IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached supplemental information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached supplemental information memorandum. In accessing the attached supplemental information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached supplemental information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")) or (ii) located within the United States ("**U.S.**"). The attached supplemental information memorandum is being sent at your request and by accepting this e-mail and accessing the attached supplemental information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the U.S. nor a U.S. person, as defined in Regulation S under the Securities Act nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached supplemental information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached supplemental information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached supplemental information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "**SFA**" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached supplemental information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Starhill Global REIT MTN Pte. Ltd., HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust), DBS Bank Ltd., any other Dealer(s) or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the supplemental information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached supplemental information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE

SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Starhill Global REIT MTN Pte. Ltd., HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust), DBS Bank Ltd. or any other Dealer(s) to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached supplemental information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Starhill Global REIT MTN Pte. Ltd. or HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust) in such jurisdiction. The attached supplemental information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached supplemental information memorandum on the basis that you are a person into whose possession the attached supplemental information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this supplemental information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached supplemental information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH SUPPLEMENTAL INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached supplemental information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SUPPLEMENTAL INFORMATION MEMORANDUM DATED 25 SEPTEMBER 2020 TO THE INFORMATION MEMORANDUM DATED 3 JANUARY 2020

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

S$2,000,000,000
Multicurrency Debt Issuance Programme
(in the case of Notes issued by Starhill Global REIT MTN Pte. Ltd. and other Specified Issuers)
Unconditionally and irrevocably guaranteed by
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED
(in its capacity as trustee of Starhill Global Real Estate Investment Trust)
(the "Programme")

This Supplemental Information Memorandum is supplemental to, and is to be read together with, the information memorandum dated 3 January 2020 (the "**Information Memorandum**") relating to the Programme.

This Supplemental Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Supplemental Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Starhill Global REIT MTN Pte. Ltd. ("**SGRMPL**"), HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**")) (the "**Starhill Global REIT Trustee**") or Specified Issuers (as defined in the Information Memorandum) (collectively, the "**Issuers**"), and perpetual securities (the "**Perpetual Securities**") to be issued from time to time by the Starhill Global REIT Trustee pursuant to the Programme may not be circulated or distributed, nor may the Notes and Perpetual Securities (together, the "**Securities**") be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the

case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

All sums payable in respect of the Notes issued by SGRMPL and the Specified Issuers are unconditionally and irrevocably guaranteed by the Starhill Global REIT Trustee (in such capacity, the "**Guarantor**").

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Programme and application will be made to the SGX-ST for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, Starhill Global REIT, their respective Subsidiaries (as defined in the Information Memorandum), their respective associated companies (if any), the Programme or such Securities.

Potential investors should pay attention to the risk factors and considerations set out in the section on "Investment Considerations" in the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

THE SECURITIES AND THE GUARANTEE (AS DEFINED IN THE INFORMATION MEMORANDUM) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT (AS DEFINED IN THE INFORMATION MEMORANDUM) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY INCLUDE BEARER SECURITIES (AS DEFINED IN THE INFORMATION MEMORANDUM) THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by SGRMPL and the Starhill Global REIT Trustee to arrange the Programme described in the information memorandum dated 3 January 2020 (the "**Information Memorandum**") and as supplemented by this Supplemental Information Memorandum. Under the Programme, each Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes and Perpetual Securities, denominated in Singapore dollars and/or any other currencies, respectively. The payment of all amounts payable in respect of Notes issued by SGRMPL and the Specified Issuers will be unconditionally and irrevocably guaranteed by the Guarantor. References in the Information Memorandum and this Supplemental Information Memorandum to the Guarantor and the Guarantee shall only apply to the Notes that are issued by SGRMPL or the Specified Issuers under the Programme.

This Supplemental Information Memorandum contains information with regard to SGRMPL, the Starhill Global REIT Trustee, the Starhill Global REIT Manager (as defined in the Information Memorandum), Starhill Global REIT and its Subsidiaries, the Programme, the Securities and the Guarantee. SGRMPL and the Starhill Global REIT Trustee having made all reasonable enquiries, confirms that the Information Memorandum (as supplemented by this Supplemental Information Memorandum) contains all information which is material in the context of the Programme or the issue and offering of the Securities and the giving of the Guarantee, that the information contained herein is true and accurate in all material respects, the opinions, expectations and intentions expressed in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) have been carefully considered, and that there are no other facts the omission of which in the context of the issue and offer of the Securities would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect. In respect of the Starhill Global REIT Trustee, the confirmations provided in this paragraph (other than confirmations in respect of information relating to HSBC Institutional Trust Services (Singapore) Limited ("**HSBCITS**") in its personal capacity, which shall remain the sole responsibility of HSBCITS) are based on confirmations from the Starhill Global REIT Manager.

Notes may be issued in Series (as defined in the Information Memorandum) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme" in the Information Memorandum (as supplemented by this Supplemental Information Memorandum))) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined in the Information Memorandum) on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined in the Information Memorandum) in bearer form or a Permanent Global Security (as defined in the Information Memorandum) in bearer form or a registered Global Certificate (as defined in the Information Memorandum) which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined in the Information Memorandum) or a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Relevant Issuer (as defined in the Information Memorandum) and the relevant Dealer(s) (as defined in the Information Memorandum). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Relevant Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each Series or Tranche of Notes (the "**Redemption Amount**"). Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

Perpetual Securities may be issued in Series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each Series may be issued in one or more Tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Relevant Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each Series or Tranche of Perpetual Securities will be specified in the applicable Conditions of the Perpetual Securities as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Principal Trust Deed referred to below) shall be S$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined in the Information Memorandum).

No person has been authorised to give any information or to make any representation other than those contained in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger, any of the Dealers, the Trustee (as defined in the Information Memorandum) or any of the Agents (as defined in the Information Memorandum). Save as expressly stated in this Supplemental Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of any of the Issuers, Starhill Global REIT or any of their respective Subsidiaries or associated companies (if any).

Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger, any of the Dealers, the Trustee or any of the Agents to subscribe for or purchase the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Supplemental Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Supplemental Information Memorandum (or any part thereof) or any such other document or information or into whose possession this Supplemental Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Securities and the Guarantee have not been, and will not be, registered under the Securities Act (as defined in the Information Memorandum) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities may include Bearer Securities (as defined in the Information Memorandum) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger, any of the Dealers, the Trustee or the Agents to subscribe for or purchase, any of the Securities.

This Supplemental Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Supplemental Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA (as defined herein) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Supplemental Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Supplemental Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of any of the Issuers, Starhill Global REIT, the Starhill Global REIT Manager, the Starhill Global REIT Trustee or any of their respective Subsidiaries and/or associated companies (if any) or in the information herein since the date hereof or the date on which the Information Memorandum (as supplemented by this Supplemental Information Memorandum) has been most recently amended or supplemented.

The Arranger, the Dealers, the Trustee and the Agents have not separately verified the information contained in the Information Memorandum (as supplemented by this Supplemental Information Memorandum). None of the Issuers, the Guarantor, the Arranger, any of the Dealers, the Trustee, the Agents or any of their respective officers, employees or agents is making any representation, warranty or undertaking expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of any of the Issuers, Starhill Global REIT or their respective Subsidiaries or associated companies (if any). Further, none of the Arranger, the Dealers, the Trustee and the Agents gives any representation or warranty, and no responsibility or liability is accepted by the Arranger, any of the Dealers, the Trustee or the Agents, as to any of the Issuers, Starhill Global REIT, the Starhill Global REIT Manager, their respective Subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger, any of the Dealers, the Trustee or the Agents that any recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of any of the Issuers, Starhill Global REIT and their respective Subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of any of the Issuers, Starhill Global REIT and their respective Subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers, the Trustee, the Agents or any of their respective officers, employees or agents shall be held responsible or liable as to the accuracy or completeness of the information contained in this Supplemental

Information Memorandum or any other information provided by any of the Issuers, the Guarantor, Starhill Global REIT or any of its respective officers, employees or agents in connection with the Securities or their distribution. Save as aforesaid, none of the Issuers, the Guarantor, Starhill Global REIT, the Arranger, any of the Dealers, the Trustee, the Agents or any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Supplemental Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Supplemental Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger, any of the Dealers, the Trustee or the Agents accepts any responsibility for the contents of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or for any other statement made or purported to be made by either of the Arranger, any of the Dealers, the Trustee or the Agents or on its behalf in connection with the Issuers or Starhill Global REIT or the issue and offering of the Securities. The Arranger, Dealers, Trustee and Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or any such statement.

In connection with the issue of any Tranche or Series of Securities, one or more Dealer(s) named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action will be conducted in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, the Information Memorandum (as supplemented by this Supplemental Information Memorandum): (1) any annual reports or audited financial statements (consolidated in the case of Starhill Global REIT), periodic unaudited financial statements (consolidated in the case of Starhill Global REIT) or quarterly financial updates (including any accompanying business updates) of the Issuers and Starhill Global REIT announced by Starhill Global REIT on SGX-ST, and (2) any supplement or amendment to the Information Memorandum issued by the Issuer(s). The Information Memorandum (as supplemented by this Supplemental Information Memorandum) is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Securities, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) to the extent that a statement contained in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Information Memorandum (as supplemented by this Supplemental Information Memorandum). Copies of the most recent announced audited consolidated financial statements, periodic unaudited financial statements (consolidated in the case of Starhill Global REIT) or quarterly financial updates (including any accompanying business updates) of the Issuers and Starhill Global REIT deemed incorporated by reference in the Information Memorandum (as supplemented by this Supplemental Information Memorandum) are available on the website of the

SGX-ST at www.sgx.com.

Copies of all documents deemed incorporated by reference herein are available for inspection during usual office hours with prior notice at the specified office of the Principal Paying Agent (as defined in the Information Memorandum).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined in the Information Memorandum) and the issue of the Securities by any of the Issuers pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to the Information Memorandum (as supplemented by this Supplemental Information Memorandum) shall (without any liability or responsibility on the part of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger, any of the Dealers, the Trustee and the Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by any of the Issuers pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription, Purchase and Distribution" in the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Supplemental Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective investors of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Prospective investors should pay attention to the risk factors set out in the section titled "Investment Considerations" in the Information Memorandum (as supplemented by this Supplemental Information Memorandum).

Notification under Section 309B of the SFA

Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Markets in Financial Instruments Directive II

The Pricing Supplement in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Packaged Retail Investment and Insurance Products – Prohibition of Sales to EEA and UK Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

AMENDMENTS TO THE INFORMATION MEMORANDUM

The Information Memorandum shall be amended as follows:

1. by deleting the definition of "Principal Trust Deed" appearing on page 14 of the Information Memorandum in its entirety and substituting therefor the following:

""**Principal Trust Deed**"	:	The Principal Trust Deed dated 3 January 2020 made between (1) SGRMPL and the Starhill Global REIT Trustee, and acceded to by Specified Issuers from time to time by the execution of a Deed of Accession, as issuers, (2) the Guarantor, as guarantor for Notes issued by SGRMPL and the Specified Issuers, and (3) the Trustee, as trustee, as supplemented by a supplemental trust deed dated 25 September 2020 made between the same parties, and as further amended, modified or supplemented from time to time.";

2. by deleting the sub-section titled "HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT), as issuer of Notes and Perpetual Securities, and guarantor for Notes issued by SGRMPL and Specified Issuers" appearing on page 18 of the Information Memorandum in its entirety and substituting therefor the following:

"**HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT), as Issuer of Notes and Perpetual Securities, and guarantor for Notes issued by SGRMPL and Specified Issuers**

Registered Office	:	10 Marina Boulevard Marina Bay Financial Centre Tower 2 #48-01 Singapore 018983";

3. by deleting the sub-section titled "Financial Covenants" appearing on page 24 of the Information Memorandum in its entirety and substituting therefor the following:

"Negative Pledge	:	In the Principal Trust Deed, each of (in the case of Notes issued by SGRMPL) SGRMPL and (in the case of Notes issued by a Specified Issuer where Clause 8.1(a) of the Principal Trust Deed is applicable pursuant to the relevant Supplemental Trust Deed (if any)) the relevant Specified Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, it will not create or permit to subsist any security over the whole or any part of its undertakings, assets, property or revenues, present or future, except for: (i) any security over any asset existing at the date of the Principal Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Principal Trust Deed (but the principal amount secured by any such security may not be increased, except with the prior approval of the Noteholders by way of an Extraordinary Resolution (as defined in the Principal Trust

Deed));

(ii) liens or rights of set-off arising in the ordinary course of its business; or

(iii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

In the Principal Trust Deed, each of the Starhill Global REIT Trustee and (in the case of Notes issued by a Specified Issuer where Clause 8.1(b) of the Principal Trust Deed is applicable pursuant to the relevant Supplemental Trust Deed (if any)) the relevant Specified Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, it will not, and the Starhill Global REIT Trustee will procure that none of the Principal Subsidiaries (as defined in Condition 10 of the Notes) will, create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below) which ranks, in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the Noteholders by way of an Extraordinary Resolution.

In the Conditions of the Notes, "**Existing Secured Asset**" means any of the undertaking, assets (including, without limitation, ownership rights and interests in and to any company, corporation, trust, fund or other entity (whether or not a body corporate)), property or revenues or rights to receive dividends (or other payments) of the Starhill Global REIT Trustee, the relevant Specified Issuer (if applicable) and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property, revenues or right to receive dividend (or other payment).

For the avoidance of doubt, nothing in Condition 4(b) of the Notes shall prohibit:

(i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and

(ii) any first ranking security over any unsecured assets (including any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured).

Further Covenants : In the Principal Trust Deed, each Issuer other than the Starhill Global REIT Trustee (in respect of itself only and not any other Issuer) has covenanted with the Trustee that so long as any of the Notes remains outstanding, *inter alia*, it will ensure that the Guarantor will at all times own (directly or indirectly) the whole of its issued share capital for the time being.

In the Principal Trust Deed, the Starhill Global REIT Trustee has covenanted with the Trustee that so long as any of the Notes remains outstanding, *inter alia*:

(i) it will ensure that it will at all times own (directly or indirectly) the whole of the issued share capital for the time being of SGRMPL and each Specified Issuer; and

(ii) it will comply with the Property Funds Appendix.";

4. by inserting the following sub-section immediately after the sub-section titled "Redemption upon a Ratings Event" appearing on page 33 of the Information Memorandum:

"Further Covenants : In the Principal Trust Deed, the Starhill Global REIT Trustee has covenanted with the Trustee that so long as any of the Securities remains outstanding, *inter alia*, it will comply with the Property Funds Appendix.";

5. by deleting Condition 4 of the section titled “Terms and Conditions of the Notes” appearing on page 39 of the Information Memorandum in its entirety and substituting therefor the following:

"**4. Negative Pledge**

(a) In the Principal Trust Deed, each of (in the case of Notes issued by SGRMPL) SGRMPL and (in the case of Notes issued by a Specified Issuer where Clause 8.1(a) of the Principal Trust Deed is applicable pursuant to the relevant Supplemental Trust Deed (if any)) the relevant Specified Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, it will not create or permit to subsist any security over the whole or any part of its undertakings, assets, property or revenues, present or future, except for:

(i) any security over any asset existing at the date of the Principal Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Principal Trust Deed (but the principal amount secured by any such security may not be increased, except with the prior approval of the Noteholders by way of an Extraordinary Resolution (as defined in the Principal Trust Deed));

(ii) liens or rights of set-off arising in the ordinary course of its business; or

(iii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) In the Principal Trust Deed, each of the Starhill Global REIT Trustee and (in the case of Notes issued by a Specified Issuer where Clause 8.1(b) of the Principal Trust Deed is applicable pursuant to the relevant Supplemental Trust Deed (if any)) the relevant Specified Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, it will not, and the Starhill Global REIT Trustee will procure that none of the Principal Subsidiaries (as defined in Condition 10) will, create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below) which ranks, in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the Noteholders by way of an Extraordinary Resolution.

In these Conditions, "**Existing Secured Asset**" means any of the undertaking, assets (including, without limitation, ownership rights and interests in and to any company, corporation, trust, fund or other entity (whether or not a body corporate)), property or revenues or rights to receive dividends (or other payments) of the Starhill Global REIT Trustee, the relevant Specified Issuer (if applicable) and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property, revenues or right to receive dividend (or other payment).

For the avoidance of doubt, nothing in this Condition 4(b) shall prohibit:

(i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and

(ii) any first ranking security over any unsecured assets (including any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured).";

6. by inserting the words "(directly or indirectly)" after the words "ceases to own" in line 1 of Condition 10(s) of the section titled "Terms and Conditions of the Notes" appearing on page 64 of the Information Memorandum;

7. by deleting "21 Collyer Quay #10-02 HSBC Building Singapore 049320" on line 5 of the first paragraph of the sub-section titled "6. THE STARHILL GLOBAL REIT TRUSTEE" appearing on page 116 of the Information Memorandum and substituting therefor "10 Marina Boulevard, Marina Bay Financial Centre Tower 2 #48-01, Singapore 018983";

8. by deleting the risk factor titled ""Uncertainties and instability in global market conditions could adversely affect the business, financial condition and results of operation of SGREIT" appearing on page 128 of the Information Memorandum in its entirety and substituting therefor the following:

"***Uncertainties and instability in global market conditions could adversely affect the business, financial condition and results of operation of SGREIT***

The recent economic slowdown amidst the growing geopolitical tensions and the recent COVID-19 pandemic has resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries, and continues to affect credit availability, business activity, stock prices, bond markets and consumer spending. Global markets may continue to experience volatility and liquidity disruptions. Such events could adversely affect SGREIT, including:

- a negative impact on the businesses of the tenants of SGREIT, and in some cases potentially leading to their closure and bankruptcies, which could adversely affect their ability to pay their rents in a timely manner or lead to allowances made for rental arrears, thus reducing SGREIT's cash flow and revenue;

- reduced demand for office and retail space which may lead to lower rental or occupancy rates, thus reducing SGREIT's cash flow and revenue;

- decreases in valuations of SGREIT's properties resulting from deteriorating operating cash flow and/or widening capitalisation rates which may lead to higher gearing ratios;

- an adverse effect on the cost of funding SGREIT's business;

- an increase in counterparty risk including those counterparties in hedging arrangements; and

- a general lack of liquidity and poor business sentiments may increase the likelihood that one or more of SGREIT's banking syndicate or insurers may not be able to honour their commitments to SGREIT.

There is still uncertainty as to whether the global economy will worsen, or whether a recovery would be slow and over an extended period of time, the decrease in consumer demand and the impact of the global downturn on countries where SGREIT's assets are located. There can be no assurance that the uncertainties and instability in the global markets will not have a material adverse effect on SGREIT's assets, funding sources, business, financial condition, results of operations or prospects.";

9. by deleting the risk factor titled ""There is no assurance that the current rating given to SGREIT will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future" appearing on page 130 of the Information Memorandum in its entirety and substituting therefor the following:

"***There is no assurance that the current rating (including rating outlook) given to SGREIT will be maintained or that the rating will not be reviewed, downgraded, suspended, revised or withdrawn in the future***

On 9 March 2020, Fitch, Ratings Inc. assigned a "BBB" corporate rating with a stable outlook to SGREIT. This rating (including rating outlook) is based on the views of Fitch, Ratings Inc. only. Future events could have a negative impact on the rating (including rating outlook) of SGREIT and prospective investors should be aware that there is no assurance that the rating (including rating outlook) given will continue or that the rating (including rating outlook) would not be reviewed, downgraded, suspended, revised or withdrawn as a result of future events or judgment on the part of Fitch, Ratings Inc. Any rating (including rating outlook) changes including withdrawal by either party that could occur may have a negative impact on the market value of the Securities. A downgrade, suspension, revision or withdrawal of the rating (including rating outlook) may lead to SGREIT being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates and/or affecting SGREIT's ability to fulfil its payment obligations under the Securities.

A rating (including rating outlook) by a rating agency is not a recommendation to buy, sell or hold the Securities, in as much as it does not comment as to the market price or suitability of a particular investor, does not address the likelihood or timing of prepayment, if any, or the receipt of default interest and may be subject to revision or withdrawal at any time by the assigning rating organisation.";

10. by deleting the risk factor titled "The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of SGREIT" appearing on page 133 of the Information Memorandum in its entirety and substituting therefor the following:

"***The outbreak of an infectious disease, widespread communicable diseases or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of the operations and prospects of SGREIT***

The outbreak of any contagious disease with human-to-human airborne or contact propagation effects (e.g. mutation of Avian Flu H5N1, Ebola, Middle East respiratory syndrome coronavirus, COVID-19 etc.) that escalates into a regional or global pandemic may have a material adverse effect on SGREIT's business and financial conditions and results of operations. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of communicable diseases had an adverse effect on the economies of those countries in which they were prevalent. The recent COVID-10 pandemic and any future outbreak of an infectious disease or any other serious public health concern in Singapore and/or countries where the Group has businesses in have adversely affected, and could seriously harm, the Group's business, financial condition and results of operations.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China, and on 11 March 2020, the World Health Organisation declared the outbreak a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. The Group's assets have encountered movement restriction orders and were impacted by stricter social distancing measures and lower tourist arrivals. Given the uncertainties as to the development of the COVID-19 pandemic, it is difficult to predict how long such conditions will exist and the extent to which the Group may be affected by such conditions.

As the Group has operations in countries such as Singapore, Australia and Malaysia, any pandemic outbreak and the resulting adverse impact on economic activity, or the measures taken by the governments of these countries against such an outbreak, could disrupt the Group's business and operations and undermine investor confidence, thereby adversely affecting its financial condition or results of operations. In Singapore, the COVID-19 pandemic has resulted in significant disruptions to the Singapore economy and has caused the Singapore Government to revise its economic forecasts for the near future downward accordingly.

The COVID-19 pandemic, or any other infectious disease, widespread communicable diseases or serious public health concerns, which may result in the implementation of social distancing measures, may have a material adverse impact on SGREIT's financial performance, income available for distribution and cash flow, as a result of, *inter alia*, the following:

- Negative impact on businesses of tenants of SGREIT (including as a result of change in shopping and working behaviour) which may affect their ability to pay their rents in a timely manner

The Group also expects the leasing environment to be challenging as leasing activity has been impacted and indications of interest by prospective tenants or existing tenants looking to expand their premises have been aborted or put on hold.

In order to minimise the risk of spread of the disease, many businesses, including the Group's tenants, have migrated to telecommuting. Moving forward, tenants may elect to digitally transform their workplace and operations permanently, thus reducing the demand for office space.

Moreover, the strict social distancing measures have resulted in reduction in brick-and-mortar shopping as consumers are turning to e-commerce to carry out their purchases. Businesses, including the Group's tenants, are being forced to adapt and digitalise their operations to meet the increasing ecommerce demands. This has had an adverse impact on tenant sales and shopper traffic. The Group has received requests from its tenants to renegotiate existing leasing arrangement on more favourable terms such as including a gross turnover rent component and early termination. In this regard, rental decline may accelerate as landlords face increasing pressure to strike the balance between occupancy and rents.

The negative impact on the businesses of the tenants of SGREIT, and in some cases potentially leading to their closure and bankruptcies, could adversely affect their ability to pay their rents in a timely manner or lead to allowances made for rental arrears, thus reducing SGREIT's cash flow and revenue.

- Lower revenue and cash flows due to tenant relief measures and various governments may impose further measures which require SGREIT to incur higher expenses

In Singapore, the COVID-19 (Temporary Measures) Act 2020 restricts the rights of landlords to take any court and insolvency proceedings in respect of a tenant's non-performance of obligations and to exercise certain self-help remedies such as rights of re-entry or forfeiture under a lease, and obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. In addition, landlords are obliged to waive up to two months (for industrial/office properties) or four months (for qualifying commercial properties) of rent for small and medium-sized enterprises who are eligible prescribed tenant-occupiers. Such eligible prescribed tenant-occupiers are also allowed to elect to defer payment of outstanding rent payable in equal instalments in accordance with a statutory repayment schedule. In Australia, the National Cabinet of Australia has also enacted legislation in response to the COVID-19 pandemic such as the Mandatory Code of Conduct which provides similar tenant relief measures. As mandated by the law, partial rent rebate and deferments will be granted to eligible small and medium-sized enterprises tenants who suffered a revenue loss of 30 per cent. or more. There is no assurance that, in each of the jurisdictions in which the Group operates, the governments in the respective countries will not pass further legislation which impact landlords and owners of properties adversely, for instance, in the form of rental deferrals, rental relief, rent reduction and/or passing on of rebates etc.

Any actions taken by the Group to support its tenants through such rental deferrals, rental relief, rent reduction or passing on of rebates will affect the rental revenue earned from the Group's properties. To date, in light of the COVID-19 pandemic, total rental rebates for eligible tenants in Starhill Global REIT's portfolio, including an allowance for rental arrears and rebates for the Australian tenants, amounting to approximately S$32.2 million has been recorded in the financial year ended 30 June 2020. The aggregate amount also includes approximately S$15.2 million of property tax rebates for its eligible tenants and estimated cash grants for eligible small and medium enterprises tenants, both funded by the Singapore Government.

- Higher borrowings as a result of tenant relief measures

As a result of tenant relief measures leading to lower revenue and cash flows, the Group may be required to increase the amount of its borrowings in order to meet its expenditure requirements. This may result in higher gearing ratios and breaches of financial covenants which are applicable to the Group under its borrowings, and can lead to defaults under such borrowings.

Furthermore, the general lack of liquidity and poor business climate in light of the economic fallout from the COVID-19 pandemic may result in lenders and investors being more cautious. This may result in the Group being unable to refinance its existing borrowings or secure additional equity or debt financing on favourable terms or at all. Any such equity or debt financing is dependent on conducive market conditions and the lenders' and investors' assessment of the retail outlook.

The COVID-19 pandemic may also result in major disruptions to the Group's operations. In order to minimise the risk of spread of the disease, many companies, including the Group, have implemented various precautionary workplace such as staggering work hours, teleworking and limiting face-to-face meetings. These changes in the work processes of the Group and its customers could lead to disruptions such as a reduced ability to effectively transact with colleagues, customers and suppliers, and a loss of IT system functionality due to unusual or excess burdens on IT infrastructures. Furthermore, the Group's operations may also be disrupted if there are cases of infection or suspect cases identified as a possible source of spreading the related infection in the Group's portfolio. Additionally, the Group may be required to disinfect affected areas of operation and therefore suffer a temporary suspension of such operations.

Moreover, the valuation of the Group's investment properties will also be subject to significant estimation uncertainty given the constantly evolving impact from the COVID-19 pandemic (which may result in a higher likelihood that the assumptions upon which valuers have based their valuations prove to be inaccurate) and may be adversely affected due to the loss of rental income for the reasons mentioned above.

Globally, as governments progressively reopen their economies, the threat of a second wave of infections exists with potential future lockdowns. Given the fluidity of the COVID-19 pandemic, the recovery trajectory remains uncertain and the authorities continue to be cautious in lifting safe management measures and travel restrictions. There is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 pandemic becomes more severe or protracted. This could cause further deterioration in the business, results of operations, financial conditions and prospects of the Group, which may in turn affect SGRMPL's or SGREIT's ability to fulfil its payment obligations under the Securities.";

11. by deleting the risk factor titled "The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities linked to or referencing such "benchmarks"" appearing on pages 144 to 145 of the Information Memorandum in its entirety and substituting therefor the following:

"***The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities linked to or referencing such "benchmarks"***

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including LIBOR, EURIBOR, SOR or SIBOR, in particular with respect to certain Floating Rate Notes or Floating Rate Perpetual Securities where the reference rate may be LIBOR, EURIBOR, SOR, SIBOR or another such benchmark. The Pricing Supplement for the Securities will specify whether LIBOR, EURIBOR, SOR, SIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as "benchmarks" are the subject of recent international and national regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union ("**EU**") (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, not deemed equivalent or recognised or endorsed). The Benchmarks Regulation could have a material impact on any Notes or Perpetual Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has through a series of announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that, it has established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. Similarly, The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. It is not possible to predict with certainty whether, and to what extent, LIBOR, SIBOR or SOR will continue to be supported going forwards. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark".

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5(VI) of the Notes and Condition 4(V) of the Perpetual Securities), or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Securities or Securities whose interest or distribution rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

The terms and conditions of the Notes and the terms and conditions of the Perpetual Securities provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. Due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an independent adviser acting in consultation with the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.";

12. by deleting the risk factor titled "Commencement of proceeding under applicable Singapore insolvency or related laws may result in a material adverse effect on the Securityholders" appearing on page 149 of the Information Memorandum in its entirety and substituting therefor the following:

"***Commencement of proceeding under applicable Singapore insolvency or related laws may result in a material adverse effect on the Securityholders***

There can be no assurance that the Relevant Issuer and the Guarantor will not become bankrupt or insolvent, or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to REITs. In the event of an insolvency or near insolvency of the Relevant Issuer and/or the Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Relevant Issuer and/or the Guarantor is insolvent or close to insolvent and the Relevant Issuer or, as the case may be, the Guarantor undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Relevant

Issuer or, as the case may be, the Guarantor. It may also be possible that if a company related to the Relevant Issuer or, as the case may be, the Guarantor proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Relevant Issuer or, as the case may be, the Guarantor may also seek a moratorium even if the Relevant Issuer or, as the case may be, the Guarantor is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Relevant Issuer or, as the case may be, the Guarantor, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Act (the "**IRD Act**") was passed in Parliament on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Securities. However, it may apply to related contracts that are not found to be directly connected with the Securities."; and

13. by deleting Appendix I appearing on pages I-1 to I-2 of the Information Memorandum in its entirety and substituting therefor the following:

"APPENDIX I
GENERAL AND OTHER INFORMATION

SHARE CAPITAL

1. (a) As at 25 September 2020, there is only one class of ordinary shares in SGRMPL. The rights and privileges attached to the Shares are stated in the Constitution of SGRMPL.

   (b) As at 25 September 2020, there is only one class of Units in Starhill Global REIT. The rights and privileges attached to the Units of Starhill Global REIT are stated in the Starhill Global REIT Trust Deed.

2. The Units in issue of Starhill Global REIT as at 18 September 2020 are 2,194,958,278 of which YTL's direct and deemed interest in Starhill Global REIT is approximately 37.48%.

BORROWINGS

3. The borrowings of the Group as at 30 June 2020 are as disclosed in the Appendix of the Supplemental Information Memorandum dated 25 September 2020.

WORKING CAPITAL

4. The Starhill Global REIT Manager is of the opinion that as at 18 September 2020, after taking into account the present banking facilities, cash balance and the net proceeds of the issue of the Securities (if any), Starhill Global REIT will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

5. There are no significant changes in the accounting policies of Starhill Global REIT since its audited financial statements for the financial year ended 30 June 2020.

LITIGATION

6. There are no legal or arbitration proceedings pending or, so far as the Issuer and the Guarantor are aware, threatened against the Issuers, the Guarantor, Starhill Global REIT or any of their respective Subsidiaries the outcome of which, in the opinion of the Issuer and the Guarantor, may have or have had during the 12 months prior to 25 September 2020 a material adverse effect on the financial position of SGRMPL or Starhill Global REIT.

MATERIAL ADVERSE CHANGE

7. As at 18 September 2020, save as disclosed in the Information Memorandum (as supplemented by the Supplemental Information Memorandum dated 25 September 2020), there has been no material adverse change in the financial condition or business of SGRMPL or Starhill Global REIT since 30 June 2020, or the financial condition or business of the Group since 30 June 2020 .

CONSENTS

8. The Auditors of SGRMPL and Starhill Global REIT have given and have not withdrawn their written consent to the issue of the Supplemental Information Memorandum dated 25 September 2020 with the references therein to the reports in the form and context in which they appear in the Supplemental Information Memorandum dated 25 September 2020.

LEI CODE

9. The Legal Entity Identifier of SGRMPL is 254900KNJOQZX9GOP537, and the Legal Entity Identifier of Starhill Global REIT is 549300GCJNC7HDN3YK51.

DOCUMENTS AVAILABLE FOR INSPECTION

10. Copies of the following documents may be inspected at 391B Orchard Road, #21-08 Ngee Ann City Tower B, Singapore 238874 during normal business hours for a period of six months from 25 September 2020:

(a) the Constitution of SGRMPL;

(b) the Trust Deed;

(c) the Starhill Global REIT Trust Deed; and

(d) the audited financial statements of Starhill Global REIT and its Subsidiaries for the financial year ended 30 June 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

11. The functions, rights and obligations of the Trustee are set out in the Principal Trust Deed and the relevant Supplemental Trust Deed (if any)."

RECENT DEVELOPMENTS

1. COVID-19 Outbreak

The unprecedented COVID-19 pandemic has adversely impacted many industries worldwide including the retail sector and created significant uncertainty in global economic prospects and the Group's operating environment. Globally, many governments have implemented measures to contain the spread. The Group's assets have encountered movement restriction orders and were impacted by stricter social distancing measures and lower tourist arrivals.

In Singapore, the Singapore Multi-Ministry Taskforce has announced various safe distancing measures to curb the spread of COVID-19 infections. Under the second phase of the gradual re-opening of activities which commenced on 19 June 2020, the re-opening of retails outlets and food and beverages dine-in have been allowed, although safe distancing measures and restrictions still apply such as a limited number of diners per table. The timing of the third phase, which will oversee further easing of safe distancing measures, remains undetermined and subject to the approval of the Singapore Multi-Ministry Taskforce. Currently, all of Starhill Global REIT's properties are open following the easing of the 'circuit breaker', movement restrictions and strict safe distancing measures in their respective countries. In Malaysia, asset enhancement works at Starhill Gallery have resumed following the stop work order during the period of the Movement Control Order.

The combination of the effect of COVID-19, the regulatory measures implemented and the tenant relief measures undertaken are expected to adversely impact SGREIT's financial performance, income available for distribution and cash flows for the financial year ending 30 June 2021. Pending the lifting of the safe distancing measures, the potential impact to the performance of the malls and valuation of the investment properties going forward remains to be seen. The high level of uncertainty associated with the COVID-19 pandemic makes it difficult to predict how long these conditions will persist and the extent to which the Group may be eventually affected. These factors could materially and adversely affect the business, financial condition and the results of operations of SGREIT, which may in turn affect SGRMPL's or SGREIT's ability to fulfil its payment obligations under the Securities.

For a further discussion on the impact of the COVID-19 pandemic, see "Risk Factor - The outbreak of an infectious disease, widespread communicable diseases or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of the operations and prospects of SGREIT.

2. Changes to Frequency of Distributions and Reporting of Financial Statements

Pursuant to the amendments to Rule 705(2) of the Listing Manual of the SGX-ST in connection with the introduction of half-yearly financial results reporting, which came into effect on 7 February 2020, SGREIT has made the following changes:

(i) changed its distribution frequency to semi-annual distributions from quarterly distributions from the quarter ended 31 March 2020; and

(ii) adopted the announcement of half-yearly financial statements with effect from financial year ending 30 June 2021 ("**FY 2020/21**"). For FY 2020/21, the first half-yearly financial results announcement will be for the period 1 July 2020 to 31 December 2020. Notwithstanding the aforementioned, SGREIT may elect to publish any quarterly business or financial updates in between the announcements of any half-yearly financial statements from time to time.

3. Credit Rating

In March 2020, Fitch, Ratings Inc. had assigned "BBB" corporate credit rating with stable outlook to SGREIT, its medium-term notes programmes (including the Programme) and the notes previously issued under the programmes.

In April 2020, the Starhill Global REIT Manager had requested Standard & Poor's Rating Services to withdraw its corporate credit rating on SGREIT and the notes issued under its medium-term notes programmes.

APPENDIX

AUDITED FINANCIAL STATEMENTS OF STARHILL GLOBAL REIT AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

The information in this Appendix has been extracted and reproduced from the audited financial statements of Starhill Global REIT and its Subsidiaries for the financial year ended 30 June 2020 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum.

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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))

Financial Statements
Year ended 30 June 2020

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of YTL Starhill Global REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2005, as supplemented by a first supplemental deed dated 20 April 2006, an amended and restated deed dated 8 August 2007, a second amended and restated deed dated 10 December 2007, a second supplemental deed dated 22 April 2010, a third supplemental deed dated 7 June 2010, a fourth supplemental deed dated 17 March 2014, a third amending and restating deed dated 4 August 2016, a fifth supplemental deed dated 27 October 2017 and a sixth supplemental deed dated 29 October 2019 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year ended 30 June 2020 covered by these financial statements, set out on pages FS1 to FS62 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
28 August 2020

Statement by the Manager

In the opinion of the board of directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages FS1 to FS62, comprising the balance sheets, statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and of the Trust, the investment properties portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to give a true and fair view of the financial position of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 30 June 2020, the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended 30 June 2020 in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
YTL Starhill Global REIT Management Limited

Ho Sing
Director

Singapore
28 August 2020

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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Independent auditors' report

Unitholders of Starhill Global Real Estate Investment Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2005 (as amended))

Report on the financial statements

Opinion

We have audited the financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheet and investment properties portfolio statement of the Group and the balance sheet of the Trust as at 30 June 2020, and the statements of total return, distribution statements, statements of movements in unitholders' funds of the Group and the Trust, and the cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS62.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and financial position of the Trust as at 30 June 2020, and the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:

As at 30 June 2020, the Group's investment properties portfolio comprises 10 properties which amounted to $2,941 million (2019: $3,065 million) representing 95% (2019: 98%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques which include the capitalisation and discounted cash flow approaches.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation and discount rates i.e. a small change in the assumptions may have a significant impact to the valuation.

The heightened uncertainty in market conditions caused by the 2019 Novel Coronavirus ("COVID-19") outbreak has resulted in the inclusion by the external valuers of a material valuation uncertainty declaration in their valuation reports. Consequently, less certainty and a higher degree of caution should be attached to these valuations than would normally be the case. Values may change more rapidly and significantly than during standard market conditions.

Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We also assessed the competency, capability and objectivity of these valuers.

We obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties. We considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the external valuers and challenged the key assumptions applied, including capitalisation and discount rates, by comparing them to market comparables, historical data and available industry data, as well as understand how the implications of the COVID-19 pandemic were considered in the valuations.

We have also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

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Our findings:

The Group has a process for appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies used are comparable to methods used in the prior year and those used for similar property types, and the key assumptions applied are within the reasonable range of available market data as at the date of valuation. The disclosures relating to the assumptions and the material uncertainty paragraph included by the external valuers in their valuation reports are appropriate.

Other information

YTL Starhill Global REIT Management Limited, the Manager of the Trust ("the Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

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Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 August 2020

Balance sheets
As at 30 June 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Non-current assets					
Investment properties	4	2,941,261	3,064,861	2,063,099	2,116,000
Plant and equipment	5	51	26	34	–
Interests in subsidiaries	6	–	–	519,701	576,915
		2,941,312	3,064,887	2,582,834	2,692,915
Current assets					
Derivative financial instruments	7	1	302	1	302
Trade and other receivables	8	22,280	3,846	15,474	4,871
Cash and cash equivalents	9	117,442	72,946	67,025	11,517
		139,723	77,094	82,500	16,690
Total assets		3,081,035	3,141,981	2,665,334	2,709,605
Non-current liabilities					
Trade and other payables	10	23,536	26,581	17,689	20,467
Derivative financial instruments	7	20,408	11,432	12,465	4,685
Deferred tax liabilities	11	6,340	6,168	–	–
Borrowings	12	1,056,015	1,004,271	750,606	799,037
Lease liabilities	13	818	–	718	–
		1,107,117	1,048,452	781,478	824,189
Current liabilities					
Trade and other payables	10	39,344	32,491	29,323	23,811
Derivative financial instruments	7	305	–	305	–
Income tax payable		2,428	3,180	–	–
Borrowings	12	161,971	127,837	161,971	20,000
Lease liabilities	13	381	–	381	–
		204,429	163,508	191,980	43,811
Total liabilities		1,311,546	1,211,960	973,458	868,000
Net assets		1,769,489	1,930,021	1,691,876	1,841,605
Represented by:					
Unitholders' funds	14	1,769,489	1,930,021	1,691,876	1,841,605
Units in issue ('000)	15	2,191,127	2,181,204	2,191,127	2,181,204
Net asset value per unit ($) based on:					
- Units issued and issuable at the end of the year		0.81	0.88	0.77	0.84

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

Statements of total return
Year ended 30 June 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Gross revenue	16	180,773	206,190	114,606	127,148
Property operating expenses	17	(48,657)	(46,784)	(24,798)	(26,868)
Net property income		132,116	159,406	89,808	100,280
Interest income from fixed deposits and bank balances		945	956	189	106
Interest income from subsidiaries		–	–	5,067	5,677
Dividend income from subsidiaries	18	–	–	25,373	6,980
Management fees	19	(15,402)	(15,846)	(14,493)	(14,936)
Performance fees	19	–	–	–	–
Trust expenses	20	(4,724)	(4,684)	(3,623)	(3,469)
Finance expenses	21	(39,864)	(38,697)	(26,510)	(25,284)
		73,071	101,135	75,811	69,354
Change in fair value of derivative instruments		(8,926)	(11,932)	(8,140)	(6,032)
Foreign exchange gain/(loss)		483	178	3,300	(5,755)
Change in fair value of investment properties	4	(160,671)	(20,315)	(54,751)	(32,041)
Impairment loss on investment in subsidiaries	6	–	–	(100,000)	(1,000)
Total return for the year before tax and distribution		(96,043)	69,066	(83,780)	24,526
Income tax	22	(1,369)	(3,479)	(681)	(852)
Total return for the year after tax, before distribution		(97,412)	65,587	(84,461)	23,674
Non-tax deductible items and other adjustments		174,766	35,732	161,815	77,645
Income available for distribution		77,354	101,319	77,354	101,319
Earnings per unit (cents)					
Basic	23	(4.46)	3.01	(3.87)	1.09
Diluted	23	(4.46)	3.01	(3.87)	1.09

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

Distribution statements
Year ended 30 June 2020

	Group		Trust	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Income available for distribution at the beginning of the year	55,233	51,414	55,233	51,414
Total return after tax, before distribution	(97,412)	65,587	(84,461)	23,674
Net tax and other adjustments (Note A below)	174,766	35,732	161,815	77,645
Income available for distribution	132,587	152,733	132,587	152,733
Distributions during the year:				
Unitholders				
Distribution of 1.10 cents (2018: 1.09 cents) per unit for the period 1 April to 30 June 2019	(23,993)	(23,775)	(23,993)	(23,775)
Distribution of 1.13 cents (2018: 1.15 cents) per unit for the period 1 July to 30 September 2019	(24,679)	(25,084)	(24,679)	(25,084)
Distribution of 1.13 cents (2018: 1.13 cents) per unit for the period 1 October to 31 December 2019	(24,712)	(24,648)	(24,712)	(24,648)
Distribution of 1.10 cents per unit for the period 1 January to 31 March 2019	– [(1)]	(23,993)	– [(1)]	(23,993)
	(73,384)	(97,500)	(73,384)	(97,500)
Income available for distribution at the end of the year	59,203	55,233	59,203	55,233

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

Distribution statements (continued)
Year ended 30 June 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Number of units issued and issuable ('000)	15	2,194,652	2,181,204	2,194,652	2,181,204
Distribution per unit for the year (cents)		2.96 [(2)]	4.48	2.96 [(2)]	4.48
Note A – Net tax and other adjustments					
Non-tax deductible/ (chargeable) items and other adjustments:					
- Management fees paid/payable in units		8,116	–	8,116	–
- Finance costs		685	582	981	848
- Sinking fund contribution		1,548	1,678	1,548	1,678
- Depreciation		4	–	4	–
- Change in fair value of derivative instruments		8,318	12,189	7,532	6,254
- Change in fair value of investment properties		160,671	20,315	54,751	32,041
- Deferred tax		156	108	–	–
- Impairment loss on investment in subsidiaries		–	–	100,000	1,000
- Foreign exchange (gain)/loss		(111)	72	(2,724)	5,915
- Other items		(4,621)	788	(4,248)	3,681
- Net overseas income not distributed to the Trust, net of amount received		–	–	(4,145)	26,228
Net tax and other adjustments		174,766	35,732	161,815	77,645

Notes:

(1) Following the change of the distribution frequency to semi-annual distributions, there was no distribution paid to its unitholders for the period from 1 January 2020 to 31 March 2020.

(2) Approximately $7.7 million of the income available for distribution for the year ended 30 June 2020 has been deferred, as allowed under the COVID-19 relief measures announced by IRAS.

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

Statements of movements in unitholders' funds
Year ended 30 June 2020

	Group		Trust	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Unitholders' funds at the beginning of the year	1,930,021	1,990,296	1,841,605	1,915,431
Operations				
Change in unitholders' funds resulting from operations, before distributions	(97,412)	65,587	(84,461)	23,674
(Decrease)/Increase in unitholders' funds resulting from operations	(97,412)	65,587	(84,461)	23,674
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	(573)	(24,594)	–	–
Transfer of translation differences from total return arising from hedge accounting [(1)]	(1,447)	(877)	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	4,168	(2,891)	–	–
Net gain/(loss) recognised directly in unitholders' funds	2,148	(28,362)	–	–
Unitholders' transactions				
Management fees paid in units	6,226	–	6,226	–
Management fees payable in units	1,890	–	1,890	–
Distributions to unitholders	(73,384)	(97,500)	(73,384)	(97,500)
Decrease in unitholders' funds resulting from unitholders' transactions	(65,268)	(97,500)	(65,268)	(97,500)
Unitholders' funds at the end of the year	1,769,489	1,930,021	1,691,876	1,841,605

Note:

(1) The Group designated its JPY loan as a net investment hedge for its Japan operations. Correspondingly, the foreign currency differences on the JPY loan was reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from the Group's Japan operations.

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

Investment properties portfolio statement
As at 30 June 2020

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate [11] 2020 %	At valuation 2020 $'000	At valuation 2019 $'000	Percentage of total net assets 2020 %	Percentage of total net assets 2019 %
Group										
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	41 years	435 Orchard Road, Singapore 238877	Retail/Office	96.7 / 90.7	932,000[5]	978,000	52.7	50.7
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	52 years	391/391B Orchard Road, Singapore 238874	Retail/Office	100.0 / 85.4	1,130,000[5]	1,138,000	63.9	59.0
Myer Centre Adelaide [1]	Freehold	–	–	14-38 Rundle Mall, Adelaide, Australia	Retail/Office	92.4 / 94.6	216,418[6]	284,625	12.2	14.7
David Jones Building [1]	Freehold	–	–	622-648 Hay Street Mall, Perth, Australia	Retail	99.3	137,415[6]	158,441	7.8	8.2
Plaza Arcade [1]	Freehold	–	–	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	86.1	40,794[6]	46,679	2.3	2.4
The Starhill [2]	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/Hotel [10]	100.0	245,240[7]	217,455	13.9	11.3
Lot 10 Property [2]	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	56 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/Office	100.0	147,958[7]	153,363	8.3	7.9
China Property [3]	Leasehold	Leasehold estate expiring on 27 December 2035	15 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	100.0	28,432[8]	28,358	1.6	1.5
Ebisu Fort [4]	Freehold	–	–	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	45,350[9]	43,981	2.6	2.3
Daikanyama [4]	Freehold	–	–	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	16,455[9]	15,959	0.9	0.8
Investment properties – fair value							2,940,062	3,064,861	166.2	158.8
Investment properties – right-of-use assets							1,199	–	0.1	–
Total investment properties							2,941,261	3,064,861	166.3	158.8
Other assets and liabilities (net)							(1,171,772)	(1,134,840)	(66.3)	(58.8)
Net assets							1,769,489	1,930,021	100.0	100.0

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

Investment properties portfolio statement (continued)
As at 30 June 2020

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 (formerly known as "Starhill Gallery") 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 2020. Daikanyama and Ebisu Fort were acquired on 30 May 2007 and 26 September 2007 respectively.

(5) The valuation of the Trust's Wisma Atria Property and Ngee Ann City Property were based on the valuation performed by CBRE Pte. Ltd. as at 30 June 2020.

(6) Based on the valuation performed by CBRE Valuations Pty Limited as at 30 June 2020 and translated at the exchange rate of A$1.04 : $1.00 (2019: A$1.05 : $1.00).

(7) Based on the valuation performed by IVPS Property Consultant Sdn Bhd as at 30 June 2020 and translated at the exchange rate of RM3.07 : $1.00 (2019: RM3.06 : $1.00).

(8) Based on the valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 30 June 2020 and translated at the exchange rate of RMB5.06 : $1.00 (2019: RMB5.08 : $1.00).

(9) Based on the valuation performed by JLL Morii Valuation & Advisory K.K. as at 30 June 2020 and translated at the exchange rate of JPY77.18 : $1.00 (2019: JPY79.58 : $1.00).

(10) The Starhill is currently undergoing asset enhancement works which is expected to be completed in the second half of 2021. The mall is currently undergoing asset enhancement works to convert it into an integrated development comprising retail and hotel elements.

(11) Based on commenced leases as at 30 June 2020.

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
Year ended 30 June 2020

	Group	
	2020	**2019**
	$'000	**$'000**
Cash flows from operating activities		
Total return for the year before tax and distribution	(96,043)	69,066
Adjustments for:		
Finance income	(945)	(956)
Depreciation	14	15
Management fees paid/payable in units	8,116	–
Finance expenses	39,864	38,697
Change in fair value of derivative instruments	8,926	11,932
Foreign exchange gain	(483)	(178)
Change in fair value of investment properties	160,671	20,315
Operating income before working capital changes	120,120	138,891
Trade and other receivables	(12,891)	(1,321)
Trade and other payables	(2,381)	(1,349)
Income tax paid	(2,023)	(2,256)
Net cash from operating activities	102,825	133,965
Cash flows from investing activities		
Capital expenditure on investment properties	(29,723)	(7,673)
Purchase of plant and equipment	(38)	(1)
Interest received on deposits	932	958
Net cash used in investing activities	(28,829)	(6,716)
Cash flows from financing activities		
Borrowing costs paid	(39,079)	(37,759)
Proceeds from borrowings	522,156	81,600
Repayment of borrowings	(439,732)	(65,879)
Payment of lease liabilities	(443)	–
Distributions paid to unitholders	(73,384)	(97,500)
Net cash used in financing activities	(30,482)	(119,538)
Net increase in cash and cash equivalents	43,514	7,711
Cash and cash equivalents at the beginning of the year	72,946	66,730
Effects of exchange rate differences on cash	982	(1,495)
Cash and cash equivalents at the end of the year	117,442	72,946

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 28 August 2020.

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.

For financial reporting purpose, the Trust is regarded as a subsidiary of YTL Corporation Berhad up to 31 March 2020. Accordingly, the ultimate holding company up to 31 March 2020 is Yeoh Tiong Lay & Sons Family Holdings Limited, which is incorporated in Jersey.

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.

The Trust has entered into several significant service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property management fees and leasing commission

YTL Starhill Global Property Management Pte. Ltd. (the "Property Manager") is entitled to receive a fee of 3.0% per annum of gross revenue of the Wisma Atria Property and Ngee Ann City Property ("Singapore Properties") (excluding GST) for the provision of property management, lease management as well as marketing and marketing co-ordination services. The Property Manager's fee is to be paid on a monthly basis in arrears.

The Property Manager is also entitled to receive leasing commission at the rates set out below when it secures a tenant or a tenancy renewal:

(i) one month's base rental for securing a tenancy of three years or more;

(ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;

(iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;

(iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;

(v) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and

(vi) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.

Property management fees also include fees payable mainly to third party property managers of the Australia Properties and Japan Properties.

(b) Management fees

Management fees include fees payable to the Manager, third party asset manager of the Japan Properties, as well as servicer of the Malaysia Properties.

Under the Trust Deed, the Manager is entitled to receive a base fee and a performance fee as follows:

Base fee

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders.

The Value of Trust Property means:

(i) the value of all authorised investments of the Group other than real estate related assets;

(ii) the value of real estate related assets of any entity held by the Group if such holding is less than 30.0% of the equity of such entity; and

(iii) where the Group invests in 30.0% or more of a real estate related asset of any entity, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, the Group's proportionate interest in the value of the underlying real estate of the entity issuing the equity which comprises the real estate related asset.

The Manager may opt to receive the Base Fee in respect of its properties in cash or units or a combination of cash and units (as it may determine).

The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

Performance fee

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units (expressed as the "Trust Index") in any financial year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index.

The Performance Fee is calculated in two tiers as follows:

- a Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust; and

- a Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index shall be referred to as outperformance.

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears. If a trigger event occurs in any financial year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether structured in cash or in the form of units) to which it might otherwise have been entitled for that financial year in cash, which shall be calculated, as if the end of the financial year was the date of occurrence of the trigger event, in accordance with Clause 15.1.4 of the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

The management fees (Base Fee and Performance Fee, including any accrued Performance Fee which has been carried forward from previous financial years but excluding any acquisition fee or divestment fee) to be paid to the Manager in respect of a financial year, whether in cash or in units or a combination of cash and units, is capped at an amount equivalent to 0.8% per annum of the Value of the Trust Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future financial years. If, at the end of a financial year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that financial year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the benchmark index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

(c) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of 1.0% of the value of the real estate acquired. For any acquisition made by the Group in Singapore, any payment to third party agents or brokers in connection with the acquisition shall be borne by the Manager, and not additionally out of the Group. For any acquisition made by the Group outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.

The Manager is entitled to receive a divestment fee of 0.5% of the value of the real estate divested. For any divestment made by the Group in Singapore, any payment to third party agents or brokers in connection with the divestment shall be borne by the Manager, and not additionally out of the Group. For any divestment made outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge a divestment fee of 0.5% of the sale price. The Manager also receives acquisition fees and divestment fees in instances other than an acquisition and divestment of real estate.

(d) Development management fee

Under the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs (excluding GST) incurred in development projects undertaken and managed by the Manager on behalf of the Group ("Development Management Fee").

In addition, when the estimated total project costs are greater than $200 million, the Trustee and the independent directors of the Manager (the "Independent Directors"), will first review and approve the quantum of the Development Management Fee payable to the Manager, whereupon the Manager may be directed by the Independent Directors to reduce the Development Management Fee.

For the purpose of calculating the Development Management Fee, "total project costs" means the sum of the construction costs, principal consultants' fees, cost of obtaining all approvals for the development project (including but not limited to any differential premium or development charge payable), site staff costs, interest costs and any other costs which meet the definition of total project costs and can be capitalised to the development project in accordance with generally accepted accounting principles in Singapore. For the avoidance of doubt, total project costs shall not include land costs.

The Development Management Fee shall be payable in the form of cash and/or units (as the Manager may elect) and in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or paid by the Manager when the total project costs is finalised.

(e) Trustee's fee

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders. The Trustee's fee is payable out of the deposited property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is less than 0.1% per annum of the value of the deposited property (subject to a minimum of $8,000 per month excluding out of pocket expenses and GST).

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 Unit Trusts"* 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").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information 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.

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 are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 6 – Impairment on interests in subsidiaries
- Notes 7 and 25 – Valuation of financial instruments

2.5 Adoption of new/revised FRS

The Group has adopted FRS 116 *Leases* using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 July 2019.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

As a lessor

The Group leases out its investment property, including own property and right-of-use assets. The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group sub-leases some of its properties. Under FRS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to FRS 116, the right-of-use assets recognised from the head leases are presented in investment properties and measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under FRS 116. The Group has applied FRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Impact on financial statements

On transition to FRS 116, the Group recognised right-of-use assets under its investment properties and lease liabilities of $0.8 million retrospectively as at 1 July 2019, which approximate the operating lease commitments as at 30 June 2019 under FRS 17. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate of approximately 3.28% as at 1 July 2019. For the impact of FRS 116 on profit or loss in the statement of total return, see Note 13. For the details of accounting policies under FRS 116 and FRS 17, see Note 3.8.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Group and the Trust to all periods in these financial statements and have been applied consistently by Group entities, except as explained in Note 2.5.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss in the statement of total return.

Subsidiaries

Subsidiaries are entities controlled by the Group and include entities that are created to accomplish a narrow and well defined objective such as the execution of a specific transaction where the substance of the relationship is that the Group controls the entity. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Interests in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transactions. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss in the statement of total return except for the differences arising on the translation of a financial liability designated as a hedge of the net investment in foreign operation (see below).

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to profit or loss in the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in profit or loss in the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

Hedge of a net investment in foreign operation

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss in the statement of total return. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss in the statement of total return as part of the gain or loss on disposal.

3.3 Plant and equipment

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment, and is recognised in profit or loss in the statement of total return.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss in the statement of total return as incurred.

Depreciation

Depreciation of plant and equipment is recognised in profit or loss in the statement of total return on a straight-line basis over their estimated useful lives of two to five years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition, and subsequently at fair value with any changes therein recognised in profit or loss in the statement of total return. Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code ("Property Fund Appendix") issued by MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

3.5 Intangible asset

Goodwill

Goodwill and bargain purchase may arise upon the acquisition of subsidiaries.

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss in the statement of total return.

Goodwill arising on the acquisition of subsidiaries (if any) is presented in intangible asset. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment.

3.6 Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets into the following measurement categories: amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

A financial asset at amortised cost, which is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise borrowings, trade and other payables, and lease liabilities.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. The Group does not adopt hedge accounting for its derivative financial instruments as at 30 June 2020.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss in the statement of total return.

Certain derivatives and non-derivative financial instruments can be designated as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, documentation of the risk management objective and strategy for undertaking the hedge is required, including the economic relationship between the hedged item and the hedging instrument, and whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3.7 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Group are deducted directly against unitholders' funds.

3.8 Leases

The Group has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 July 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset under its investment properties, and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein recognised in profit or loss in the statement of total return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

Policy applicable before 1 July 2019

As a lessee

Payments made under operating leases were recognised in profit or loss in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease. To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset. Rental income from investment property is recognised as "revenue" on a straight-line basis over the term of the lease.

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Simplified approach

The Group applies the simplified approach to provide loss allowances for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when a tenant or a counterparty is unable to settle its financial and contractual obligations to the Group in full, as and when they fall due. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the tenant or counterparty;
- a breach of contract such as a default by the tenant or counterparty; or
- it is probable that the tenant or counterparty will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.10 Employee benefits

Short-term employee benefit obligations, including contributions to defined contribution pension plans, if any, are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss in the statement of total return.

A liability is recognised for the amount expected to be paid under short-term cash bonus where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised in profit or loss in the statement of total return on the date that the Trust's right to receive payment is established.

3.12 Finance income and finance expenses

Finance income comprises mainly interest income on funds invested. Interest income is recognised in profit or loss in the statement of total return, using the effective interest method.

Finance expenses comprises mainly interest expense on borrowings and lease liabilities, and amortisation of loan acquisition expenses. All borrowing costs are recognised in profit or loss in the statement of total return using the effective interest method.

3.13 Expenses

Property operating expenses

Property operating expenses are recognised on an accrual basis. Property operating expenses comprise mainly property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, marketing expenses, administrative expenses, impairment loss on trade receivables as well as property management fees and leasing commission which are based on the applicable formula stipulated in Note 1(a).

Management fees

Management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is described in Note 1(e).

3.14 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss in the statement of total return except to the extent that it relates to a business combination, or items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred as well as current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling dated 20 May 2005 ("Tax Ruling") on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to unitholders that are made out of the taxable income of the Trust. However, where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual unitholders or foreign funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for such distributions.

A qualifying unitholder is a unitholder who is:

(i) a Singapore-incorporated company which is a tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or

(v) a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

A foreign fund is one who is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act for income tax purposes and:

(i) who does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used to acquire the units are not obtained from that operation.

The Trust is exempt from Singapore income tax under Section 13(12) of the Income Tax Act on the following income:

(i) dividends;

(ii) interest on shareholder's loans; and

(iii) foreign-sourced trust distribution

payable by its subsidiaries out of underlying rental income derived from the overseas investment properties. This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The Trust's distribution policy is to distribute at least 90% of its annual taxable income to its Unitholders or any other minimum level as allowed under the tax ruling issued by IRAS (as may be updated from time to time), with the actual level of distribution to be determined at the discretion of the Manager, having regard to funding requirements, operations and debt repayments, other capital management considerations, and the overall stability of distributions.

For any remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as retained taxable income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution. Under the COVID-19 relief measures announced by IRAS, the Trust will have until 31 December 2021 (or any extension allowed) to distribute at least 90% of the annual taxable income derived in the financial year ended 30 June 2020.

The above Tax Ruling does not apply to gains from sale of real properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. Investment properties

	Group $'000	Trust $'000
At 1 July 2018	3,118,338	2,147,000
Additions, straight-line rental and other adjustments	9,338	1,041
Change in fair value of investment properties	(20,315)	(32,041)
Translation differences	(42,500)	–
At 30 June 2019	3,064,861	2,116,000
Recognition of right-of-use assets following the adoption of FRS 116	791	679
Adjusted balance at 1 July 2019	3,065,652	2,116,679
Additions, straight-line rental and other adjustments	31,157	1,171
Change in fair value of investment properties [1]	(160,671)	(54,751)
Translation differences	5,123	–
At 30 June 2020	2,941,261	2,063,099

[1] Represents fair value adjustments on the investment properties including right-of-use assets as at 30 June 2020, following the property revaluation exercise in June 2020.

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, and included a material valuation uncertainty clause due to the disruption to the market at that date caused by the COVID-19 outbreak. The inclusion of this clause indicates that there is substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuers have based their valuations prove to be inaccurate. The carrying amounts of the Group's investment properties were current as at 30 June 2020 only and may change significantly after the balance sheet date as the impact of the COVID-19 outbreak unfolds.

The valuers have used valuation techniques which include the capitalisation and discounted cash flow approaches, in arriving at the open market 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 2020, investment properties with a carrying value of approximately $747.0 million (2019: $813.9 million) are mortgaged to secure credit facilities for the Group (Note 12).

Fair value hierarchy

The Group's and the Trust's investment properties of approximately $2,940.1 million and $2,062.0 million respectively (excluding the carrying amount of lease liabilities of approximately $1.2 million and $1.1 million respectively) as at 30 June 2020 are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 25.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2020:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.50% to 6.87% (2019: from 3.70% to 6.88%) • Discount rates from 3.30% to 7.20% (2019: from 3.50% 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. Plant and equipment

	Group $'000	Trust $'000
Cost:		
At 1 July 2018	1,880	790
Additions	1	–
Disposal/write-off	(958)	–
Translation differences	(39)	–
At 30 June 2019	884	790
Additions	38	38
Translation differences	1	–
At 30 June 2020	923	828
Accumulated depreciation:		
At 1 July 2018	(1,838)	(790)
Depreciation charge	(15)	–
Disposal/write off	958	–
Translation differences	37	–
At 30 June 2019	(858)	(790)
Depreciation charge	(14)	(4)
Translation differences	–	–
At 30 June 2020	(872)	(794)
Carrying amount:		
At 1 July 2018	42	–
At 30 June 2019	26	–
At 30 June 2020	51	34

6. Interests in subsidiaries

	Trust	
	2020 $'000	2019 $'000
Equity investments at cost	539,461	480,446
Less: allowance for impairment loss	(134,400)	(34,400)
	405,061	446,046
Loans to subsidiaries	181,640	197,869
Less: allowance for impairment loss	(67,000)	(67,000)
	114,640	130,869
	519,701	576,915

Loans to subsidiaries are unsecured and include an interest-free portion of approximately $8.6 million (2019: $8.3 million). Loans to subsidiaries are measured at amortised cost, where the carrying amounts approximate their fair values and the settlement of these amounts is neither planned nor likely to occur in the foreseeable future.

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the carrying amount of the Trust's interests in subsidiaries. The recoverable amount was estimated based on the fair value of the subsidiaries' net assets as at the reporting date, which is classified in Level 3 of the fair value hierarchy. As the recoverable amount was lower than the net carrying amount of the Trust's interest in these subsidiaries, an impairment loss of $100.0 million (2019: $1.0 million) was recognised for the year ended 30 June 2020. The impairment on the net carrying amount of the loans to subsidiaries has been measured on the 12-month expected credit loss basis.

The movement in the allowance for impairment loss in respect of interests in the subsidiaries was as follows:

	Trust	
	2020	**2019**
	$'000	**$'000**
At 1 July	(101,400)	(100,400)
Impairment loss recognised	(100,000)	(1,000)
At 30 June	(201,400)	(101,400)

Details of the subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Effective interest**	
		2020	**2019**
		%	**%**
Starhill Global REIT Japan SPC One Pte Ltd [1]	Singapore	100	100
Starhill Global REIT Japan SPC Two Pte Ltd [1]	Singapore	100	100
Starhill Global REIT MTN Pte Ltd [1]	Singapore	100	100
SG REIT (M) Pte Ltd [1]	Singapore	100	100
SG REIT (WA) Pte Ltd [1]	Singapore	100	100
Starhill Global REIT One TMK [2]	Japan	100	100
Starhill Global ML K.K. [3]	Japan	100	100
Top Sure Investment Limited [4]	Hong Kong	100	100
Chengdu Xin Hong Management Co., Ltd [4]	China	100	100
SG REIT (WA) Trust [2]	Australia	100	100
SG REIT (WA) Sub-Trust1 [2]	Australia	100	100
SG REIT (SA) Sub-Trust2 [2]	Australia	100	100
Ara Bintang Berhad [2]	Malaysia	100	100

[1] Audited by KPMG LLP
[2] Audited by other member firms of KPMG International
[3] Not required to be audited by the laws of the country of incorporation
[4] Audited by other auditors

7. Derivative financial instruments

	2020		2019	
	Contract notional amount $'000	**Fair value $'000**	**Contract notional amount $'000**	**Fair value $'000**
Group				
Non-current assets				
Interest rate caps	–	–	79,200	– [(1)]
Current assets				
Interest rate caps	81,600	–	–	–
Foreign exchange forwards	1,100	1	10,500	302
	82,700	1	10,500	302
	82,700	1	89,700	302
Non-current liabilities				
Interest rate swaps	574,200	20,408	572,300	11,432
Current liabilities				
Foreign exchange forwards	10,100	305	–	–
	584,300	20,713	572,300	11,432
Trust				
Non-current assets				
Interest rate caps	–	–	79,200	– [(1)]
Current assets				
Interest rate caps	81,600	–	–	–
Foreign exchange forwards	1,100	1	10,500	302
	82,700	1	10,500	302
	82,700	1	89,700	302
Non-current liabilities				
Interest rate swaps	375,000	12,465	375,000	4,685
Current liabilities				
Foreign exchange forwards	10,100	305	–	–
	385,100	12,770	375,000	4,685

[(1)] Amount less than $1,000.

The Group has entered into various derivative transactions under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the balance sheet as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. Upon the occurrence of a termination event resulting in the set-off of related derivatives in the balance sheet as at 30 June 2020, the impact would be approximately $1,000 (2019: $302,000) decrease in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2020 and 30 June 2019, the Group's derivative financial assets and liabilities are not subject to an election for netting of payments under the enforceable master netting arrangements. The Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The net fair value of the derivative financial instruments represents 1.17% (2019: 0.58%) and 0.75% (2019: 0.24%) of the Group's and Trust's unitholders' funds as at 30 June 2020. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 12.

8. Trade and other receivables

	Group		Trust	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade receivables	10,857	1,521	2,607	229
Deposits	250	250	250	250
Other receivables [1]	10,566	1,450	12,338	4,111
	21,673	3,221	15,195	4,590
Prepayments	607	625	279	281
	22,280	3,846	15,474	4,871

[1] Included the grant receivable from the Singapore government in relation to property tax rebates and other cash grants as part of the COVID-19 relief measures as at 30 June 2020.

Concentration of credit risk relating to trade receivables is limited due to the Group's and the Trust's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's and the Trust's investment properties, where applicable. As at 30 June 2020, the Group and the Trust have security deposits of approximately $28.7 million (2019: $30.7 million) and $23.6 million (2019: $24.3 million) respectively (Note 10).

There is no impairment loss arising from the Group's and the Trust's deposits and other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are interest income receivable from its subsidiaries of approximately $2.5 million (2019: $3.5 million) as at 30 June 2020.

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was:

	Group		Trust	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	12,643	1,099	15,195	4,590
Australia	5,702	1,638	–	–
Malaysia	3,194	295	–	–
Others	134	189	–	–
	21,673	3,221	15,195	4,590

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2020 $'000	Impairment losses 2020 $'000	Gross 2019 $'000	Impairment losses 2019 $'000
Group				
Not past due	6,439	–	612	(36)
Past due 0 – 30 days	5,256	(1,147)	291	(73)
Past due 31 – 120 days	4,299	(3,990)	220	(92)
More than 120 days	758	(758)	1,117	(518)
	16,752	(5,895)	2,240	(719)
Trust				
Not past due	1,320	–	265	(36)
Past due 0 – 30 days	988	–	73	(73)
Past due 31 – 120 days	378	(79)	70	(70)
More than 120 days	144	(144)	37	(37)
	2,830	(223)	445	(216)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
At 1 July	(719)	(670)	(216)	(416)
Impairment loss recognised	(5,604)	(939)	(147)	(163)
Utilised	465	862	140	363
Translation differences	(37)	28	–	–
At 30 June	(5,895)	(719)	(223)	(216)

The Group's and the Trust's historical experience in the collection of trade receivables falls largely within the recorded allowances. Due to these factors and evaluations performed, the Manager believes that, apart from the above and subject to the extent of the COVID-19 pandemic, no additional significant credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as at 30 June 2020, as these are partially covered by security deposits, bank/corporate guarantees and allowance for impairment.

9. Cash and cash equivalents

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Cash at bank and in hand	89,498	36,759	62,018	11,043
Fixed deposits with financial institutions	27,944	36,187	5,007	474
	117,442	72,946	67,025	11,517

10. Trade and other payables

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current				
Security deposits [(1)]	21,180	26,581	17,491	20,467
Deferred income [(2)]	2,356	–	198	–
	23,536	26,581	17,689	20,467
Current				
Trade payables	3,381	4,718	2,216	3,686
Accrued expenses	5,364	5,955	1,709	1,782
Amounts due to:				
- the Manager [(3)]	1,072	2,652	1,072	2,652
- the Property Manager [(3)]	392	705	392	705
- the Trustee [(3)]	120	80	120	80
Interest payable	3,344	3,320	2,861	2,651
Security deposits [(1)]	7,514	4,084	6,135	3,790
Deferred income [(2)]	421	524	177	262
Other payables [(4)]	17,736	10,453	14,641	8,203
	39,344	32,491	29,323	23,811
	62,880	59,072	47,012	44,278

[(1)] Represent cash deposits received from tenants to secure leases of the Group's and the Trust's investment properties.

[(2)] Represent mainly accretion adjustment on security deposits, as well as rental income received in advance.

[(3)] The amounts due to the Manager, Property Manager and Trustee are mainly trade in nature, unsecured and interest free.

[(4)] Included the deferred grant liability arising from the Singapore government's property tax rebates and other cash grants as part of the COVID-19 relief measures as at 30 June 2020, which will be passed to the eligible tenants in the form of rental rebates.

The Group's and the Trust's exposure to liquidity and currency risks related to trade and other payables are disclosed in Notes 12 and 25.

11. Deferred tax liabilities

	Group	
	2020 $'000	2019 $'000
Deferred tax liabilities [(1)]	6,340	6,168

[(1)] In respect of the China Property and has been estimated on the basis of an asset sale at the current book value.

Movement in deferred tax liabilities of the Group (prior to offsetting of balances) during the year was as follows:

	At 1 July $'000	Recognised in statement of total return (Note 22) $'000	Translation differences $'000	At 30 June $'000
Group				
2020				
Deferred tax liabilities				
Investment properties	6,168	156	16	6,340
2019				
Deferred tax liabilities				
Investment properties	6,336	108	(276)	6,168

12. Borrowings

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current				
Secured borrowings	297,152	197,340	–	–
Unsecured borrowings	761,726	810,014	752,941	801,494
Unamortised loan acquisition expenses	(2,863)	(3,083)	(2,335)	(2,457)
	1,056,015	1,004,271	750,606	799,037
Current				
Secured borrowings	–	107,848	–	–
Unsecured borrowings	162,000	20,000	162,000	20,000
Unamortised loan acquisition expenses	(29)	(11)	(29)	–
	161,971	127,837	161,971	20,000
Total borrowings (net of borrowing costs)	1,217,986	1,132,108	912,577	819,037

The contractual terms of the Group's and the Trust's borrowings, which are measured at amortised cost are disclosed below. The Group's and the Trust's exposure to interest rate, currency and liquidity risks, is disclosed in Note 25.

Reconciliation of liabilities arising from financing activities

	Borrowings $'000	Interest payable $'000	Lease liabilities $'000	Net derivative financial (assets)/ liabilities $'000	Total $'000
Group					
Balance at 1 July 2018	1,130,329	3,332	–	(767)	1,132,894
Changes from financing cash flows					
Borrowing costs paid	(645)	(35,911)	–	(1,203)	(37,759)
Proceeds from borrowings	81,600	–	–	–	81,600
Repayment of borrowings	(65,879)	–	–	–	(65,879)
Total changes from financing cash flows	15,076	(35,911)	–	(1,203)	(22,038)
Other changes					
Effects of exchange rate differences	(14,813)	–	–	(114)	(14,927)
Change in fair value of derivative instruments	–	–	–	11,932	11,932
Amortisation of loan acquisition expenses	1,516	–	–	–	1,516
Finance expenses	–	35,899	–	1,282	37,181
Total other changes	(13,297)	35,899	–	13,100	35,702
Balance at 30 June 2019	1,132,108	3,320	–	11,130	1,146,558
Adjusted balance at 1 July 2019	1,132,108	3,320	791	11,130	1,147,349
Changes from financing cash flows					
Borrowing costs paid	(1,045)	(33,304)	–	(4,730)	(39,079)
Proceeds from borrowings	522,156	–	–	–	522,156
Repayment of borrowings	(439,732)	–	–	–	(439,732)
Payment of lease liabilities	–	–	(443)	–	(443)
Total changes from financing cash flows	81,379	(33,304)	(443)	(4,730)	42,902
Other changes					
Effects of exchange rate differences	3,185	–	(1)	167	3,351
Change in fair value of derivative instruments	–	–	–	8,926	8,926
Amortisation of loan acquisition expenses	1,314	–	–	–	1,314
Finance expenses	–	33,085	25	5,219	38,329
Others	–	243	827	–	1,070
Total other changes	4,499	33,328	851	14,312	52,990
Balance at 30 June 2020	1,217,986	3,344	1,199	20,712	1,243,241

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2020					
Group					
JPY term loan facility [1]	JPY	0.69 – 0.85	2024	47,941	47,941
SGD term loan facilities [1]	SGD	1.09 – 2.91	2021 & 2022	410,000	410,000
SGD revolving credit facilities [1] [2]	SGD	1.48 – 2.39	2021, 2022 & 2024	62,000	62,000
Singapore MTNs [3]	SGD	3.14 – 3.50	2021, 2023, 2025 & 2026	395,000	395,000
Japan bond [4]	JPY	0.57	2021	8,785	8,785
Australia loans [5]	A$	1.51 – 2.96	2021 & 2023	189,605	189,605
Malaysia MTN [6]	RM	4.48 – 5.50	2024	107,547	107,547
				1,220,878	1,220,878
Trust					
JPY term loan facility [1]	JPY	0.69 – 0.85	2024	47,941	47,941
SGD term loan facilities [1]	SGD	1.09 - 2.91	2021 & 2022	410,000	410,000
SGD revolving credit facilities [1] [2]	SGD	1.48 – 2.39	2021, 2022 & 2024	62,000	62,000
Intercompany loans [3]	SGD	3.14 – 3.50	2021, 2023, 2025 & 2026	395,000	395,000
				914,941	914,941
2019					
Group					
JPY term loan facility [1]	JPY	0.85	2020	46,494	46,494
SGD term loan facilities [1]	SGD	2.49 – 2.93	2021 & 2022	460,000	460,000
SGD revolving credit facilities [1] [2]	SGD	2.20 – 2.85	2020, 2022 & 2024	20,000	20,000
Singapore MTNs [3]	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
Japan bond [4]	JPY	0.57	2021	8,520	8,520
Australia loans [5]	A$	2.90 – 3.82	2021 & 2023	197,340	197,340
Malaysia MTN [6]	RM	4.48	2019	107,910	107,848
				1,135,264	1,135,202
Trust					
JPY term loan facility [1]	JPY	0.85	2020	46,494	46,494
SGD term loan facilities [1]	SGD	2.49 – 2.93	2021 & 2022	460,000	460,000
SGD revolving credit facilities [1] [2]	SGD	2.20 – 2.85	2020, 2022 & 2024	20,000	20,000
Intercompany loans [3]	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
				821,494	821,494

[1] The Group has in place the following unsecured loan facilities as at 30 June 2020, comprising:

(i) four-year and five-year unsecured loan facilities with a club of seven banks at inception, comprising (a) term loan of $150 million (2019: $200 million) (maturing in September 2021), (b) term loan of $260 million (maturing in September 2022) and (c) $240 million committed revolving credit facilities (maturing in September 2022), of which $40 million (2019: $Nil) is outstanding under the above revolving credit facilities as at the reporting date.

(ii) five-year unsecured term loan facility of JPY3.7 billion ($47.9 million) (2019: JPY3.7 billion ($46.5 million)) (maturing in September 2024) with a bank.

The interest rate on the above unsecured loan facilities was largely hedged using a combination of interest rate swaps and caps as at 30 June 2020.

(2) The Group has in place three-year unsecured and committed revolving credit facilities of $80 million (maturing in March 2022) with two banks, of which $12 million (2019: $10 million) is outstanding as at 30 June 2020. In addition, the Group has outstanding $10 million (2019: $10 million) from its other unsecured revolving credit facilities as at 30 June 2020.

(3) The Group has outstanding medium term notes ("MTN") of $295 million (2019: $295 million) as at 30 June 2020 issued by Starhill Global REIT MTN Pte Ltd under its $2 billion multicurrency MTN programme, comprising:

(i) $100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (issued in February 2014 and maturing in February 2021) which bear a fixed rate interest of 3.50% per annum payable semi-annually in arrears.

(ii) $125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (issued in May 2015 and maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrears.

(iii) $70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (issued in October 2016 and maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears.

In addition, as at 30 June 2020, the Group has outstanding $100 million unsecured five-year Singapore MTN (the "2020 Series 001 Notes") (issued in June 2020 and maturing in June 2025) which bear a fixed rate interest of 3.15% per annum payable semi-annually in arrears, issued under its new $2 billion multicurrency debt issuance programme.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms.

(4) At the reporting date, the Group has JPY678 million ($8.8 million) (2019: JPY678 million ($8.5 million)) Japan bond outstanding and maturing in August 2021. Whilst no security has been pledged, the bondholders of the Japan bond have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the Japan bond prior to other creditors out of the assets of the issuer (Starhill Global REIT One TMK).

(5) The Group has outstanding term loans of A$198 million (approximately $189.6 million) (2019: A$208 million ($209.6 million)) as at 30 June 2020, comprising:

(i) A$63 million ($60.3 million) (2019: A$63 million ($59.8 million)) (maturing in July 2023) loan which was hedged via interest rate swaps and is secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building.

(ii) A$135 million ($129.3 million) (2019: A$145 million ($137.6 million)) (maturing in November 2021) loan which was hedged via interest rate swaps and is secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide.

(6) The Group refinanced its existing senior medium term notes of RM330 million ("Senior MTN") upon maturity via a new unrated issuance of five-year fixed-rate Senior MTN of the same amount in September 2019. The Senior MTN bear a fixed coupon rate of 5.50% per annum and have a carrying amount of RM330 million ($107.5 million) (2019: RM329.8 million ($107.8 million)) as at 30 June 2020. The notes have an expected maturity in September 2024 and legal maturity in March 2026, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad, including the Malaysia Properties.

The contractual maturities by type of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, were as follows:

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000	After 5 years $'000
Group						
2020						
Non-derivative financial liabilities						
JPY term loan facility	12	47,941	(49,369)	(335)	(49,034)	–
SGD term loan facilities	12	410,000	(419,089)	(4,768)	(414,321)	–
SGD revolving credit facilities	12	62,000	(62,487)	(62,487)	–	–
Singapore MTNs	12	395,000	(441,314)	(113,108)	(254,906)	(73,300)
Japan bond	12	8,785	(8,849)	(51)	(8,798)	–
Australia loans	12	189,605	(195,961)	(3,041)	(192,920)	–
Malaysia MTN	12	107,547	(132,714)	(5,915)	(126,799)	–
Trade and other payables	10	54,207	(58,419)	(33,119)	(22,145)	(3,155)
Lease liabilities	13	1,199	(1,278)	(424)	(792)	(62)
		1,276,284	(1,369,480)	(223,248)	(1,069,715)	(76,517)
Derivative financial liabilities						
Interest rate swaps	7	20,408	–	–	–	–
- inflow		–	1,939	1,050	889	–
- outflow		–	(23,031)	(12,199)	(10,832)	–
Foreign exchange forwards	7	305	–	–	–	–
- inflow		–	9,769	9,769	–	–
- outflow		–	(10,060)	(10,060)	–	–
		20,713	(21,383)	(11,440)	(9,943)	–
		1,296,997	(1,390,863)	(234,688)	(1,079,658)	(76,517)
2019						
Non-derivative financial liabilities						
JPY term loan facility	12	46,494	(46,928)	(402)	(46,526)	–
SGD term loan facilities	12	460,000	(496,258)	(12,865)	(483,393)	–
SGD revolving credit facilities	12	20,000	(20,032)	(20,032)	–	–
Singapore MTNs	12	295,000	(335,521)	(9,975)	(250,048)	(75,498)
Japan bond	12	8,520	(8,630)	(49)	(8,581)	–
Australia loans	12	197,340	(213,562)	(5,348)	(208,214)	–
Malaysia MTN	12	107,848	(109,129)	(109,129)	–	–
Trade and other payables	10	58,548	(61,796)	(32,037)	(17,353)	(12,406)
		1,193,750	(1,291,856)	(189,837)	(1,014,115)	(87,904)
Derivative financial liabilities						
Interest rate swaps	7	11,432	–	–	–	–
- inflow		–	26,585	9,374	17,211	–
- outflow		–	(35,140)	(12,191)	(22,949)	–
		11,432	(8,555)	(2,817)	(5,738)	–
		1,205,182	(1,300,411)	(192,654)	(1,019,853)	(87,904)

	Note	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000	After 5 years $'000
Trust						
2020						
Non-derivative financial liabilities						
JPY term loan facility	12	47,941	(49,369)	(335)	(49,034)	–
SGD term loan facilities	12	410,000	(419,089)	(4,768)	(414,321)	–
SGD revolving credit facilities	12	62,000	(62,487)	(62,487)	–	–
Intercompany loans	12	395,000	(441,314)	(113,108)	(254,906)	(73,300)
Trade and other payables	10	40,741	(42,729)	(23,340)	(19,389)	–
Lease liabilities	13	1,099	(1,157)	(409)	(748)	–
		956,781	(1,016,145)	(204,447)	(738,398)	(73,300)
Derivative financial liabilities						
Interest rate swaps	7	12,465	–	–	–	–
- inflow		–	1,334	748	586	–
- outflow		–	(14,121)	(7,650)	(6,471)	–
Foreign exchange forwards	7	305	–	–	–	–
- inflow		–	9,769	9,769	–	–
- outflow		–	(10,060)	(10,060)	–	–
		12,770	(13,078)	(7,193)	(5,885)	–
		969,551	(1,029,223)	(211,640)	(744,283)	(73,300)
2019						
Non-derivative financial liabilities						
JPY term loan facility	12	46,494	(46,928)	(402)	(46,526)	–
SGD term loan facilities	12	460,000	(496,258)	(12,865)	(483,393)	–
SGD revolving credit facilities	12	20,000	(20,032)	(20,032)	–	–
Intercompany loans	12	295,000	(335,521)	(9,975)	(250,048)	(75,498)
Trade and other payables	10	44,016	(46,600)	(23,619)	(15,566)	(7,415)
		865,510	(945,339)	(66,893)	(795,533)	(82,913)
Derivative financial liabilities						
Interest rate swaps	7	4,685	–	–	–	–
- inflow		–	19,142	6,891	12,251	–
- outflow		–	(21,791)	(7,671)	(14,120)	–
		4,685	(2,649)	(780)	(1,869)	–
		870,195	(947,988)	(67,673)	(797,402)	(82,913)

The maturity analyses show the undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their contractual maturity.

13. Leases including lease liabilities

(i) Leases as lessee

Following the adoption of FRS 116, the Group recognised its existing operating lease arrangements as right-of-use assets of $1.2 million as at 30 June 2020 as presented within investment properties (Note 4), with the corresponding lease liabilities recorded in the balance sheet.

Amounts recognised in profit or loss in the statement of total return

	$'000
2020 – Leases under FRS 116	
Interest expense on lease liabilities	25
Change in fair value of right-of-use assets	418
2019 – Operating leases under FRS 17	
Operating lease expense	462

Amounts recognised in statement of cash flows

	2020 $'000
Total cash outflow for leases	443

(ii) Leases as lessor

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group $'000	Trust $'000
2020 – Operating leases under FRS 116		
Within one year	171,962	115,945
One to two years	150,950	92,158
Two to three years	127,919	68,667
Three to four years	109,234	53,304
Four to five years	96,744	42,579
More than five years	412,682	306
Total	1,069,491	372,959
2019 – Operating leases under FRS 17		
Within one year	178,344	121,655
Between one and five years	505,737	288,280
More than five years	501,859	41,014
Total	1,185,940	450,949

14. Unitholders' funds

	Group		Trust	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Net assets attributable to unitholders (1)	1,840,261	2,002,941	1,691,876	1,841,605
Foreign currency translation reserve (2)	(70,772)	(72,920)	–	–
	1,769,489	1,930,021	1,691,876	1,841,605

(1) Included in the net assets attributable to unitholders is approximately $2.8 million (2019: $2.8 million) retained to satisfy certain legal reserve requirements in China.

(2) The foreign currency translation reserve comprises (i) the foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; (ii) the transfer of translation differences arising from hedge accounting; and (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

15. Units in issue

	Group and Trust	
	2020	**2019**
	No. of units '000	**No. of units '000**
At 1 July	2,181,204	2,181,204
Issue of units:		
- Management fees paid in units (base fee) (1)	9,923	–
At 30 June	2,191,127	2,181,204
Units to be issued:		
- Management fees payable in units (base fee) (2)	3,525	–
Total issued and issuable units at 30 June	2,194,652	2,181,204

(1) During the year ended 30 June 2020, the Trust issued 9,922,713 units at the issue price ranging from $0.4834 to $0.7449 per unit, as partial satisfaction of the above base management fees to the Manager.

(2) An estimated 3,524,668 units are issuable by the Trust to the Manager as at 30 June 2020, as partial satisfaction of the base management fees for the period from 1 April 2020 to 30 June 2020.

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.

16. Gross revenue

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Property rental income [1]	175,416	201,316	109,334	122,474
Turnover rental income	2,003	2,336	1,938	2,178
Other income	3,354	2,538	3,334	2,496
	180,773	206,190	114,606	127,148

[1] Included rental assistance of approximately $12.8 million for eligible tenants to cushion the impact of the COVID-19 pandemic for the year ended 30 June 2020.

17. Property operating expenses

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Maintenance and sinking fund contributions	6,614	6,867	6,538	6,796
Property management fees	5,274	5,485	3,459	3,812
Property tax	19,424	19,819	12,058	12,212
Depreciation expense	14	15	4	–
Leasing and upkeep expenses	9,500	10,964	1,069	2,064
Marketing expenses	832	903	684	747
Impairment loss recognised on trade receivables	5,604	939	147	163
Administrative expenses and others [1]	1,395	1,792	839	1,074
	48,657	46,784	24,798	26,868

[1] For the year ended 30 June 2020, grant income and corresponding grant expense of $15.2 million have been recognised in relation to the rental relief for eligible tenants from the Singapore government as part of the COVID-19 relief measures.

18. Dividend income from subsidiaries

Represents dividend income from certain subsidiaries (Note 6).

19. Management fees and performance fees

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan Properties and fees payable to the servicer of the Malaysia Properties, which is a wholly-owned subsidiary of the Manager. Base Fee paid/payable to the Manager for the year ended 30 June 2020 amounted to approximately $14,493,000 (2019: $14,936,000). Approximately $54,000 (2019: $51,000) and $855,000 (2019: $859,000) were paid/payable to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the year ended 30 June 2020 respectively. The Manager has elected for the year ended 30 June 2020 to receive part of the Manager's base management fees in units (2019: 100% in cash).

No performance fee was earned by the Manager for the years ended 30 June 2020 and 30 June 2019. The performance of the Trust Index was approximately 139% and 83% below the Benchmark Index as at 30 June 2020 and 30 June 2019 respectively.

20. Trust expenses

	Group		Trust	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Auditor's remuneration	395	399	240	240
Trustee's fees	478	479	478	479
Others (1)	3,851	3,806	2,905	2,750
	4,724	4,684	3,623	3,469

(1) Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately $166,000 (2019: $107,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately $137,000 (2019: $142,000) for the year ended 30 June 2020.

21. Finance expenses

	Group		Trust	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Interest costs	38,525	37,181	25,507	24,437
Amortisation of borrowing costs	1,314	1,516	981	847
Interest expense on lease liabilities	25	–	22	–
	39,864	38,697	26,510	25,284

22. Income tax

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Current tax				
Current year	1,213	3,371	681	852
Deferred tax				
Origination of temporary differences	156	108	–	–
	1,369	3,479	681	852
Reconciliation of effective tax rate				
Total return before tax and distribution	(96,043)	69,066	(83,780)	24,526
Income tax using Singapore tax rate of 17% (2019: 17%)	(16,327)	11,741	(14,243)	4,169
Net effect of different tax rates in other countries	2,777	2,932	–	–
Withholding tax	1,010	3,267	681	852
Income not subject to tax	(121)	(10,758)	–	–
Non-deductible items	25,201	9,196	25,414	8,730
Tax transparency	(11,171)	(12,899)	(11,171)	(12,899)
	1,369	3,479	681	852

23. Earnings per unit

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Earnings attributable to unitholders	(97,412)	65,587	(84,461)	23,674
Basic earnings per unit (cents) [(1)]	(4.46)	3.01	(3.87)	1.09
Earnings per unit on a fully diluted basis (cents) [(2)]	(4.46)	3.01	(3.87)	1.09

[(1)] In computing the basic earnings per unit, the earnings attributable to unitholders and the weighted average number of units of 2,185,030,567 (2019: 2,181,204,435) during the year ended 30 June 2020 are used and have been calculated on a time-weighted basis. This comprises the weighted average number of (i) units in issue of 2,184,991,834; and (ii) estimated units issuable of 38,733 as at 30 June 2020.

[(2)] In computing the diluted earnings per unit, the weighted average number of units in issue of 2,184,991,834 (2019: 2,181,204,435) during the year ended 30 June 2020 are used and adjusted to include the potential dilutive units assuming issuance of estimated 3,524,668 units for the settlement of unpaid base management fees.

24. 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:

- Wisma Atria Property
- Ngee Ann City 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.

Group	Wisma Atria Property (Singapore) 2020 $'000	2019 $'000	Ngee Ann City Property (Singapore) 2020 $'000	2019 $'000	Australia Properties (Australia) 2020 $'000	2019 $'000	Malaysia Properties (Malaysia) 2020 $'000	2019 $'000	Other Properties (China/Japan) 2020 $'000	2019 $'000	Total 2020 $'000	2019 $'000
Revenue and expenses												
External revenue	55,768	61,778	58,838	65,370	43,189	46,186	18,299	28,179	4,679	4,677	180,773	206,190
Depreciation of plant and equipment	4	–	–	–	–	–	–	–	10	15	14	15
Reportable segment net property income	42,598	46,835	47,210	53,445	21,338	28,265	17,397	27,278	3,573	3,583	132,116	159,406
Other material non-cash items:												
Change in fair value of investment properties	(46,400)	(20,244)	(8,351)	(11,797)	(103,861)	(4,952)	(2,121)	15,139	62	1,539	(160,671)	(20,315)
Unallocated items:												
Finance income											945	956
Non-property expenses											(20,126)	(20,530)
Finance expenses											(39,864)	(38,697)
Change in fair value of derivative instruments											(8,926)	(11,932)
Foreign exchange gain											483	178
Total return for the year before tax											(96,043)	69,066
Income tax											(1,369)	(3,479)
Total return for the year											(97,412)	65,587

Group	Wisma Atria Property (Singapore) 2020 $'000	Wisma Atria Property (Singapore) 2019 $'000	Ngee Ann City Property (Singapore) 2020 $'000	Ngee Ann City Property (Singapore) 2019 $'000	Australia Properties (Australia) 2020 $'000	Australia Properties (Australia) 2019 $'000	Malaysia Properties (Malaysia) 2020 $'000	Malaysia Properties (Malaysia) 2019 $'000	Other Properties (China/Japan) 2020 $'000	Other Properties (China/Japan) 2019 $'000	Total 2020 $'000	Total 2019 $'000
Assets and liabilities												
Reportable segment assets	940,348	978,847	1,135,694	1,138,520	400,601	491,677	396,443	371,157	90,494	88,519	2,963,580	3,068,720
Unallocated assets											117,455	73,261
Total assets											3,081,035	3,141,981
Reportable segment liabilities	(20,198)	(17,896)	(22,362)	(18,848)	(5,598)	(5,384)	(6,140)	(5,668)	(4,379)	(3,743)	(58,677)	(51,539)
Unallocated liabilities											(1,252,869)	(1,160,421)
Total liabilities											(1,311,546)	(1,211,960)
Other segmental information												
Capital expenditure	159	673	169	16	3,950	6,757	25,409	197	74	31	29,761	7,674
Non-current assets	933,133	978,000	1,130,000	1,138,000	394,627	489,745	393,198	370,818	90,354	88,324	2,941,312	3,064,887

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of 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.

Major tenants

The four largest tenants located at Ngee Ann City Property, Malaysia Properties (including some office leases at Singapore Properties), Myer Centre Adelaide and David Jones Building accounted for approximately 22.1%, 15.2%, 7.0% and 4.6% (2019: 22.9%, 10.5%, 7.0% and 4.7%) of the Group's gross rent as at 30 June 2020 respectively.

25. Capital and financial risk management

Capital management

The Group's objective when managing capital is to be prudent and optimise unitholders' return through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest service coverage ratio and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. The Group's gearing ratio as at 30 June 2020 is 39.7% (2019: 36.1%) and the interest service coverage ratio for the year ended 30 June 2020 is 2.9 times (2019: 3.8 times), which were within the guidelines prescribed under the Property Fund Appendix issued by MAS.

There were no changes in the Group's approach to capital management during the current year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest costs, foreign currency net income and foreign currency investments.

The Group has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial risk management policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

The carrying amount of financial assets represents the Group's and the Trust's respective maximum exposure to credit risk, before taking into account any collateral held. The maximum exposure to credit risk by type of financial assets at the reporting date was:

		Group		Trust	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Derivative financial instruments	7	1	302	1	302
Trade and other receivables	8	11,924	3,221	5,446	4,590
Cash and cash equivalents	9	117,442	72,946	67,025	11,517
		129,367	76,469	72,472	16,409

The Group has established credit procedures for its tenants, obtains security deposits and/or bank/corporate guarantees (where applicable), and monitors their balances on an ongoing basis. Where applicable, credit evaluations are performed by the Group before lease agreements are entered into with tenants.

The tenant profile of the Group is generally well-diversified, except for four (2019: four) largest tenants (Note 24), which accounted for approximately 48.9% (2019: 45.1%) of the Group's gross rent as at 30 June 2020.

The Group and the Trust held cash and cash equivalents of approximately $117.4 million and $67.0 million respectively as at 30 June 2020 (2019: $72.9 million and $11.5 million respectively), largely with financial institutions which are regulated. Given these banks' sound credit ratings of between BBB+ to AA- or its equivalent issued by international rating agencies, the Group does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. As at 30 June 2020, the Group has undrawn and committed long-term revolving credit facilities of up to $268 million (2019: $310 million) to cover the net current liabilities of the Group of approximately $64.7 million, as well as cash and cash equivalents of approximately $117.4 million (2019: $72.9 million).

In addition, the Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian dollar ("A$"), Malaysian ringgit ("RM"), Chinese renminbi ("RMB") and Japanese yen ("JPY").

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments as at balance sheet date are as follows:

	A$ $'000	RM $'000	RMB $'000	JPY $'000	Total $'000
Group					
2020					
Net balance sheet exposure	213,768	294,719	28,903	17,209	554,599
2019					
Net balance sheet exposure	302,348	277,587	28,653	16,602	625,190

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its financial instruments as at balance sheet date are as follows:

	A$ $'000	RM $'000	RMB $'000	JPY $'000	Total $'000
Trust					
2020					
Net balance sheet exposure	795	–	–	(46,015)	(45,220)
2019					
Net balance sheet exposure	1,982	–	–	(42,976)	(40,994)

Income hedging

Approximately 63% (2019: 62%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2020. The Group has used a combination of local currency denominated loans and short-term A$ foreign exchange forward contracts to partially hedge its overseas net income.

The Group continues to proactively monitor the exchange rates and may use foreign exchange forward contracts or other suitable financial derivatives to hedge the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

In managing the currency risks associated with the capital values of the Group's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible, to provide a natural currency hedge. As the investments in overseas assets are generally long-term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

Hedge of a net investment in Japan

As at 30 June 2020, the Group's investment in its Japan subsidiary is hedged by a JPY-denominated unsecured bank loan with a carrying amount of JPY3.7 billion ($47.9 million) (2019: JPY3.7 billion ($46.5 million)) which mitigates the currency risk arising from the subsidiary's net assets. The loan is designated as a net investment hedge.

The Group determines the existence of an economic relationship between the above hedging instrument and hedged item based on the currency and amount. The Group has assessed the effectiveness of the above hedging relationship at the reporting date by comparing changes in the carrying amount of the loan that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operation due to movements in the exchange rate.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group $'000	Trust $'000
2020		
A$	(21,377)	(79)
RM	(29,472)	–
RMB	(2,890)	–
JPY	(1,721)	4,601
Financial derivatives		
- A$	892	892
2019		
A$	(30,235)	(198)
RM	(27,759)	–
RMB	(2,865)	–
JPY	(1,660)	4,298
Financial derivatives		
- A$	1,052	1,052

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group may hedge a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

The Group has hedged approximately 91% (2019: 90%) of its debt as at 30 June 2020 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.23% (2019: 3.28%) per annum as at 30 June 2020.

As at 30 June 2020, the Group has largely hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

(i) Interest rate swaps, with a notional contract amount of $375 million (2019: $375 million) and A$208 million (2019: A$208 million), whereby it receives a variable rate equal to the Singapore swap offer rate and Australia bank bill swap bid rate on the notional amount and pays a fixed interest rate ranging from 1.71% to 2.41% (2019: 1.71% to 2.41%) per annum.

(ii) Interest rate caps, with a notional contract amount of JPY6.3 billion (2019: JPY6.3 billion), whereby the benchmark interest rate is capped at 1.0% (2019: 1.0%) per annum.

Sensitivity analysis

A change of 1% in interest rate at the reporting date would increase/(decrease) total return by the amounts shown below, arising mainly as a result of lower/higher interest expense on variable rate borrowings that are not hedged by interest rate swaps and caps, and changes in fair value of the interest rate derivatives. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return	
	1% increase	**1% decrease**
	$'000	**$'000**
Group		
2020		
Variable rate instruments	(1,537)	280
Financial derivatives	9,288	(9,466)
	7,751	(9,186)
2019		
Variable rate instruments	(1,600)	1,056
Financial derivatives	14,943	(14,629)
	13,343	(13,573)
Trust		
2020		
Variable rate instruments	(1,449)	274
Financial derivatives	5,805	(5,701)
	4,356	(5,427)
2019		
Variable rate instruments	(1,515)	1,050
Financial derivatives	9,412	(9,168)
	7,897	(8,118)

Measurement of fair values

Financial derivatives

The fair values of financial derivatives are estimated based on banks' quotes. These quotes are largely tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market rates for a similar instrument at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings, trade and other payables, and lease liabilities.

Fair value hierarchy

The different levels of the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is not included below.

		Carrying amount			Fair value		
	Note	Mandatorily at FVTPL $'000	Amortised cost $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group							
2020							
Financial assets measured at fair value							
Derivative financial instruments	7	1	–	–	–	1	–
Financial assets not measured at fair value							
Trade and other receivables [(1)]	8	–	11,924	–	–	–	–
Cash and cash equivalents	9	–	117,442	–	–	–	–
		–	129,366	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(20,713)	–	–	–	(20,713)	–
Financial liabilities not measured at fair value							
Trade and other payables [(2)]	10	–	–	(25,513)	–	–	–
Security deposits	10	–	–	(28,694)	–	(28,936)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(716,404)	–	(716,404)	–
Medium term notes	12	–	–	(501,582)	–	(534,894)	–
Lease liabilities	13	–	–	(1,199)	–	–	–
		–	–	(1,273,392)			

[(1)] Excluding grant receivable and prepayments.
[(2)] Excluding security deposits, deferred income and deferred grant liability.

	Note	Carrying amount: Mandatorily at FVTPL $'000	Carrying amount: Amortised cost $'000	Carrying amount: Other financial liabilities $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
Group							
2019							
Financial assets measured at fair value							
Derivative financial instruments	7	302	–	–	–	302	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	3,221	–	–	–	–
Cash and cash equivalents	9	–	72,946	–	–	–	–
		–	76,167	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(11,432)	–	–	–	(11,432)	–
Financial liabilities not measured at fair value							
Trade and other payables [(1)]	10	–	–	(27,883)	–	–	–
Security deposits	10	–	–	(30,665)	–	(29,318)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(729,559)	–	(729,559)	–
Medium term notes	12	–	–	(402,549)	–	(413,986)	–
		–	–	(1,190,656)			

(1) Excluding security deposits and deferred income.

	Note	Carrying amount			Fair value		
		Mandatorily at FVTPL $'000	**Amortised cost $'000**	**Other financial liabilities $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Trust							
2020							
Financial assets measured at fair value							
Derivative financial instruments	7	1	–	–	–	1	–
Financial assets not measured at fair value							
Trade and other receivables [1]	8	–	5,446	–	–	–	–
Cash and cash equivalents	9	–	67,025	–	–	–	–
		–	72,471	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(12,770)	–	–	–	(12,770)	–
Financial liabilities not measured at fair value							
Trade and other payables [2]	10	–	–	(17,115)	–	–	–
Security deposits	10	–	–	(23,626)	–	(23,692)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(518,410)	–	(518,410)	–
Medium term notes	12	–	–	(394,167)	–	(423,294)	–
Lease liabilities	13	–	–	(1,099)	–	–	–
		–	–	(954,417)			

[1] Excluding grant receivable and prepayments.
[2] Excluding security deposits, deferred income and deferred grant liability.

	Note	Carrying amount			Fair value		
		Mandatorily at FVTPL $'000	**Amortised cost $'000**	**Other financial liabilities $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Trust							
2019							
Financial assets measured at fair value							
Derivative financial instruments	7	302	–	–	–	302	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	4,590	–	–	–	–
Cash and cash equivalents	9	–	11,517	–	–	–	–
		–	16,107	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(4,685)	–	–	–	(4,685)	–
Financial liabilities not measured at fair value							
Trade and other payables [(1)]	10	–	–	(19,759)	–	–	–
Security deposits	10	–	–	(24,257)	–	(24,310)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(524,325)	–	(524,325)	–
Medium term notes	12	–	–	(294,712)	–	(306,149)	–
		–	–	(863,053)			

[(1)] Excluding security deposits and deferred income.

26. Capital commitments

Capital commitments (contracted but not provided) as at 30 June 2020 comprise of approximately $4.3 million (2019: $4.8 million) capital expenditure, professional fees and asset redevelopment works for the Group's investment properties, and approximately $32.3 million (2019: $57.2 million) remaining costs of asset enhancement works for The Starhill in Malaysia.

27. Related parties

During the financial year, other than related party information shown elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group		Trust	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Property rental income from the Manager and Property Manager	983	1,013	983	1,013
Property rental income from related parties of the Manager	19,264	29,286	965	1,107
Leasing commission fees paid to the Property Manager	(737)	(991)	(737)	(991)
Property management fees paid to the Property Manager	(3,459)	(3,812)	(3,459)	(3,812)
Management fees paid to the Manager	(14,493)	(14,936)	(14,493)	(14,936)
Trustee fees paid to the Trustee	(478)	(479)	(478)	(479)
Reimbursements paid to the Property Manager	(772)	(909)	(772)	(909)
Costs of the asset enhancement works paid to related party of the Manager (1)	(25,178)	–	–	–
Servicer fees paid to a wholly-owned subsidiary of the Manager	(855)	(859)	–	–

(1) Comprises costs paid/payable to related party of the Manager for the asset enhancement works for The Starhill in Malaysia.

28. Subsequent events

Subsequent to the year ended 30 June 2020:

(a) The Group converted an existing uncommitted and unsecured revolving credit facility of $50 million (maturing in June 2024) into a committed facility with a bank in July 2020.

(b) The Trust issued 3,831,130 new units on 29 July 2020, at the issue price of $0.4934 per unit as partial satisfaction of the Manager's base management fees for the period from 1 April 2020 to 30 June 2020.

(c) The Group refinanced its existing JPY678 million bond in August 2020 ahead of its maturity in August 2021, using the proceeds from issuance of new five-year bond facility of the same amount, thereby extending the new maturity to August 2025.

(d) The Manager declared a distribution of 0.70 cents per unit in respect of the period from 1 January 2020 to 30 June 2020, which was paid on 28 August 2020.

(e) The unprecedented COVID-19 pandemic created global economic uncertainty and caused severe business disruptions. Safe management measures and travel restrictions to contain the spread of the pandemic impacted the retail industry adversely, resulting in lower footfall and sales in malls. Uncertainty on its duration, scale and long term impact of the pandemic could further dampen consumer sentiment and economic growth and adversely impact demand for commercial space, relief measures for tenants and rental collections. The Manager will continue to monitor the COVID-19 outbreak in the respective countries the Group operates in, including the guidelines and/or regulations provided by the authorities. Given the fluidity of the COVID-19 pandemic, the full impact of the pandemic to the Group's performance for the year ending 30 June 2021 cannot be ascertained as at the date of this report.

29. Financial ratios

	Group	
	2020	**2019**
	%	**%**
Ratio of expenses to weighted average net assets (1)	1.05	1.04
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.

30. New accounting standards, interpretations and amendments not yet adopted

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 2020 have not been applied in preparing these financial statements. The adoption of these following new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group's financial statements.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- FRS 117 *Insurance Contracts*
- Amendments to FRS 109, FRS 39 and FRS 107: *Interest Rate Benchmark Reform*