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 2024

Table of Content

Summary of results

	Group 01/01/24 to 30/06/24 $'000	Group 01/01/23 to 30/06/23 $'000	Increase / (Decrease) %	Group 01/07/23 to 30/06/24 $'000	Group 01/07/22 to 30/06/23 $'000	Increase / (Decrease) %
Gross revenue	95,186	93,043	2.3%	189,819	187,772	1.1%
Net property income [(a)]	74,508	73,558	1.3%	148,982	147,839	0.8%
Income available for distribution [(b)]	42,801	45,365	(5.7%)	84,706	88,945	(4.8%)
Income to be distributed to unitholders [(c)]	41,925	44,666	(6.1%)	82,135	85,608	(4.1%)
Distribution per unit ("DPU")	Cents per unit		%	Cents per unit		%
DPU [(d), (e)]	1.85	1.98	(6.6%)	3.63	3.80	(4.5%)

Footnotes:

(a) The increase in net property income ("NPI") for second half year ended 30 June 2024 ("2H FY23/24") was mainly attributed to the Singapore Properties, partially offset by net movement in foreign currencies. The increase in NPI for the year ended 30 June 2024 ("FY23/24") was mainly in line with higher contributions from the Singapore Properties and Myer Centre Adelaide (Retail), partially offset by loss of income from Japan divestment, as well as net movement in foreign currencies.

(b) The decrease in income available for distribution for 2H FY23/24 was mainly due to weaker foreign currencies, higher taxes and net finance costs, partially offset by higher NPI including straight-lining adjustments. The decrease in income available for distribution for FY23/24 was mainly due to weaker foreign currencies, higher net finance costs and taxes, as well as an one-off leasing commission fee in relation to the master lease renewal with Toshin Development Singapore Pte Ltd ("Toshin") at Ngee Ann City Property (Retail) during the current period, partially offset by higher NPI including straight-lining adjustments.

(c) Approximately $0.9 million of income available for distribution for 2H FY23/24 has been retained for working capital requirements (second half year ended 30 June 2023 ("2H FY22/23"): $0.7 million). For FY23/24, approximately $2.6 million of income available for distribution has been retained (year ended 30 June 2023 ("FY22/23"): $3.3 million).

(d) The computation of DPU for 2H FY23/24 is based on the number of units entitled to distributions comprising issued and issuable units of 2,266,243,369 (2H FY22/23: 2,255,820,673).

(e) The computation of DPU for FY23/24 is based on the number of units entitled to distributions comprising (i) 2,259,007,917 units for first half year ended FY23/24 ("1H FY23/24"), and (ii) issued and issuable units of 2,266,243,369 for 2H FY23/24 (FY22/23: 2,249,480,125 for first half year ended FY22/23 ("1H FY22/23") and 2,255,820,673 for 2H FY22/23).

Distribution details

Distribution period	1 January 2024 to 30 June 2024
Distribution amount to unitholders	1.85 cents per unit
Record date	6 August 2024
Payment date	24 September 2024

The Manager has determined that the distribution reinvestment plan ("DRP") will apply to the distribution for the period from 1 January 2024 to 30 June 2024. 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 Tuesday, 6 August 2024.

Balance sheets [1]
As at 30 June 2024

	Note	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Non-current assets					
Investment properties	4	2,762,160	2,767,811	1,965,682	1,958,705
Plant and equipment		1	3	-	2
Interests in subsidiaries		-	-	605,977	617,056
Derivative financial instruments		11,263	20,026	11,263	20,026
		2,773,424	2,787,840	2,582,922	2,595,789
Current assets					
Derivative financial instruments		6	350	-	79
Trade and other receivables		4,199	3,799	1,056	1,087
Cash and cash equivalents		60,574	68,302	18,494	20,673
		64,779	72,451	19,550	21,839
Total assets		2,838,203	2,860,291	2,602,472	2,617,628
Non-current liabilities					
Trade and other payables		23,885	21,714	20,934	18,694
Derivative financial instruments		449	131	449	131
Deferred tax liabilities		6,007	6,115	-	-
Borrowings	5	845,164	1,041,975	784,600	885,428
Lease liabilities		493	275	427	218
		875,998	1,070,210	806,410	904,471
Current liabilities					
Trade and other payables		45,966	37,362	40,965	26,578
Derivative financial instruments		253	17	195	17
Income tax payable		850	297	-	-
Borrowings	5	195,791	2,990	100,856	2,990
Lease liabilities		255	290	255	287
		243,115	40,956	142,271	29,872
Total liabilities		1,119,113	1,111,166	948,681	934,343
Net assets		1,719,090	1,749,125	1,653,791	1,683,285
Represented by:					
Unitholders' funds		1,619,471	1,649,506	1,554,172	1,583,666
Perpetual securities holders' funds	6	99,619	99,619	99,619	99,619
Units in issue ('000)	7	2,264,644	2,254,288	2,264,644	2,254,288
Net asset value and net tangible asset per unit ($) based on:					
- Units issued and issuable at the end of the year	8	0.71	0.73	0.69	0.70

Note:

[1] Please refer to FS31 for the key explanatory notes on the above items.

Statements of total return [1]
Second half and full year ended 30 June 2024

		Group			
	Note	6 months ended 30 June 2024 $'000	6 months ended 30 June 2023 $'000	12 months ended 30 June 2024 $'000	12 months ended 30 June 2023 $'000
Gross revenue	9	95,186	93,043	189,819	187,772
Property operating expenses	10	(20,678)	(19,485)	(40,837)	(39,933)
Net property income		74,508	73,558	148,982	147,839
Interest income from fixed deposits and bank balances		920	1,117	1,846	1,707
Management fees		(7,099)	(7,317)	(14,289)	(14,816)
Performance fees [2]		-	-	-	-
Trust expenses	11	(2,125)	(1,941)	(3,955)	(3,790)
Finance expenses	12	(21,435)	(20,240)	(43,044)	(39,501)
		44,769	45,177	89,540	91,439
Change in fair value of derivative instruments		(202)	(368)	(580)	6,344
Foreign exchange (loss)/gain		(139)	(1,206)	396	(1,291)
Change in fair value of investment properties		(16,309)	(65,328)	(16,525)	(65,511)
Gain on divestment of investment property		-	4,812	-	4,812
Total return for the period/year before tax		28,119	(16,913)	72,831	35,793
Income tax		(3,199)	(547)	(6,299)	(3,770)
Total return for the period/year after tax		24,920	(17,460)	66,532	32,023
Total return attributable to:					
Unitholders		23,000	(19,369)	62,671	28,173
Perpetual securities holders		1,920	1,909	3,861	3,850
Total return		24,920	(17,460)	66,532	32,023
Earnings per unit (cents)					
Basic	13	1.02	(0.86)	2.77	1.25
Diluted	13	1.02	(0.86)	2.77	1.25

Notes:

(1) Please refer to FS27-30 for the key explanatory notes on the above items.

(2) Performance fees are calculated annually as at 30 June. There was no performance fee for the year ended 30 June 2024 as the performance of Starhill Global REIT's trust index was approximately 80% below the benchmark index as at 30 June 2024.

Distribution statements
Second half and full year ended 30 June 2024

	Note	Group 6 months ended 30 June 2024 $'000	6 months ended 30 June 2023 $'000	12 months ended 30 June 2024 $'000	12 months ended 30 June 2023 $'000
Income available for distribution at the beginning of the period/year		94,711	93,046	97,471	94,723
Total return after tax, before distribution		24,920	(17,460)	66,532	32,023
Less: Amount reserved for distribution to perpetual securities		(1,920)	(1,909)	(3,861)	(3,850)
Net tax and other adjustments (Note A below)		19,801	64,734	22,035	60,772
Income available for distribution		137,512	138,411	182,177	183,668
Distributions during the period/year:					
<u>Unitholders</u>					
Distribution of 1.98 cents (2022: 2.02 cents) per unit for the period 1 January to 30 June 2023		-	-	(44,665)	(45,257)
Distribution of 1.78 cents (2022: 1.82 cents) per unit for the period 1 July to 31 December 2023		(40,211)	(40,940)	(40,211)	(40,940)
		(40,211)	(40,940)	(84,876)	(86,197)
Income available for distribution at the end of the period/year		97,301	97,471	97,301	97,471
Number of units issued and issuable ('000)	7	2,266,243	2,255,842	2,266,243	2,255,842
Distribution per unit for the period (cents)		1.85	1.98	3.63	3.80

Note A - Net tax and other adjustments

	6 months ended 30 June 2024 $'000	6 months ended 30 June 2023 $'000	12 months ended 30 June 2024 $'000	12 months ended 30 June 2023 $'000
Non-tax deductible/(chargeable) items and other adjustments:				
- Management fees paid/payable in units	1,535	1,581	3,091	3,196
- Finance costs	380	363	766	725
- Sinking fund contribution	823	824	1,647	1,598
- Depreciation	1	3	2	10
- Change in fair value of derivative instruments	202	368	580	(6,344)
- Change in fair value of investment properties	16,309	65,328	16,525	65,511
- Deferred tax	(180)	(110)	(106)	(32)
- Foreign exchange loss/(gain)	267	1,496	(88)	1,907
- Other items (1)	464	(5,119)	(382)	(5,799)
Net tax and other adjustments	19,801	64,734	22,035	60,772

Note:

(1) Other items include the one-off leasing commission fee in relation to the master lease renewal with Toshin (2023: reversal of gain on divestment of Daikanyama in January 2023).

Statements of movements in unitholders' funds
Second half and full year ended 30 June 2024

	Group			
	6 months ended 30 June 2024	**6 months ended 30 June 2023**	**12 months ended 30 June 2024**	**12 months ended 30 June 2023**
	$'000	**$'000**	**$'000**	**$'000**
Unitholders' funds at the beginning of the period/year	1,631,063	1,723,965	1,649,506	1,747,408
Operations				
Change in unitholders' funds resulting from operations, before distributions	24,920	(17,460)	66,532	32,023
Amount reserved for distribution to perpetual securities holders	(1,920)	(1,909)	(3,861)	(3,850)
Increase/(Decrease) in unitholders' funds resulting from operations	23,000	(19,369)	62,671	28,173
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	1,246	(17,876)	(1,402)	(41,164)
Exchange differences on hedge of net investment in foreign operations (1)	1,828	4,220	1,652	9,014
Exchange differences on monetary items forming part of net investment in foreign operations	(4,024)	(6,093)	(4,085)	(14,393)
Net loss recognised directly in unitholders' funds	(950)	(19,749)	(3,835)	(46,543)
Hedging reserve				
Changes in fair value of cash flow hedges (2)	3,050	2,136	(9,070)	(1,910)
Unitholders' transactions				
Management fees paid in units	768	792	2,324	2,407
Management fees payable in units	767	789	767	789
Distribution reinvestment plan (3)	1,984	1,882	1,984	5,379
Distributions to unitholders	(40,211)	(40,940)	(84,876)	(86,197)
Decrease in unitholders' funds resulting from unitholders' transactions	(36,692)	(37,477)	(79,801)	(77,622)
Unitholders' funds at the end of the period/year	1,619,471	1,649,506	1,619,471	1,649,506
Perpetual securities holders' funds				
Balance at the beginning of the period/year	99,629	99,629	99,619	99,619
Total return attributable to perpetual securities holders	1,920	1,909	3,861	3,850
Distribution to perpetual securities holders	(1,930)	(1,919)	(3,861)	(3,850)
Balance at the end of the period/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 and the Trust.

(3) For the six months ended 30 June 2024, this represents 4,007,764 units (2023: 3,322,933 units issued in March 2023) issued in March 2024 as part payment of distribution for 1H FY23/24 (2023: 1H FY22/23) through DRP.

For the year ended 30 June 2024, this represents 4,007,764 units (2023: 9,348,290 units issued in September 2022 and March 2023) issued in March 2024 as part payment of distribution for 1H FY23/24 (2023: 2H FY21/22 and 1H FY22/23) through DRP.

Statements of movements in unitholders' funds
Second half and full year ended 30 June 2024

	Trust			
	6 months ended 30 June 2024 $'000	6 months ended 30 June 2023 $'000	12 months ended 30 June 2024 $'000	12 months ended 30 June 2023 $'000
Unitholders' funds at the beginning of the period/year	1,565,475	1,631,240	1,583,666	1,634,211
Operations				
Change in unitholders' funds resulting from operations, before distributions	24,259	(10,324)	63,238	32,837
Amount reserved for distribution to perpetual securities holders	(1,920)	(1,909)	(3,861)	(3,850)
Increase/(Decrease) in unitholders' funds resulting from operations	22,339	(12,233)	59,377	28,987
Hedging reserve				
Changes in fair value of cash flow hedges (1)	3,050	2,136	(9,070)	(1,910)
Unitholders' transactions				
Management fees paid in units	768	792	2,324	2,407
Management fees payable in units	767	789	767	789
Distribution reinvestment plan (2)	1,984	1,882	1,984	5,379
Distributions to unitholders	(40,211)	(40,940)	(84,876)	(86,197)
Decrease in unitholders' funds resulting from unitholders' transactions	(36,692)	(37,477)	(79,801)	(77,622)
Unitholders' funds at the end of the period/year	1,554,172	1,583,666	1,554,172	1,583,666
Perpetual securities holders' funds				
Balance at the beginning of the period/year	99,629	99,629	99,619	99,619
Total return attributable to perpetual securities holders	1,920	1,909	3,861	3,850
Distribution to perpetual securities holders	(1,930)	(1,919)	(3,861)	(3,850)
Balance at the end of the period/year	99,619	99,619	99,619	99,619

Notes:

(1) Please refer to Note 2 in FS6.

(2) Please refer to Note 3 in FS6.

Investment properties portfolio statement
As at 30 June 2024

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate [12] 2024 %	At valuation 2024 $'000	At valuation 2023 $'000	Percentage of unitholders' funds 2024 %	Percentage of unitholders' funds 2023 %
Group										
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	48 years	391/391B Orchard Road, Singapore 238874	Retail/Office	100.0/98.9	1,148,000[5]	1,130,400	70.9	68.5
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	37 years	435 Orchard Road, Singapore 238877	Retail/Office	98.3/98.7	817,000[5]	827,800	50.4	50.2
Myer Centre Adelaide [1]	Freehold	-	-	14-38 Rundle Mall, Adelaide, Australia	Retail/Office	93.8/89.8	196,266[6]	202,095	12.1	12.3
David Jones Building [1]	Freehold	-	-	622-648 Hay Street Mall, Perth, Australia	Retail	99.3	111,637[7]	115,868	6.9	7.0
Plaza Arcade [1]	Freehold	-	-	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	91.9	38,488[7]	39,521	2.4	2.4
The Starhill [2]	Freehold	-	-	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/Hotel [11]	100.0	260,368[8]	259,818	16.1	15.8
Lot 10 Property [2]	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	52 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/Office	100.0	131,767[8]	131,216	8.1	8.0
Ebisu Fort [3]	Freehold	-	-	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	33,234[9]	34,935	2.1	2.1
China Property [4]	Leasehold	Leasehold estate expiring on 27 December 2035	11 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	100.0	24,652[10]	25,593	1.5	1.5
Investment properties – fair value							2,761,412	2,767,246	170.5	167.8
Investment properties – right-of-use assets							748	565	0.1	0.1
Total investment properties							2,762,160	2,767,811	170.6	167.9
Other assets and liabilities (net)							(1,043,070)	(1,018,686)	(64.4)	(61.8)
Net assets							1,719,090	1,749,125	106.2	106.1
Perpetual securities holders' funds							(99,619)	(99,619)	(6.2)	(6.1)
Unitholders' funds							1,619,471	1,649,506	100.0	100.0

Investment properties portfolio statement (continued)
As at 30 June 2024

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) Ebisu Fort was acquired on 26 September 2007.

(4) The China Property was acquired on 28 August 2007.

(5) The valuation of the Trust's Ngee Ann City Property (27.23% strata title interest in total share value of Ngee Ann City) and Wisma Atria Property (74.23% strata title interest in total share value of Wisma Atria) were based on the valuation performed by CBRE Pte. Ltd. as at 30 June 2024.

(6) Based on the valuation performed by Knight Frank Valuation & Advisory South Australia as at 30 June 2024 and translated at the exchange rate of A$1.11 : $1.00 (2023: A$1.11 : $1.00).

(7) Based on the valuation performed by Jones Lang LaSalle Advisory Services Pty Ltd as at 30 June 2024 and translated at the exchange rate of A$1.11 : $1.00 (2023: A$1.11 : $1.00).

(8) Based on the valuation performed by IVPS Property Consultant Sdn Bhd as at 30 June 2024 and translated at the exchange rate of RM3.48 : $1.00 (2023: RM3.44 : $1.00).

(9) Based on the valuation performed by Daiwa Real Estate Appraisal Co., Ltd. as at 30 June 2024 and translated at the exchange rate of JPY118.55 : $1.00 (2023: JPY106.77 : $1.00).

(10) Based on the valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 30 June 2024 and translated at the exchange rate of RMB5.35 : $1.00 (2023: RMB5.35 : $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 committed leases as at 30 June 2024.

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 2024

	Group			
	6 months ended 30 June 2024	6 months ended 30 June 2023	12 months ended 30 June 2024	12 months ended 30 June 2023
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Total return for the period/year before tax	28,119	(16,913)	72,831	35,793
Adjustments for:				
Finance income	(920)	(1,117)	(1,846)	(1,707)
Depreciation	1	3	2	10
Management fees paid/payable in units	1,535	1,581	3,091	3,196
Finance expenses	21,435	20,240	43,044	39,501
Change in fair value of derivative instruments	202	368	580	(6,344)
Gain on divestment of investment property	-	(4,812)	-	(4,812)
Foreign exchange loss/(gain)	139	1,206	(396)	1,291
Change in fair value of investment properties	16,309	65,328	16,525	65,511
Operating income before working capital changes	66,820	65,884	133,831	132,439
Trade and other receivables	(1,494)	(1,417)	(1,926)	(2,678)
Trade and other payables	4,914	3,063	10,515	(551)
Income tax paid	(3,446)	(3,990)	(5,821)	(5,668)
Net cash from operating activities	66,794	63,540	136,599	123,542
Cash flows from investing activities				
Net proceeds on divestment of investment property[1]	-	18,442	-	18,442
Capital expenditure on investment properties	(6,736)	(9,052)	(14,737)	(17,830)
Interest received on deposits	952	1,118	1,827	1,673
Net cash (used in)/from investing activities	(5,784)	10,508	(12,910)	2,285
Cash flows from financing activities				
Borrowing costs paid	(20,513)	(19,743)	(41,490)	(38,121)
Proceeds from borrowings[2]	24,000	216,587	59,500	232,587
Repayment of borrowings[2]	(25,500)	(231,384)	(61,500)	(247,384)
Payment of lease liabilities	(211)	(196)	(439)	(392)
Distributions paid to unitholders[3]	(38,227)	(39,058)	(82,892)	(80,818)
Distributions paid to perpetual securities holders	(1,930)	(1,919)	(3,861)	(3,850)
Net cash used in financing activities	(62,381)	(75,713)	(130,682)	(137,978)
Net decrease in cash and cash equivalents	(1,371)	(1,665)	(6,993)	(12,151)
Cash and cash equivalents at the beginning of the period/year	62,716	72,995	68,302	85,663
Effects of exchange rate differences on cash	(771)	(3,028)	(735)	(5,210)
Cash and cash equivalents at the end of the period/year	60,574	68,302	60,574	68,302

Notes:

(1) Net cashflows on divestment of Daikanyama represent the sale proceeds, net of directly attributable costs during the previous corresponding period.

(2) The movement during the year ended 30 June 2024 relates to drawdown of $59.5 million of revolving credit facilities ("RCF"), as well as settlement of $61.5 million RCF during the current period.

(3) Excludes the non-cash portion of the distributions, which was paid through the DRP.

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 2023. 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 2023.

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 2023.

3. Material 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 2023, except for the adoption of the new standards and amendments which became effective for financial year beginning on or after 1 July 2023. 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 2024 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 2022	2,893,294	1,969,955
Additions, straight-line rental and other adjustments	19,624	10,238
Divestment	(13,630)	-
Change in fair value of investment properties	(65,511)	(21,488)
Translation differences	(65,966)	-
At 30 June 2023	2,767,811	1,958,705
At 1 July 2023	2,767,811	1,958,705
Additions, straight-line rental and other adjustments	16,860	5,209
Change in fair value of investment properties (1)	(16,525)	1,768
Translation differences	(5,986)	-
At 30 June 2024	2,762,160	1,965,682

(1) Represents fair value adjustments on the investment properties including right-of-use assets as at 30 June 2024, following the property revaluation exercise in June 2024.

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 volatility in interest rates 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 appropriate market derived 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 2024, investment properties with a carrying value of approximately $392.1 million (2023: $391.0 million) are mortgaged to secure credit facilities for the Group.

Fair value hierarchy

The Group's and the Trust's investment properties of approximately $2,761.4 million (2023: $2,767.2 million) and $1,965.0 million (2023: $1,958.2 million) respectively (excluding the carrying amount of lease liabilities of approximately $0.7 million and $0.7 million respectively) as at 30 June 2024 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:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.20% to 7.25% (2023: 3.40% to 7.00%) • Discount rates from 3.00% to 7.75% (2023: 3.20% to 7.50%)	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	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Secured borrowings	-	95,799	-	-
Unsecured borrowings	847,735	949,709	786,900	888,552
Unamortised loan acquisition expenses	(2,571)	(3,533)	(2,300)	(3,124)
	845,164	1,041,975	784,600	885,428
Current				
Secured borrowings	94,941	-	-	-
Unsecured borrowings	101,000	3,000	101,000	3,000
Unamortised loan acquisition expenses	(150)	(10)	(144)	(10)
	195,791	2,990	100,856	2,990
Total borrowings (net of unamortised loan acquisition expenses)	1,040,955	1,044,965	885,456	888,418

Secured

The Group has outstanding unrated five-year fixed-rate Senior medium term notes ("MTN') of RM330 million ($94.9 million) as at 30 June 2024 (2023: RM330 million ($95.8 million)). The Senior MTN bear a fixed coupon rate of 5.5% 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.

Unsecured

As at 30 June 2024, the Group has outstanding unsecured 10-year Singapore MTN of $70 million (maturing in October 2026) (2023: $70 million) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrear issued under its $2 billion Multicurrency MTN Programme originally established in 2008. In addition, the Group has outstanding MTN of $225 million (2023: $225 million) issued under its $2 billion Multicurrency Debt Issuance Programme, established in 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 2024, the Group has in place:

- 5-year unsecured term loan facility with a club of various banks, comprising (a) term loan of $250 million (maturing in February 2026) (2023: $250 million) and (b) $200 million committed RCF (maturing in February 2026). There is no amount outstanding on these RCF as at 30 June 2024;
- 5.5-year unsecured term loan facility of $60 million (maturing in September 2027) (2023: $60 million);
- 5-year unsecured term loan facility of $50 million (maturing in June 2027) (2023: $50 million);
- 5-year unsecured term loan facility of JPY2.0 billion ($16.9 million) (maturing in September 2027) (2023: JPY2.0 billion ($18.7 million));
- 5.5-year unsecured term loan facility of A$100 million ($90.0 million) (maturing in November 2026) (2023: A$100 million ($89.8 million));
- 5-year and 5.5-year unsecured term loan facility of $50 million and $75 million (maturing in May 2028 and November 2028) (2023: $50 million and $75 million) respectively;
- 5-year unsecured term loan facility of A$63 million ($56.7 million) (maturing in June 2028) (2023: A$63 million ($56.6 million)); and
- various unsecured and committed RCF of $150 million (maturing between January 2025 and January 2029), of which $1 million is outstanding as at 30 June 2024 (2023: $3 million).

The Group has JPY488 million ($4.1 million) of Japan bond outstanding as at 30 June 2024 (2023: JPY488 million ($4.6 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 were deducted against the proceeds from the issue.

7. Units in issue

	Group and Trust	
	2024	**2023**
	No. of units	**No. of units**
	'000	**'000**
At 1 July	2,254,288	2,239,028
Issue of units:		
• Management fees paid in units (base fee) (1)	6,348	5,912
• Distribution reinvestment plan (2)	4,008	9,348
At 30 June	2,264,644	2,254,288
Units to be issued:		
• Management fees payable in units (base fee) (3)	1,599	1,554
Total issued and issuable units at 30 June	2,266,243	2,255,842

(1) During the year ended 30 June 2024, the Trust issued 6,347,991 (2023: 5,912,608) units at the issue price ranging from $0.4699 to $0.5144 (2023: $0.5009 to $0.5837) per unit, as partial satisfaction of the above base management fees to the Manager.

(2) During the year ended 30 June 2024, the Trust issued 4,007,764 (2023: 9,348,290) units at an issue price of $0.4950 (2023: $0.5661 to $0.5802) per unit pursuant to the distribution reinvestment plan.

(3) An estimated 1,599,310 (2023: 1,553,816) units are issuable by the Trust to the Manager as at 30 June 2024, as partial satisfaction of the base management fees for the period from 1 April to 30 June 2024 (2023: 1 April to 30 June 2023).

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**	
	2024 $	**2023 $**	**2024 $**	**2023 $**
NAV and NTA per unit based on:				
- Units issued and issuable at the end of the year [1]	0.71	0.73	0.69	0.70

[1] The number of units used for computation of NAV and NTA per unit attributable to unitholders is 2,266,243,369 (2023: 2,255,842,120). This comprises (i) the number of units in issue as at 30 June 2024 of 2,264,644,059 (2023: 2,254,288,304); 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 2024 of 1,599,310 (2023: 1 April to 30 June 2023 of 1,553,816).

9. Gross revenue

	Group			
	6 months ended 30 June 2024 $'000	**6 months ended 30 June 2023 $'000**	**12 months ended 30 June 2024 $'000**	**12 months ended 30 June 2023 $'000**
Property rental income	91,907	89,987	182,951	182,024
Turnover rental income	1,363	1,639	3,277	3,242
Other income	1,916	1,417	3,591	2,506
	95,186	93,043	189,819	187,772

10. Property operating expenses

	Group			
	6 months ended 30 June 2024 $'000	**6 months ended 30 June 2023 $'000**	**12 months ended 30 June 2024 $'000**	**12 months ended 30 June 2023 $'000**
Maintenance and sinking fund contributions	3,471	3,477	6,943	6,710
Property management fees	2,714	2,536	5,231	5,275
Property tax	8,623	7,612	16,590	16,304
Depreciation expense	1	3	2	10
Leasing and upkeep expenses	4,601	4,835	9,351	9,104
Marketing expenses	591	611	1,344	1,213
Impairment loss recognised/ (reversal of allowance) on trade receivables	69	(111)	70	128
Administrative expenses	608	522	1,306	1,189
	20,678	19,485	40,837	39,933

11. Trust expenses

	Group			
	6 months ended 30 June 2024 $'000	**6 months ended 30 June 2023 $'000**	**12 months ended 30 June 2024 $'000**	**12 months ended 30 June 2023 $'000**
Auditors' remuneration	164	160	326	316
Trustee's fees	219	224	440	453
Others [1]	1,742	1,557	3,189	3,021
	2,125	1,941	3,955	3,790

(1) Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately $233,000 (2023: $78,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately $171,000 (2023: $182,000) for year ended 30 June 2024.

12. Finance expenses

	Group			
	6 months ended 30 June 2024 $'000	**6 months ended 30 June 2023 $'000**	**12 months ended 30 June 2024 $'000**	**12 months ended 30 June 2023 $'000**
Interest costs	20,809	19,599	41,761	38,267
Amortisation of borrowing costs	612	630	1,257	1,210
Interest expenses on lease liabilities	14	11	26	24
	21,435	20,240	43,044	39,501

13. Earnings per unit

	Group			
	6 months ended 30 June 2024 $'000	**6 months ended 30 June 2023 $'000**	**12 months ended 30 June 2024 $'000**	**12 months ended 30 June 2023 $'000**
Earnings attributable to unitholders (1)	23,000	(19,369)	62,671	28,173
Basic earnings per unit (cents) (2)	1.02	(0.86)	2.77	1.25
Earnings per unit on a fully diluted basis (cents) (3)	1.02	(0.86)	2.77	1.25

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

(2) In computing the basic earnings per unit for the six months ended 30 June 2024, the earnings attributable to unitholders and the weighted average number of units of 2,261,446,265 (2023: 2,251,597,462) during the six months ended 30 June 2024 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,261,437,478 (2023: 2,251,588,877); and (ii) estimated units issuable for the settlement of unpaid base management fees.

In computing the basic earnings per unit for the year ended 30 June 2024, the earnings attributable to unitholders and the weighted average number of units of 2,258,781,581 (2023: 2,247,771,382) during the year ended 30 June 2024 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,258,777,211 (2023: 2,247,767,125); and (ii) estimated units issuable for the settlement of unpaid base management fees.

(3) In computing the diluted earnings per unit for the six months ended 30 June 2024, the weighted average number of units in issue of 2,261,437,478 (2023: 2,251,588,877) during the six months ended 30 June 2024 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,599,310 (2023: 1,553,816) units for the settlement of unpaid base management fees.

In computing the diluted earnings per unit for the year ended 30 June 2024, the weighted average number of units in issue of 2,258,777,211 (2023: 2,247,767,125) during the year ended 30 June 2024 are used and adjusted to include the potential dilutive units assuming issuance of estimated 1,599,310 (2023: 1,553,816) 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 one property each in Tokyo, Japan and Chengdu, China, respectively). 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 (Japan/China)**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group												
Revenue and expenses												
External revenue	65,525	64,269	53,187	51,307	40,562	39,751	27,301	28,763	3,244	3,682	189,819	187,772
Depreciation of plant and equipment	–	–	2	10	–	–	–	–	–	–	2	10
Reportable segment net property income	53,656	52,476	40,232	39,263	26,059	25,310	26,511	27,940	2,524	2,850	148,982	147,839
Other material non-cash items:												
Change in fair value of investment properties	16,523	(870)	(14,755)	(20,618)	(22,288)	(46,754)	3,173	2,451	822	280	(16,525)	(65,511)
Unallocated items:												
Finance income											1,846	1,707
Non-property expenses											(18,244)	(13,794)
Finance expenses											(43,044)	(39,501)
Change in fair value of derivative instruments											(580)	6,344
Foreign exchange gain/(loss)											396	(1,291)
Total return for the year before tax											72,831	35,793
Income tax											(6,299)	(3,770)
Total return for the year											66,532	32,023

	Ngee Ann City Property (Singapore)		**Wisma Atria Property (Singapore)**		**Australia Properties (Australia)**		**Malaysia Properties (Malaysia)**		**Other Properties (Japan/China)**		**Total**	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Group												
Assets and liabilities												
Reportable segment assets	1,148,548	1,130,911	817,992	828,735	348,729	358,677	392,326	391,730	58,702	61,490	2,766,297	2,771,543
Unallocated assets											71,906	88,748
Total assets											2,838,203	2,860,291
Reportable segment liabilities	(31,943)	(20,343)	(19,530)	(18,804)	(6,924)	(7,505)	(2,693)	(2,480)	(2,903)	(3,878)	(63,993)	(53,010)
Unallocated liabilities											(1,055,120)	(1,058,156)
Total liabilities											(1,119,113)	(1,111,166)
Other segmental information												
Capital expenditure	406	–	3,948	10,402	10,237	7,276	133	–	13	152	14,737	17,830
Non-current assets[1]	1,148,000	1,130,400	817,682	828,307	346,391	357,484	392,135	391,034	57,953	60,589	2,762,161	2,767,814

[1] Exclude derivative financial instruments.

Breakdown of sales

	Group		
	2024 $'000	**2023 $'000**	**Increase/ (Decrease) %**
Gross revenue for six months from 1 July to 31 December	94,633	94,729	(0.1%)
Total return after tax for six months from 1 July to 31 December	41,612	49,483	(15.9%)
Gross revenue for six months from 1 January to 30 June	95,186	93,043	2.3%
Total return after tax for six months from 1 January to 30 June	24,920	(17,460)	NM

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 one property each in Tokyo, Japan and Chengdu, China, respectively). Accordingly, no geographical segmental analysis is separately presented.

15. Subsequent event

Subsequent to the year ended 30 June 2024, the Manager declared a distribution of 1.85 cents per unit in respect of the period from 1 January 2024 to 30 June 2024, which is payable on 24 September 2024.

16. Financial ratios

	Group	
	2024	**2023**
	%	**%**
Ratio of expenses to weighted average net assets (1)	1.06	1.02
Portfolio turnover rate (2)	-	1.04

(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.

17. Other item

In March 2023, The Trust Company (Australia) Limited as trustee of SG REIT (SA) Sub-Trust2 received a notice of arbitration regarding the alleged breach of an existing lease to Myer Pty Ltd at Myer Centre Adelaide (the "Myer Lease"), where the tenant claims unspecified damages and seeks a declaration to be entitled to terminate the Myer Lease. Myer Centre Adelaide's valuation of $196.3 million accounted for approximately 7.1% of the Group's total portfolio valuation as at 30 June 2024. The Myer Lease (annual revenue of approximately $13.4 million) contributed approximately 7.0% and 9.0% of the Group's total portfolio revenue and net property income respectively for the year ended 30 June 2024. On 30 May 2024, the arbitrator set a timetable for the arbitration process. The Manager will provide further updates as and when there are any material developments.

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 2024 and the related statements of total return and distribution statements of the Group, and the 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 2024 and 30 June 2023. 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 Statements of total return and distribution

	Group 01/01/24 to 30/06/24	Group 01/01/23 to 30/06/23	Increase / (Decrease)	Group 01/07/23 to 30/06/24	Group 01/07/22 to 30/06/23	Increase / (Decrease)
	$'000	$'000	%	$'000	$'000	%
Gross revenue	**95,186**	**93,043**	**2.3%**	**189,819**	**187,772**	**1.1%**
Property expenses	(20,678)	(19,485)	6.1%	(40,837)	(39,933)	2.3%
Net property income	**74,508**	**73,558**	**1.3%**	**148,982**	**147,839**	**0.8%**
Non-property expenses	(29,739)	(28,381)	4.8%	(59,442)	(56,400)	5.4%
Net income before tax	**44,769**	**45,177**	**(0.9%)**	**89,540**	**91,439**	**(2.1%)**
Change in fair value of derivative instruments	(202)	(368)	(45.1%)	(580)	6,344	NM
Foreign exchange (loss)/gain	(139)	(1,206)	(88.5%)	396	(1,291)	NM
Change in fair value of investment properties	(16,309)	(65,328)	(75.0%)	(16,525)	(65,511)	(74.8%)
Gain on divestment of investment property	-	4,812	(100.0%)	-	4,812	(100.0%)
Total return for the period/year before tax and distribution	**28,119**	**(16,913)**	**NM**	**72,831**	**35,793**	**103.5%**
Income tax	(3,199)	(547)	484.8%	(6,299)	(3,770)	67.1%
Total return for the period/year after tax, before distribution	**24,920**	**(17,460)**	**NM**	**66,532**	**32,023**	**107.8%**
Less: Amount reserved for distribution to perpetual securities holders	(1,920)	(1,909)	0.6%	(3,861)	(3,850)	0.3%
Non-tax deductible items and other adjustments	19,801	64,734	(69.4%)	22,035	60,772	(63.7%)
Income available for distribution	**42,801**	**45,365**	**(5.7%)**	**84,706**	**88,945**	**(4.8%)**
Income to be distributed to unitholders	**41,925**	**44,666**	**(6.1%)**	**82,135**	**85,608**	**(4.1%)**

Financial performance – Second half year ended 30 June 2024 ("2H FY23/24") vs Second half year ended 30 June 2023 ("2H FY22/23")

Group revenue of $95.2 million in 2H FY23/24 was 2.3% higher than the $93.0 million achieved in the previous corresponding period. Net property income ("NPI") for the Group in 2H FY23/24 was $74.5 million, representing an increase of 1.3% over the previous corresponding period. The increase in NPI was mainly attributed to the Singapore Properties, partially offset by net movement in foreign currencies.

Singapore Properties contributed 63.0% of total revenue, or $60.0 million in 2H FY23/24, 3.7% higher than in 2H FY22/23. NPI for 2H FY23/24 was $47.5 million, 3.1% higher than in 2H FY22/23, mainly in line with higher occupancies and average rents for the portfolio, partially offset by higher operating expenses during the current period.

Australia Properties contributed 21.0% of total revenue, or $19.9 million in 2H FY23/24, 3.2% higher than in 2H FY22/23. NPI for 2H FY23/24 was $12.5 million, 0.5% higher than in 2H FY22/23, mainly due to higher contributions from Myer Centre Adelaide (Retail) and Perth Properties, partially offset by higher operating expenses and depreciation of A$ against S$.

Malaysia Properties contributed 14.2% of total revenue, or $13.6 million in 2H FY23/24, 4.5% lower than in 2H FY22/23. NPI for 2H FY23/24 was $13.2 million, 4.6% lower than in 2H FY22/23, mainly due to depreciation of RM against S$.

Japan and China Properties contributed 1.8% of total revenue, or $1.7 million in 2H FY23/24, 2.9% higher than in 2H FY22/23. NPI for 2H FY23/24 was $1.3 million, 6.4% higher than in 2H FY22/23, mainly due to lower rental assistance provided for China Property, partially offset by depreciation of JPY and RMB against S$.

Non-property expenses were $29.7 million in 2H FY23/24, 4.8% higher than in 2H FY22/23, mainly in line with the higher net finance costs and trust expenses incurred, partially offset by lower management fees during the current period.

The change in fair value of derivative instruments in 2H FY23/24 represents mainly the change in the fair value of foreign exchange forward contracts.

The net foreign exchange loss in 2H FY23/24 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 $16.3 million represents mainly the net revaluation loss on the Group's investment properties in 2H FY23/24.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Daikanyama divested in January 2023.

Income tax expenses in 2H FY23/24 represents withholding tax, corporate tax and deferred tax provided for the overseas properties. The higher tax expenses was mainly in line with higher taxes for the Malaysia and Australia Properties in 2H FY23/24, as well as reversal of tax provision for Malaysia Properties and the Trust's investment in Japan in 2H FY22/23.

Income available for distribution for 2H FY23/24 after deducting amount reserved for distribution to perpetual securities holders was $42.8 million, 5.7% lower than in 2H FY22/23. The decrease was mainly due to weaker foreign currencies, higher taxes and net finance costs, partially offset by higher NPI including straight-lining adjustments. The income to be distributed to unitholders for 2H FY23/24 was $41.9 million, 6.1% lower than 2H FY22/23's income to be distributed. Approximately $0.9 million of income available for distribution for 2H FY23/24 has been retained for working capital requirements.

Financial performance – Year ended 30 June 2024 ("FY23/24") vs Year ended 30 June 2023 ("FY22/23")

Group revenue of $189.8 million in FY23/24 was 1.1% higher than the $187.8 million achieved in the previous corresponding period. NPI for the Group in FY23/24 was $149.0 million, representing an increase of 0.8% over the previous corresponding period. The increase in NPI was mainly in line with higher contributions from the Singapore Properties and Myer Centre Adelaide (Retail), partially offset by loss of income from Japan divestment, as well as net movement in foreign currencies.

Singapore Properties contributed 62.5% of total revenue, or $118.7 million in FY23/24, 2.7% higher than in FY22/23. NPI for FY23/24 was $93.9 million, 2.3% higher than in FY22/23, mainly in line with higher occupancies and average rents for the portfolio, partially offset by higher operating expenses during the current period.

Australia Properties contributed 21.4% of total revenue, or $40.6 million in FY23/24, 2.0% higher than in FY22/23. NPI for FY23/24 was $26.1 million, 3.0% higher than in FY22/23, mainly due to higher contribution from Myer Centre Adelaide (Retail) and lower operating expenses for David Jones Building, partially offset by depreciation of A$ against S$.

Malaysia Properties contributed 14.4% of total revenue, or $27.3 million in FY23/24, 5.1% lower than in FY22/23. NPI for FY23/24 was $26.5 million, 5.1% lower than in FY22/23, mainly due to depreciation of RM against S$.

Japan and China Properties contributed 1.7% of total revenue, or $3.2 million in FY23/24, 11.9% lower than in FY22/23. NPI for FY23/24 was $2.5 million, 11.4% lower than in FY22/23, mainly due to the divestment of Daikanyama in January 2023, as well as depreciation of JPY and RMB against S$, partially offset by higher contribution from China Property.

Non-property expenses were $59.4 million in FY23/24, 5.4% higher than in FY22/23, mainly in line with the higher net finance costs and trust expenses incurred, partially offset by lower management fees during the current period.

The change in fair value of derivative instruments in FY23/24 represents mainly the change in the fair value of A$ interest rate swaps (expired in July 2023) and foreign exchange forward contracts.

The net foreign exchange gain in FY23/24 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 $16.5 million represents mainly the net revaluation loss on the Group's investment properties in FY23/24.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Daikanyama divested in January 2023.

The higher tax expenses was mainly in line with higher taxes for the Malaysia and Australia Properties in FY23/24, as well as reversal of tax provision for Malaysia Properties and the Trust's investment in Japan in FY22/23.

Income available for distribution for FY23/24 after deducting amount reserved for distribution to perpetual securities holders was $84.7 million, 4.8% lower than in FY22/23. The decrease was mainly due to weaker foreign currencies, higher net finance costs and taxes, as well as an one-off leasing commission fee in relation to the master lease renewal with Toshin at Ngee Ann City Property (Retail) during the current period, partially offset by higher NPI including straight-lining adjustments. The income to be distributed to unitholders for FY23/24 was $82.1 million, 4.1% lower than FY22/23's income to be distributed. Approximately $2.6 million of income available for distribution for FY23/24 has been retained for working capital requirements.

2.2 Balance sheets (Please refer to Page FS2)

Financial position – 30 June 2024 vs 30 June 2023

(a) Investment properties (including right-of-use assets) decreased mainly due to the downward revaluation of the Australia Properties (expansion of capitalisation rates and softening of rents) in June 2024, as well as net movement in foreign currencies in relation to the overseas properties, partially offset by the net upward revaluations of the Singapore and Malaysia Properties, as well as capital expenditure and other items incurred during the current period. The geographic breakdown of the portfolio by asset value as at 30 June 2024 was as follows: Singapore 71.2%, Malaysia 14.2%, Australia 12.5%, Japan 1.2%, and China 0.9%.

(b) The variance in the Trust's interests in subsidiaries was mainly in line with the impairment loss on the Trust's investments mainly in Australia and net movement in foreign currencies, partially offset by the net capital injections during the current period.

(c) Derivative financial instruments as at 30 June 2024 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 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) Trade and other receivables increased mainly in line with higher net rental arrears for the Group, as well as higher prepaid expenses for Australia and Malaysia Properties as at 30 June 2024.

(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 increased mainly due to higher security deposits for the Group, partially offset by lower payables and accrued expenses for Australia and Singapore Properties, as well as China Property as at 30 June 2024.

(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) As at 30 June 2024, the Group's aggregate leverage ratio is 36.8% (2023: 36.7%). The interest coverage ratio and adjusted interest coverage ratio (taking into account the distribution on perpetual securities) based on trailing 12 months interest expenses as at 30 June 2024 is approximately 3.1 times and 2.9 times respectively. The net decrease in total borrowings was mainly due to net RCF repayment of $2.0 million, as well as net movement in foreign currencies during the current period.

As at 30 June 2024, the RM330 million ($94.9 million) senior MTN maturing in September 2024 and the $100 million unsecured 5-year Singapore MTN maturing in June 2025 were classified as current liabilities. The Manager is working on the refinancing exercise for the RM senior MTN and the Group has sufficient undrawn long-term committed RCF of $249 million as at 30 June 2024 to cover the net current liabilities of the Group and the Trust.

(i) Income tax payable increased mainly due to higher accrued taxes for Malaysia and Australia Properties as at 30 June 2024.

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

The global economic growth moderated to 3.2% in 2023, falling from 3.4% experienced in 2022[1]. In its July 2024 update, the International Monetary Fund (IMF) projected global growth to be at 3.2% in 2024 and 3.3% in 2025[1]. While global economic activity has notably slowed partly as a result of elevated interest rates, there are emerging signs of potential improvements through interest rate cuts in the United States in 2H 2024, which could bolster business conditions and stimulate investments.

Singapore's Gross Domestic Product (GDP) expanded by 2.9% year-on-year (y-o-y) in 2Q 2024, extending from the 3.0% y-o-y expansion in 1Q 2024[2]. The retail sales index (excluding motor vehicles) remained stable with no y-o-y change as of May 2024[3].

Visitor arrivals extended their growth in 1H 2024, with a y-o-y increase of 31.2% compared to the same period in 2023[4]. The 8.2 million visitor arrivals in 1H 2024 represented 88.4% of the pre-pandemic levels seen in 1H 2019, an increase from 67.4% in the prior year[4].

Prime retail rents in Orchard Road experienced a growth of 5.5% y-o-y in 2Q 2024, marking eight consecutive quarters of growth since 3Q 2022[5], largely bolstered by the strong recovery of visitor arrivals, an uptick in MICE events and sold-out concerts.

In the office rental market, Grade A Core CBD office rents increased by 1.3% y-o-y in 2Q 2024, supported by the persistent back-to-office and flight-to-quality trends, while Grade B Core CBD rents rose at a more modest 0.6% y-o-y[5]. While overall Orchard Road rents had a marginal decrease on a y-o-y basis, the rents of better quality buildings along the main belt of Orchard Road experienced growth[5]. Going forward, there is no new supply expected to come into the Orchard Road market between 2024 and 2026[5].

Australia's GDP grew 1.1% y-o-y in the quarter ended March 2024 with GDP growth slowing from the 2.3% y-o-y growth in the quarter ended March 2023[6]. Inflation in Australia has remained persistently above the Reserve Bank of Australia's (RBA) 2-3% target range which has resulted in the RBA keeping the cash rate at its restrictive 4.35% level since November 2023[7]. Retail trade continued to grow, albeit at a moderated pace. Retail trade increased 1.7% y-o-y in May 2024 compared to the 4.0% y-o-y increase in May 2023[6].

Adelaide's CBD retail market improved as vacancy over the 12 months ended June 2024 tightened by 3.9 percentage points y-o-y to 8.8%[8]. For the quarter ended June 2024, prime net effective rents increased 2.9% y-o-y[8]. Improved occupancy in the CBD retail market is expected to support continued rental growth for prime assets in the near term.

Adelaide CBD's office market vacancy has increased 3.2 percentage points y-o-y to 19.3% as of January 2024 on the back of increased supply[9]. Despite the vacancy increase, prime net effective rents has increased by 4.0% y-o-y for the quarter ended June 2024[8].

As of June 2024, Perth CBD retail vacancies declined marginally by 0.4 percentage points y-o-y, albeit still elevated at 25.0%[8]. This resulted in the rise in rents on a y-o-y basis with prime net effective rents improving by 2.5% while the secondary market appreciated by 1.9%[8]. While the economic outlook for Australia remains uncertain and interest rates remain elevated, population growth resulting from immigration has contributed to improved CBD retail occupancy.

According to advanced statistics, the Malaysian economy expanded by 5.8% y-o-y in 2Q 2024, driven by the services, manufacturing and agriculture sectors[10]. Private consumption also increased by 4.7% y-o-y as of 1Q 2024[11]. Retail Group Malaysia reported retail sales grew 7.8% y-o-y in 1Q 2024[12]. However, the Consumer Sentiment Index fell to 87.1 points in 1Q 2024 due to concerns surrounding the rising cost of living and uncertain future job prospects[12].

Retail mall occupancy moderated throughout 2023 but have since improved moving into 2024. From 4Q 2023, occupancy rates increased 0.5 percentage points from 78.4% in 4Q 2023 to 78.9% in 2Q 2024[13]. International and local brands continue to show interests in the prime retail market, evidenced in the opening of The Exchange TRX Mall which has brought about the debut of several brands into Malaysia, alongside store expansions.

Starhill Global REIT will continue to focus on maintaining healthy portfolio occupancy and delivering sustainable return. Whilst expenses have risen on the back of higher interest rates, the impact has been partly mitigated by our fixed and/or hedged debts which accounted for about 79% of total borrowings as at 30 June 2024. Gearing remained stable at 36.8% as at 30 June 2024, while liquidity is also healthy with interest coverage ratio of 3.1 times based on trailing 12 months' interest expenses as at 30 June 2024. We will continue to exercise prudence given intensifying geopolitical risk, high inflation and interest rate which could alter the global business dynamics and elevate economic risks.

<u>Sources</u>

[1] International Monetary Fund.

[2] Ministry of Trade and Industry, Advanced Estimates, GDP In Chained (2015) Dollars.

[3] Retail Sales Index, (2017 = 100), at Current Prices, Monthly.

[4] Singapore Tourism Board, Singapore Tourist Arrivals, 1H 2024.

[5] CBRE Singapore.

[6] Australian Bureau of Statistics.

[7] Reserve Bank of Australia.

[8] CBRE Australia Research.

[9] Property Council of Australia.

[10] Department of Statistics Malaysia.

[11] Bank Negara Malaysia.

[12] Retail Group Malaysia, June 2024.

[13] 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 2024 to 30 June 2024

Distribution rate:

	Unitholders' Distribution
	For the period from 1 January 2024 to 30 June 2024
	Cents
Taxable income component	1.67
Tax-exempt income component	0.18
Total	1.85

The Manager has determined that the DRP will apply to the distribution for the period from 1 January 2024 to 30 June 2024.

Par value of units:	Not applicable
Tax Rate:	<u>Taxable income component</u> Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). <u>Tax-exempt income component</u> Tax-exempt income component is exempt from tax in the hands of all unitholders.

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

Any distributions declared for current financial period:	Yes
Name of distribution:	Distribution for the period from 1 January 2023 to 30 June 2023

Distribution rate:

	Unitholders' Distribution
	For the period from 1 January 2023 to 30 June 2023
	Cents
Taxable income component	1.62
Tax-exempt income component	0.36
Total	1.98

Par value of units:	Not applicable
Tax Rate:	<u>Taxable income component</u> Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). <u>Tax-exempt income component</u> Tax-exempt income component is exempt from tax in the hands of all unitholders.

5(c) Date payable: 24 September 2024

5(d) Record date: 6 August 2024

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 2024.

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 2024:

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 assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

By Order of the Board
YTL Starhill Global REIT Management Limited
As Manager of Starhill Global Real Estate Investment Trust

Ivy Soh
Joint Company Secretary
Singapore
29 July 2024