to the valuers of the Group's and Trust's investment properties of approximately $187,000 (2021: $197,000) and $70,000 (2021: $61,000) respectively for year ended 30 June 2022.

## 12. Finance expenses

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Interest costs | 36,359 | 39,526 | 17,194 | 19,382 |
| Amortisation of borrowing costs | 1,452 | 1,855 | 634 | 1,100 |
| Interest expenses on lease liabilities | 38 | 30 | 16 | 13 |
| | 37,849 | 41,411 | 17,844 | 20,495 |

| | Trust | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Interest costs | 26,661 | 26,528 | 13,096 | 13,043 |
| Amortisation of borrowing costs | 1,286 | 1,466 | 554 | 976 |
| Interest expenses on lease liabilities | 35 | 27 | 15 | 11 |
| | 27,982 | 28,021 | 13,665 | 14,030 |

## 13. Earnings per unit

| | Group | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Earnings attributable to unitholders [1] | 49,947 | 54,430 | 6,371 | 16,270 |
| Basic earnings per unit (cents) [2] | 2.24 | 2.47 | 0.28 | 0.74 |
| Earnings per unit on a fully diluted basis (cents) [3] | 2.24 | 2.47 | 0.28 | 0.74 |

| | Trust | | | |
|---|---|---|---|---|
| | **12 months ended 30 June 2022 $'000** | **12 months ended 30 June 2021 $'000** | **6 months ended 30 June 2022 $'000** | **6 months ended 30 June 2021 $'000** |
| Earnings attributable to unitholders [1] | 56,985 | (1,027) | 25,493 | (31,869) |
| Basic earnings per unit (cents) [2] | 2.55 | (0.05) | 1.14 | (1.44) |
| Earnings per unit on a fully diluted basis (cents) [3] | 2.55 | (0.05) | 1.14 | (1.44) |

(1) Net of amount reserved for distribution to perpetual securities holders.

(2) In computing the basic earnings per unit for the year ended 30 June 2022, the earnings attributable to unitholders and the weighted average number of units of 2,229,003,487 (2021: 2,201,954,047) during the year ended 30 June 2022 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,228,999,643 (2021: 2,201,944,117); and (ii) estimated units issuable for the settlement of unpaid base management fees.

In computing the basic earnings per unit for the six months ended 30 June 2022, the earnings attributable to unitholders and the weighted average number of units of 2,235,376,911 (2021: 2,208,040,395) during the six months ended 30 June 2022 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,235,369,158 (2021: 2,208,020,371); and (ii) estimated units issuable for the settlement of unpaid base management fees.

(3) In computing the diluted earnings per unit for the year ended 30 June 2022, the weighted average number of units in issue of 2,228,999,643 (2021: 2,201,944,117) during the year ended 30 June 2022 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,403,211 (2021: 3,624,404) units for the settlement of unpaid base management fees.

In computing the diluted earnings per unit for the six months ended 30 June 2022, the weighted average number of units in issue of 2,235,369,158 (2021: 2,208,020,371) during the six months ended 30 June 2022 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,403,211 (2021: 3,624,404) units for the settlement of unpaid base management fees.

## 14. Operating segments

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the senior management of the Manager, which is the Group's Chief Operating Decision Maker ("CODM") on a regular basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

All of the Group's reportable segments are investment properties located in Singapore, Adelaide and Perth-Australia, Kuala Lumpur-Malaysia, and others (consisting of China Property in Chengdu and two properties in Tokyo, Japan). The segments are as follows:

- Ngee Ann City Property
- Wisma Atria Property
- Australia Properties
- Malaysia Properties
- Other Properties

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, non-property expenses, finance expenses and income tax expense.

Performance is measured based on the net property income of each operating segment, which is the gross revenue less property operating expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment net property income is used to measure performance as such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no transactions between reportable segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below.

| | Ngee Ann City Property (Singapore) | | Wisma Atria Property (Singapore) | | Australia Properties (Australia) | | Malaysia Properties (Malaysia) | | Other Properties (China/Japan) | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| **Group** | | | | | | | | | | | | |
| **Revenue and expenses** | | | | | | | | | | | | |
| External revenue | 63,368 | 63,513 | 49,857 | 50,493 | 42,802 | 44,316 | 25,837 | 18,259 | 4,570 | 4,706 | 186,434 | 181,287 |
| Depreciation of plant and equipment | – | – | 14 | 13 | – | – | – | – | 8 | 9 | 22 | 22 |
| Reportable segment net property income | 51,885 | 51,491 | 37,106 | 35,877 | 27,240 | 26,434 | 24,973 | 17,363 | 3,506 | 3,572 | 144,710 | 134,737 |
| Other material non-cash items: | | | | | | | | | | | | |
| Change in fair value of investment properties | 1,346 | (94) | (47,157) | (58,949) | (1,549) | 20,675 | (1,963) | 8,268 | (264) | 2,005 | (49,587) | (28,095) |
| Unallocated items: | | | | | | | | | | | | |
| Finance income | | | | | | | | | | | 387 | 451 |
| Non-property expenses | | | | | | | | | | | (19,208) | (19,424) |
| Finance expenses | | | | | | | | | | | (37,849) | (41,411) |
| Change in fair value of derivative instruments | | | | | | | | | | | 19,953 | 12,755 |
| Foreign exchange loss | | | | | | | | | | | (2,358) | (1,033) |
| Total return for the year before tax | | | | | | | | | | | 56,048 | 57,980 |
| Income tax | | | | | | | | | | | (2,251) | (1,462) |
| Total return for the year | | | | | | | | | | | 53,797 | 56,518 |

| | Ngee Ann City Property (Singapore) | | Wisma Atria Property (Singapore) | | Australia Properties (Australia) | | Malaysia Properties (Malaysia) | | Other Properties (China/Japan) | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| **Group** | | | | | | | | | | | | |
| **Assets and liabilities** | | | | | | | | | | | | |
| Reportable segment assets | 1,131,964 | 1,130,903 | 839,593 | 880,991 | 423,222 | 440,785 | 421,083 | 426,822 | 80,245 | 90,321 | 2,896,107 | 2,969,822 |
| Unallocated assets | | | | | | | | | | | 101,318 | 109,765 |
| Total assets | | | | | | | | | | | 2,997,425 | 3,079,587 |
| Reportable segment liabilities | (19,794) | (23,318) | (18,896) | (19,903) | (6,980) | (8,150) | (5,275) | (5,026) | (4,312) | (4,670) | (55,257) | (61,067) |
| Unallocated liabilities | | | | | | | | | | | (1,095,141) | (1,128,423) |
| Total liabilities | | | | | | | | | | | (1,150,398) | (1,189,490) |
| **Other segmental information** | | | | | | | | | | | | |
| Capital expenditure | 5 | 120 | 6,050 | 4,190 | 8,813 | 2,787 | 5,045 | 27,553 | 166 | 287 | 20,079 | 34,937 |
| Non-current assets [1] | 1,131,500 | 1,130,000 | 838,468 | 878,725 | 422,537 | 439,204 | 420,695 | 426,768 | 80,108 | 90,165 | 2,893,308 | 2,964,862 |

[1] Exclude derivative financial instruments.

## Breakdown of sales

| | Group | | |
|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | Increase/ (decrease) % |
| Gross revenue for six months from 1 July to 31 December | 90,971 | 88,420 | 2.9% |
| Total return after tax for six months from 1 July to 31 December | 45,517 | 38,339 | 18.7% |
| Gross revenue for six months from 1 January to 30 June | 95,463 | 92,867 | 2.8% |
| Total return after tax for six months from 1 January to 30 June | 8,280 | 18,179 | (54.5%) |

**Geographical segments**

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

## 15. Subsequent event

Subsequent to the year ended 30 June 2022, the Manager declared a distribution of 2.02 cents per unit in respect of the period from 1 January 2022 to 30 June 2022, which is payable on 23 September 2022.

## 16. Financial ratios

| | **Group** | |
|---|---|---|
| | **2022** | **2021** |
| | **%** | **%** |
| Ratio of expenses to weighted average net assets [1] | 1.02 | 1.05 |
| Portfolio turnover rate [2] | – | – |

[1] The ratios are computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and exclude property related expenses, finance expenses and the performance component of the Manager's fees.

[2] The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

# Other Information Required By Listing Rule Appendix 7.2

## Other Information

### 1. General

The balance sheet and investment properties portfolio statement of Starhill Global Real Estate Investment Trust (the "Trust" or "Starhill Global REIT") and its subsidiaries (the "Group") and balance sheet of the Trust as at 30 June 2022 and the related statements of total return, distribution statements, statements of movement in unitholders' fund of the Group and the Trust, and the cash flow statement of the Group for the second half and full year then ended and certain explanatory notes have not been audited or reviewed.

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

Starhill Global REIT did not hold any treasury units and subsidiary holdings as at 30 June 2022 and 30 June 2021. The total number of issued units as at the end of the current year, and as at the end of the immediately preceding year are disclosed in Note 7 to the Financial Statements.

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

Not applicable.

### 2. Review of performance of the Group

#### 2.1 Statement of total return and distribution

| | Group 01/01/22 to 30/06/22 $'000 | Group 01/01/21 to 30/06/21 $'000 | Increase / (Decrease) % | Group 01/07/21 to 30/06/22 $'000 | Group 01/07/20 to 30/06/21 $'000 | Increase / (Decrease) % |
|---|---|---|---|---|---|---|
| **Gross revenue** | **95,463** | **92,867** | **2.8%** | **186,434** | **181,287** | **2.8%** |
| Property expenses | (20,392) | (23,116) | (11.8%) | (41,724) | (46,550) | (10.4%) |
| **Net property income** | **75,071** | **69,751** | **7.6%** | **144,710** | **134,737** | **7.4%** |
| Non-property expenses | (27,150) | (29,840) | (9.0%) | (56,670) | (60,384) | (6.2%) |
| **Net income before tax** | **47,921** | **39,911** | **20.1%** | **88,040** | **74,353** | **18.4%** |
| Change in fair value of derivative instruments | 12,368 | 8,006 | 54.5% | 19,953 | 12,755 | 56.4% |
| Foreign exchange loss | (1,755) | (1,651) | 6.3% | (2,358) | (1,033) | 128.3% |
| Change in fair value of investment properties | (49,393) | (27,896) | 77.1% | (49,587) | (28,095) | 76.5% |
| **Total return for the period before tax and distribution** | **9,141** | **18,370** | **(50.2%)** | **56,048** | **57,980** | **(3.3%)** |
| Income tax | (861) | (191) | 350.8% | (2,251) | (1,462) | 54.0% |
| **Total return for the period after tax, before distribution** | **8,280** | **18,179** | **(54.5%)** | **53,797** | **56,518** | **(4.8%)** |
| Less: Amount reserved for distribution to perpetual securities holders | (1,909) | (1,909) | - | (3,850) | (2,088) | 84.4% |
| Non-tax deductible items and other adjustments | 40,750 | 28,669 | 42.1% | 39,832 | 33,747 | 18.0% |
| **Income available for distribution** | **47,121** | **44,939** | **4.9%** | **89,779** | **88,177** | **1.8%** |
| **Income to be distributed to Unitholders** | **45,257** | **45,909** | **(1.4%)** | **84,996** | **87,339** | **(2.7%)** |

**Financial performance – Second half year ended 30 June 2022 ("2H FY21/22") vs Second half year ended 30 June 2021 ("2H FY20/21")**

Group revenue of $95.5 million in 2H FY21/22 was 2.8% higher than the $92.9 million achieved in the previous corresponding period. Net property income ("NPI") for the Group in 2H FY21/22 was $75.1 million, representing an increase of 7.6% over the previous corresponding period. The increase in NPI was largely due to the cessation of rental rebates in Malaysia following the completion of asset enhancement works at The Starhill in December 2021, as well as lower operating expenses, partially offset by the lower rental contribution from Wisma Atria Property (Retail) and depreciation of A$ against S$.

Singapore Properties contributed 59.9% of total revenue, or $57.2 million in 2H FY21/22, 2.8% lower than in 2H FY20/21. NPI for 2H FY21/22 was $45.1 million, 0.5% lower than in 2H FY20/21, mainly due to the lower rent at Wisma Atria Property (Retail), partially offset by lower allowance for rental arrears, as well as higher office occupancies during the current period.

Australia Properties contributed 21.9% of total revenue, or $20.9 million in 2H FY21/22, 7.5% lower than in 2H FY20/21. NPI for 2H FY21/22 was $13.5 million, 3.6% lower than in 2H FY20/21, mainly due to reversal of allowances for rental arrears and rebates in the previous corresponding period, lower contribution from Myer Centre Adelaide, and depreciation of A$ against S$, partially offset by lower operating expenses including lower property tax and reinstatement costs.

Malaysia Properties contributed 15.9% of total revenue, or $15.1 million in 2H FY21/22, 66.6% higher than in 2H FY20/21. NPI for 2H FY21/22 was $14.7 million, 70.1% higher than in 2H FY20/21. The increase in revenue and NPI was mainly due to the cessation of rental rebates for asset enhancement works at The Starhill, as well as rental assistance provided to the master tenant in the previous corresponding period.

China and Japan Properties contributed 2.3% of total revenue, or $2.2 million in 2H FY21/22, 5.8% lower than in 2H FY20/21. NPI for 2H FY21/22 was $1.7 million, 0.9% lower than in 2H FY20/21, largely attributed to higher rental rebates for China Property, as well as depreciation of JPY against S$.

Non-property expenses were $27.2 million in 2H FY21/22, 9.0% lower than in 2H FY20/21, mainly in line with the lower finance costs incurred during the current period.

The change in fair value of derivative instruments in 2H FY21/22 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings mainly due to higher rates and expiring interest rate swaps as at 30 June 2022.

The net foreign exchange loss in 2H FY21/22 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 $49.4 million represents mainly the net revaluation losses on the Group's investment properties in 2H FY21/22.

The higher income tax expenses was mainly due to higher withholding tax for the Malaysia and Australia Properties, partially offset by reversal of tax provision for the Trust's investment in Japan in 2H FY21/22.

Income available for distribution for 2H FY21/22 after deducting amount reserved for distribution to perpetual securities holders was $47.1 million, 4.9% higher than in 2H FY20/21. The increase was mainly due to higher NPI including straight-lining adjustment, as well as lower finance costs and other non-property items, partially offset by lower management fees paid/payable in units. The income to be distributed to Unitholders for 2H FY21/22 was $45.3 million, 1.4% lower than 2H FY20/21's income to be distributed which included the release of $4.6 million (or 0.21 cents per unit) relating to the remaining portion of the $7.7 million of FY19/20's deferred distributable income. Excluding effects of deferred amount, the income to be distributed to Unitholders for 2H FY21/22 was 9.5% higher than 2H FY20/21. Approximately $1.9 million of income available for distribution for 2H FY21/22 has been retained for working capital requirements.

**Financial performance – Year ended 30 June 2022 ("FY21/22") vs Year ended 30 June 2021 ("FY20/21")**

Group revenue of $186.4 million in FY21/22 was 2.8% higher than the $181.3 million achieved in the previous corresponding period. NPI for the Group in FY21/22 was $144.7 million, representing an increase of 7.4% over the previous corresponding period. The increase in NPI was largely due to the cessation of rental rebates in Malaysia following the completion of asset enhancement works at The Starhill in December 2021, lower rental assistance to eligible tenants of the Group including allowance for rental arrears and rebates for Australia Properties, aggregating approximately $4.9 million in FY21/22 (FY20/21: $9.6 million), as well as lower operating expenses, partially offset by lower rental contribution from Wisma Atria Property (Retail).

Singapore Properties contributed 60.7% of total revenue, or $113.2 million in FY21/22, 0.7% lower than in FY20/21. NPI for FY21/22 was $89.0 million, 1.9% higher than in FY20/21, mainly due to the lower rental assistance for eligible tenants coupled with lower allowance for rental arrears, as well as higher office occupancies, partially offset by lower rent at Wisma Atria Property (Retail).

Australia Properties contributed 22.9% of total revenue, or $42.8 million in FY21/22, 3.4% lower than in FY20/21. NPI for FY21/22 was $27.2 million, 3.0% higher than in FY20/21, largely attributed to the lower operating expenses including lower property tax and reinstatement costs, partially offset by lower contribution from the retail portfolio.

Malaysia Properties contributed 13.9% of total revenue, or $25.8 million in FY21/22, 41.5% higher than in FY20/21. NPI for FY21/22 was $25.0 million, 43.8% higher than in FY20/21. The increase in revenue and NPI was mainly due to the cessation of rental rebates for asset enhancement works at The Starhill, as well as rental assistance provided to the master tenant in the previous corresponding period.

China and Japan Properties contributed 2.5% of total revenue, or $4.6 million in FY21/22, 2.9% lower than in FY20/21. NPI for FY21/22 was $3.5 million, 1.8% lower than in FY20/21, largely attributed to higher rental rebates for China Property, as well as depreciation of JPY against S$.

Non-property expenses were $56.7 million in FY21/22, 6.2% lower than in FY20/21, mainly in line with the lower finance costs incurred during the current period.

The change in fair value of derivative instruments in FY21/22 represents mainly the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings mainly due to higher rates and expiring interest rate swaps as at 30 June 2022.

The net foreign exchange loss in FY21/22 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 $49.6 million represents mainly the net revaluation losses on the Group's investment properties in FY21/22.

The higher income tax expenses was mainly attributed to the higher withholding tax for the Malaysia and Australia Properties, partially offset by reversal of tax provision for the Trust's investment in Japan in FY21/22.

Income available for distribution for FY21/22 after deducting amount reserved for distribution to perpetual securities holders was $89.8 million, 1.8% higher than in FY20/21. The increase was mainly due to higher NPI including straight-lining adjustment, as well as lower finance costs and other non-property items, partially offset by the one-off adjustment to reflect the timing difference of Singapore property tax refunds in the previous corresponding period, as well as full period of accrued distribution to perpetual securities holders and lower management fees paid/payable in units during the current period. The income to be distributed to Unitholders for FY21/22 was $85.0 million, 2.7% lower than FY20/21's income to be distributed which included the full release of $7.7 million (or 0.35 cents per unit) relating to FY19/20's deferred distributable income. Excluding effects of deferred amount, the income to be distributed to Unitholders for FY21/22 was 6.7% higher than FY20/21. Approximately $4.8 million of income available for distribution for FY21/22 has been retained for working capital requirements.

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

**Financial position – 30 June 2022 vs 30 June 2021**

(a) Investment properties (including right-of-use assets) decreased mainly due to downward revaluation of the Wisma Atria Property (Retail) (lower passing and market rents) in June 2022, as well as net movement in foreign currencies in relation to the overseas properties, partially offset by capital expenditure incurred during the current period. The geographic breakdown of the portfolio by asset value as at 30 June 2022 was as follows: Singapore 68.1%, Australia 14.6%, Malaysia 14.5%, Japan 1.8%, and China 1.0%.

(b) The variance in the Trust's interests in subsidiaries was mainly due to net movement in foreign currencies, redemption of preference shares for Starhill Global REIT Japan SPC One Pte. Ltd and Starhill Global REIT Japan SPC Two Pte. Ltd, partially offset by reversal of allowance for impairment loss on the Trust's investment in Australia and net capital injections during the current period.

(c) Derivative financial instruments as at 30 June 2022 include mainly the fair value of the interest rate swaps entered into to hedge the interest rate exposure on borrowings and foreign exchange forward contracts. The net increase in derivative values was mainly due to the change in fair value of the S$ and A$ interest rate swaps during the current period.

(d) Trade and other receivables decreased mainly due to lower net rental arrears for Singapore and Australia Properties as at 30 June 2022.

(e) Cash and cash equivalents decreased mainly due to payment of distributions, capital expenditure, as well as net movement in borrowings and related costs, partially offset by cash generated from operations during the current period.

(f) Trade and other payables decreased mainly due to the payment of government grant to Singapore tenants, lower payables for Singapore Properties, as well as lower security deposits for the Group, partially offset by higher payables for Malaysia and China Properties, as well as higher interest accruals for the Group as at 30 June 2022.

(g) Deferred tax liabilities are mainly in respect of the China Property and have been estimated on the basis of an asset sale at the current book value.

(h) Borrowings include $360 million term loans, JPY3.7 billion ($37.8 million) term loan, $420 million Singapore medium term notes ("MTN"), JPY678 million ($6.9 million) Japan bond, A$163 million ($156.0 million) term loans and RM330 million ($104.1 million) Senior MTN. As at 30 June 2022, the Group's aggregate leverage ratio is 36.2% (2021: 36.1%) and interest coverage ratio and adjusted interest coverage ratio based on trailing 12 months interest expenses as at 30 June 2022 is approximately 3.4 times and 3.1 times respectively. The net decrease in total borrowings was mainly due to net movement in foreign currencies. During the current period, the Group prepaid $240 million term loan (maturing in September 2022) largely financed by the issuance of $125 million MTN in September 2021 and drawdown of $60 million and $50 million unsecured term loan facilities in March 2022 and June 2022 respectively.

As at 30 June 2022, the outstanding $125 million unsecured Singapore MTN maturing in May 2023 was classified as current liabilities. The Group has sufficient undrawn long-term committed revolving credit facilities as at 30 June 2022 to cover the net current liabilities of the Trust and the Group.

(i) Represent the $100 million subordinated perpetual securities issued by the Trust in December 2020, at a fixed rate of 3.85% per annum. The perpetual securities, net of issuance costs, are classified as equity instruments.

(j) Income tax payable decreased mainly due to the reversal of tax provision for the Trust's investment in Japan, as well as lower withholding tax payable for Australia Properties as at 30 June 2022.

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

The Trust has not disclosed any forecast to the market.

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

Global economic growth is projected to ease from an estimated 6.1% in 2021 to 3.2%[1] in 2022. Geopolitical tensions, remaining uncertainties from the COVID-19 pandemic, and inflationary pressures are likely to contribute to the slowdown in the global economy.

Singapore's Gross Domestic Product (GDP) expanded by 4.8%[2] y-o-y in 2Q 2022, driven by the easing of safe management measures and the reopening of international borders. The retail sales index (excluding motor vehicles) grew 22.0%[3] y-o-y, backed by the boost in domestic consumption in May 2022. International visitor arrivals for 1H 2022 totalled 1.5 million, a 1,167.0% y-o-y increase over the same period in 2021[4] but well below pre-pandemic levels for the same corresponding period in 2019 amid the absence of Chinese tourists.

Prime rents in Orchard Road declined 1.0%[5] y-o-y in 2Q 2022, registering a slower rate of decline compared to the previous quarters. While visitor arrivals continued to tread below pre-pandemic levels, the easing of COVID-19 restrictions have contributed to rent stability[5]. The easing of safe management and border measures will likely improve domestic spending in 2H 2022, but mitigated by global uncertainties, rising inflation and labour crunch[5].

Grade A Core CBD office rents increased 7.6%[5] y-o-y in 2Q 2022, on the back of tight vacancy and limited future supply. Grade B Core CBD rents have also increased 5.6%[5] y-o-y. Relaxation of workplace measures, existing tight vacancies, strong leasing demand from sectors such as the technology and non-bank financial sectors as well as limited new supply could support rental expectations in 2H 2022[5].

Australia's GDP grew on average 3.3%[6] y-o-y in the 12 months ended March 2022. High inflation in Australia has resulted in the Reserve Bank of Australia increasing the cash rates by 125 basis points in the last three months, most recently in July 2022 to 1.35%[7]. Rising interest rates and high inflation may impact discretionary consumer spending. Notwithstanding, retail trade grew 5.1%[6] y-o-y on average in the 12 months ended May 2022.

Adelaide's CBD retail market has been relatively stable in the 12 months ended June 2022, with prime and secondary net rents remaining unchanged, but net effective rents have declined 2.6%[8] and 6.6%[8] y-o-y respectively. Adelaide's CBD office market has been resilient with improving vacancy and rents in view of tight supply[8]. Vacancy rates for Perth CBD retail remains high, with CBRE's June 2022 survey indicating a vacancy rate of 28%[8]. While net face rents have stabilised q-o-q in 2Q 2022, headwinds remain given work from home arrangements and higher inflation and rising interest rates which will likely impact discretionary consumer spending[8].

Malaysia's GDP grew at a rate of 5.0%[9] y-o-y in 1Q 2022, up 1.4 percentage points from 4Q 2021 on the back of stronger domestic demand, business resumption and reopening of domestic and international borders. Retail Group Malaysia reported retail sales growth of 18.3%[10] y-o-y in 1Q 2022. However, inflationary pressures have affected purchasing power and lifestyles, and this trend is expected to continue[11]. The rate of decline of mall occupancy has moderated, with a 1.8% y-o-y decline to 82.3%[11] in 1Q 2022. Cautious recovery in the retail market is anticipated towards 2023[11].

Building on our portfolio which is characterised by quality master leases, we continue to focus on maintaining a healthy portfolio occupancy and delivering a quality tenant mix. Whilst operating expenses are expected to increase on the back of higher utility cost, the impact is mitigated by master and anchor tenants which make up about half of the leases as well as utilities contracts locked in for some of our malls. We continue to exercise prudence in our capital management approach and have fixed or hedged 93% of borrowings as at 30 June 2022, to buffer rising interest rates. Although most parts of the world are progressively coming out of the pandemic, recovery will be gradual, tempered by geopolitical and economic risks.

**<u>Sources</u>**

[1] International Monetary Fund.

[2] Advance Estimates from Ministry of Trade and Industry.

[3] Retail Sales Index, (2017 = 100), In Chained Volume Terms, Monthly, Seasonally Adjusted.

[4] Singapore Tourism Board, 1H 2022.

[5] CBRE Singapore.

[6] Australian Bureau of Statistics.

[7] Reserve Bank of Australia.

[8] CBRE Australia Research.

[9] Bank Negara Malaysia, 1Q 2022.

[10] Retail Group Malaysia, June 2022.

[11] CBRE | WTW.

## 5. Distribution

### 5(a) Current financial period

| | |
|---|---|
| Any distributions declared for current financial period: | Yes |
| Name of distribution: | Distribution for the period from 1 January 2022 to 30 June 2022 |

Distribution rate:

| | **Unitholders' Distribution** |
|---|---|
| | **For the period from 1 January 2022 to 30 June 2022** |
| | Cents |
| Taxable income component | 1.56 |
| Tax-exempt income component | 0.46 |
| Total | 2.02 |

The Manager has determined that the DRP will apply to the distribution for the period from 1 January to 30 June 2022.

| | |
|---|---|
| Par value of units: | Not applicable |
| Tax Rate: | Taxable income component<br><br>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).<br><br>Tax-exempt component<br><br>Tax-exempt income component is exempt from tax in the hands of all Unitholders. |

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

| | |
|---|---|
| Any distributions declared for the previous corresponding financial period: | Yes |
| Name of distribution: | Distribution for the period from 1 January 2021 to 30 June 2021 |

Distribution rate

| | Unitholders' Distribution For the period from 1 January 2021 to 30 June 2021 |
|---|---|
| | Cents |
| Taxable income component | 1.84* |
| Tax-exempt income component | 0.23 |
| Total | 2.07 |

* Include 0.21 cents or $4.6 million of FY19/20's distributable income deferred as allowed under the COVID-19 relief measures.

DRP has been applied to the above distribution for the period from 1 January to 30 June 2021.

| | |
|---|---|
| Par value of units: | Not applicable |
| Tax Rate: | <u>Taxable income component</u><br>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).<br><u>Tax-exempt component</u><br>Tax-exempt income component is exempt from tax in the hands of all Unitholders. |

**5(c)** **Date payable:** 23 September 2022

**5(d)** **Record date:** 5 August 2022

## 5(e) Distribution policy

Starhill Global REIT's current distribution policy is to distribute on a semi-annual basis at least 90% of Starhill Global REIT's taxable income to its Unitholders or any other minimum level as allowed under the tax ruling issued by Inland Revenue Authority of Singapore (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

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

Not applicable.

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

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

## 8. 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 year ended 30 June 2022.

## 9. Confirmation pursuant to Rule 720(1) of the Listing Manual

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

## 10. 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 six months ended 30 June 2022:

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); and

2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, Starhill Global REIT will be able to fulfil from its deposited property, its liabilities as and when they fall due.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, outbreak of contagious diseases or pandemic, interest rate and foreign exchange trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

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
Singapore
28 July 2022