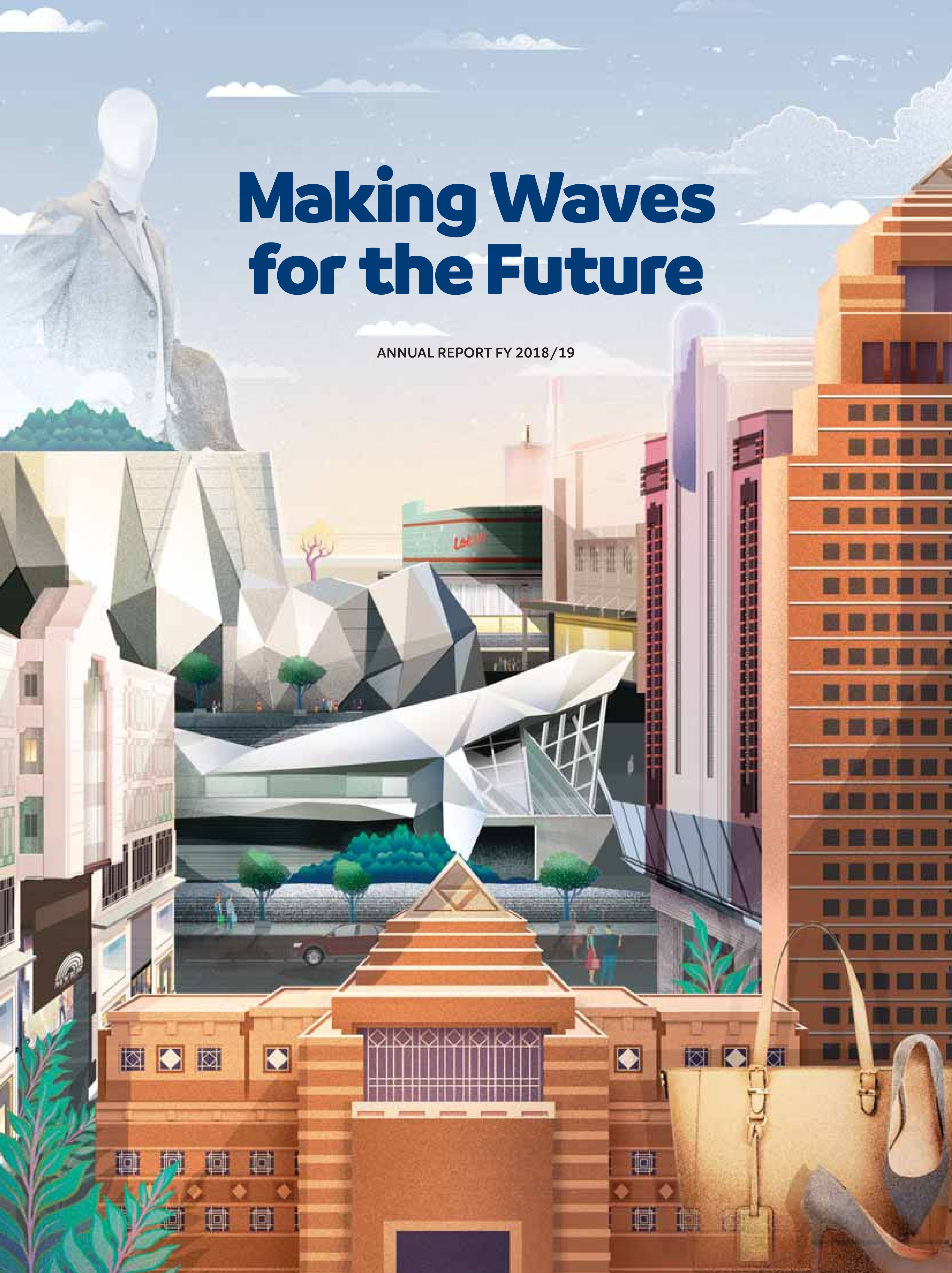
STARHILL GLOBAL REIT

Making Waves for the Future

ANNUAL REPORT FY 2018/19



About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 10 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S$3,064.9 million as at 30 June 2019.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore; Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia; Starhill Gallery and Lot 10 Property in Kuala Lumpur, Malaysia; a retail property in Chengdu, China, and two properties in Tokyo, Japan. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio through proactive leasing efforts and creative asset enhancements.

Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect subsidiary of YTL Corporation Berhad.

VISION

To be the preferred real estate investment trust with a stable of high-quality and valuable income-generating assets.

MISSION

To deliver long-term sustainable returns to our Unitholders through growth and value creation in our assets, backed by prudent capital management.

To be a landlord of choice for our tenants and shoppers.

To be a forward-thinking real estate company with strong management expertise.

VALUES

The values to which we aspire can be summarised under six principles:

- Integrity
- Client Commitment
- Strive for Profitability
- Fulfilment for our People
- Teamwork
- Highest Standards

ONLINE ANNUAL REPORT FY 2018/19
www.starhillglobalreit.com/ir_ar.html

Making Waves for the Future

With a strong foundation built over the years, we take bold steps to reinvent ourselves to stay ahead of the competition and to capture new opportunities.

OVERVIEW

OPERATIONS REVIEW

PERFORMANCE

SUSTAINABILITY & GOVERNANCE

FINANCIALS

OTHERS

Our Strategy

Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio through proactive leasing efforts and creative asset enhancements, and maintaining a prudent capital management approach.

ACTIVE ASSET MANAGEMENT

- Balance of master tenancies and anchor leases, coupled with actively managed short- to medium-term tenancies for income stability with potential rental upside
- Driving organic growth from existing portfolio through proactive leasing efforts
- Focusing on mid- to high-end retail tenant base and optimising tenant mix
- Unlocking value through creative asset enhancements
- Maintaining healthy and sustainable occupancy rates through economic cycles

ACQUISITION GROWTH

- Investment portfolio primarily comprising prime real estate used mainly for retail and/or office purposes with strong fundamentals and strategic locations
- Long-term yield accretive investments made in Singapore and overseas markets

CAPITAL MANAGEMENT

- Managing capital to optimise Unitholders' returns with a mix of available capital sources
- Employing appropriate interest rate and foreign exchange risk management strategies

Key Highlights

GROSS REVENUE
(FY 2018/19)
S$206.2m

INCOME AVAILABLE FOR DISTRIBUTION
(FY 2018/19)
S$101.3m

NET PROPERTY INCOME
(FY 2018/19)
S$159.4m

DISTRIBUTION PER UNIT
(FY 2018/19)
4.48¢

NET ASSET VALUE
(As at 30 Jun 2019)
S$1,930.0m

STABLE GEARING
(As at 30 Jun 2019)
36.1%

RESILIENT OCCUPANCY[1]
(As at 30 Jun 2019)
96.3%

Note:
(1) Based on commenced leases as at 30 June 2019.

Our Signature Style

Our financial prudence and backing from our strong sponsor form the foundation on which we deliver consistent performance. We continue to refine our quality portfolio and sharpen our financial prowess to derive sustainable long-term value for our Unitholders.

STRONG SPONSOR
(As at 30 Jun 2019)
YTL Corporation combined market capitalisation
US$5.8b
with its listed entities in Malaysia

RESILIENT RETAIL PORTFOLIO OCCUPANCY [1]
(As at 30 Jun 2019)
97.8%

BALANCED PORTFOLIO MASTER/ ANCHOR LEASES
(As at 30 Jun 2019)
45.8%
by Gross Rent

HEALTHY BALANCE SHEET
(As at 30 Jun 2019)
Gearing Ratio
36.1%

90%
(As at 30 Jun 2019)
Fixed/Hedged Debt Ratio

BBB
RATING
with stable outlook by Standard & Poor's in August 2019

LONG WEIGHTED AVERAGE LEASE EXPIRY [1][2]
(As at 30 Jun 2019)
9.4 YEARS
by NLA

5.4 YEARS
by Gross Rent

Notes:
[1] Based on commenced leases as at 30 June 2019.
[2] Excludes tenants' option to pre-terminate or renew their existing leases.


PLAZA

Our Tailored Approach

We customise experiences to suit evolving consumer preferences through our strategic asset enhancements and curated brands.

REFRESHED IMAGE

Asset enhancement works to revamp **Starhill Gallery** into an **integrated development with hotel and retail elements** in line with global trend to stay at the forefront of a changing retail landscape

EXPERIENTIAL RETAIL

Differentiated tenant mix at our properties with a **focus on desirable brands** sought after by consumers and tourists seeking **a customised experience to fulfil their desired lifestyle**


STARHILL GALLERY
ユニ
クロ
UNI
QLO
ユニ
クロ
UNI
QLO

Our Attractive Footprint

Improved connectivity with better rail networks will enhance vibrancy and create new opportunities for our assets.

ENHANCED CONNECTIVITY

The new Thomson-East Coast Line

will complete in stages by 2024 with the new Orchard MRT Station, located just a stone's throw away from our Singapore Properties, expected to be ready by 2021

In addition to the existing Sungai Buloh-Kajang Line,

the new Sungai Buloh-Serdang-Putrajaya (SSP) Line

is expected to complete in 2022 and will have two new MRT stations within the vicinity of our Malaysia Properties

Our Geographical Reach

Starhill Global REIT's portfolio comprises 10 mid- to high-end properties (mainly retail assets) in six Asia-Pacific cities.

SINGAPORE

BY ASSET VALUE
(As at 30 Jun 2019)

S$2,116.0m

BY GROSS REVENUE
(FY 2018/19)

WISMA ATRIA PROPERTY
SINGAPORE

RETAIL
83.8%

OFFICE
16.2%

NGEE ANN CITY PROPERTY
SINGAPORE

RETAIL
77.3%

OFFICE
22.7%

AUSTRALIA

BY ASSET VALUE
(As at 30 Jun 2019)

S$489.8m

BY GROSS REVENUE
(FY 2018/19)

MYER CENTRE ADELAIDE
ADELAIDE

RETAIL
94.6%

OFFICE
5.4%

DAVID JONES BUILDING & PLAZA ARCADE
PERTH

RETAIL
100%

NUMBER OF PROPERTIES	ASIA-PACIFIC CITIES	RETAIL AND OFFICE SPACE	INVESTMENT PROPERTIES
10	6	2.24m sq ft	S$3,064.9m

MALAYSIA

BY ASSET VALUE
(As at 30 Jun 2019)
S$370.8m

BY GROSS REVENUE
(FY 2018/19)

STARHILL GALLERY [1]
KUALA LUMPUR
RETAIL
100%

LOT 10 PROPERTY [1]
KUALA LUMPUR
RETAIL
100%

Note:
(1) Largely retail with a small office component.

JAPAN

BY ASSET VALUE
(As at 30 Jun 2019)
S$59.9m

BY GROSS REVENUE
(FY 2018/19)

EBISU FORT [1]
TOKYO
RETAIL
100%

DAIKANYAMA [1]
TOKYO
RETAIL
100%

CHINA

BY ASSET VALUE
(As at 30 Jun 2019)
S$28.4m

BY GROSS REVENUE
(FY 2018/19)

CHINA PROPERTY
CHENGDU
RETAIL
100%

Our Business in Brief

SINGAPORE

Centrally-located assets in the prime stretch of Orchard Road, with excellent connectivity to transportation hubs.

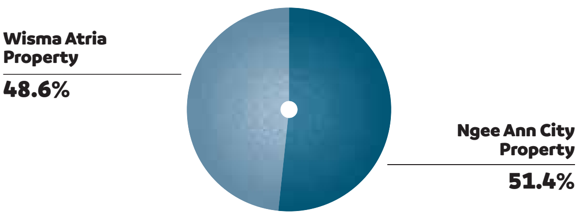
Wisma Atria Property
The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent retail areas (excluding the space owned by Isetan and common area property) and the office tower.

Ngee Ann City Property
Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces.

More details on **pages 34 to 39**

REVENUE CONTRIBUTION
(FY 2018/19)

S$127.1m



AUSTRALIA

The three Australia assets are located in the prime retail districts and pedestrian streets of the city centres in Adelaide and Perth.

Myer Centre Adelaide, Adelaide
An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings. It is located along the premier and iconic Rundle Mall in Adelaide's city centre.

David Jones Building, Perth
A four-storey heritage-listed retail centre anchored by David Jones.

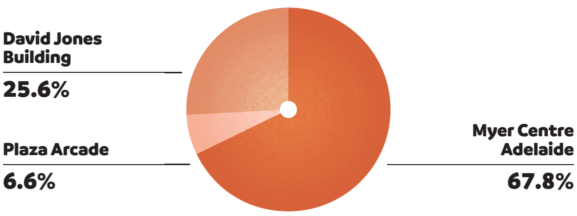
Plaza Arcade, Perth
A three-storey heritage-listed retail building located next to the David Jones Building. The property is anchored by global apparel retailer, UNIQLO.

Both properties are located in the heart of Perth's city centre, and enjoy dual frontage to the bustling Murray Street Mall and Hay Street Mall.

More details on **pages 40 to 45**

REVENUE CONTRIBUTION
(FY 2018/19)

S$46.2m



Singapore, Australia and Malaysia Properties contributed 97.7% of FY 2018/19 revenue.

MALAYSIA

Starhill Gallery and Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, which is one of Kuala Lumpur's premier shopping districts and home to many prestigious international hotels, prime office buildings and shopping complexes.

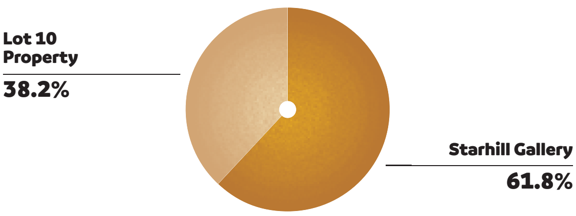
Starhill Gallery, Kuala Lumpur
A shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements.

Lot 10 Property, Kuala Lumpur
An eight-storey building with a basement and lower ground floor for retail use and a seven-storey annex building (excluding the space owned by Isetan).

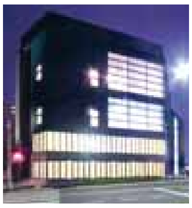
More details on **pages 46 to 49**

REVENUE CONTRIBUTION
(FY 2018/19)

S$28.2m



OTHERS – JAPAN AND CHINA



The two Japan assets in Tokyo are within walking distance to subway stations, whilst the China Property is located in Chengdu.

Ebisu Fort, Tokyo
A seven-storey building (with two basement levels) located in Ebisu area (Shibuya Ward), Tokyo, opposite Yebisu Garden Place and a seven-minute walk from Ebisu train station.

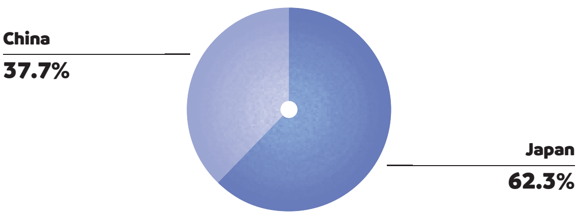
Daikanyama, Tokyo
A three-storey building (with one basement level) for retail and office use, located just three minutes from the Daikanyama station.

China Property, Chengdu
Situated on the Second Ring Road, it is near high-end residences, offices and the US Consulate in Chengdu. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

More details on **pages 50 to 51**

REVENUE CONTRIBUTION
(FY 2018/19)

S$4.7m



Key Figures for 5 Years

GROSS REVENUE
(FY 2018/19)
S$206.2m

NET PROPERTY INCOME
(FY 2018/19)
S$159.4m

INCOME AVAILABLE FOR DISTRIBUTION
(FY 2018/19)
S$101.3m

DISTRIBUTION PER UNIT
(FY 2018/19)
4.48¢

TOTAL ASSETS
(As at 30 Jun 2019)
S$3,142.0m

OCCUPANCY RATE
(As at 30 Jun 2019)
96.3% [3]

Notes:

[1] Includes additional six months from January 2015 to June 2015 for FY 2014/15 (18 months ended 30 June 2015) following the change of Starhill Global REIT's financial year end from 31 December to 30 June.

[2] For the period of 12 months from January to December 2014.

[3] Based on commenced leases as at the reporting date. For prior years, the reported occupancy rates were based on committed leases, which include leases that have been contracted but have not commenced as at the reporting date.

Financial Summary

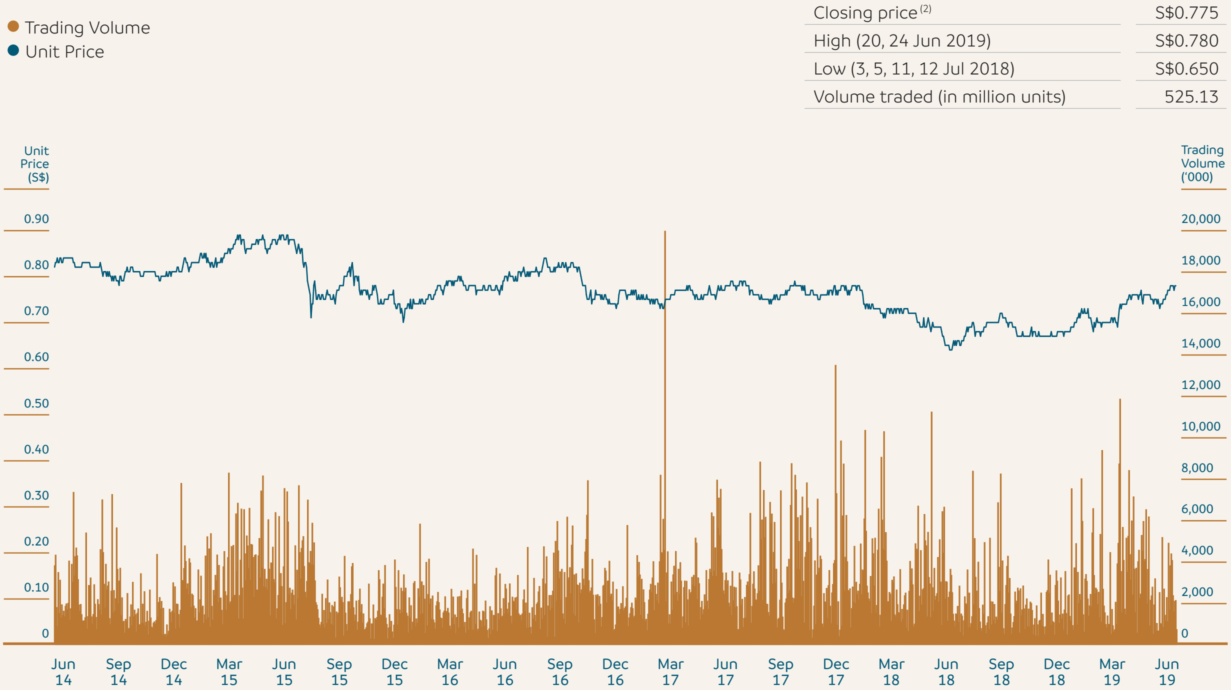
Statement of Total Return and Distribution for the Year:	FY 2018/19	FY 2017/18	Change (%)
Gross Revenue (S$ million)	**S$206.2**	S$208.8	(1.3%)
Net Property Income (S$ million)	**S$159.4**	S$162.2	(1.7%)
Income Available for Distribution [1] (S$ million)	**S$101.3**	S$103.1	(1.8%)
Income to be Distributed to Unitholders (S$ million)	**S$97.7**	S$99.2	(1.5%)
Distribution Per Unit (DPU) [2]	**4.48 cents**	4.55 cents	(1.5%)
Distribution Yield [3]	**5.78% (S$0.775)** [4]	7.05% (S$0.645) [4]	NM
Total Return	**28.0%**	(12.0%)	NM

Notes:
(1) Approximately S$3.6 million (FY 2017/18: S$3.9 million) of income available for distribution for FY 2018/19 has been retained for working capital requirements.
(2) The computation of DPU for FY 2018/19 and FY 2017/18 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue.
(3) Based on actual DPU of 4.48 cents (FY 2017/18: 4.55 cents) for FY 2018/19.
(4) Based on the closing unit price for the financial year.

Balance Sheet as at:	30 Jun 2019	30 Jun 2018	Change (%)
Net Asset Value Per Unit	**S$0.88**	S$0.91	(3.3%)
Total Assets (S$ million)	**S$3,142.0**	S$3,191.5	(1.6%)
Investment Properties – Number of Properties	**10**	10	
– Valuation (S$ million)	**S$3,064.9**	S$3,118.3	(1.7%)
Gearing	**36.1%**	35.5%	NM

STARHILL GLOBAL REIT'S UNIT PRICE & DAILY TRADED VOLUME
(1 Jul 2014 – 30 Jun 2019)

From 1 Jul 2018 to 30 Jun 2019	
Opening price [1]	S$0.645
Closing price [2]	S$0.775
High (20, 24 Jun 2019)	S$0.780
Low (3, 5, 11, 12 Jul 2018)	S$0.650
Volume traded (in million units)	525.13



Notes:
(1) Based on the last trading day of FY 2017/18.
(2) Based on the last trading day of FY 2018/19.

Letter to Unitholders

left:

Mr Ho Sing
Chief Executive Officer
& Executive Director

right:

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

DEAR UNITHOLDERS,

We are pleased to present the annual report of Starhill Global REIT (SGREIT) for the financial year ended 30 June 2019 (FY 2018/19). SGREIT Group achieved a total return of 28.0% for Unitholders with its unit price increasing by 20.2% to 77.5 cents during the year despite challenging market conditions.

Revenue for SGREIT Group in FY 2018/19 eased 1.3% over the corresponding financial year ended 30 June 2018 (FY 2017/18) to S$206.2 million while net property income (NPI) for FY 2018/19 declined 1.7% over the corresponding period. The decline was largely due to the lower contributions from Wisma Atria Property and the weakness of the Australian dollar against the Singapore dollar but partly mitigated by the recovery of the office portfolio.

Overall, operating performance improved relative to the previous year with the portfolio registering a higher occupancy of 96.3%[1] as at 30 June 2019 and tenant sales at Wisma Atria Property (Retail) increasing by 3.5% year-on-year (y-o-y).

During the year, SGREIT also concluded the renewal of the Malaysia master tenancy agreements with strong support received from its Unitholders at the extraordinary general meeting convened in May 2019.

Distribution per Unit (DPU) for FY 2018/19 was 4.48 cents, inching 1.5% lower over the previous corresponding period. This translates to an annual yield of 5.78% based on the closing price of S$0.775 per unit as at 30 June 2019.

SGREIT continues to maintain a strong balance sheet supported by its quality portfolio of prime retail assets and income stability from master and anchor leases. SGREIT Group's investment properties have been assessed at S$3,064.9 million as at 30 June 2019 (2018: S$3,118.3 million), a marginal decrease of 1.7% from 30 June 2018.

Performance Review

Global growth was subdued as investment in and demand for consumer durables have been soft across developed and emerging market economies amidst growing geopolitical tensions. In Singapore, retail sales remained subdued[2] as competition from e-commerce and new malls intensified[3] while tourist spending came in flat[4]. In Australia, economic growth over the first half of this year has been lower than expected, with household consumption weighed down by a protracted period of low income growth and declining housing prices[5]. For Malaysia, the economy continues to experience moderate growth due to challenging external factors amidst rising supply of retail space.

Despite these challenges, SGREIT's portfolio continued to be resilient, achieving an overall occupancy rate of 96.3%[1] as at 30 June 2019 or 97.8%[1] as at 30 June 2019 for its retail portfolio. Since listing in 2005, SGREIT's portfolio has maintained an occupancy of above 90%[6] given the highly sought-after prime locations of its assets.

Singapore Properties, which accounted for 61.7% of total revenue, saw NPI easing 2.6% y-o-y to S$100.3 million. The Singapore office portfolio performed well as occupancy rose from 83.5%[7] as at 30 September 2017 to 93.2%[1] as at 30 June 2019 while the master lease at Ngee Ann City Property (Retail) continues to provide resilient and stable income. However, lower occupancy and rent during the year coupled with higher operating expenses resulted in lower contribution from Wisma Atria Property. On a positive note, occupancy at Wisma Atria Property (Retail) improved to 99.6%[1] as at 30 June 2019, while tenant sales rose by 3.5% y-o-y in FY 2018/19.

SGREIT Group's second largest market which contributed 22.4% of total revenue, Australia, saw NPI inch lower by 1.4% y-o-y to S$28.3 million. The higher contribution from Myer Centre Adelaide and the resumption of rental income following the completion of the asset enhancement at Plaza Arcade, Perth, were offset by the depreciation of the Australian dollar against the Singapore dollar as well as higher operating expenses.

The Malaysia Properties, which accounted for 13.6% of total revenue, registered a 1.3% y-o-y improvement in NPI to S$27.3 million. We have also concluded the new master tenancy agreements (MTAs) for the Malaysia Properties which will provide income stability with built-in rental step-up and the opportunity to rejuvenate Starhill Gallery. Finally, China and Japan Properties, which accounted for the remaining 2.3% of total revenue, recorded near flat performance with NPI inching marginally lower by 0.6% y-o-y.

SGREIT managed to contain the rise in non-property expenses to 1.2% over the corresponding period in FY 2017/18. The increase was mainly attributed to the project costs for the renewal of the Malaysia MTAs and higher borrowing costs incurred in FY 2018/19.

Setting the Direction with New Master Leases for Malaysia

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 13.6% of total revenue in FY 2018/19.

Notes:

(1) Based on commenced leases as at 30 June 2019.
(2) Singapore Department of Statistics, Retail Sales Index, Food and Beverage Services Index June 2019, 8 August 2019.
(3) CBRE Research, Singapore Real Estate Research Service Q1 2019.
(4) Singapore Tourism Board, Tourism Sector Performance, Q4 2018 Report
(5) Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 August 2019.
(6) Prior to FY 2017/18, occupancies were based on committed leases. Thereafter, occupancies were based on commenced leases.
(7) Based on committed leases as at reporting date.

Letter to Unitholders

The new MTAs for the Malaysia Properties, which include asset enhancement works (AEW) for Starhill Gallery, were recently approved at the extraordinary general meeting held on 16 May 2019, with 99.93% of total votes received in favour of the resolution. The new MTAs commenced in June 2019. The Manager intends to finance the cost of the AEW via a combination of external borrowings and/or internal working capital. The new MTAs which provide lease tenures of approximately 19.5 years and 9 years [8] for Starhill Gallery and Lot 10 Property respectively, will provide visible long-term income stability with periodic rental step-up to ride through the expected retail space oversupply in the Klang Valley in the short to medium term. Income disruption from the AEW will be largely mitigated by the partial payment of management fees in units to the Manager.

The proposed RM175 million AEW of Starhill Gallery is timely as the last major renovation was in 2005, with a facelift in 2011. The AEW will revamp Starhill Gallery into an integrated development with hotel and retail elements as well as refresh the mall's positioning as a luxury retail and lifestyle destination within the Bukit Bintang precinct. The revamp will also allow Starhill Gallery to stay at the forefront of a changing retail landscape and capitalise on the renewed vibrancy along Bukit Bintang amidst multiple public and private sector initiatives.

Prudent Capital Management

SGREIT has maintained a strong financial position with a consistent, disciplined and prudent capital management approach. Gearing remained stable at 36.1% as at 30 June 2019 with a staggered debt maturity profile averaging approximately 2.8 years.

SGREIT hedges its exposure to foreign currency by using foreign currency denominated borrowings (natural hedge) and short-term foreign exchange forward contracts, where appropriate. Interest rate exposures are hedged through a combination of fixed rate debt, interest rate swaps and interest rate caps. Approximately 90% of SGREIT's interest rate exposure is hedged as at 30 June 2019.

Looking Ahead

Going forward, global growth is expected to remain subdued in view of the ongoing global trade tensions. According to the International Monetary Fund, global economic growth is projected at 3.2% in 2019 and 3.5% in 2020 [9]. Gross domestic product releases so far this year, together with generally softening inflation, point to a likely weaker-than-anticipated global economic activity [9]. This could negatively affect consumer confidence and consequently the global retail sector. In Singapore, the retail sector will continue to be challenged by manpower constraints and competition from e-commerce. Australia's economic slowdown could affect household consumption and spending. While private consumption remains positive in Malaysia, competition in mid- to high-end retail in Kuala Lumpur is likely to intensify with the increase in new retail supply over the next few years.

Notwithstanding these challenges, opportunities have emerged for our portfolio in both Singapore and Malaysia where transportation infrastructure is rapidly being upgraded. In Malaysia, the new Bukit Bintang MRT Station, which opened in 2017, has brought a new wave of vibrancy to the area. Upcoming Sungai Buloh-Serdang-Putrajaya (SSP) Line, which is expected to be completed in 2022 with projected daily ridership of 529,000 [10], will have two stations in the vicinity of our malls and this will further reinforce Bukit Bintang as the retail and tourism epicentre of Kuala Lumpur.

For Singapore, the 43-kilometre Thomson-East Coast Line, which comprises five stages, is expected to open in phases with full completion by 2024 [11]. Stage 3, which comprises of a new station in Orchard and Orchard Boulevard (close proximity to SGREIT's Ngee Ann City Property and Wisma Atria Property) is expected to open by 2021. This new line with a total of seven interchange stations linking five separate lines across the island is expected to raise the flow of traffic to the Orchard area and bring renewed vibrancy. In light of this upcoming development, we have been exploring opportunities to rejuvenate the existing Singapore portfolio.

Acknowledgements

The Board and Management would like to thank our Directors for their invaluable contributions and guidance, our colleagues for their hard work and dedication, and our tenants, business partners and investors for their continued trust and support. We would also like to thank you, our Unitholders, for your support and confidence in SGREIT since listing.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Chairman

MR HO SING
Chief Executive Officer
& Executive Director

29 August 2019

Notes:

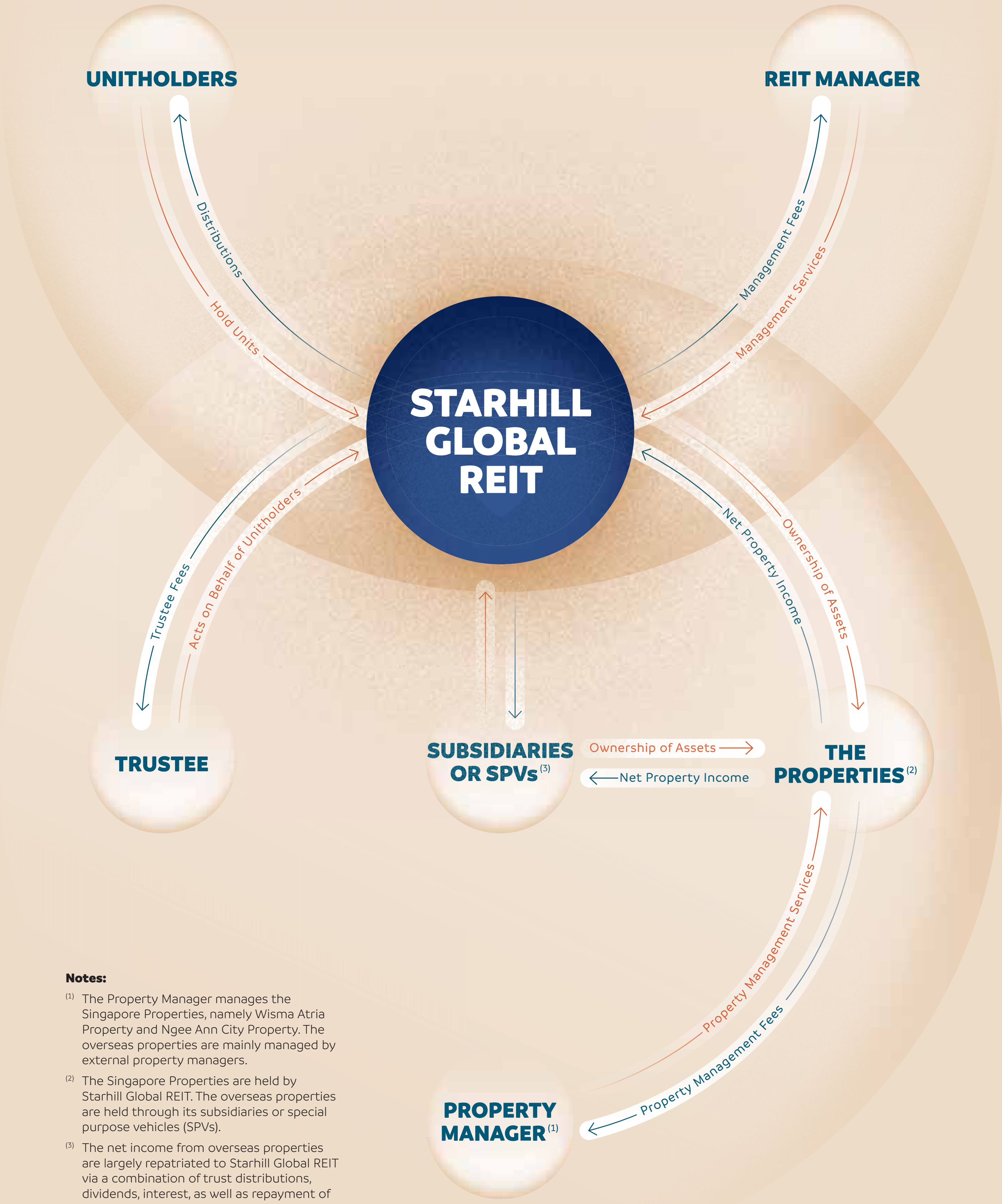
[8] Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.

[9] International Monetary Fund, World Economic Outlook: Still Sluggish Global Growth, July 2019.

[10] Mass Rapid Transit Corporation Sdn. Bhd.'s website.

[11] Singapore Land Transport Authority's website.

Trust Structure



Notes:

(1) The Property Manager manages the Singapore Properties, namely Wisma Atria Property and Ngee Ann City Property. The overseas properties are mainly managed by external property managers.

(2) The Singapore Properties are held by Starhill Global REIT. The overseas properties are held through its subsidiaries or special purpose vehicles (SPVs).

(3) The net income from overseas properties are largely repatriated to Starhill Global REIT via a combination of trust distributions, dividends, interest, as well as repayment of shareholders' loans and/or redemption of redeemable preference shares.

Significant Events in FY 2018/19

JULY

Starhill Global REIT refinanced its A$63 million secured term loan in July 2018, with a five-year term loan of the same amount from the existing bank, ahead of its maturity in June 2019.

Joseph Schooling named as TAG Heuer's Friend of the Brand.

TAG Heuer named Singapore's first-ever Olympic gold medalist Joseph Schooling as its Friend of the Brand at a closed-door event at the Wisma Atria boutique.

Wisma Atria collaborated with The Straits Times to bring ST Wine Fair to shoppers at Wisma Atria.

AUGUST

Lot 10 kicked off a new series of events in conjunction with Malaysia's National Day which included exhibitions of local handicrafts, arts and craft workshops, free movie screenings, monthly food street and regular free-for-all fitness classes.

OCTOBER & NOVEMBER

Starhill Global REIT was included in the newly-launched FTSE ST Singapore Shariah Index, which tracks Shariah-compliant companies listed on the Singapore Exchange. The index comprises of 48 stocks, out of which nine are real estate investment trusts.

In October 2018, Wisma Atria sponsored the venue for the charity art exhibition by Life Art Society led by famous Singapore artist Tan Khim Ser. The non-profit organisation donated more than S$100,000 to the ST School Pocket Money Fund with the funds raised.

Artist Tan Khim Ser at the charity art exhibition.

Source: Life Art Society

Wisma Atria hosted a monthly deluxe pop-up marketplace The Social Exchange featuring locally-made handcrafted and bespoke products.

DECEMBER

(L–R) Joe Ma, Rosina Lam and Yusuke Fukuchi with their fans.

International TVB celebrities Joe Ma, Rosina Lam and regional artiste Yusuke Fukuchi interacted and engaged in mini games with fans and shoppers in a meet-and-greet session at Wisma Atria in conjunction with the Starhub Night of Stars.

Wisma Atria organised and co-hosted, together with Action City, the recently-awarded Platinum MUSE winner for Trade Show/Exhibit, the OBOT Meets DINO Around the World event, in collaboration with art toy artist, Lester from Gagatree and Ziqi, in conjunction with the mall's theme of 'Christmas Around the World'.

JANUARY TO MARCH

Starhill Global REIT entered into facility agreements in 3Q FY 2018/19 with banks for three-year unsecured and committed revolving credit lines of up to S$80 million mainly for working capital purposes.

Starhill Global REIT was affirmed a “BBB+” rating by Standard & Poor’s in March 2019, with the outlook revised from stable to negative. Subsequently, the rating was revised to “BBB” with stable outlook in August 2019.

New conditional master tenancy agreements for the Malaysia Properties, which include asset enhancement works for Starhill Gallery, were entered into in March 2019 with the current master tenant Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation Berhad.

Wisma Atria extended its space to the life-saving Bone Marrow Donor Programme and green-conscious World Wide Fund for Nature (WWF) Festival for Asia campaign. In support of Earth Hour, Wisma Atria and participating stores switched off façade and non-essential lights from 8.30 p.m. to 9.30 p.m.

Lucky shoppers were treated to a free lunch at PICNIC and Food Republic with famed food blogger Miss Tam Chiak, who also gave a Masterclass on food photography, as part of the food campaign Savour.

Miss Tam Chiak sharing tips on food photography at Wisma Atria’s PICNIC.

MAY

The proposed new master tenancy agreements for Malaysia Properties, which include asset enhancement works for Starhill Gallery, were approved at the extraordinary general meeting held in May 2019.

Starhill Global REIT Annual Report FY 2017/18 clinched three international awards, namely **The Communicator Awards 2019 (Award of Excellence)** – the highest honour for the corporate annual report category; and **The Communicator Awards 2019 (Award of Distinction)** – awarded to projects which exceed industry standards for the cover design category; both of which are presented by the Academy of Interactive & Visual Arts (AIVA), as well as the **Hermes Creative Awards 2019 Platinum Winner** – the best honour for the Print Media/Publications (Annual Report) category, administered and judged by the Association of Marketing and Communication Professionals.

APRIL

Korean K-pop band A.C.E answered questions and played games with their avid fans at a meet-and-greet session at Wisma Atria. The crowd-puller event was held in conjunction with Hallyupop Fest 2019, with 987FM DJ Gerald Koh as the emcee.

(L–R) Wow, Kim Byeongkwan, Jun, Donghun and Chan.

Wisma Atria was the venue sponsor for the Singapore Badminton Open press conference with sports stars like the current Badminton World Federation World Tour number one seed, Kento Momota, and up-and-coming Jonatan Christie in attendance.

(L–R) Kento Momota, Jonatan Christie, P.V. Sindhu, Sai Praneeth and Yeo Jia Min.

Source: Singapore Badminton Association

JUNE

The approved new master tenancy agreements for Malaysia Properties commenced in June 2019.

The base rent of the Toshin master lease for Ngee Ann City Property remains equal to the existing rent following a rent review in June 2019.

Wisma Atria attracted shopper traffic of 22.4 million, with tenant sales rising 3.5% year-on-year, in FY 2018/19.

Starhill Global REIT’s property portfolio was valued at approximately S$3.06 billion as at 30 June 2019.

Board of Directors

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

NON-EXECUTIVE CHAIRMAN

Tan Sri Dato' (Dr) Francis Yeoh joined the Board on 31 December 2008. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from the University of Nottingham. He became the Managing Director of YTL Corp Group in 1988, which under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities, i.e. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL Hospitality REIT, Lafarge Malaysia Berhad and Starhill Global REIT.

Tan Sri Francis was the Managing Director of YTL Corp, YTL Power International Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Lafarge Malaysia Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri Francis is also an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, and is a director of YTL Industries Berhad. He also sits on the board of trustees of YTL Foundation. Tan Sri Francis also serves on the board of directors of Suu Foundation, a humanitarian organisation committed to improving healthcare and education in Myanmar.

Tan Sri Francis is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

Tan Sri Francis was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005.

In 2006, Tan Sri Francis was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy.

MR HO SING

EXECUTIVE DIRECTOR

Mr Ho Sing joined the Board on 20 April 2010. He is the Chief Executive Officer of the Manager. He works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT.

He has over 25 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. He also served as Independent Non-Executive Director of Daiman Development Berhad when it was listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

DATO' YEOH SEOK KIAN

NON-EXECUTIVE DIRECTOR

Dato' Yeoh Seok Kian joined the Board on 31 December 2008. He was appointed as an Executive Director of YTL Corp since 1984 and has been the Deputy Managing Director of YTL Corp until 29 June 2018 when he was redesignated as Managing Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom, as well as a Member of the Chartered Institute of Building (UK).

Dato' Yeoh served as Deputy Managing Director of YTL Power International Berhad and Executive Director of YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad until 29 June 2018, when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Lafarge Malaysia Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

MR TAN BONG LIN

LEAD INDEPENDENT DIRECTOR

Mr Tan Bong Lin joined the Board on 1 January 2018 and is the Chairman of the Audit Committee. Mr Tan has 27 years of working experience with Wall Street investment banking and brokerage institutions. He served as the Managing Director of Citigroup Global Markets Singapore Pte Ltd from 1991 to 2007. He was also a Member of the Finance Committee of the Singapore Broadcasting Authority from 1997 to 2002.

Mr Tan is a Non-Executive Independent Director of APAC Realty Limited, and is the Non-Executive Chairman and Independent Director of RHT Health Trust Manager Pte Ltd, the manager of RHT Health Trust (which is listed on the Mainboard of SGX-ST).

Mr Tan holds a Bachelor of Accountancy degree from the University of Singapore in 1980.

MR CHING YEW CHYE

INDEPENDENT DIRECTOR

Mr Ching Yew Chye joined the Board on 1 November 2016 and is a member of the Audit Committee. He is a seasoned management and information technology professional. In 1982, he joined Accenture PLC, a global management consulting, technology services and outsourcing company. From 1997 until his retirement in 2007, he assumed various regional senior management roles in Accenture, including Managing Partner of the Financial Services Industry Group-Asia, Geographic Council Chairman-Asia and Managing Partner for South Asia Region. He was a member of the Accenture Global Executive Committee from 2001 to 2004 and served on several committees/task forces to craft Accenture's global strategy.

He is currently an Independent Non-Executive Director of Genting Plantations Berhad and United Overseas Bank (Malaysia) Berhad, and the Independent Non-Executive Chairman of AIA Berhad and AIA General Berhad. Mr Ching previously served as an Independent Non-Executive Director of Petronas Chemicals Group Berhad.

Mr Ching holds a Bachelor of Science (Honours) degree from the University of London, UK.

MR TAN WOON HUM

INDEPENDENT DIRECTOR

Mr Tan Woon Hum joined the Board on 1 August 2017 and is a member of the Audit Committee. He is currently a partner of Shook Lin & Bok LLP, a Singapore law firm, and has been with the firm since December 2003. He graduated from the National University of Singapore with a LLB (Honours) Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996.

Mr Tan obtained his MBA (Finance) from the University of Leicester in 2000. He has been in private legal practice since 1996 and specialises in trust, asset and wealth management. He advises on the establishment of traditional and alternative funds including related licences and exemptions for fund management companies, as well as the establishment and listing of REITs. Mr Tan is also an Independent Non-Executive Director of Ezion Holdings Limited and AP Oil International Limited, companies listed on the Mainboard of SGX-ST, and UTI International (Singapore) Private Limited, a licensed fund manager.

Executive Officers of REIT Manager

MR HO SING

CHIEF EXECUTIVE OFFICER

Mr Ho works with the Chairman and the Board in formulating and executing strategies for Starhill Global REIT. He works closely with other members of the Manager and the Property Manager to ensure these strategies are implemented. He is also responsible for the day-to-day operations of Starhill Global REIT. He has over 25 years of leadership and management experience with multinational companies in engineering, medical, infrastructure, and real estate. These include senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and GuocoLand Limited. Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He completed the Stanford Executive Program at Stanford University in 2002.

MS ALICE CHEONG

CHIEF FINANCIAL OFFICER

Ms Cheong oversees the finance and accounting, as well as the investor relations and corporate communications functions. Ms Cheong has over 20 years of financial advisory, mergers and acquisitions and corporate finance experience, with over 10 years in the real estate sector. Prior to joining YTL Starhill Global REIT Management Limited, she was a vice president in MEAG Pacific Star Asia Pte Ltd involved in real estate acquisitions in Asia. Ms Cheong had nine years of investment banking experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore. Ms Cheong graduated from Warwick University in the UK with a Bachelor of Science degree in Management Science. She is also a Chartered Financial Analyst (CFA Institute).

MR STEPHEN YEO

SENIOR VICE PRESIDENT, FINANCE & ACCOUNTING

Mr Yeo is responsible for assisting the Chief Financial Officer in the finance and accounting matters of Starhill Global REIT including financial reporting, taxation, treasury, corporate finance and capital management. He has more than 15 years of experience in audit, accounting, statutory reporting, compliance and tax in Singapore and other regional countries. From 2000 to 2006, Mr Yeo was an auditor with Deloitte & Touche. Prior to joining the Manager, he was the financial controller of Sunshine Holding Limited, a China-based real estate developer listed on the Mainboard of the SGX-ST. Mr Yeo holds a Bachelor of Accountancy degree from Nanyang Technological University in Singapore. He is also a non-practising member of the Institute of Singapore Chartered Accountants.

MR ALVIN TAY

SENIOR VICE PRESIDENT, ASSET MANAGEMENT

Mr Tay is responsible for the management of the REIT's portfolio. Prior to joining the Manager in 2018, Mr Tay spent 11 years with the Mapletree Group where he held various investment and asset management positions at Mapletree Industrial Fund and Mapletree Industrial Trust Management Ltd. He was responsible for evaluating and executing real estate investments in various countries, as well as formulating and executing business plans and asset enhancement initiatives, among others. From 2006 to 2007, he was with DTZ Debenham Tie Leung where he was with the forecasting team, carrying out econometric modelling and consultancy work. He started his career with the Singapore Land Authority in 2003. Mr Tay has a Bachelor of Social Sciences (Honours) degree in Economics from the National University of Singapore.

MS CLARE KOH

SENIOR VICE PRESIDENT, HEAD OF INVESTMENTS

Ms Koh has more than 15 years of experience in corporate finance, advisory and mergers and acquisitions (M&A). Ms Koh is responsible for the sourcing, structuring and execution of acquisitions and disposals for Starhill Global REIT. She was involved in Starhill Global REIT's IPO and its acquisitions in Japan, Australia and Malaysia, and Japan disposals. Prior to joining the Manager, she was with MEAG Pacific Star Asia Pte Ltd's investments team, and spent four years with HSBC investment bank in the execution of regional M&A and advisory transactions. Ms Koh holds a Bachelor of Commerce degree from the University of Western Australia.

MR LAM CHEE KIN

SENIOR VICE PRESIDENT, LEGAL & COMPLIANCE AND COMPANY SECRETARY

Mr Lam is responsible for legal, compliance and company secretarial matters of the Manager and Starhill Global REIT. He has more than 20 years of experience in in-house legal counsel roles within SGX-ST listed companies and REITs. His broad experience includes corporate commercial matters in various industries including real estate, cross-border acquisitions and divestments as well as financing and regulatory compliance. Mr Lam holds a Bachelor of Law (Honours) degree from the National University of Singapore.

MR JONATHAN KUAH

SENIOR VICE PRESIDENT, HEAD OF INVESTOR RELATIONS & CORPORATE PLANNING

Mr Kuah is responsible for strategic communication with Unitholders, potential investors, analysts and media as well as corporate planning. He has over 20 years of experience in the financial industry, including over 10 years in the real estate industry. Prior to joining the Manager, he spent five years with CapitaLand Limited as Vice President of Investor Relations. Mr Kuah also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various brokerages. Mr Kuah holds a Bachelor of Science degree in Business Administration (Finance) from California State University, Long Beach, USA.

Executive Officers of Property Manager

MS ONG MEI-LYNN

GENERAL MANAGER

Ms Ong is responsible for the overall property management of Wisma Atria Property and Ngee Ann City Property, including leasing, marketing, property operations, finance and human resources. She has more than 10 years of asset management, leasing and business development experience at property funds and developers in the Asia-Pacific region. Her property experience covers the retail, office and industrial segments in Singapore, Malaysia, China, Japan and Australia. Prior to this, she was Head of Asset Management at YTL Starhill Global REIT Management Limited, where she was responsible for the management of the REIT's portfolio. Ms Ong's experience includes asset management of logistics assets under Mapletree Logistics Trust, as well as leasing head managing commercial assets under the United Engineers group. She holds a Bachelor of Arts degree from the National University of Singapore and a Master of Business Administration from Imperial College, London.

MS SANDRA LEE

SENIOR VICE PRESIDENT,
HUMAN RESOURCE & ADMINISTRATION

Ms Lee is responsible for the full gamut of human resource management and office administration functions, including staffing, compensation and benefits, employee engagement and providing both strategic and tactical execution of all HR related programmes. She has over 20 years of HR and administration experience in real estate and related industries. Prior to this, she was HR and Administration Manager for Al Khaleej Investments (S) Pte Ltd (former owners of Wisma Atria and Forum The Shopping Mall) from 1987 to 2002 where she was involved in organisation change management and integration activities. Ms Lee holds a Bachelor of Business degree (major in Human Resource Management) from RMIT University, Australia and a Diploma in Management Studies from the Singapore Institute of Management.

MS JENNIFER LU

VICE PRESIDENT,
FINANCE

Ms Lu is responsible for finance, accounting and tax functions. She has more than 19 years of experience in accounting and financial analysis across several industries. She was with the media industry for six years prior to joining the Far East Organization accounts department for the hospitality and food and beverage sectors. Ms Lu holds a double degree – Bachelor in Business (Accounting) and Bachelor in Business (Management) from Monash University, Melbourne, Australia. She is a Chartered Accountant of Singapore, a full member of CPA Australia, an Accredited Tax Practitioner (ATP) (Provisional – GST) and ATP (Income Tax).

MR TAN HOW SONG
VICE PRESIDENT,
PROPERTY OPERATIONS

Mr Tan is responsible for the building operations of the Wisma Atria Property and the Ngee Ann City Property. Mr Tan has more than 10 years of experience in the property management industry. He was a project manager at Orchard Square Development Corporation (OSDC), a joint developer of Ngee Ann City, from 1997 to 2003, before joining the Property Manager. Prior to OSDC, he was the project manager managing construction activities, addition & alteration works and maintenance programmes at Metrobilt Construction, Kmart Singapore and Omni Marco Polo Hotel Singapore. Mr Tan holds a Bachelor of Science degree in Facilities Management from Heriot-Watt University, Edinburgh, United Kingdom.

MR JACKE CHYE
VICE PRESIDENT,
MARKETING

Mr Chye is responsible for conceptualising and implementing marketing programmes to attract shoppers and increase tenant sales turnover at the Wisma Atria Property and Level 5 of the Ngee Ann City Property. He has over 25 years of experience in the retail property, media, entertainment, IT and non-profit industry having worked at MediaCorp, SingTel, IBM, SNCF and most recently CapitaLand, managing the marketing communications for the cluster malls of Westgate, IMM and JCube. He is also the Director of his non-profit theatre company, Playground Entertainment Limited. Mr Chye holds both a Master of Commerce in Marketing and a Bachelor of Arts degree, majoring in Public Relations and Journalism from Curtin University of Technology, Australia.

MS JENNY SOH
ASSISTANT VICE PRESIDENT,
LEASING

Ms Soh leads the retail leasing and tenant management of Wisma Atria. Prior to this, she was the Assistant Vice President of group leasing team in Frasers Property. She has over 12 years of experience in retail consultancy, strategic lease planning, budgeting, leasing negotiations and lease management for new developments and revamped malls islandwide. She started her retail leasing career in Knight Frank and her last position was Marketing Manager. Jenny holds a Bachelor of Real Estate in Property Management from National University of Singapore and a Graduate Diploma in Marketing from Marketing Institute of Singapore.

MS TAN MEI JUN
ASSISTANT VICE PRESIDENT,
LEASING

Ms Tan is responsible for all leasing and tenant management for the commercial division of the Singapore portfolio, which includes Ngee Ann City Tower B, Wisma Atria offices and retail spaces in both properties. She has over 12 years of experience in managing leasing negotiations and engaging tenants in the property management industry, having worked at Far East Organisation, CapitaLand Mall Asia Limited, NTUC Health Co-operative Limited and NTUC FairPrice Co-operative Limited. Ms Tan holds a Bachelor of Science degree in Applied Mathematics from the National University of Singapore.

Property Highlights

Name	Address	Description	NLA (sq ft) (30 Jun 2019)	Title	Number of Tenants (30 Jun 2019)
Wisma Atria Property	435 Orchard Road, Singapore 238877	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria	Retail: 126,251 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	126
Ngee Ann City Property	391/391B Orchard Road, Singapore 238874	Four strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City	Retail: 255,021 [2] Office: 140,147	Leasehold estate of 69 years, expiring on 31 March 2072	56
Myer Centre Adelaide [3]	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre, with three office buildings and four basement levels	Retail: 514,850 [4] Office: 98,093	Freehold	96
David Jones Building [6]	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,080 (GLA)	Freehold	6
Plaza Arcade [7]	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	36,933 (GLA)	Freehold	15
Starhill Gallery [8]	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements [9]	333,289 [10] [11] [12]	Freehold	1
Lot 10 Property [8]	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	254,163 [10] [12]	Leasehold estate of 99 years, expiring on 29 July 2076	1
China Property [14]	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	A four-storey plus mezzanine level retail building forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate, expiring on 27 December 2035	1
Ebisu Fort [16]	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for retail and office use	18,816 [10]	Freehold	6
Daikanyama [16]	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	8,087 [10]	Freehold	5
Nakameguro Place [16] [18]	1-20-2 Aobadai, Meguro-ku, Tokyo, Japan	Four-storey building for retail use	3,526	Freehold	NA

Notes:

(1) Based on commenced leases as at the reporting date.
(2) Includes 225,969 sq ft of gross lettable area leased to Toshin Development Singapore Pte. Ltd. on a master tenant basis.
(3) Myer Centre Adelaide was acquired on 18 May 2015 and based on the exchange rate of A$0.95:S$1 at acquisition.
(4) Excludes approximately 100,000 sq ft of unactivated vacant area in the retail centre on level 4 and level 5.
(5) Based on the exchange rate of A$1.05:S$1 as at 30 June 2019.
(6) David Jones Building was acquired on 20 January 2010 and based on the exchange rate of A$0.79:S$1 at acquisition.
(7) Plaza Arcade was acquired on 1 March 2013 and based on the exchange rate of A$0.79:S$1 at acquisition.
(8) Lot 10 Property and Starhill Gallery were acquired on 28 June 2010 and based on the exchange rate of RM2.32:S$1 at acquisition.
(9) Upon completion of asset enhancement works on Starhill Gallery, the revamped retail mall will include hotel rooms on the upper three levels.
(10) Largely retail with some office component.

Purchase Price (S$ million)	Market Valuation (30 Jun 2019)	Occupancy Rate 30 Jun 2019 (Actual)[1]	Occupancy Rate 30 Jun 2018 (Actual)[1]	Major Tenants and Brands	Revenue (S$ million) FY 2018/19	Revenue (S$ million) FY 2017/18	NPI (S$ million) FY 2018/19	NPI (S$ million) FY 2017/18
663.0	**978.0**	Retail: 99.6% Office: 89.3%	Retail: 97.1% Office: 92.4%	Coach, Tory Burch, TAG Heuer, Emperor Watch & Jewellery (Singapore) Pte. Ltd., Food Republic, Charles & Keith	**61.8**	65.8	**46.8**	51.0
640.0	**1,138.0**	Retail: 99.3% Office: 95.9%	Retail: 99.5% Office: 88.9%	Toshin Development Singapore Pte. Ltd. (master tenant), DBS Treasures Centre	**65.3**	63.9	**53.4**	52.0
303.1 [3]	**284.6** [5]	Retail: 93.6% Office: 75.2%	Retail: 94.4% Office: 31.5%	Myer Pty Ltd, Daiso, LUSH, Jamaica Blue, Sunglass Hut, Rebel, Lincraft	**31.3**	31.1	**17.5**	16.7
145.7 [6]	**158.4** [5]	98.9%	99.3%	David Jones Limited, Pandora, Bodyshop, LUSH, Superdry	**11.9**	12.7	**9.6**	10.6
61.0 [7]	**46.7** [5]	86.9%	90.0%	UNIQLO, Surf Dive 'n' Ski, Outback Red	**3.0**	2.6	**1.2**	1.4
271.3 [8]	**217.5** [13]	100.0%	100.0%	Katagreen Development Sdn. Bhd. (master tenant)	**17.4**	17.3	**16.9**	16.7
173.0 [8]	**153.4** [13]	100.0%	100.0%	Katagreen Development Sdn. Bhd. (master tenant)	**10.8**	10.6	**10.4**	10.2
70.6 [14]	**28.4** [15]	100.0%	100.0%	Markor International Home Furnishings Co., Ltd	**1.8**	1.9	**1.3**	1.4
71.3 [16]	**44.0** [17]	100.0%	100.0%	Style Create, Plug-In, Wano KK, Family Mart. Sakura-saku KK, Prime Three	**2.1**	1.9	**1.7**	1.5
22.8 [16]	**16.0** [17]	100.0%	100.0%	Good Design Company, Zwiesel, Mizutani Bicycle, Humans Brain, Seki Kagu	**0.8**	0.8	**0.6**	0.6
7.1 [16]	**NA**	NA	NA	NA	**NA**	0.2	**NA**	0.1

[11] New NLA upon completion of asset enhancement works on Starhill Gallery under the new master tenancy agreements, subject to relevant authorities' approvals.

[12] Under a master tenancy agreement with Katagreen Development Sdn. Bhd.

[13] Based on the exchange rate of RM3.06:S$1 as at 30 June 2019.

[14] The China Property was acquired on 28 August 2007 and based on the exchange rate of RMB4.96:S$1 at acquisition.

[15] Based on the exchange rate of RMB5.08:S$1 as at 30 June 2019.

[16] Daikanyama and Nakameguro Place were acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007 and based on the exchange rate of JPY79.97:S$1 at acquisition.

[17] Based on the exchange rate of JPY79.58:S$1 as at 30 June 2019.

[18] Nakameguro Place was divested on 8 May 2018 for JPY525.0 million (approximately S$6.4 million), a 25.0% premium to its latest valuation of JPY420.0 million (approximately S$5.1 million).

Property Portfolio Summary

Starhill Global REIT's portfolio comprises 10 mid- to high-end retail properties located in six key cities in five countries across the Asia-Pacific region. These properties are strategically located in good to prime locations. The resilience of the portfolio is demonstrated by high occupancies since listing in 2005.

TOP 10 TENANTS

Tenant Name	Property	% of Total Portfolio Gross Rent[1][2]
Toshin Development Singapore Pte. Ltd.	Ngee Ann City Property, Singapore	22.9%
YTL Group[3]	Ngee Ann City Property & Wisma Atria Property, Singapore, Starhill Gallery & Lot 10 Property, Malaysia	10.5%
Myer Pty Ltd	Myer Centre Adelaide, Australia	7.0%
David Jones Limited	David Jones Building, Australia	4.7%
BreadTalk Group	Wisma Atria Property, Singapore	2.0%
Emperor Watch & Jewellery	Wisma Atria Property, Singapore	1.8%
Coach Singapore Pte. Ltd.	Wisma Atria Property, Singapore	1.6%
LVMH Group	Wisma Atria Property, Singapore	1.6%
Charles & Keith Group	Wisma Atria Property, Singapore	1.4%
Cotton On Group	Wisma Atria Property, Singapore, Myer Centre Adelaide, Australia	1.1%

Notes:

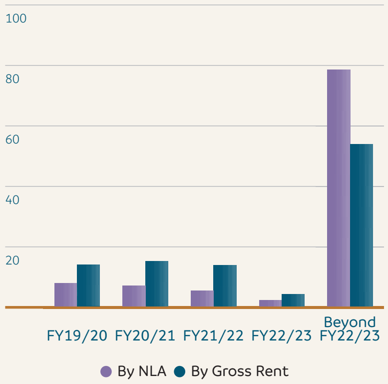
(1) As at 30 June 2019.

(2) The total portfolio gross rent is based on the gross rent of all the properties.

(3) Consists of Katagreen Development Sdn. Bhd., YTL Singapore Pte. Ltd., YTL Hotel (Singapore) Pte. Ltd., YTL Starhill Global REIT Management Limited and YTL Starhill Global Property Management Pte. Ltd.

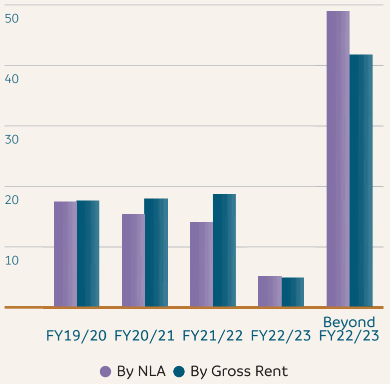
PORTFOLIO LEASE EXPIRY[1][2][3][7]
(As at 30 Jun 2019) (%)

7.7	6.9	5.3	2.1	78.0[4]
13.9	15.0	13.6	4.1	53.4[4]



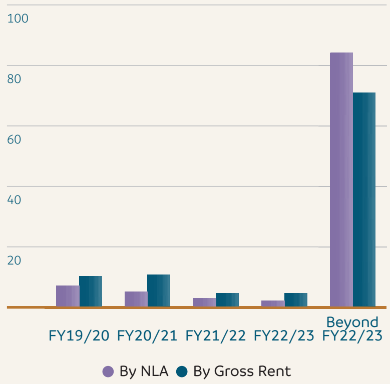
SINGAPORE PORTFOLIO LEASE EXPIRY[1][2]
(As at 30 Jun 2019) (%)

17.3	15.2	13.9	5.0	48.6[5]
17.4	17.8	18.5	4.8	41.5[5]



AUSTRALIA PORTFOLIO LEASE EXPIRY[1][2]
(As at 30 Jun 2019) (%)

6.9	4.9	2.8	1.9	83.5[6]
10.0	10.6	4.5	4.4	70.5[6]



Notes:

(1) Lease expiry schedule based on commenced leases as at 30 June 2019.

(2) Excludes tenants' option to renew or pre-terminate.

(3) Portfolio lease expiry schedule includes all of SGREIT's properties.

(4) Includes the Toshin master lease, new master tenancy agreements for Malaysia Properties and the anchor leases in Australia and China.

(5) Includes Toshin master lease that expires in 2025 and provides for a review of the rental rate every three years during its term.

(6) Includes anchor leases with David Jones Limited and Myer Pty Ltd which are subject to periodic rent reviews and expire in 2032.

(7) Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.

Diversified Retail and Office Portfolio

Singapore is Starhill Global REIT's largest revenue contributor at 61.7% in FY 2018/19. Australia is the second largest revenue contributor at 22.4%, followed by Malaysia at 13.6%. China and Japan accounted for the remaining 2.3% of revenue in FY 2018/19. The retail and office components contributed 87.1% and 12.9% of the Portfolio's FY 2018/19 revenue respectively.

As at 30 June 2019, the top 10 tenants of the Portfolio contributed 54.6% of the Portfolio's gross rent. The top four tenants were mainly master or anchor leases, namely Toshin Development Singapore Pte. Ltd. (Toshin), YTL Group, Myer Pty Ltd and David Jones Limited, accounting for 22.9%, 10.5%, 7.0% and 4.7% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

Stable Lease Profile

Master leases and anchor leases provide rental income stability with potential upside. Collectively, the master leases and anchor leases for the Group accounted for approximately 45.8% of the Portfolio's gross rent as at 30 June 2019. The Manager actively manages the remaining leases of the Portfolio, which are on a short- to medium-term basis.

Toshin's lease at Ngee Ann City Property expiring in June 2025 incorporates a rent review every three years. In the most recent review in June 2019, the new base rent for Toshin master lease is equal to the existing rent.

The Malaysia Properties are under master leases with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation Berhad, which have been renewed in FY 2018/19. The new MTAs with the same master tenant Katagreen Development Sdn. Bhd., which includes a condition for AEW to be performed on Starhill Gallery, has long lease tenures of approximately 19.5 years and nine years [1] for Starhill Gallery and Lot 10 Property respectively with built-in periodic rent step-ups, providing income visibility and rent growth. Please see the section on Business Review of Malaysia Properties on pages 46 to 49 for further details.

The David Jones Building in Perth, Australia, has a long-term lease with anchor tenant David Jones Limited expiring in 2032 with upward-only rent reviews every three years. The last lease review with David Jones secured a 6.12% rental uplift from August 2017 and the next rent review is due in August 2020. Myer department store has a long-term anchor tenant lease at Myer Centre Adelaide expiring in 2032 which provides for an annual rent review.

As at 30 June 2019, the weighted average lease term expiry of the Portfolio is 9.4 [1][2][3][4] years and 5.4 [1][2][3][4] years by NLA and gross rent respectively. The weighted average lease term expiry by gross rent for new leases commenced in FY 2018/19 is 8.1 [1][2][3][4] years. The proportion of gross rent attributed to these leases is approximately 19.1% of the Portfolio's monthly gross rental income as at 30 June 2019, excluding retail turnover rent. For the Singapore Properties, besides the Toshin master lease, earnings are derived from retail leases in Wisma Atria Property and Ngee Ann City Property Level 5, as well as office leases which are generally contracted for a three-year period. The Japan Properties, specialty retail units in the David Jones Building and Plaza Arcade in Perth, as well as Myer Centre Adelaide in Adelaide generally have tenancies with three- to five-year lease terms. At the China Property, one of China's largest furniture retailers, Markor International Home Furnishings Co. Ltd., is the sole tenant. The long-term fixed lease tenancy with periodic rent step-ups provides income stability for the asset.

Resilient Retail Occupancy

The Singapore Properties consist of both retail and office spaces and enjoy a combined occupancy of 97.0% [3] as at 30 June 2019. The retail portfolio in Singapore sustained a high occupancy of 99.4% [3] as at 30 June 2019. In FY 2018/19, Wisma Atria Property recorded tenant sales growth of 3.5% y-o-y to S$188.0 million and attracted shopper traffic of 22.4 million. Although traditional retail trades remain under pressure and rental growth is weak, shopping centre landlords have succeeded in raising occupancy by adjusting their tenant mixes [5]. Demand for large flagship stores will be confined to top tier cities and their use will be focused on showcasing retailers' most innovative products and experiences [5].

Recovering Office Portfolio

For FY 2018/19, the overall office portfolio revenue and NPI grew 8.1% and 10.7% y-o-y respectively. Office portfolio occupancy rose to 87.9% [3] as at 30 June 2019 from 73.2% [3] a year ago, as office occupancy at our Adelaide asset more than doubled to 75.2% [3] as at 30 June 2019.

In Singapore, the office portfolio also registered a higher combined occupancy of 93.2% [3] as at 30 June 2019, versus 90.3% [3] as at 30 June 2018. On a committed basis, the occupancy for the total office portfolio improved to 91.9% [6] as at 30 June 2019 compared to 76.6% [6] as at 30 June 2018.

For the office sector in Singapore, demand for CBD office space stayed firm, supported by a mix of new entrants, expansions and renewals [7]. Supply contracted as the amount of office space withdrawn for redevelopment exceeded the amount of space added to stock [7].

In Adelaide, the CBD office market has recorded a total annual net absorption of 16,509 sq m in 2018, which is more than three times the 10-year average annual net absorption in the Adelaide CBD [8]. Demand has been driven by the defence, professional services, health, and IT and communication sectors [8]. This increase in demand has been supported by growth in white collar employment, but also the relocation of several key tenants into the Adelaide CBD from suburban markets [8].

Notes:

(1) Assuming that the option to renew for the third three-year term for Lot 10 Property is exercised.

(2) Excludes tenants' option to renew or pre-terminate.

(3) Based on commenced leases as at the reporting date.

(4) Portfolio lease expiry schedule includes all of SGREIT's properties.

(5) CBRE Research, Asia Pacific Real Estate Market Outlook 2019.

(6) Based on committed leases as at the reporting date.

(7) Jones Lang LaSalle Research, Singapore Property Market Monitor, April 2019.

(8) Colliers International, Adelaide, CBD Office First Half 2019.

Property Portfolio Summary

GROSS REVENUE BY RETAIL AND OFFICE
(FY 2018/19)

RETAIL **87.1%**

OFFICE **12.9%**

GROSS REVENUE BY COUNTRY
(FY 2018/19)

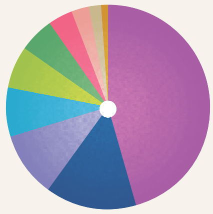
SINGAPORE **61.7%**

AUSTRALIA **22.4%**

MALAYSIA **13.6%**

OTHERS (JAPAN & CHINA) **2.3%**

PORTFOLIO TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)



Master Leases/ Anchor Leases	**45.8%**
Office	**14.4%**
Fashion	**10.2%**
Food & Beverage	**7.9%**
Health & Beauty	**6.7%**
Jewellery & Watches	**5.3%**
Shoes & Accessories	**3.9%**
General Trade	**2.9%**
Services	**1.9%**
Others	**1.0%**

Asset Enhancement Initiatives
Following the refurbishment of our assets in Australia and Malaysia, the newly-renovated spaces are now livelier. In Perth, global apparel retailer UNIQLO opened its first store in Perth at Plaza Arcade in August 2018 as the anchor tenant. On its opening day, hundreds queued over 250 metres around the Murray Street Mall towards Williams Street to be among the first to set foot in the new store. The international brand improves the positioning of Plaza Arcade amidst several major retail redevelopments in the retail precinct at Raine Square and Forrest Chase, which have been completed in stages, as well as ongoing upgrading works to Piccadilly Arcade.

UNIQLO opening at Plaza Arcade: Hundreds queue over 250 metres to be among the first to set foot in the new store.

In Malaysia, Lot 10 Property underwent redevelopment works in 2017, which has resulted in a refreshed positioning for the mall and higher shopper traffic. Following the success of Lot 10 Property's rejuvenation, we will be embarking on another major asset enhancement initiative for Starhill Gallery.

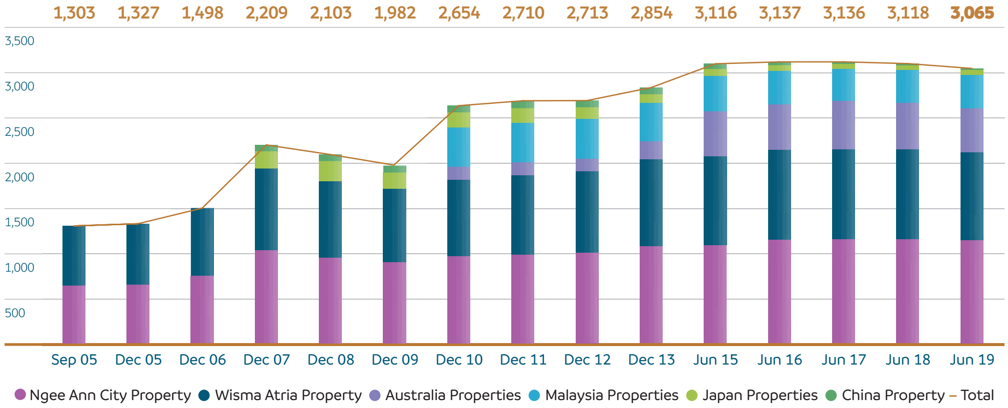
Asset Enhancement Works for Starhill Gallery
As a condition of the MTA for Starhill Gallery, we will carry out AEW on Starhill Gallery at a cost of RM175 million (approximately S$57.5 million)[1], with the AEW expected to take approximately two years.

The AEW are timely as the last major renovation was in 2005, with a facelift in 2011. The AEW present an opportunity to revamp Starhill Gallery to stay at the forefront of a changing retail landscape, allowing Starhill Gallery to capitalise on the renewed vibrancy along the prime shopping stretch of Kuala Lumpur. The conversion of the mall into an integrated development with hotel and retail elements, which is in line with the global trend, enables Starhill Gallery to leverage on the hotel's guests to increase footfall to the retail component of the refurbished Starhill Gallery. The AEW permit Starhill Global REIT to deploy incremental capital into an existing high quality but aging asset, with certainty of return provided by the new MTAs. Please see the section on Business Review of Malaysia Properties on pages 46 to 49 for further details.

Note:
[1] Based on an exchange rate of RM3.04 to S$1.00 as per the Circular to Unitholders dated 25 April 2019.

PORTFOLIO VALUATION

(As at 30 Jun 2019) (S$ million)



PORTFOLIO VALUATION

Description	30 Jun 2019 (S$ million)	30 Jun 2018 (S$ million)	Change (S$ million)	Change (%)
Ngee Ann City Property	1,138.0	1,150.0	(12.0)	(1.0%)
Wisma Atria Property	978.0	997.0	(19.0)	(1.9%)
Australia Properties[1]	489.8	516.9	(27.1)	(5.2%)
Malaysia Properties[2]	370.8	367.4	3.4	0.9%
Japan Properties[3]	59.9	57.2	2.7	4.8%
China Property[4]	28.4	29.8	(1.4)	(5.0%)
	3,064.9	**3,118.3**	**(53.4)**	**(1.7%)**

Notes:

[1] Australia Properties (David Jones Building and Plaza Arcade) in Perth and (Myer Centre Adelaide) in Adelaide translated as at 30 June 2019 at A$1.05:S$1.00 (2018: A$0.99:S$1.00).

[2] Malaysia Properties (Starhill Gallery and Lot 10 Property) in Kuala Lumpur translated as at 30 June 2019 at RM3.06:S$1.00 (2018: RM2.96:S$1.00).

[3] Japan Properties in Tokyo translated as at 30 June 2019 at JPY79.58:S$1.00 (2018: JPY81.11:S$1.00).

[4] China Property in Chengdu translated as at 30 June 2019 at RMB5.08:S$1.00 (2018: RMB4.86:S$1.00).

Valuation of Investment Properties

Starhill Global REIT's investment properties have been assessed by independent valuers at S$3,064.9 million as at 30 June 2019 (2018: S$3,118.3 million).

The slight drop of 1.7% was largely contributed by the negative foreign currency movements mainly in Australian dollar and Malaysian ringgit, and downward revaluation mainly for the Singapore Properties. Excluding the impact of the foreign currency movements, the portfolio value would have been relatively stable.

In foreign currency terms, the Singapore Properties, Plaza Arcade in Perth and the China Property registered a lower aggregate value which was partially offset by an increase in value by the Malaysia Properties, Myer Centre Adelaide, David Jones Building and the Japan Properties.

As at 30 June 2019, the combined valuation of the Wisma Atria Property and the Ngee Ann City Property, which comprises approximately 69.0% of the portfolio value, decreased by 1.4% to S$2,116 million, largely due to the subdued retail conditions in Singapore. The office components for the Singapore Properties remained relatively stable with the Wisma Atria Property's office component registering a marginal increase in value in view of the improvement in the office landscape in Singapore.

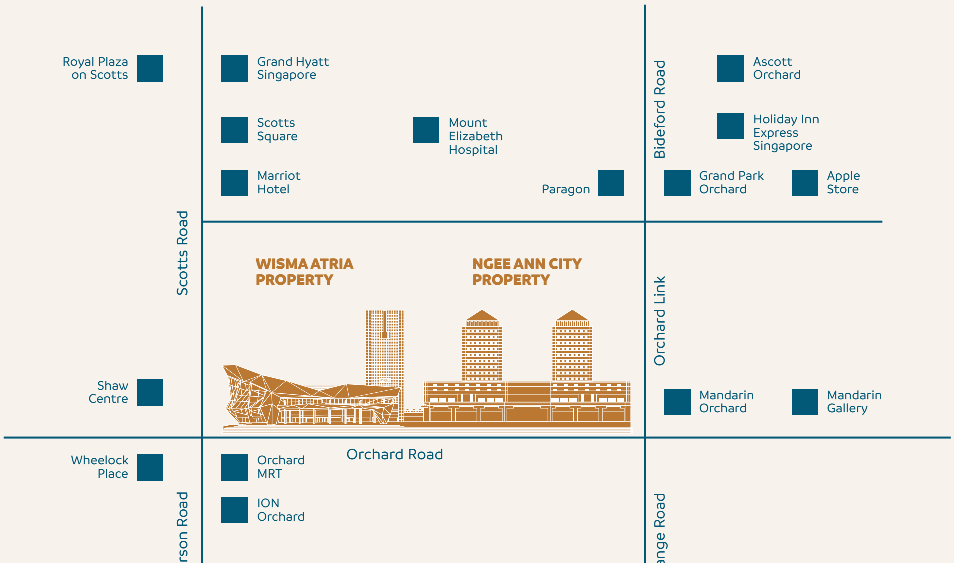
The combined valuation of the Australia Properties was S$489.8 million (A$516.2 million), decreasing by S$27.1 million from that as at 30 June 2018 mainly due to the depreciation of the Australian dollar. Myer Centre Adelaide and David Jones Building experienced a slight increase in valuation in Australian dollar terms, which was offset by the decrease in the valuation of Plaza Arcade compared to its valuation as at 30 June 2018.

The Malaysia Properties were valued at S$370.8 million (RM1,134.0 million), an increase of S$3.4 million compared to 30 June 2018. In ringgit terms, valuation grew by 4.3% compared to 30 June 2018 mainly due to the increase in term and reversionary rents for both Starhill Gallery and Lot 10 Property as well as the compression of both capitalisation rate and reversionary yield for Starhill Gallery.

The Japan Properties were valued at S$59.9 million (JPY4,770 million), an increase of S$2.7 million from the previous valuation as at 30 June 2018 mainly due to the compression of capitalisation rate and discount rate and appreciation of the Japanese yen.

The valuation of the China Property declined S$1.4 million compared to that as at 30 June 2018 mainly due to the depreciation of the Chinese renminbi. As at 30 June 2019, the valuation of the China Property is S$28.4 million (RMB144 million).

Singapore Properties



EXCELLENT CONNECTIVITY AND ACCESSIBILITY

Wisma Atria provides direct basement access to Orchard MRT Station at the heart of the shopping belt.

18.5m
INTERNATIONAL VISITORS
in Singapore in 2018

S$26.9b
TOURISM RECEIPTS
in Singapore reached in 2018

SINGAPORE IS RANKED
5th
most visited **Global Destination City**[1]

Centrally located in the prime stretch of Orchard Road precinct, with excellent connectivity to transportation hubs.

The Singapore Properties comprise distinctive and vibrant shopping malls strategically located in the prime stretch of Orchard Road, one of the world's leading retail destinations. Incorporating the best high-end and affordable fashion brands, Singapore remains a popular tourist destination, as it retains its position as the fifth most visited global destination out of 162 cities, and the second most visited in Asia-Pacific[1]. Singapore, a renowned shopper's destination in Asia-Pacific, also retained its lead as the top city in the Asia-Pacific region in terms of visitor expenditure, attracting the highest spending visitors at US$286 per day[1]. Wisma Atria Property and Ngee Ann City Property enjoy prime Orchard Road street frontage of 190 metres and house a wide offering of international luxury brands such as Chanel, Coach, Louis Vuitton, Rolex and Tory Burch. Both malls benefit from high tourist traffic along Orchard Road, attributed to the robust tourism landscape in Singapore which saw 18.5 million international visitor arrivals in 2018, a rise of 6.2% y-o-y[2]. Meanwhile, tourism receipts reached S$26.9 billion, a marginal growth of 0.5% y-o-y. In the first half of 2019, international visitor arrivals rose 1.35% y-o-y to 9.3 million visitors[3].

Notes:

(1) Mastercard, Global Destination Cities Index 2018.
(2) Singapore Tourism Board, Tourism Sector Performance, Q4 2018 report.
(3) Singapore Tourism Board, International Visitor Arrivals Statistics, 2 August 2019.

WISMA ATRIA PROPERTY

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent retail areas (excluding the space owned by Isetan and common area property) and the office tower.

ADDRESS:
435 Orchard Road,
Singapore 238877

VISIT:
www.wismaonline.com

NGEE ANN CITY PROPERTY

Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces.

ADDRESS:
391/391B Orchard Road,
Singapore 238874

VISIT:
www.ngeeanncity.com.sg

Singapore Properties

Wisma Atria Property

STRATA LOTS
257
strata lots representing **74.23%** of the total share value in Wisma Atria

TENURE
99 yrs
Leasehold estate
(Expiring on 31 Mar 2061)

TENANTS
(As at 30 Jun 2019)
126

PURCHASE PRICE
S$663.0m

MARKET VALUATION
(As at 30 Jun 2019)
S$978.0m

TOTAL NET LETTABLE AREA
(As at 30 Jun 2019)
225,140 sq ft

RETAIL
126,251 sq ft

OFFICE
98,889 sq ft

OCCUPANCY RATE [1]
(As at 30 Jun 2019)

RETAIL
99.6%

OFFICE
89.3%

(As at 30 Jun 2018)

RETAIL
97.1%

OFFICE
92.4%

RETAIL & OFFICE MIX
By Gross Revenue
(FY 2018/19)

RETAIL
83.8%

OFFICE
16.2%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)

30.3% Fashion

23.6% Food & Beverage

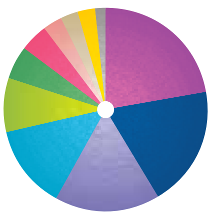
15.6% Jewellery & Watches

12.7% Shoes & Accessories

12.0% Health & Beauty

5.8% General Trade

OFFICE TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)



Real Estate and Property Services	22.3%
Retail	19.3%
Medical	16.7%
Trading	13.2%
Others	8.5%
Consultancy/Services	5.5%
Government Related	4.3%
Banking and Financial Services	3.1%
Information Technology	2.9%
Aerospace	2.6%
Beauty/ Health	1.6%

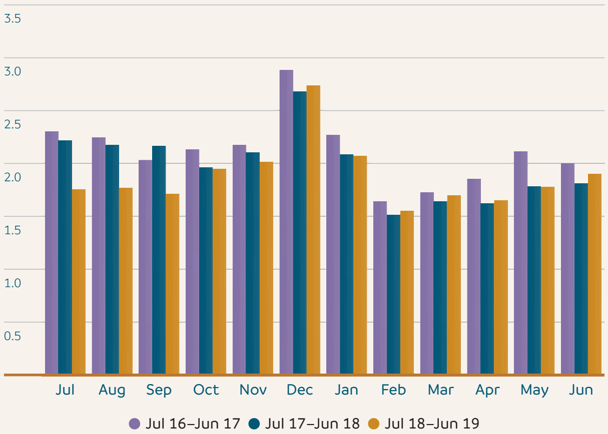
Strategic Location along Orchard Road
Strategically located along the prime stretch of Orchard Road between ION Orchard and Ngee Ann City, Wisma Atria enjoys more than 100 metres of prime street frontage and has an established following among locals and tourists. It comprises a retail podium with four levels and one basement, three levels of car park space and an office tower with 13 levels of office space. The mall enjoys high pedestrian flow given its Orchard Road frontage and an underground pedestrian linkway which connects Wisma Atria to Orchard MRT Station and Ngee Ann City.

Differentiated Tenant Mix with Experiential Elements
The Wisma Atria Property benefits from a diversified tenant base from various sectors. Wisma Atria is home to the flagship stores of international retailers including Coach, Emperor Watch & Jewellery, Mauboussin and TAG Heuer. It also houses the first Tory Burch boutique in Singapore. Its mid-to-upscale positioning attracts fashion brands such as Cotton On, Forever New, Lacoste and Seafolly, and local labels such as Charles & Keith and Pedro. Complementing the shopping experience is a wide range of beauty stores including ETUDE HOUSE, LUSH and The Face Shop. The mall serves a myriad of F&B options including garden-themed food hall PICNIC which serves international cuisine, and favourites such as Ben's Cookies, Famous Amos, Garrett Popcorn, Llao Llao, Boost, Krispy Kreme, Starbucks, Din Tai Fung and Food Republic with its mouth-watering local delights.

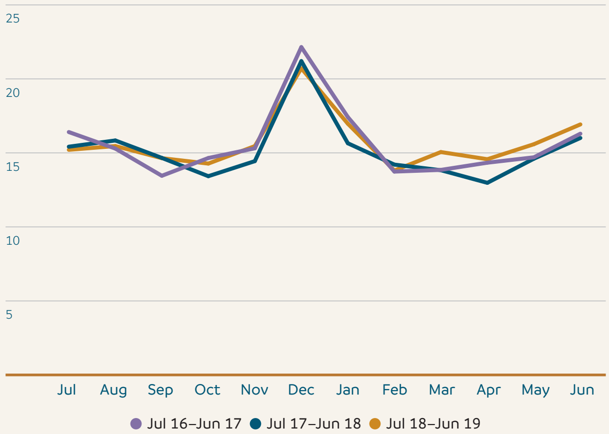
In FY 2018/19, Wisma Atria has seen the opening of several new and exciting stores as it evolves with consumer preference for a more differentiated mix with experiential elements. Among others, the mall welcomed e-commerce fashion retailer Love & Bravery, international multi-label sneakers-apparel store AW LAB

Crowd-puller:
Wisma Atria was packed with avid fans of Korean K-pop band A.C.E during the group's meet and greet session in April 2019.

SHOPPER TRAFFIC
(million)



TENANT SALES
(S$ million)



and international cutting-edge fashion eyewear brand MUJOSH LAB. Several special sneaker launches such as the regional exclusive drop of Adidas Yeezy Boost 350 V2 Synth shoes at Wisma Atria's AW LAB attracted long queues from dedicated fans well before the store's opening time. Luxury watch brands like Rado have opened in June 2019 and The Coffee Bean & Tea Leaf has also commenced trading in August 2019.

On the Food & Beverage (F&B) front, Wisma Atria witnessed the opening of the new flagship restaurant of Paradise Dynasty and a new tenant with a fresh concept of premium quality dining at fast-food prices. Burger+ features classic western dishes infused with a modern Korean twist and artisan burgers, among others, perfect for pairing with beer or wine. Besides quality gourmet food, diners get efficient service at zero service charge. Paris Baguette is an example of Wisma Atria's successful incubation of a food & beverage chain as Paris Baguette's store in Wisma Atria was its first outlet in Singapore before expanding into a household name today.

As at 30 June 2019, Wisma Atria Property (Retail) enjoyed an occupancy of 99.6%. Tenant sales for FY 2018/19 rose 3.5% to S$188.0 million with shopper traffic at 22.4 million. The Wisma Atria Property's office tower attracts tenants from the fashion retail and services sector due to its proximity to the retail stores and boutiques along Orchard Road. Among these tenants are Ermenegildo Zegna, Lane Crawford, L'Occitane, Longchamp and Valentino. Besides the prestigious Orchard Road address and direct access to Orchard MRT Station, tenants also enjoy amenities such as gyms, F&B outlets and healthcare providers. As at 30 June 2019, Wisma Atria Property (Office) was 89.3% occupied.
For FY 2018/19, retail tenants contributed 83.8% of gross revenue of Wisma Atria Property while office tenants contributed 16.2%.

Advertising and Promotion
Wisma Atria rolled out a series of promotions and events during the year to encourage repeat visits and increase customer spending. In October 2018 and November 2018, there was a monthly deluxe pop-up marketplace featuring locally-made handcrafted and bespoke products in support of local artisans. In December 2018, international TVB celebrities Joe Ma, Rosina Lam and regional artiste Yusuke Fukuchi made their appearance at Wisma Atria in a meet and greet session with fans and shoppers in conjunction with the Starhub Night of Stars, attracting a huge crowd. During the year-end festive season, Wisma Atria organised and co-hosted, together with Action City, the OBOT Meets DINO Around the World event, in collaboration with art toy artist, Lester from Gagatree and Ziqi. The event, which was awarded the Platinum winner for Trade Show/Exhibit at the MUSE Creative Awards, showcased 20 custom-made OBOT collectibles for sale, in conjunction with Wisma Atria's Christmas theme of 'Christmas Around the World'. In March 2019, Wisma Atria lent its space to promote social, community and environment causes like the life-saving Bone Marrow Donor Programme and green-conscious World Wildlife Fund Festival for Asia. In support of Earth Hour, Wisma Atria and participating stores switched off façade and non-essential lights from 8.30pm to 9.30pm, with some tenants offering exclusive Earth Hour deals. Wisma Atria was also the venue sponsor for the Singapore Badminton Open press conference which saw sports stars like the current Badminton World Federation World Tour number one seed, Kento Momota and up-and-coming Jonatan Christie in attendance in April 2019. Korean K-pop band A.C.E engaged with their avid fans in April 2019 at a meet and greet session held in conjunction with Hallyupop Fest 2019, with 987FM DJ Gerald Koh as the emcee. As a result of these events, shopper traffic for the first six months of 2019 increased by 1.9% y-o-y.

Note:
(1) Based on commenced leases as at the reporting date.

Singapore Properties

Ngee Ann City Property

STRATA LOTS

4

strata lots representing **27.23%** of the total share value in Ngee Ann City

TENURE

69 yrs

Leasehold estate (Expiring on 31 Mar 2072)

TENANTS

(As at 30 Jun 2019)

56

(Including a master tenant)

PURCHASE PRICE

S$640.0m

MARKET VALUATION

(As at 30 Jun 2019)

S$1,138.0m

TOTAL NET LETTABLE AREA

(As at 30 Jun 2019)

395,168 sq ft

RETAIL **255,021 sq ft**

OFFICE **140,147 sq ft**

OCCUPANCY RATE [1]

(As at 30 Jun 2019)

RETAIL **99.3%**

OFFICE **95.9%**

(As at 30 Jun 2018)

RETAIL **99.5%**

OFFICE **88.9%**

RETAIL & OFFICE MIX

By Gross Revenue
(FY 2018/19)

RETAIL **77.3%**

OFFICE **22.7%**

RETAIL TRADE MIX

By Gross Rental Contribution
(As at 30 Jun 2019)

87.2% Toshin

9.0% Health & Beauty

3.3% Services

0.5% General Trade

OFFICE TRADE MIX

By Gross Rental Contribution
(As at 30 Jun 2019)

Real Estate and Property Services	30.6%
Retail	17.5%
Beauty/Health	10.6%
Banking and Financial Services	10.0%
Petroleum Related	8.4%
Information Technology	5.8%
Medical	4.9%
Aerospace	4.3%
Consultancy/Services	3.7%
Others	3.6%
Trading	0.6%

Goyard boutique at Ngee Ann City Property.

Iconic Mall along Orchard Road

Located on the prime stretch of bustling Orchard Road, Ngee Ann City is easily accessible to locals and tourists. It enjoys connectivity to Orchard MRT Station through the underground pedestrian linkway from Wisma Atria and other parts of Orchard Road through the underpasses. Ngee Ann City is also one of the largest malls along Orchard Road and offers a comprehensive range of retail offerings, making it the mall of choice on Orchard Road.

Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces in Tower B. As at 30 June 2019, Ngee Ann City Property (Retail) was 99.3% occupied and Ngee Ann City Property (Office) was 95.9% occupied.

Ngee Ann City Property (Office) was **95.9%** [1] **occupied** as at 30 June 2019.

Louis Vuitton's double-storey boutique at Ngee Ann City Property.

Chanel boutique at Ngee Ann City Property.

Ngee Ann City Property's upscale positioning has attracted luxury labels such as

CHANEL, GOYARD, LOUIS VUITTON AND PIAGET,

among others.

Distinctive Landmark Property

The distinctive architecture of Ngee Ann City makes it one of the most prominent landmarks along Orchard Road. Ngee Ann City comprises a podium with five levels and two basement levels of retail space, and three levels of car park space. Its twin towers host 18 levels of office space each. Home to many international brands, Ngee Ann City's upscale positioning has attracted luxury labels such as Chanel, Goyard, Louis Vuitton and Piaget, as well as contemporary labels including lululemon, M.A.C and Zara. With its iconic retailers and dining options, Ngee Ann City attracts discerning shoppers, families as well as tourists and business travellers from neighbouring hotels.

Tenant Mix

For FY 2018/19, 77.3% of the Ngee Ann City Property's gross revenue was from retail tenants and 22.7% from office tenants.

Retail Tenant Mix

The top contributors to Ngee Ann City Property's retail gross rent are Toshin and DBS Bank. Toshin occupies all retail areas in Ngee Ann City Property except Level 5, which is actively managed by the Manager. As at 30 June 2019, Toshin accounted for 87.2% of the gross rent of the Ngee Ann City Property (Retail). Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn wholly-owned by Takashimaya Company Limited, listed on the Tokyo Stock Exchange. The Toshin lease, which expires in 2025, has periodic rent reviews which provide opportunities for organic growth for Starhill Global REIT, while ensuring income stability and potentially mitigating fluctuations in the retail market with a downside rent protection. The most recent review in June 2019 yielded a new base rent equal to the existing rent and was determined in accordance with the terms of the Toshin master lease.

The Manager actively manages the beauty and wellness cluster on Level 5, constantly rejuvenating the tenant mix with complementary offerings, such as the DBS Treasures Centre. Beauty and wellness tenants include New York Skin Solutions, London Weight Management, Shunji Matsuo Hair Studio and TK TrichoKare.

Office Tenant Mix

Real Estate and Property Services, Retail and Beauty/Health are the top three trade sectors contributing to the Ngee Ann City Property's office gross rent.

Advertising and Promotion

Ngee Ann City's large outdoor semi-circular Civic Plaza[2] is a popular venue for many prestigious events including concerts, fairs, product launches, road shows, fashion showcases, carnivals and lifestyle launches. Ngee Ann City's large event hall, Takashimaya Square[2], is also a popular venue for regular bazaars and events that draw throngs of shoppers.

As part of our shoppers engagement strategy, two videos anchored by popular influencers, Chuan Do and Mongabong, featuring some of our tenants on Level 5 of Ngee Ann City Property were shot and uploaded onto their Instagram pages, tapping on their large following. As at August 2019, both videos have garnered about 100,000 views each.

Notes:

(1) Based on commenced leases as at the reporting date.

(2) SGREIT does not own these areas.

Australia Properties

85% of all tourists in South Australia visit Rundle Mall, where **Myer Centre Adelaide** is located

Our stable of properties in Australia is strategically located in the only pedestrian streets in the cities of Adelaide and Perth.

Myer Centre Adelaide, David Jones Building and Plaza Arcade have the common attribute of being uniquely located in the prime pedestrian streets of the Rundle Mall retail precinct in Adelaide as well as Murray Street Mall and Hay Street Mall retail precincts in Perth respectively. The assets are within close proximity to transportation nodes in the cities, which generate consistent shopper traffic flow to our properties, making them the preferred destinations for locals and tourists.

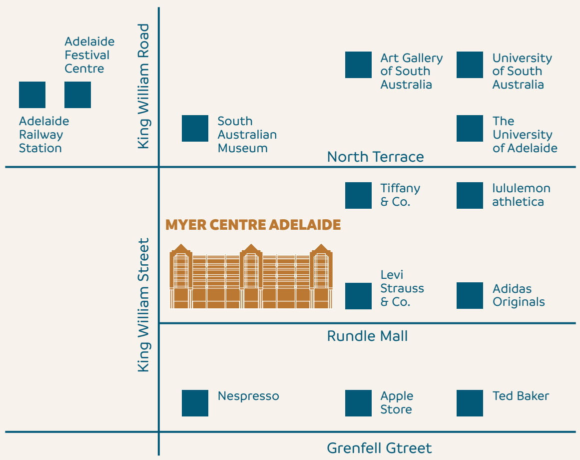
Plaza Arcade houses **UNIQLO's first store in Perth**

ADELAIDE

Myer Centre Adelaide is the largest shopping mall in the city centre, and is anchored by the Myer department store. It is located on the prime retail stretch of Rundle Mall – the city's only retail pedestrian street.

Rundle Mall – Adelaide's Prime Shopping Precinct
Rundle Mall is an icon in the city of Adelaide and the precinct is a compelling retail destination. Rundle Mall which is located close to Adelaide Railway Station, houses more than 700 retailers, including international brands such as Tiffany & Co., Apple, lululemon athletica and Ted Baker [1]. H&M opened its first store in Adelaide on Rundle Mall in 4Q 2018. The retail strip, which is Australia's first pedestrianised mall, draws 24 million shoppers annually and offers access to an average of 400,000 visitors and locals every week [1]. It is also popular among tourists, with over 85% of all tourists to South Australia visiting Rundle Mall [1].

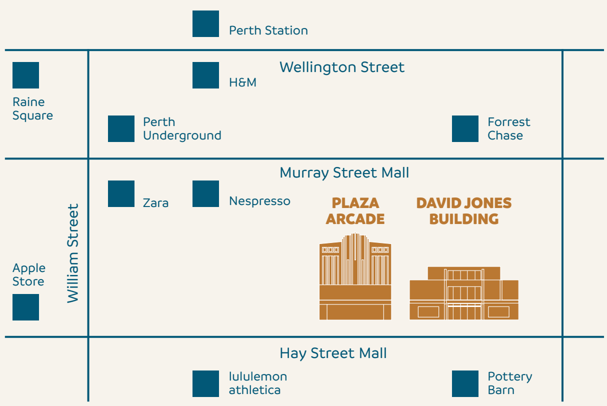
Note:
[1] Rundle Mall's website.



PERTH

The Perth Properties, David Jones Building and Plaza Arcade, are located in Perth's city centre. Both properties enjoy dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city.

David Jones Building and Plaza Arcade – In the Heart of Perth's City Centre
Situated in the heart of Perth's city centre, David Jones Building and Plaza Arcade are well-placed to capitalise on pedestrian traffic from the Perth Busport and train station as well as the William Street walkway link to the Perth Cultural Centre. Perth's city centre has been attracting international retailers including Zara, lululemon athletica, Superdry and H&M which have established their flagship stores along the city's most popular shopping precincts. Global apparel retailer UNIQLO opened its first store in Perth at Plaza Arcade in August 2018 as the mall's anchor tenant. The international brand improves the positioning of Plaza Arcade amidst several major retail redevelopments in the retail precinct at Raine Square and Forrest Chase, which have been completed in stages, as well as ongoing upgrading works to Piccadilly Arcade.



MYER CENTRE ADELAIDE

Eight-storey retail centre, three office buildings and four basement levels.

ADDRESS:
14-38 Rundle Mall,
Adelaide, SA 5000, Australia

VISIT:
www. myercentreadelaideshopping. com.au

DAVID JONES BUILDING

Four-storey heritage-listed building for retail use.

ADDRESS:
622-648 Hay Street Mall,
Perth, Australia

VISIT:
www.starhillglobalreit.com/david-jones-building.html

PLAZA ARCADE

A three-storey heritage-listed retail building located next to the David Jones Building.

ADDRESS:
650 Hay Street Mall &
185-191 Murray Street Mall,
Perth, Australia

VISIT:
www.plaza-arcade.com.au

Australia Properties

Myer Centre Adelaide

TENURE

Freehold

TENANTS
(As at 30 Jun 2019)

96
(Including an anchor tenant)

PURCHASE PRICE

S$303.1m

MARKET VALUATION
(As at 30 Jun 2019)

S$284.6m

TOTAL NET LETTABLE AREA
(As at 30 Jun 2019)

612,943 sq ft (1)

RETAIL
514,850 sq ft

OFFICE
98,093 sq ft

OCCUPANCY RATE (2)
(As at 30 Jun 2019)

RETAIL
93.6%

OFFICE
75.2%

(As at 30 Jun 2018)

RETAIL
94.4%

OFFICE
31.5%

RETAIL & OFFICE MIX
By Gross Revenue
(FY 2018/19)

RETAIL
94.6%

OFFICE
5.4%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)

56.0% Myer

10.2% Food & Beverage

8.9% Fashion

7.8% General Trade

4.7% Jewellery & Watches

4.3% Health & Beauty

3.0% Shoes & Accessories

2.6% Services

2.5% Others

LUSH store at Myer Centre Adelaide.

Largest Shopping Mall in Adelaide's City Centre

Myer Centre Adelaide is a prominent landmark and the largest shopping centre located in the heart of Adelaide's city centre. Popular with locals and tourists, the centre is located along the city's prime retail precinct, Rundle Mall. Myer Centre Adelaide is within walking distance to the Riverbank Entertainment Precinct, which includes the Adelaide Festival Centre and the Adelaide Oval multi-sports stadium, and also in close proximity to universities, hostels, art galleries, museums and a casino. The property is surrounded by offices in the city centre. Anchored by the largest Myer department store in South Australia, the 514,850 sq ft (1) retail centre houses 77 other retail tenants. An all-encompassing retail experience, the retail centre is home to international retailers including Daiso, LUSH, Jamaica Blue and Sunglass Hut, as well as national labels such as Rebel, Perfect Potion, Platypus Shoes, Lincraft, Kaisercraft, and ToyWorld.

Myer Centre Adelaide

Complementing the retail experience, Myer Centre Adelaide provides a wide range of dining options with cafes and a 600-seat lower ground foodcourt – the largest in Adelaide's city centre – serving fast food and international cuisines. The property comprises

Kaisercraft store at Myer Centre Adelaide.

Perfect Potion store at Myer Centre Adelaide.

Terrace Tower of Myer Centre Adelaide (Office).

an eight-storey retail centre with four basement levels of car park space, and an office component which includes a six-storey office tower above the retail centre and two heritage buildings. Completed in 1991, the property last went through a major A$35 million asset enhancement in 2013 and 2014 which included the refurbishment of the five-storey Myer department store. The Myer department store occupies approximately 52.9% of Myer Centre Adelaide's NLA. It accounts for 56.0% of the gross rent for Myer Centre Adelaide (Retail) as at 30 June 2019. It is also Starhill Global REIT's third largest tenant, contributing approximately 7.0% of portfolio gross rent as at 30 June 2019. Its long-term lease in the property, which expires in 2032, provides for an annual rent review. Most of the remaining leases at the property incorporate annual upward-only rent reviews. As at 30 June 2019, the actual occupancy rate for Myer Centre Adelaide (Retail) was 93.6%[2].

AN ALL-ENCOMPASSING RETAIL EXPERIENCE,
the retail centre is home to international retailers including **Daiso, LUSH, Jamaica Blue and Sunglass Hut.**

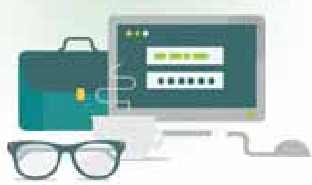
Myer Centre Adelaide (Office)

The office component of Myer Centre Adelaide includes Terrace Towers, a six-storey 81,117 sq ft office tower above the retail centre and two heritage buildings (Shell House and Goldsbrough House). The actual occupancy rate for Myer Centre Adelaide (Office) has more than doubled to 75.2%[2] with the lease commencement by a digital media solutions provider, which is the anchor tenant for the office building. The total net absorption for Adelaide CBD in the six months to January 2019 was 6,394 sq m, and 16,509 sq m for the last 12 months[3]. These figures are significantly higher than the 10-year average of 2,621 sq m (six-month period) and are primarily due to new entrants coming into the market[3]. The total revenue from office leases contributed approximately 5.4% of Myer Centre Adelaide's revenue in FY 2018/19.

Occupancy rate for Myer Centre Adelaide (Office)

more than doubled to 75.2%[2]

as at 30 June 2019.



Notes:

(1) Excludes approximately 100,000 sq ft of unactivated vacant area on the highest two floors of the retail centre as at 30 June 2019.

(2) Based on commenced leases as at the reporting date.

(3) Knight Frank, Adelaide CBD, Office Market Overview, March 2019.

Australia Properties

David Jones Building

TENURE

Freehold

TENANTS
(As at 30 Jun 2019)

6

(Including an anchor tenant)

PURCHASE PRICE

S$145.7m

MARKET VALUATION
(As at 30 Jun 2019)

S$158.4m

TOTAL GROSS LETTABLE AREA
(As at 30 Jun 2019)

259,080 sq ft

OCCUPANCY RATE [1]
(As at 30 Jun 2019)

98.9%

(As at 30 Jun 2018)

99.3%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)

79.4% David Jones

8.3% Health & Beauty

6.5% Jewellery & Watches

5.8% Fashion

Pandora and Superdry stores at David Jones Building.

Centrally located in Perth's prime retail stretch, the David Jones Building sits on a freehold site of approximately 71,473 sq ft in the Perth CBD in Australia. It enjoys dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city. The property is a few minutes' walk from the Perth central train station. The building is also linked seamlessly to another major shopping centre via a covered walkway. The four-level property, which has heritage-listed components (including a building constructed circa 1910 that was formerly the Savoy Hotel) is anchored by the upmarket David Jones department store and houses five other tenancies.

As at 30 June 2019, the property's occupancy was 98.9%. David Jones Limited, which has a long-term lease in the building until 2032, occupies approximately 95.2% of the total gross lettable area. It accounts for 79.4% of the gross rent for David Jones Building as at 30 June 2019. David Jones Limited is an upmarket operator of premium department stores across the country and is owned by South African retail group Woolworths Holdings Limited.

The long-term lease with David Jones Limited provides stable income, with the benefit of an upward-only rent review every three years. In August 2017, there was a rental uplift of 6.12% for the David Jones lease. Five tenancies occupy a gross lettable area of about 9,585 sq ft and comprise international and national brands such as LUSH, Pandora and Superdry. Most of these leases also incorporate annual upward-only rent reviews.

Note:
[1] Based on commenced leases as at the reporting date.

Plaza Arcade

TENURE

Freehold

TENANTS
(As at 30 Jun 2019)

15

(Including an anchor tenant)

PURCHASE PRICE

S$61.0m

MARKET VALUATION
(As at 30 Jun 2019)

S$46.7m

TOTAL GROSS LETTABLE AREA
(As at 30 Jun 2019)

36,933 sq ft

OCCUPANCY RATE [1]
(As at 30 Jun 2019)

86.9%

(As at 30 Jun 2018)

90.0%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)

50.0% UNIQLO

24.0% Fashion

11.0% Food & Beverage

7.7% Services

4.9% General Trade

2.4% Jewellery & Watches

The completed asset redevelopment of Plaza Arcade presented a revamped façade facing Murray Street Mall and houses anchor tenant UNIQLO.

Located next to the David Jones Building, Plaza Arcade is in the heart of the city centre and sits on a freehold site of approximately 27,523 sq ft. The property is one of two main thoroughfares with entrances at both Hay and Murray Street Malls and comprises a three-storey heritage-listed retail building with 15 tenancies. The property has a GLA of approximately 36,933 sq ft and was 86.9% occupied as at 30 June 2019.

The tenant mix is diversified, comprising fashion, food & beverage and services . Most leases at the property enjoy rental upside from an annual upward-only rent review.

Plaza Arcade Asset Redevelopment

The Murray Street Mall end of Plaza Arcade underwent an asset redevelopment to create additional retail space on the upper floor and a revamped façade. The asset redevelopment has been completed in August 2018, featuring the new international tenant UNIQLO's first store in Perth. This complements Perth city centre's revitalised retail offerings, which include a H&M city store and the Forrest Chase and Raine Square redevelopments which have been completed in stages. Together with UNIQLO, these developments will transform the area into a vibrant retail hub in the heart of the city.

Note:

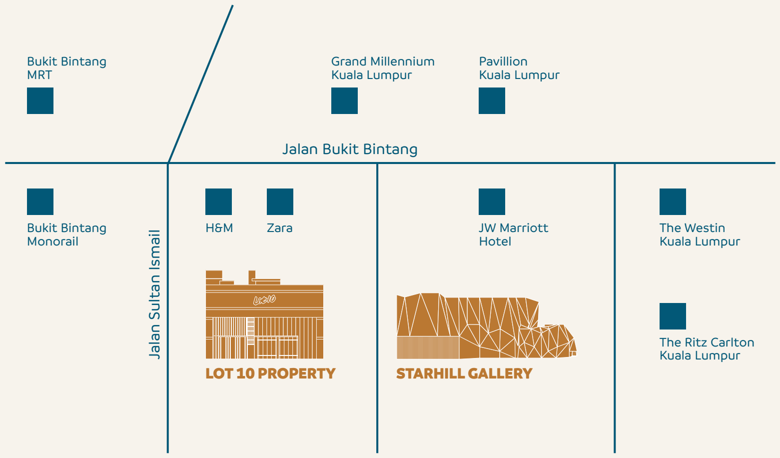
[1] Based on commenced leases as at the reporting date.

Malaysia Properties

Starhill Gallery and Lot 10 Property are strategically situated in the vibrant Bukit Bintang district, one of Kuala Lumpur's premier shopping districts and home to prestigious international hotels, prime office buildings and shopping complexes.

STARHILL GALLERY AND LOT 10 PROPERTY – IN THE HEART OF BUKIT BINTANG
The Malaysia Properties comprise distinctive and vibrant shopping malls strategically located in Bukit Bintang, Kuala Lumpur's premier shopping and entertainment district with many prestigious international hotels, prime office buildings and shopping centres. Kuala Lumpur was ranked 7th Most Visited City in the World in MasterCard's Global Destinations Cities Index for 2018.

Starhill Gallery features a high-profile tenant base with international designer labels and luxury watch and jewellery brands. Lot 10 offers young and trendy urbanites a wide range of fashion, dining and entertainment offerings. Lot 10 is located next to the Bukit Bintang monorail station, with the H&M store directly connected to the station via a platform. The new Bukit Bintang MRT Station along the Sungai Buloh-Kajang Line have been in operation for more than two years, connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city. An exit from the MRT station is located at the doorstep of Lot 10, providing commuters greater accessibility to the mall and Starhill Gallery.



New Master Tenancy Agreements for Malaysia Properties
The Malaysia Properties are under master leases with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation Berhad, which have been replaced with new MTAs in June 2019. The new MTAs with the same master tenant Katagreen Development Sdn. Bhd. include a condition of AEW on Starhill Gallery. At the Extraordinary General Meeting held on 16 May 2019 to seek Unitholders' approval for the interested person transaction, 99.93% of the total votes received voted in favour of the resolution.

The tenures for the new MTAs are approximately 19.5 years and nine years [(1)] for Starhill Gallery and Lot 10 Property respectively, providing income visibility and stability. The payment obligations of the master tenant under the new MTAs are guaranteed by our sponsor YTL Corporation Berhad which has a credit rating of AA1/Stable by RAM Rating Services Berhad.

The new MTA for Starhill Gallery has a longer lease tenure than the new MTA for Lot 10 Property to, among other rationales, allow a return of the capital invested in the AEW. The long tenures also allow Starhill Global REIT to maintain its balanced portfolio of long- and short-term leases, while ensuring full occupancy for the Malaysia Properties over a significant period of time. Besides that, the new MTAs have built-in periodic rent step-ups which provide rent growth.

The new MTAs, together with the AEW, are timely as these come at a time when competition in mid- to high-end retail in Kuala Lumpur is likely to intensify. The retail supply within a 10-kilometre radius from the Malaysia Properties is expected to increase by approximately 31% over a five-year period [(2)].

As a key shopping destination in Kuala Lumpur, Bukit Bintang continues to experience ongoing transformation, with renewed vibrancy expected from the evolving retail and tourism landscape, improved accessibility and initiatives to boost tourism by the Malaysian government.

Several large-scale projects with integrated retail concepts in Bukit Bintang due by 2023 [2] would further entrench Bukit Bintang as the prime retail shopping precinct in Kuala Lumpur. The presence of new and existing international hotels is expected to strengthen Bukit Bintang's draw for both leisure and business travelers, thus growing the hospitality scene in the area.

The upcoming Sungai Buloh-Serdang-Putrajaya Line due in 2022 will have two stations located in the vicinity of the Malaysia Properties. The new MRT line is expected to serve a population of approximately two million with a projected daily ridership of 529,000 [3]. Such infrastructure developments improve linkages between the city centre and suburban areas, stimulating inward movements [2].

STARHILL GALLERY

Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements

ADDRESS:
181 Jalan Bukit Bintang,
55100 Kuala Lumpur,
Malaysia

VISIT:
www.starhillgallery.com

LOT 10 PROPERTY

Eight-storey building with a basement and lower ground floor for retail use and a seven-storey annex building (excludes Isetan)

ADDRESS:
50 Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia

VISIT:
www.lot10.com.my

Notes:

(1) Assuming that the option to renew is exercised for the third three-year term for Lot 10 Property.

(2) Market Study Report issued by Nawawi Tie Leung Property Consultants Sdn. Bhd.

(3) Mass Rapid Transit Corporation Sdn Bhd's website (https://www.mymrt.com.my/public/sg-bulohserdang-putrajaya-ssp-line/).

Malaysia Properties

Starhill Gallery

TENURE

Freehold

TENANT [1]
(As at 30 Jun 2019)

1
(master tenant)

PURCHASE PRICE

S$271.3m

MARKET VALUATION
(As at 30 Jun 2019)

S$217.5m

TOTAL NET LETTABLE AREA
(As at 30 Jun 2019)

333,289 sq ft [1] [2]

OCCUPANCY RATE [3]
(As at 30 Jun 2019)

100%

(As at 30 Jun 2018)

100%

Luxury Shopping at Starhill Gallery
Starhill Gallery sits on a freehold site connected to two luxury hotels, the JW Marriott Hotel Kuala Lumpur and The Ritz Carlton Kuala Lumpur. Starhill Gallery attracts discerning tourists and shoppers and comprises seven retail floors each offering a distinct and unique shopping experience. As at 30 June 2019, Starhill Gallery housed flagship stores of watch brands such as Audemars Piguet, Bedat & Co, HYT and Richard Mille as well as a wide range of fashion and lifestyle offerings including luxury labels Louis Vuitton, Dior, Valentino and McQ by Alexander McQueen.

Asset Enhancement Works for Starhill Gallery
As a condition to the new MTA for Starhill Gallery, the master tenant will undertake AEW on Starhill Gallery at a cost of RM175 million, or approximately S$57.5 million [4], for a period of approximately two years. The Manager intends to finance the cost of the AEW via a combination of external borrowings and/or internal working capital.

The AEW is timely as Starhill Gallery last underwent a major renovation in 2005, with a facelift in 2011. The AEW is aimed at reinforcing and refreshing the mall's traditional positioning as a luxury stronghold within the Bukit Bintang precinct. The new Starhill Gallery is envisioned to be a luxury retail and lifestyle destination for shoppers.

The AEW will aim to provide a revamped mall entrance, refreshed interiors with a modern and contemporary look, improved accessibility as well as activate underutilised spaces. Besides revamping retail floors, the top three storeys of Starhill Gallery will be converted into hotel rooms as an extension of the adjoining JW Marriott Hotel Kuala Lumpur, which is owned by YTL Hospitality REIT, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad. The conversion of space for hospitality use is in line with the global trend of integrated developments.

All the requisite approvals for the AEW have not been fully obtained as at 30 June 2019, as assumed in the Circular to Unitholders dated 25 April 2019. The development order has been obtained from the Kuala Lumpur city council, Dewan Bandaraya Kuala Lumpur, whilst the approvals for the building plans and erection of building are still pending. As such, the interim annual rent of RM21 million, which commenced on 28 June 2019, will continue to apply until all the approvals are obtained.

Notes:
(1) Under master lease with Katagreen Development Sdn. Bhd.
(2) New NLA upon completion of AEW on Starhill Gallery under the new MTAs, subject to relevant authorities' approvals.
(3) Based on commenced leases as at the reporting date.
(4) Based on an exchange rate of RM3.04 to S$1.00 as per the Circular to Unitholders dated 25 April 2019.

Artist's impression of Starhill Gallery façade facing Jalan Bukit Bintang.

Lot 10 Property

TENURE

99 yrs

Leasehold estate
(Expiring on 29 July 2076)

TENANT [1]
(As at 30 Jun 2019)

1

(master tenant)

PURCHASE PRICE

S$173.0m

MARKET VALUATION
(As at 30 Jun 2019)

S$153.4m

TOTAL NET LETTABLE AREA
(As at 30 Jun 2019)

254,163 sq ft [1]

OCCUPANCY RATE [2]
(As at 30 Jun 2019)

100%

(As at 30 Jun 2018)

100%

A Lifestyle Destination for Young Urbanites

Lot 10 Property sits on a 99-year leasehold site expiring on 29 July 2076. It is positioned to appeal to young urbanites. Home to exciting shops, dining outlets and year-round events, Lot 10 offers experiences promoting youthful exuberance, creativity and fun. Lot 10 houses the first flagship H&M store in Malaysia and a three-storey Zara store. Other notable tenants in Lot 10 include The Hour Glass, The Coffee Bean & Tea Leaf, Alpha Hub, Samsung and the Yes Mobile flagship store. The basement houses the Lot 10 Hutong, a heritage gourmet village which offers a gastronomic experience in the heart of Bukit Bintang.

The mall was revamped holistically in 2017, to appeal to tech-savvy young urbanites. On the physical front, improvements were made both internally and externally. Its interior ceiling was remodeled, a hoisting system to allow moving decorative pieces to hang in the central atrium was added, the carpark was redesigned while new escalators, lifts and signs were included. Externally, the vehicle drop-off closest to the monorail station has been revamped, while the main entrance is more visually appealing with colour-changing smart LED lights. A new entry point from the Bukit Bintang MRT Station has been constructed to improve connectivity to the upper levels of the mall from the new MRT station, thus increasing foot traffic to the mall.

Some spaces in the mall have been transformed into an arts and community engagement area. For example, the rooftop converts into an outdoor cinema featuring free movie screenings daily, while a series of free-for-all fitness classes were held regularly over six months. Events to attract shoppers have also been planned, including monthly events like the Street Food Weekender, which turns the mall's terrace space into a bustling food street which have proven popular among shoppers. In addition, the monthly ArtPlusD event presents products by local artisans for sale, attracting crowds of art enthusiasts and food lovers. The mall is also social media friendly, with Instagram Spots, Play Walls and free WiFi.

Notes:

[1] Under master lease with Katagreen Development Sdn. Bhd.

[2] Based on commenced leases as at the reporting date.

The revamped interior of Lot 10 Property.

China Property

ADDRESS:
19, 4th Section,
Renminnan Road,
Chengdu, Sichuan, China

VISIT:
www.starhillglobalreit.com/china-portfolio.html

China Property

TENURE
Leasehold
(Expiring on 27 December 2035)

TENANT [1]
(As at 30 Jun 2019)
1

PURCHASE PRICE
S$70.6m

MARKET VALUATION
(As at 30 Jun 2019)
S$28.4m

TOTAL GROSS FLOOR AREA
(As at 30 Jun 2019)
100,854 sq ft

OCCUPANCY RATE [2]
(As at 30 Jun 2019)
100%

(As at 30 Jun 2018)
100%

The China Property has a long-term tenancy agreement, which incorporates a fixed rent with periodic rent step-ups.

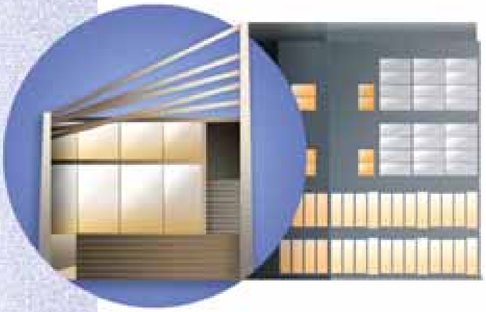
The China Property is located in Chengdu, the capital city of Sichuan province. The property has a gross floor area (GFA) of approximately 100,854 sq ft and comprises four levels of retail space with a mezzanine floor. Situated within the Second Ring Road, it is in close proximity to high-end residences, offices and the US Consulate in Chengdu. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

The China Property is tenanted to a long-term tenant, Markor International Home Furnishings Co., Ltd., which is one of the largest furniture retailers in China. It is listed on the Shanghai Stock Exchange, with a market capitalisation of RMB7.3 billion (approximately S$1.4 billion [3]) as at 30 June 2019. The long-term tenancy agreement, which incorporates a fixed rent with a periodic rental step-up lease, replaced the department store model and provides income stability amidst the challenging retail landscape in Chengdu.

Notes:
(1) Under long-term lease with Markor International Home Furnishings Co., Ltd.
(2) Based on commenced leases as at the reporting date.
(3) Based on exchange rate of RMB5.08:S$1.00 as at 30 June 2019.

Japan Properties

Daikanyama & Ebisu Fort



ADDRESS:
DAIKANYAMA
1-31-12 Ebisu-Nishi,
Shibuya-ku, Tokyo, Japan

EBISU FORT
1-24-2 Ebisu-Minami,
Shibuya-ku, Tokyo, Japan

VISIT:
www.starhillglobalreit.com/portfolio-japan.html

TENURE
Freehold

TENANTS
(As at 30 Jun 2019)
11

PURCHASE PRICE
S$94.1m

MARKET VALUATION
(As at 30 Jun 2019)
S$59.9m

TOTAL NET LETTABLE AREA
(As at 30 Jun 2019)
26,903 sq ft

OCCUPANCY RATE (1)
(As at 30 Jun 2019)
100%

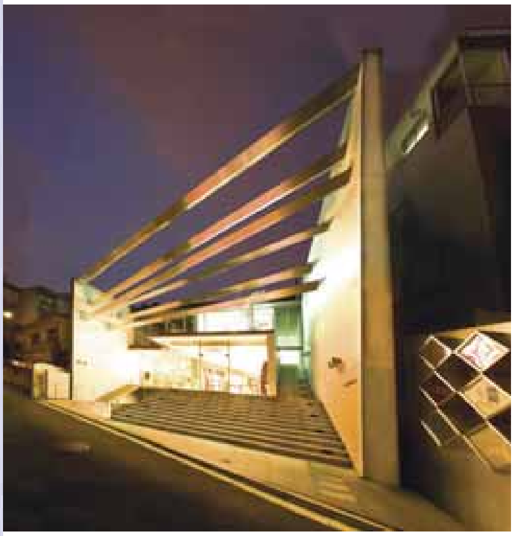
(As at 30 Jun 2018)
100%

RETAIL TRADE MIX
By Gross Rental Contribution
(As at 30 Jun 2019)

54.1% Others

38.5% Services

7.4% General Trade



Daikanyama
Tokyo, Japan

Ebisu Fort
Tokyo, Japan

Starhill Global REIT's Japan portfolio consists of two contemporary commercial buildings located within walking distance of major subway stations in prime Tokyo areas. These two properties appeal to young and stylish urbanites.

As at 30 June 2019, the Japan Properties are fully occupied. Since 2012, the portfolio was refined with the divestment of five properties in Japan over the years to the current portfolio of two buildings with total NLA of approximately 26,903 sq ft. The Japan Properties portfolio stands at a total valuation of S$59.9 million as at 30 June 2019.

Having weighed the cost and benefits of earthquake insurance for the Japanese assets, no specific earthquake insurance has been taken up, which is consistent with industry practice in Japan.

Note:
(1) Based on commenced leases as at the reporting date.

Market Overview

SINGAPORE

Singapore's economy grew marginally by 0.1% y-o-y in the second quarter of 2019, easing from the 1.1% growth in the first quarter of 2019 [1]. For 2019, the country's economy is expected to grow between 0.0% and 1.0% [1]. For the first half of 2019, international visitor arrivals rose by 1.4% y-o-y to 9.3 million, supported by growth from its traditional visitor markets like China and Indonesia [2]. For 2018, international visitor arrivals rose 6.2% y-o-y over 2017 to reach 18.5 million visitors [3]. Tourism receipts for 2018 grew marginally by 0.5% y-o-y to reach S$26.9 billion [3]. While expenditure in the categories of sightseeing, entertainment & gaming and other tourism receipt components like airfare revenue grew 4% and 17% y-o-y respectively, expenditure in the shopping (13%), accommodation (6%) and food & beverage (2%) categories declined [3]. For 2019, Singapore Tourism Board (STB) forecasts tourism receipts to range from S$27.3 billion to S$27.9 billion (+1 to +3%) and international visitor arrivals to range from 18.7 million to 19.2 million (+1 to +4%) [4].

Singapore Retail

Singapore, a renowned shopper's destination in Asia-Pacific, retained its lead as the top city in terms of visitor expenditure, attracting the highest spending visitors at US$286 per day [5]. Globally, Singapore came in fifth behind Bangkok, London, Paris and Dubai as the top destination cities in 2018 [5]. Retail sales (excluding motor vehicles) fell 2.7% y-o-y in June 2019 [6]. Economic slowdown amid the US-China trade war spate, declining retail sales and weaker-than-expected tourism receipts in 2018 would raise caution among retailers and dampen rent prospects [7]. Prime retail rents remained resilient in 2Q 2019 due to low vacancies for prime space [8]. There is still a steady stream of new-to-market brands looking to enter the market, but the lack of prime space remains a key impediment, especially in the Orchard Road submarket [8]. Greater signs of weakness can be seen in the secondary floors of prime malls as higher vacancies continue to weigh in [8].

Singapore Office

Office indicators continued to look positive although there is a growing overcast of warning signs clouding the outlook of the sector [8]. Firms are generally more cautious as they ascertain the full impact of the trade war, with more opting for renewals rather than committing capital expenditure to expand or relocate, and some office tenants are turning to other expansion methods [8]. Whilst recognising that the current supply situation is relatively tight, pre-commitments of pipeline projects have slowed considerably [8]. These factors combined are expected to dampen rental growth prospects over the medium term [8].

AUSTRALIA

Economic growth in Australia over the first half of this year has been lower than expected, with household consumption weighed down by a protracted period of low income growth and declining housing prices [9]. The Reserve Bank of Australia's forecast is for the Australian economy to grow by around 2½ per cent over 2019 and 2¾ per cent over 2020 [9]. The outlook is being supported by the low level of interest rates, recent tax cuts, ongoing spending on infrastructure, signs of stabilisation in some housing markets and a brighter outlook for the resources sector [9]. The main domestic uncertainty continues to be the outlook for consumption, although a pick-up in growth in household disposable income and a stabilisation of the housing market are expected to support spending [9]. For the 12 months to June 2019, retail sales in South Australia and Western Australia grew 2.4% and 0.5% y-o-y respectively on seasonally-adjusted terms [10]. Expanding rapidly off a low base, international brand penetration in Australia is still significantly lower than in the other major markets in Asia-Pacific, and as such offer significant appeal to both consumers and landlords [11].

Adelaide Retail

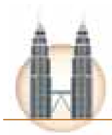
In Adelaide, most office employment is located in the CBD [12]. Over the past five years, the CBD has seen a revival with well over A$4 billion of investment in projects and infrastructure [12]. This investment has led to a boost in both residential supply in the CBD with over 1,500 apartments under construction and a further 1,600 apartments mooted [12]. Tourism, a key growth sector for Adelaide CBD, has grown 11% over the past year (from 1H 2019) with an increasing number of international travellers coming to Adelaide [12]. International students for higher education have grown 27% since 2015, leading to an increase in supply of student accommodation, with three of these projects in close proximity to Rundle Mall [12]. All these activities in tourism, residential supply and student accommodation strengthen the Rundle Mall shopping precinct [12]. With vacancy remaining tight despite new developments, it is likely that rents and incentives will continue to be steady over the next 12 months (from 1H 2019) [12].

Adelaide Office

Defence contracts worth A$85 billion, renewable energy and future mining expansions provide a positive outlook for the South Australian economy [13]. "Ten Gigabit Adelaide", a high-speed fibre optic data network, has positively boosted Adelaide CBD sales and leasing demand [13]. Leasing activity has continued to improve with new entrants to the market, predominantly tenants associated with the defence sector, driving this change [13].

Perth Retail

Consumers continued to be most concerned about the cost of living, the global economic environment, slow wage growth and high household debt [14]. Soft trading conditions and the increased availability of space has led some landlords to take a more realistic approach towards rental demands [14]. Currently, 61,740 sq m of retail space is under construction and scheduled to be completed over the next two years [14]. Most of the space under construction is scheduled for completion in 2020[14]. In the Perth CBD, the A$200 million repositioning of Raine Square reached practical completion in December 2018[14]. The number of mall refurbishments in the city is putting pressure on rents and increasing competition. Population and employment opportunities are continuing to grow, and the benefits will eventually translate into a stronger retail turnover[14].

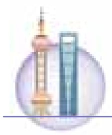


MALAYSIA

Malaysia's economy grew 4.9% in 2Q 2019 compared to 4.5% in 1Q 2019, supported primarily by the services and manufacturing sectors[15]. On a seasonally adjusted quarter-on-quarter (q-o-q) basis, GDP for 2Q 2019 grew 1.0%[15]. Looking ahead, while the external sector performance is likely to be weighed down by slower global growth and trade tensions, economic growth will be supported by domestic demand[16]. Household and capital spending will continue to be driven by stable labour market conditions and capacity expansion in key sectors such as manufacturing and services[16].

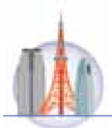
Malaysia Retail

Malaysia's wholesale and retail trade sales value rose 5.9% y-o-y in June 2019 to RM112.3 billion, with retail trade as the main driver with y-o-y growth of 7.7%[17]. In 2018, Malaysia received a total of 25.83 million international tourists, comparable to 25.95 million recorded in 2017, while tourist receipts grew 2.4% y-o-y to RM84.1 billion[18]. Tourism Malaysia targets 28.1 million tourists and RM92.2 billion in tourist receipts in 2019 and 30 million tourists and RM100 billion in tourist receipts by 2020[18]. For 2018, Kuala Lumpur recorded stable occupancy rates of 86%[19]. This may be partly helped by the completion of the Sungai Buloh-Kajang MRT Line which improved footfall for the malls near the MRT stations[19]. Competition in mid- to high-end retail in Kuala Lumpur is likely to intensify, with the retail supply within a 10-kilometre radius from the Malaysia Properties expected to increase by approximately 31% over a five-year period to approximately 27 million sq ft by 2023, upon completion of several large-scale projects such as the TRX Mall, Merdeka PNB 118, Bukit Bintang City Centre and Latitud 8[20]. The growing supply of retail space could possibly lead to intensified competition and subsequent pressure on the rental and occupancy rate. Looking ahead, the retail market in Klang Valley will remain favourable to tenants, with average overall growth rate for retail rents likely to be flattish, increasing marginally in the range of 1% to 2% per annum over the next decade[20].



CHINA

Based on preliminary estimates, China's GDP rose 6.2% y-o-y in 2Q 2019, lower than the y-o-y growth of 6.4% in 1Q 2019[21]. Retail sales of consumer goods in Chengdu reached RMB117.7 billion, up 8.9% y-o-y in the first two months of 2019[22]. Leasing demand for retail space in Chengdu remained stable in 1Q 2019, with a net absorption of 60,848 sq m[22], as international retailers continued to explore or expand in Chengdu market[23]. In 2H 2019, 530,000 sq m of new supply will be delivered to the market[23]. With the slowdown in economic growth persisting, many brands are showing a more prudent attitude towards market expansion and adjusting their strategies for the near future[22].



JAPAN

Based on preliminary estimates, Japan's GDP expanded at an annualised pace of 1.8% in 2Q 2019 [24]. For the month of June 2019, retail sales grew by 0.5% y-o-y [25]. Sales of luxury items and duty free goods have been expanding due to increased consumer confidence by domestic high-net-worths and inbound tourists[26].

Notes:

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[2] Singapore Tourism Board, International Visitor Arrivals Statistics, 2 August 2019.
[3] Singapore Tourism Board, Tourism Sector Performance Q4 2018, 22 May 2019.
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Financial Review

Group	FY 2018/19 (S$'000)	FY 2017/18 (S$'000)	Change (%)
Gross revenue	**206,190**	208,814	(1.3%)
Property expenses	**(46,784)**	(46,627)	0.3%
Net property income	**159,406**	162,187	(1.7%)
Non property expenses	**(58,271)**	(57,576)	1.2%
Net income before tax	**101,135**	104,611	(3.3%)
Change in fair value of derivative instruments	**(11,932)**	4,467	NM
Foreign exchange gain	**178**	134	32.8%
Change in fair value of investment properties	**(20,315)**	(22,669)	(10.4%)
Gain on divestment of investment property	**–**	1,147	(100.0%)
Total return for the period before tax and distribution	**69,066**	87,690	(21.2%)
Income tax	**(3,479)**	(3,446)	1.0%
Total return for the period after tax, before distribution	**65,587**	84,244	(22.1%)
Non-tax deductible items and other adjustments	**35,732**	18,892	89.1%
Income available for distribution	**101,319**	103,136	(1.8%)
Income to be distributed to Unitholders	**97,718**	99,244	(1.5%)
Distribution per Unit	**4.48 cents**	4.55 cents	(1.5%)
Total operating expenses [1]	**67,314**	66,546	1.2%
Net asset value [2]	**1,930,021**	1,990,296	(3.0%)
Total operating expenses to net asset value	**3.5%**	3.3%	NM

Notes:

(1) Total operating expenses mainly comprise property expenses, management fees and trust expenses, including all fees and charges paid to the Manager and Trustee.

(2) Net assets as at 30 June 2019 and 30 June 2018 respectively.

Financial Performance

Group revenue of S$206.2 million for FY 2018/19 was 1.3% lower than S$208.8 million achieved in FY 2017/18. NPI for the Group was S$159.4 million, representing a decrease of 1.7% over FY 2017/18. The decrease in NPI was largely due to lower contributions from Wisma Atria Property and Australia portfolio largely due to the depreciation of A$ against S$.

Singapore Properties contributed 61.7% of total revenue, or S$127.1 million in FY 2018/19, 2.0% lower than in FY 2017/18. NPI decreased by 2.6% to S$100.3 million in FY 2018/19, mainly due to lower contributions from Wisma Atria Property, as well as higher operating expenses for the retail portfolio, partially offset by higher contributions from Ngee Ann City Property (Office).

Australia Properties contributed 22.4% of total revenue, or S$46.2 million in FY 2018/19, 0.4% lower than in FY 2017/18. NPI was S$28.3 million, 1.4% lower than in FY 2017/18, mainly in line with the depreciation of A$ against S$ and higher operating expenses including allowance for rental arrears, partially offset by higher contributions from Myer Centre Adelaide.

Malaysia Properties contributed 13.6% of total revenue, or S$28.2 million in FY 2018/19, 1.1% higher than in FY 2017/18. NPI was S$27.3 million, 1.3% higher than in FY 2017/18.

China and Japan Properties contributed 2.3% of total revenue, or S$4.7 million in FY 2018/19, 3.1% lower than in FY 2017/18. NPI was S$3.6 million, 0.6% lower than in FY 2017/18, mainly due to one-off management fee income in relation to tenant's renovation works for the China Property recorded in FY 2017/18, partially offset by lower operating expenses for China and Japan Properties.

Non property expenses were S$58.3 million in FY 2018/19, 1.2% higher than in FY 2017/18, mainly due to higher trust expenses and finance expenses for FY 2018/19.

Finance expenses for FY 2018/19 were S$38.7 million, S$0.4 million or 1.1% higher than in FY 2017/18. This was mainly due to higher interest costs incurred on the existing S$ borrowings for FY 2018/19, partially offset by weaker foreign currencies and the write-off of upfront borrowing costs following the refinancing of the S$ term loans in FY 2017/18.

Management fees for FY 2018/19 were S$15.8 million, S$0.2 million or 1.5% lower than in FY 2017/18, mainly in line with the lower average value of trust property for FY 2018/19. The Manager has elected to receive 100% of its base management fees in cash for FY 2018/19 and FY 2017/18. Commencing from the quarter ending 30 September 2019, part of the Manager's base management fees will be paid in units to demonstrate its alignment of interest and support to minority Unitholders to mitigate the income disruption and costs resulting from the asset enhancement works for Starhill Gallery and to stabilise the distributions.

Trust expenses for FY 2018/19 were S$4.7 million, S$0.6 million or 13.6% higher than in FY 2017/18. This was mainly due to higher expenses incurred by the Trust including project expenses and professional fees in relation to the renewal of Malaysia master tenancy agreements, partially offset by lower expenses for Malaysia Properties.

The net loss on derivative instruments of S$11.9 million for FY 2018/19 was mainly due to the change in the fair value of S$ and A$ interest rate swaps entered into for the Group's borrowings.

Bukit Bintang – the key shopping destination in Kuala Lumpur
Starhill Gallery and Lot 10 Property are located in the heart of Bukit Bintang, one of Kuala Lumpur's premier shopping precinct and home to prestigious international hotels, prime office buildings and shopping malls.

Financial Review

The net foreign exchange gain for FY 2018/19 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts.

The change in fair value of investment properties of S$20.3 million for FY 2018/19 represents the net revaluation loss on the Group's investment properties.

The gain on divestment of investment property for FY 2017/18 represents the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018.

Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance in income tax was mainly due to the lower deferred tax reversal arising from downward revaluation of the China Property in FY 2018/19 and higher Malaysia withholding taxes paid in FY 2017/18.

Income available for distribution for FY 2018/19 was S$101.3 million, a decrease of S$1.8 million or 1.8% over FY 2017/18. Income to be distributed to Unitholders for FY 2018/19 was S$97.7 million, a decrease of S$1.5 million or 1.5% over FY 2017/18. Approximately S$3.6 million of income available for distribution for FY 2018/19 has been retained for working capital requirements.

Total DPU for FY 2018/19 was 4.48 cents, representing a decrease of 1.5% over DPU of 4.55 cents achieved in FY 2017/18.

Assets and Liabilities

The Group's total assets as at 30 June 2019 were S$3,142.0 million, representing a decrease of S$49.5 million or 1.6%, compared to S$3,191.5 million as at 30 June 2018, mainly due to the decrease in investment properties and derivative financial assets, partially offset by increase in cash. The Group's portfolio of 10 prime properties across five countries was independently revalued at S$3,064.9 million as at 30 June 2019 (2018: S$3,118.3 million), resulting in a net revaluation loss of S$20.3 million over the last valuation exercise in June 2018. The lower portfolio valuation was mainly due to downward revaluation of the Singapore Properties and negative net movement in foreign currencies in relation to the overseas properties during the current year, partially offset by upward revaluation of the Malaysia Properties. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments for FY 2018/19. The geographic breakdown of the portfolio by asset value as at 30 June 2019 was as follows: Singapore 69.0%, Australia 16.0%, Malaysia 12.1%, Japan 2.0%, and China 0.9%.

The Group's total liabilities as at 30 June 2019 were S$1,212.0 million, representing an increase of S$10.7 million or 0.9%, compared to S$1,201.2 million as at 30 June 2018, mainly due to increase in derivative financial liabilities and borrowings. The increase in the derivative financial liabilities was mainly attributed to the change in fair value of S$ and A$ interest rate swaps. The net increase in total borrowings was mainly due to net drawdown of S$20 million of short-term RCF, partially offset by the net movement in foreign currencies and prepayment of S$4.3 million (JPY350 million) of JPY term loan during the current year. Gearing increased slightly from 35.5% as at 30 June 2018 to 36.1% as at 30 June 2019.

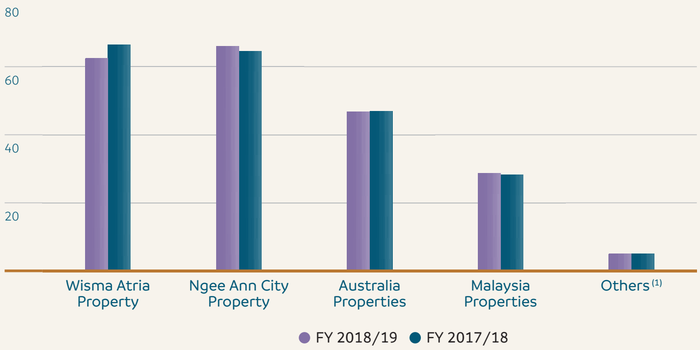
The Group's net asset value as at 30 June 2019 was S$1,930.0 million (NAV per Unit of S$0.88), representing a decrease of S$60.3 million or 3.0%, compared to S$1,990.3 million (NAV per Unit of S$0.91) as at 30 June 2018.

Cash Flow

Total net cash inflow (excluding effects of exchange rate differences) for FY 2018/19 was S$7.7 million, largely comprising cash flows generated from operating activities of S$134.0 million, partially offset by cash outflow from financing activities of S$119.5 million and investing activities of S$6.7 million. Cash outflow from financing activities comprised mainly repayment of borrowings and related costs, as well as distributions paid to Unitholders, partially offset by proceeds from borrowings. The cash outflow from investing activities comprised mainly capital expenditure paid in relation to Myer Centre Adelaide, David Jones Building and Wisma Atria Property (Retail) for FY 2018/19.

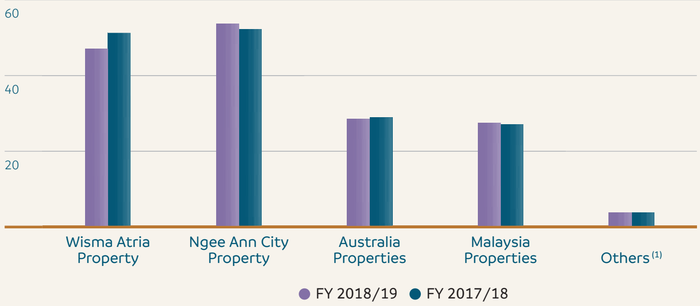
GROSS REVENUE
(S$ million)

Wisma Atria Property	Ngee Ann City Property	Australia Properties	Malaysia Properties	Others[1]	Total
61.8 (30.0%)	**65.3 (31.7%)**	**46.2 (22.4%)**	**28.2 (13.6%)**	**4.7 (2.3%)**	**206.2**
65.8 (31.5%)	63.9 (30.6%)	46.4 (22.3%)	27.9 (13.3%)	4.8 (2.3%)	208.8



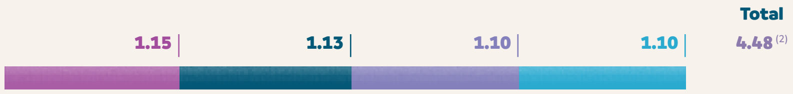
NET PROPERTY INCOME
(S$ million)

Wisma Atria Property	Ngee Ann City Property	Australia Properties	Malaysia Properties	Others[1]	Total
46.8 (29.4%)	**53.4 (33.6%)**	**28.3 (17.7%)**	**27.3 (17.1%)**	**3.6 (2.2%)**	**159.4**
51.0 (31.5%)	52.0 (32.0%)	28.7 (17.7%)	26.9 (16.6%)	3.6 (2.2%)	162.2

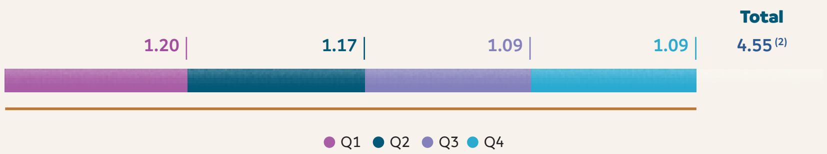


DISTRIBUTION PER UNIT
(cents)

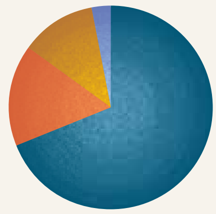
(FY 2018/19)



(FY 2017/18)

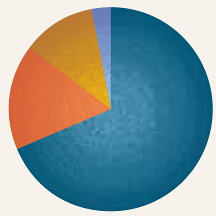


ASSET VALUE BY COUNTRY
(As at 30 Jun 2019) (%)



Singapore	**69.0%**
Australia	**16.0%**
Malaysia	**12.1%**
Others[1]	**2.9%**

(As at 30 Jun 2018) (%)



Singapore	68.8%
Australia	16.6%
Malaysia	11.8%
Others[1]	2.8%

Notes:

(1) Others comprise one property in Chengdu, China and two properties in Tokyo, Japan as at 30 June 2019.

(2) The computation of DPU for FY 2018/19 and FY 2017/18 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue.

Capital Management

Prudent Capital Management to Optimise Unitholders' Returns
Starhill Global REIT's main objective when managing capital is to be prudent and optimise Unitholders' returns 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.

In July 2018, JPY350 million of JPY term loan was prepaid using the net sales proceeds from the divestment of Nakameguro Place in May 2018.

In July 2018, the Group entered into an agreement with the existing bank for a new five-year term loan facility of A$63 million secured by David Jones Building, to refinance its existing loan of the same amount, ahead of its maturity in June 2019.

In July 2018, the Group converted its uncommitted S$50 million revolving credit facilities in full (maturing in September 2022) within its existing unsecured club facilities to be on committed basis. In January and March 2019, the Group entered into facility agreements for three-year unsecured and committed revolving credit facilities of S$80 million (maturing in March 2022) with two banks. Including the above lines, this brings the total committed revolving credit facilities for the Group to S$320 million as at 30 June 2019.

In August 2019, the Group secured the refinancing of the existing JPY3.7 billion term loan ahead of its maturity in July 2020, with a new five-year unsecured term loan facility of the same amount with a bank.

As at 30 June 2019, Starhill Global REIT's outstanding debt stood at approximately S$1,135 million with a gearing ratio of 36.1%, and approximately S$2.3 billion (73%) of the Group's investment properties are unencumbered, enhancing its financial flexibility. As at 30 June 2019, the average debt maturity profile of Starhill Global REIT is approximately 2.8 years. The Manager intends to continue with its prudent capital management.

Starhill Global REIT's current financial risk management policy is described in greater detail below.

Interest Rate Risk Management
In order to protect the Group's earnings from interest rate volatility and provide stability to Unitholders' returns, Starhill Global REIT hedges substantially its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives including interest rate swaps and caps.

As at 30 June 2019, Starhill Global REIT hedged about 90% of its debt, of which 86% were hedged by a combination of fixed rate debt and interest rate swaps, and the remaining 4% were hedged using interest rate caps. The weighted average interest rate was

DEBT GEARING AND HIGHLIGHTS
(As at 30 Jun 2019)

SGD term loans	S$460m
JPY term loan	S$46m
SGD RCF	S$20m
Singapore MTNs	S$295m
Malaysia MTN	S$108m
Australia term loans	S$198m
Japan bond	S$8m
Total Debt	**S$1,135m**
Gearing ratio [1]	36.1%
Fixed/hedged debt ratio [2]	90%
Unencumbered assets ratio	73%
Interest cover for the year ended 30 June 2019	3.8x
Weighted average interest rate per annum [3]	3.28%
Starhill Global REIT corporate rating by Standard & Poor's	BBB [4]

Notes:
(1) Based on consolidated deposited property.
(2) Including interest rate derivatives such as interest rate swaps and caps.
(3) As at 30 June 2019. Includes interest rate derivatives but excludes upfront costs.
(4) Following the revised rating by Standard & Poor's from BBB+ to BBB with stable outlook subsequent to FY 2018/19 in August 2019.

approximately 3.28% per annum as at 30 June 2019. The interest service coverage ratio was 3.8 times for the year ended 30 June 2019. The Manager intends to continue to secure diversified funding sources from both financial institutions and capital markets when opportunities arise, while keeping Starhill Global REIT's ongoing cost of debt competitive.

As at 30 June 2019, Starhill Global REIT hedged about 90% of its debt, of which 86% were hedged by a combination of fixed rate debt and interest rate swaps, and the remaining 4% were hedged using interest rate caps. The weighted average interest rate was approximately 3.28% per annum as at 30 June 2019. The interest service coverage ratio was 3.8 times for the year ended 30 June 2019.

Foreign Exchange Risk Management

As at 30 June 2019, Starhill Global REIT is exposed to foreign exchange 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. In managing its currency risks associated with its foreign investments, Starhill Global REIT has adopted the following income and capital hedging strategies.

Income hedging

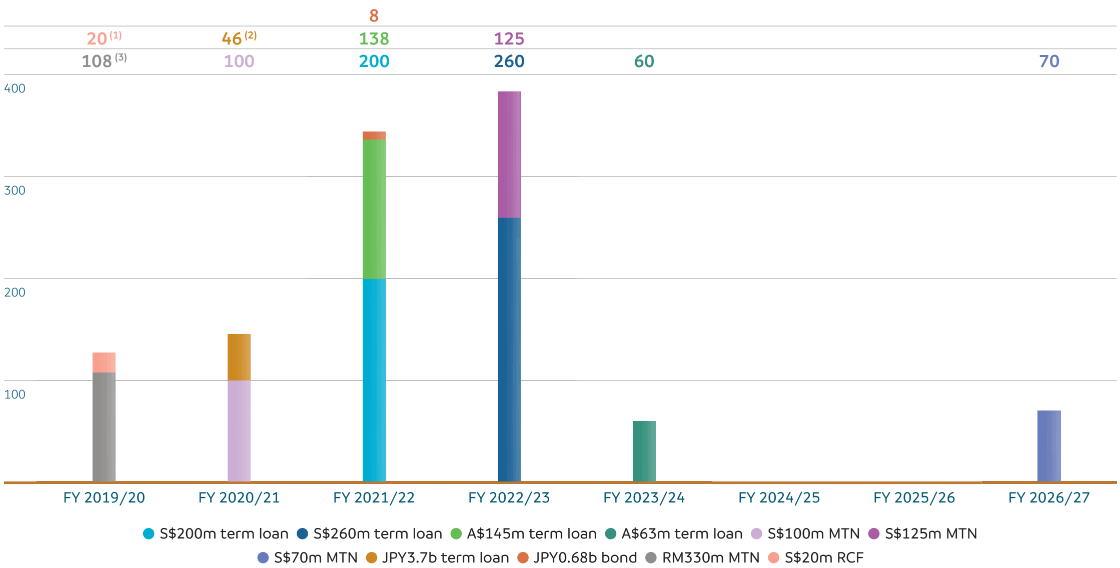
Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 62% of its revenue for the year ended 30 June 2019 while the remaining 38% of its revenue being contributed by the overseas assets. Starhill Global REIT actively monitors the exchange rates and assesses hedging on a case-by-case basis. The impact of the volatility in the foreign currencies mainly Australian dollar and Malaysian ringgit on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign currency forward contracts, where appropriate.

Capital hedging

In managing the currency risks associated with the capital values of Starhill Global REIT'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.

DEBT MATURITY PROFILE

(As at 30 Jun 2019) (S$ million)



Notes:

(1) Comprises of short-term RCF outstanding as at 30 June 2019, which were drawn down mainly for working capital purposes.

(2) In August 2019, the Group secured the refinancing of the existing JPY3.7 billion term loan ahead of its maturity in July 2020. The utilisation is expected to take place in September 2019, which will extend the maturity to September 2024.

(3) The RM330 million (or approximately S$108 million) medium term notes secured by the Malaysia Properties will mature in September 2019 and the refinancing exercise is ongoing. The Group has available undrawn long-term committed Singapore dollar RCF to cover the maturing medium term notes.

Risk Management

The Manager has put in place an enterprise risk management framework for Starhill Global REIT, comprising procedures and protocol to identify and initiate mitigation of enterprise risks which may arise in the management and operations of Starhill Global REIT, particularly in the areas of asset acquisitions, asset integration, financial risk management, and safety and health. To address each of these areas, the Manager has adopted policies and/or hired or designated staff with specific expertise in that area, and continues to assess the potential impact of risks which may arise and the necessary response or process to effectively mitigate those risks.

1. ASSET ACQUISITION PROCESS

Prior to any new acquisition, each of the key risks attributable to the acquisition or the subsequent management of the asset is assessed. Functional heads in the Manager are responsible for this process. The Board is made aware of all key risks considered and that these have been addressed or mitigated appropriately.

2. ASSET INTEGRATION PROCESS

Following every successful acquisition, it is imperative that each asset is quickly integrated into Starhill Global REIT's existing portfolio, from financial, operational and compliance perspectives. This process is activated before the closing of each acquisition, and completed as soon as practicable thereafter.

3. SAFETY AND HEALTH

Standard operating procedures for fire safety practices have been put in place and appropriate insurances for the properties are procured. Renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. In addition, the internal auditor reviews periodically, the operating effectiveness of key controls over the fire safety arrangements of key assets. For more information on customer health and safety, please refer to pages 66 to 67 of this Annual Report.

4. FINANCIAL RISK MANAGEMENT POLICY

Starhill Global REIT'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 rates and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest rates, foreign currency net income and foreign currency investments. Starhill Global REIT 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 Starhill Global REIT's activities. The policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. For more information on financial risk management, please refer to pages 140 to 148 of this Annual Report.

5. BUSINESS CONTINUITY PLANNING

The Manager has developed a plan to address the impact and recovery of unforeseen disruptions or emergency circumstances to its business and operations. Key areas such as information technology, finance, regulatory compliance, vital record storage and recovery are addressed, to ensure smooth continuation of the Manager's and the Property Manager's essential business operations, in the event of a major disruption or contingency.

6. OPERATIONAL RISK SELF ASSESSMENTS (ORSA)

The Manager has an ORSA protocol to ensure a regular review and assessment of the internal processes which have been implemented under the enterprise risk management framework. The Manager periodically conducts ORSA to assess the key risks and controls identified. This process also ensures that adequate resources are allocated to mitigate these risks.

7. RISK REPORTING

The Manager actively assesses and manages legal and compliance risks for Starhill Global REIT. Such risks may arise in each of the various jurisdictions Starhill Global REIT has assets located in, with the application of different laws and regulatory requirements, the enforceability of counterparty obligations and/or changes to applicable laws and regulations. Quarterly reports are made to the Manager's Audit Committee (on an exceptions basis), and the Board is regularly updated on all such matters.

8. WHISTLE BLOWING POLICY

The Board has established a whistle blowing policy, pursuant to which employees and any other persons may, in confidence, raise concerns about potential or actual improprieties in financial or other operational matters, so as to facilitate independent investigations of such matters and ensure that appropriate remedial and follow-up action is taken. On an ongoing basis, the whistle blowing policy is covered during staff orientation to promote fraud awareness.

Investor Relations and Communications

Starhill Global REIT keeps Unitholders and the financial community abreast of its latest developments and strategic direction through equitable, timely and effective communications. The Manager employs communication channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments.

The Manager is active in engaging investors and analysts through regular meetings, property tours and attending conferences both locally and overseas throughout the year. In FY 2018/19, the Manager participated in a number of investor conferences and roadshows in Singapore, Hong Kong, Bangkok and Tokyo. In total, we attended 172 investor meetings in the financial year. We also organised a series of one-on-one investors' meetings in Singapore, Hong Kong and Bangkok in relation to the proposed master tenancy agreements for Malaysia Properties. As at 30 June 2019, Starhill Global REIT is covered by a total of nine research houses. Starhill Global REIT is a component stock of FTSE ST Real Estate Investment Trusts Index and FTSE ST Singapore Shariah Index. The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It is committed to sharing accurate information with the investing public in a timely manner.

FY 2018/19 INVESTOR RELATIONS ACTIVITIES

1Q FY 2018/19 (1 Jul to 30 Sep 2018)

- Release of financial results for FY 2017/18 and results briefing for analysts
- Release of Annual Report for FY 2017/18
- Release of the second Sustainability Report for FY 2017/18
- 2018 SGX-Credit Suisse Real Estate Corporate Day

2Q FY 2018/19 (1 Oct to 31 Dec 2018)

- Release of 1Q FY 2018/19 financial results
- Annual General Meeting

3Q FY 2018/19 (1 Jan to 31 Mar 2019)

- Release of 2Q FY 2018/19 financial results
- Post-results investors' luncheon hosted by Daiwa Capital Markets Singapore

4Q FY 2018/19 (1 Apr to 30 Jun 2019)

- A series of one-on-one meetings with investors in Singapore, Hong Kong and Bangkok
- Release of 3Q FY 2018/19 financial results and results briefing for analysts
- Post-results investors' luncheon hosted by Macquarie Capital Securities (Singapore)
- Extraordinary General Meeting to seek Unitholders' approval for the new master tenancy agreements for Malaysia Properties, which include asset enhancement works for Starhill Gallery

Extraordinary General Meeting held on 16 May 2019.

RESEARCH COVERAGE

- CGS-CIMB Research
- Daiwa Capital Markets Singapore
- DBS Group Research
- Macquarie Capital Securities (Singapore)
- Maybank Kim Eng Research
- OCBC Investment Research
- Soochow CSSD Capital Markets (Asia)
- RHB Securities Singapore
- UBS Global Research

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about Starhill Global REIT, please contact:

THE MANAGER

YTL Starhill Global REIT Management Limited
391B Orchard Road
#21-08 Ngee Ann City Tower B
Singapore 238874
Phone : +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com
Website : www.starhillglobalreit.com

THE UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone : +65 6536 5355
Fax : +65 6438 8710
Website : www.boardroomlimited.com

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

UNITHOLDER DEPOSITORY

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#01-19/20 The Metropolis Tower 2
Singapore 138589
Phone : +65 6535 7511
Fax : +65 6535 0775
Email : asksgx@sgx.com
Website : www1.cdp.sgx.com

Sustainability Report

SUSTAINABILITY REPORT CONTENTS

CONTACT US

As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their comments to us. For any questions or to deliver feedback about this report, please contact:

Investor Relations and Corporate Communications

JONATHAN KUAH

YTL Starhill Global REIT Management Limited

391B Orchard Road,
#21-08 Ngee Ann City
Tower B, Singapore 238874

Phone : +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

BOARD STATEMENT

Starhill Global Real Estate Investment Trust ("SGREIT" or "We") is pleased to present our Sustainability Report from 1 July 2018 to 30 June 2019 (FY 2018/19). This is the third year we are publishing an annual sustainability report, and we wish to demonstrate to SGREIT stakeholders that we are committed to creating a sustainable business model. We believe that adopting the best practices in environment, social and governance (ESG) aspects is fundamental to the conduct of our business. Sustainable practices are essential in building a reliable and resilient business, especially today, where increased accountability is demanded from every business. Doing business responsibly not only ensures longevity for SGREIT by improving our business operations, but also creates greater long-term value for our stakeholders.

The Board considers sustainability in the formulation of SGREIT's long-term strategies. The material ESG aspects identified by the Management were approved by the Board. Under the guidance and oversight of the Board, the Management manages and monitors the material ESG aspects. For SGREIT's properties in Singapore, we have a 10-year target from FY 2016/17 to reduce energy consumption by 15%. Efforts to meet this goal have been ongoing, in terms of switching to more efficient LED lighting, modernisation of lifts to a more efficient system and adopting more energy efficient practices at work. Based on our progress to date, we are hopeful that we will be able to achieve our 10-year goal.

On top of regular business dealings, our Management team believes in sharing our spaces with the local community. We welcome social entrepreneurs and non-profit organisations seeking to hold meaningful events and awareness campaigns in our malls to educate the public. We wish to play a part in shaping the communities that we operate in, making a lasting social impact across the region.

This financial year, our property in Singapore played host to the World Wide Fund for Nature's (WWF) Festival of Asia campaign and lent our space to good causes like the Bone Marrow Donor Programme. Our Malaysia Properties also organised numerous events and initiatives in collaboration with various external organisations that promote the well-being of the community through free fitness classes, science workshops for the children and flea markets in support of women entrepreneurs and local artisans, as well as upcycling old materials for new purposes. We are proud to have been a part of these efforts to encourage a culture of sustainability.

As a people-oriented organisation, YTL Starhill Global REIT Management Limited (the "Manager") also recognises the importance of attracting, retaining and developing people who are committed to growing with us. Our employees are ready to take up new challenges in the dynamic, ever-changing environment of real estate investment trusts (REIT), and thrive in a supportive, family-like culture. The Manager believes in upgrading the skills of its employees, encouraging them to attend training workshops and courses locally and overseas, and go on overseas mall trips to familiarise themselves with the retail landscape and trends. Our Board and Management are committed to ensuring long-term value creation for SGREIT's stakeholders and our goal is to establish our foothold on sustainability that will make an impact across the countries that we operate in.

ABOUT THIS REPORT

Scope of the Report

The scope of this report covers the sustainability performance of our operations for FY 2018/19. All data and activities reported were from 1 July 2018 to 30 June 2019, unless stated otherwise. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards – Core option, the international standard for sustainability reporting unveiled by GRI in 2016. This report is developed with reference to the primary components set in Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Rule 711B on a 'comply or explain' basis. For further information on the relevant references, kindly refer to the GRI Content Index found on pages 78 and 79 of this Annual Report. This report aims to provide you with a holistic overview of our initiatives and strategies related to sustainability and responsible business development. Through these actions, we aim to address the key concerns and issues that our stakeholders face. We have identified ten material ESG aspects with regard to the operations of our businesses and we are committed to addressing these material aspects so as to achieve long-term value creation for our stakeholders. The content of this report was defined by the four reporting principles established by GRI Standards: (1) Stakeholder Inclusiveness; (2) Sustainability Context; (3) Materiality; (4) Completeness. The Stakeholder Inclusiveness principle was implemented in determining the report context through various stakeholder engagements and internal discussions amongst the Management team. This helped in understanding the reasonable expectations as well as interests of SGREIT's stakeholders. The Sustainability Context principle was implemented in determining the report context which covered the ESG aspects. The Materiality principle was implemented in determining the report context through the abovementioned stakeholder engagements and internal discussions. After which, all relevant factors were weighed according to their respective importance to stakeholders, as well as impact on SGREIT's business. This combined assessment then allowed the Manager to identify and agree upon the appropriate material ESG aspects for the business. The Completeness principle was implemented by examining specific and material topics to check the data availability and determination of the topics' boundaries. Unless otherwise stated, the report covers the ESG performance of SGREIT's properties across its core portfolio of properties in Singapore, Australia, and Malaysia, with FY 2016/17 and FY 2017/18 data for comparison, where available. Our first sustainability report was published in FY 2016/17 and hence, it will be our base year to gauge our progress in building a more sustainable business. While the Water and Occupational Health & Safety modules under the GRI Standards have been revised to the 2018 version, this Sustainability Report is prepared based on the 2016 version. We will do a review on migrating to the new modules in the future.

Environmental performance pertains only to the common areas within SGREIT's properties which are actively managed by the property managers, and where the Manager has the ability to monitor and influence the efficiency of utilities. In general, the environmental performance of the report does not include master-tenanted areas and anchor leases over which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented include the master-tenanted properties in Malaysia which are under a master lease with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation, but excludes the data on the remaining space at Ngee Ann City Property whereby the common areas are not within the operational control of SGREIT. The data on waste for Singapore encompasses Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which is owned by SGREIT, as well as Isetan's own strata space. As for Malaysia, non-recyclable waste data are not available. The Product Responsibility and Human Capital performance indicators pertain only to the Manager in Singapore. Data on the Manager's workforce is reported in relation to the Manager in Singapore. Countries which account for less than 5% of revenue and not deemed strategic were not included in the scope of reporting. Please refer to Figure 1 below for the summarised report scope. This report forms part of SGREIT's Annual Report FY 2018/19 and can be viewed or downloaded from www.starhillglobalreit.com. This Sustainability Report will be published annually to report on the performance and strategy on issues that are key to our stakeholders. This report is not externally assured.

Figure 1: **PROPERTIES IN SCOPE FOR THE REPORT**

Portfolio By Country	Environment	Product Responsibility	Community	Human Capital
Singapore				
Wisma Atria Property	●	●	●	●
Ngee Ann City Property [1]		●	●	●
Australia				
Myer Centre Adelaide, Adelaide [1]	●		●	
David Jones Building, Perth [1]	●		●	
Plaza Arcade, Perth	●		●	
Malaysia				
Starhill Gallery, Kuala Lumpur	●		●	
Lot 10 Property, Kuala Lumpur	●		●	
Japan				
Ebisu Fort, Tokyo [2]	NA	NA	NA	NA
Daikanyama, Tokyo [2]	NA	NA	NA	NA
China				
China Property, Chengdu [2]	NA	NA	NA	NA

Notes:

(1) In general, data presented does not include the master-tenanted areas and anchor leases which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented includes the master-tenanted properties in Malaysia which is under a master lease with Katagreen Development Sdn. Bhd., an indirect wholly-owned subsidiary of YTL Corporation, but excludes the data on the remaining space at Ngee Ann City Property.

(2) Countries which account for less than 5% revenue and not deemed strategic are not included in the scope of reporting.

Sustainability Report

SUSTAINABILITY AT STARHILL GLOBAL REIT

Our Approach to Sustainability

The Manager is dedicated to our core values of integrity, client commitment, strive for profitability, fulfilment for our people, teamwork and maintaining the highest standards. We believe that these six goals can be further championed through continuously driving our sustainability programme forward, hence making sustainability crucial to our business. Our sustainability programme is aligned with the strategic sustainability directives of SGREIT's sponsor, YTL Corporation Berhad.

Led by Mr Ho Sing, the Chief Executive Officer ("CEO") of YTL Starhill Global REIT Management Limited, key representatives from the Manager and the Property Manager (YTL Starhill Global Property Management Pte. Ltd.) in Singapore embed sustainable practices within the organisation. We remain focused on our sustainability framework (Figure 3), which is derived from the selected materiality issues (Figure 4).

Figure 2: **STAKEHOLDER ENGAGEMENT**

We engage our stakeholders regularly through various communication platforms, seeking to address their issues and concerns while we strive to build lasting relationships.

Stakeholder Groups	Purpose and Goal	Modes of Engagement	Key Concerns Raised by Stakeholder Group
Tenants	• Provide a comfortable and safe environment and quality tenant mix • Collaborative efforts with tenants to drive business at the mall	• Joint promotional and strategic partnerships • Tenant satisfaction survey	• Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Investors	• Provision of accurate information to the investing public through timely communication	• Dedicated Investor Relations section on the company's website • SGXNET announcements • Annual General Meeting • Annual report • Results briefings to analysts, investors, and the media • Meetings with investors, roadshows, and conferences • Mall tours upon requests • Corporate video	• Access to high-quality real estate investment • Business performance and strategy • Sustainable delivery of returns
Shoppers	• Identifying shoppers' needs and improving their shopping experience at the mall	• Marketing and promotional programmes and events • Online and mobile platforms • Social media	• Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Employees	• An inclusive environment with enhanced well-being and productivity, with potential and opportunities to develop skills	• Weekly department meetings • Annual performance appraisals • Recreational and team building activities • Training courses • Employment incentives	• Communicating business strategy and developments • Reward and recognition • Training and career development • Employee wellness activities
Partners (Government, Regulators, Suppliers)	• Compliance with government policies, rules, and regulations • Fair and reasonable treatment • Win-win partnership	• Meetings, feedback and correspondences • Participation in industry associations such as the REIT Association of Singapore	• Sharing of best practices • Compliance with rules and regulations
Community	• Contribute to the communities we operate in	• Corporate social responsibility programme	• Environment • Employee philanthropy

Figure 3: **SUSTAINABILITY FRAMEWORK**

EMBRACING THE MARKETPLACE

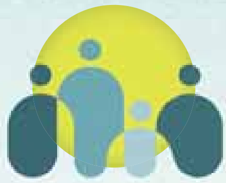
- Corporate Governance
- Anti-Corruption and Whistle-Blowing
- Risk Management
- Customer Health and Safety
- Customer Privacy
- Tenant Satisfaction
- Unitholder Communications
- Supply Chain

ENVIRONMENTAL CONSERVATION

- Sustainable Certification of our Properties
- Energy Efficiency
- Water Conservation
- Waste Management

EMPOWERING OUR PEOPLE

- Fair Employment
- Occupational Health and Safety
- Employee Well-Being and Active Engagement
- Talent Management



ENRICHING COMMUNITIES

- Local Communities

Materiality Assessment

Upon understanding the various ESG aspects raised by our stakeholders, we then map them to the GRI list of aspects. The relative importance of each aspect is considered through its impact on the business and stakeholders. The aspects are then plotted on a materiality matrix, which helps us to identify and prioritise our efforts.

The assessment produced a list of 10 material issues that were identified to share high importance for both the stakeholders, as well as the Manager. These issues were then assessed by key representatives from the Manager and Property Manager in Singapore.

The Manager regularly takes into consideration key issues that would interest stakeholders surfaced from its member representations in strategic associations including the REIT Association of Singapore, Investor Relations Professionals Association (Singapore) as well as engagement with government agencies and regulators including Building and Construction Authority, Monetary Authority of Singapore, Singapore Exchange Limited and Urban Redevelopment Authority of Singapore. The Property Manager is a member of the Orchard Road Business Association.

In Adelaide, the Centre Manager of Myer Centre Adelaide serves as a main contact for the Adelaide City Council. Myer Centre Adelaide is associated with the Rundle Mall Management Authority which focuses on promoting the Rundle Mall precinct.

The Malaysia Properties are members of the Bukit Bintang Kuala Lumpur City Centre (BBKLCC) Tourism Association, chaired by Mr Joseph Yeoh, Vice President of YTL Land & Development Berhad, which works with selected malls within the precinct to promote shopping tourism.

Figure 4: **MATERIAL ASPECTS IDENTIFIED**

The GRI Standards have taken effect for reports or other materials published on or after 1 July 2018. Our previous sustainability report has been prepared in accordance with the GRI Standards.

Material Aspects	GRI Standards ESG Indicators
Economic Performance	GRI 201-1: Direct economic value generated and distributed
Energy	GRI 302-1: Energy consumption within the organisation
	GRI 302-4: Reduction of energy consumption
Water *	GRI 303-1: Water withdrawal by source
Effluents and Waste	GRI 306-2: Waste by type and disposal method
Employment	GRI 401-1: New employee hires and employee turnover
	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
	GRI 401-3: Parental leave
Occupational Health and Safety *	GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
Training and Education	GRI 404-1: Average hours of training per year per employee
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews
Customer Health and Safety	GRI 416-1: Assessment of the health and safety impacts of product and service categories
	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
Customer Privacy	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Socioeconomic Compliance	GRI 419-1: Non-compliance with laws and regulations in the social and economic area

* *While the Water and Occupational Health & Safety modules under the GRI Standards have been revised to the 2018 version, this Sustainability Report is prepared based on the 2016 version.*

Sustainability Report

EMBRACING THE MARKETPLACE

Our Approach

- Delivering profitable and sustainable business growth through effective compliance and risk management
- Operating our business responsibly with accountability
- Strengthening responsible stewardship of our assets, products and services

Figure 5: **ENTERPRISE RISK MANAGEMENT FRAMEWORK**

Corporate Governance

An extensive system of policies, processes, training and communications is in place as we uphold compliance, setting the tone for better governance and performance. For more details on SGREIT's Corporate Governance, please refer to pages 80 to 92 of this Annual Report.

Anti-Corruption and Whistle-Blowing

The Manager enforces a culture which has zero-tolerance towards corruption. An anti-corruption policy is in place to provide detailed guidance on corrupt practices. To ensure all employees are clear about the acceptable standards and procedures in business dealings, an annual compliance training is held for all employees.

A whistle-blowing policy is also in place as a safe channel for employees and other persons to report potential or actual improprieties in financial and operational matters. Complaints can be made verbally or in writing to whistleblowing@ytlstarhill.com. Whistle-blowers' identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow-up actions.

For more details on whistle-blowing, please refer to page 60 of this Annual Report. There were no reported cases of material non-compliance with any laws and regulations (including anti-corruption laws) in FY 2018/19. We aim to maintain the current achievement in FY 2019/20.

Risk Management

An Enterprise Risk Management (ERM) framework (Figure 5) and Board-approved policies are in place to provide a structured approach to identifying and managing material risks that could arise in the course of managing SGREIT. An Operational Risk Self-Assessment (ORSA) is established to ensure risks are assessed and reviewed at least on an annual basis. For more details on risk management, please refer to page 60 of this Annual Report.

Customer Health & Safety

SGREIT upholds high standards of health, hygiene and safety standards for our tenants and shoppers alike. The appropriate safety measures and standard operating procedures have been put in place to ensure that tenants and staff are clear about what to do in case of an emergency, and management teams are well-equipped to respond to such situations. Standard operating procedures for fire safety practices have been put in place.

Properties in Singapore are managed by property management teams who are trained in first aid. The properties are also subject to fire safety audits. Fire and evacuation drills are conducted at least once a year for the malls and office towers in Singapore, Australia and Malaysia Properties, to familiarise tenants and staff with the emergency response plans. In Australia, all Myer Centre Adelaide CBRE staff are offered training in emergency procedures, and an annual inspection on fire and emergency controls are carried out by an external consultant for compliance. In Malaysia, tenants, management staff, security and fire wardens work together with the Fire and Rescue Department of Malaysia to carry out fire or evacuation drills.

Renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. Internal safety assessments such as lift maintenance are conducted based on the requirements of the relevant authorities in the respective countries.

In Singapore, these requirements are listed in the Codes of Practice. In Australia, lift maintenance is carried out monthly at Myer Centre Adelaide and an Annual Safety Test is carried out on each lift. The maintenance of lifts within the David Jones department store is done by the tenant, who provides periodic updates to the Manager. In Malaysia, safety assessment of lifts is done by the Department of Occupational Safety and Health.

Internal audit also reviews the operating effectiveness of key controls over the fire safety arrangements of key assets periodically. In addition, appropriate insurances are procured to mitigate losses resulting from unforeseen events.

In the event of any safety incident reported at Wisma Atria, ground staff such as security officers, property officers or mall technicians will respond to the incident within a reasonable and practicable time frame. The Operations team will be updated concurrently through any available means of communication – WhatsApp or telephone calls. Should the incident involve any business disruption, property loss or loss of life, the Management team will be informed immediately through similar means of communication. After the incident has been adequately dealt with, the operations team will submit an incident report within 24 hours of its occurrence. In Australia, the property manager would adhere to the Emergency Communication Flow Chart, whereby the fire command centre and security personnel will be alerted, followed by the property manager, who would then inform the Manager.

In Australia, Myer Centre Adelaide hosts the monthly Adelaide CBD BusinessWatch meetings whereby the various security divisions – South Australia Police Division and representatives from major organisations discuss issues relating to security, safety, threats, and risks. This enables a strong working relationship between the central management and South Australia Police Division.

This financial year, there was zero reported major incidents of non-compliance with regulations and/or voluntary codes relating to customer health and safety occurring on the premises of our properties. We strive to maintain a safety-first awareness in our approach towards our customers in the next financial year.

Customer Privacy

In compliance with the Singapore Personal Data Protection Act (PDPA) 2012, the Manager has a personal data protection policy in place to safeguard data which concerns all parties in our value chain. Our policy lists clear guidelines governing the collection, use, protection and disclosure of individuals' personal data.

At Wisma Atria, consent is sought and obtained from shoppers before collection, use or disclosure of their personal data in compliance with the PDPA and their personal data is protected through encryption or passwords. In FY 2018/19, there were no substantiated complaints concerning breaches of customer privacy. We aim to maintain the current performance in FY 2019/20.

Tenant Satisfaction

To improve customer service and experience, we rely on feedback to understand how to better serve them. We conduct annual tenant surveys to gather feedback from all our tenants regarding our tenant management services, building security and building maintenance. We analyse any potential gaps and areas of improvement, and identify appropriate follow-up actions. Our proactive approach has ensured that we achieve high satisfaction level at all stages of services to our customers.

In FY 2018/19, a total of 198 surveys were sent out to measure the level of satisfaction of both our office building and retail shop tenants in Ngee Ann City Property and Wisma Atria Property. We sent 83 surveys to office tenants, and 115 surveys to retail tenants. For every question in the survey, tenants could respond "Poor", "Below Average", "Satisfactory", "Good" or "Excellent". Satisfied tenants refer to those who had more than 80% of their responses in the satisfactory range of "Satisfactory", "Good" and "Excellent". The pie charts in Figure 6 below show the satisfaction levels of our tenants.

Besides engaging our tenants through formal surveys, we also interact with them through more casual settings. For example, in FY 2018/19, we organised a mass movie screening of X-Men: Dark Phoenix at Shaw House on 6 June 2019 for all of our tenants as a form of tenant appreciation. The activity also encouraged tenants and staff to mingle and bond with each other, forming a stronger long-term relationship.

We listen to feedback from our tenants and formulate constructive efforts from there. For example, there are end-of-trip facilities at Myer Centre Adelaide comprising about 40 bicycle racks and lockers, as well as two gender-neutral showers. Currently, we are working on the design of the facilities to increase the capacity of the end-of-trip facilities by end 2020. Moving forward in FY 2019/20, we aim to continue to engage our tenants in a meaningful manner.

Unitholder Communications

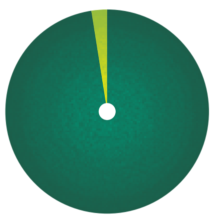
To promote transparency and accountability, the Manager engages in timely and effective communications with all stakeholders. This is carried out via a wide range of communication channels, such as SGX announcements, press releases, briefing sessions, investor presentations and conferences, annual reports, corporate video, corporate website, and emails to disseminate information on its financial and operational performance, business plans and latest developments. Prior to publication, all investor relations materials are also vetted by the Manager for accuracy, consistency, and compliance with policies.

Supply Chain

Our supply chain includes our property managers, tenants and suppliers for various services. Compliance with local government and legal requirements is a criterion for appointed contractors and service providers. Potential tenants and suppliers are also evaluated and selected based on their reputation, track records and expertise in their field to ensure common standards across SGREIT's business units. For engagements that are complex or entail high financial risks, due diligence is carried out to ascertain their financial standing and track record for heightened risk.

Figure 6: **TENANTS' SATISFACTION LEVEL**

Office Tenants



Satisfied	**97.7%**
Dissatisfied	**2.3%**

Retail Tenants

Satisfied	**94.0%**
Dissatisfied	**6.0%**

Sustainability Report

ENVIRONMENTAL CONSERVATION

Our Approach

- Promoting energy efficiency in our properties
- Improving water efficiency

We embrace practices that are more environmentally friendly, such as improving efficiency in energy, water and waste management in our properties, raising awareness of climate change among our employees and encouraging customers to make sustainable choices. Furthermore, we have collaborated on various meaningful and novel initiatives.

The offices of the Manager and Property Manager in Singapore were re-certified by Project Eco-Office for another three years from 2018 for their green efforts. Project Eco-Office is an initiative between Singapore Environment Council and City Developments Limited that recognises environmentally friendly practices in the workplace. SGREIT strives to be at the forefront of energy- and resource-efficient building management, receiving many certifications and awards over the years.

Lights for the meet.play.#lovelot10 light box were switched off in support of Earth Hour.

Figure 7: **SUSTAINABLE CERTIFICATION OF OUR PROPERTIES**

Certification	Description of Awards / Certifications / Ratings / Labelling Schemes	Property	Year of Award
NABERS Energy Base Building – 4.5-star rating	A national rating system that measures the environmental performance of Australian buildings, tenancies and homes.	Myer Centre Adelaide (Terrace Towers), Australia	May 2019 – April 2020
BCA Green Mark Platinum Award 2019 (For Existing Non-Residential Building)	A national initiative by the Building and Construction Authority (BCA) to shape a more environmentally-friendly and sustainable built environment in Singapore.	Ngee Ann City, Singapore	2019

Initiative:

Earth Hour Participation

Date: 30 March 2019

Description:
As a dedicated supporter of the Earth Hour cause, we switched off the façade lights of our properties such as Wisma Atria, Lot 10 Property and Starhill Gallery annually and continued to do so this year. Some mall tenants also participated and turned off non-essential lights from 8.30 p.m. to 9.30 p.m. in support of Earth Hour. Some tenants showed their support by offering exclusive Earth Hour deals. Together, we play our part to contribute to the global movement and raise awareness about global warming.

Initiative:

Recycling Bins

Date: Ongoing

Description:
Recycling bins have been set up at various locations at Lot 10 where members of the public can drop off their pre-owned clothes, handbags, belts, linen and soft toys. This initiative was organised in collaboration with Kloth Cares by Kloth Lifestyle, a sustainable fashion brand based in Malaysia. The collection drive helps the environment by creating less waste for landfills and less pollution through

Recycling bin initiative at Lot 10.

the reduction in manufacturing of new clothes. Old fabrics are given a new life in many ways, as donations to underprivileged groups, used as garments and industrial wiring cloth, turned into refuse-derived fuel as engineered fuel, or even being pieced together to make blankets and other items. Lot 10 collected 1,622.2 kg of fabric from July 2018 to June 2019 and has collected 3,416.9 kg since its inception during Earth Hour in March 2017. All proceeds from the sale of items in this campaign will be channelled to National Cancer Council Malaysia (MAKNA), Malaysia Association for the Blind (MAB) and Recycle Community Malaysia Lestari (RCOMM Lestari).

Energy Efficiency

SGREIT remains committed to a long-term target of achieving a 15% reduction in energy consumption for Wisma Atria. This will continue to be observed over a 10-year period which began in FY 2016/17. Electrical energy is the primary source of energy used by SGREIT properties. Total electricity consumption crept up by 0.5% in FY 2018/19 compared to a year ago, mainly due to the inclusion of energy usage from anchor tenant UNIQLO at Plaza Arcade which started its operations in August 2018 as well as increased office occupancy at Myer Centre Adelaide. Nevertheless, total energy consumption on an aggregate basis has seen a reduction of about 6.6% from FY 2016/17, signifying the effectiveness of our continuous energy conservation efforts.

In Singapore, lights in the common areas of Wisma Atria have been switched to LED lights for greater energy efficiency, with replacement works almost completed. The addition of motion sensors onto every LED fitting at the mid-landing of all staircases has been completed in this financial year. Lights will be dimmed by 50% if there is no movement in that particular landing for more than 30 seconds. Replacement works are still ongoing for plant rooms which will further reduce energy consumption.

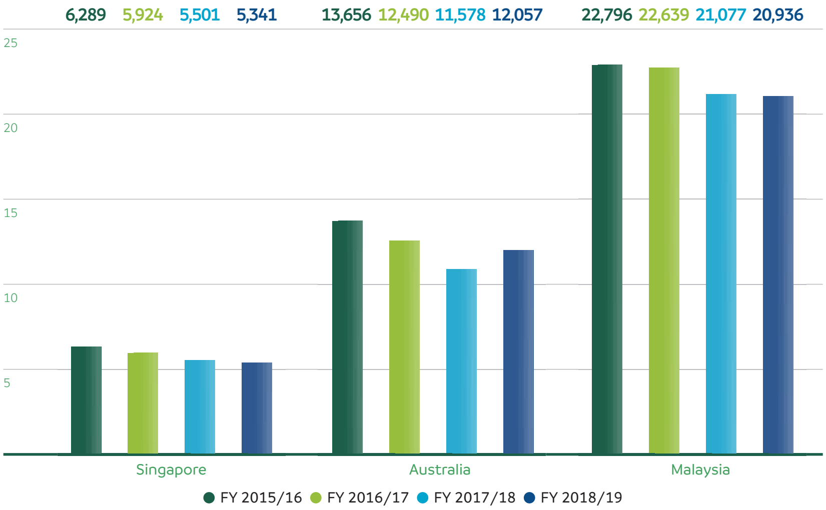
In Australia, Myer Centre Adelaide has undertaken a programme of replacing common area lighting with LED equivalent items to reduce our carbon footprint. To encourage our tenants to conserve energy, we have stipulated in our fit-out guide for tenants of Myer Centre Adelaide that only LED fittings will be approved at the design stage. In Perth, we have replaced the current chillers with energy-efficient versions for our tenant David Jones in support of a greener environment. In Malaysia, the lights for all the carpark spaces and common areas in both properties have been switched to LED lights from fluorescent ones. The master tenant also stipulates that incoming tenants must use LED lights in their fitting-out or renovation works.

In the next financial year, we aim to continue to reduce our electricity consumption in line with our 10-year goal by replacing the ageing motor and pumps at Wisma Atria with a higher efficiency model. Besides that, ongoing modernisation of lifts is expected to complete in the next financial year and will result in greater energy savings.

In Australia, the upgrading of the Building Management System (BMS) at Myer Centre Adelaide is in progress. Upon completion, this will enable improved, integrated control of air conditioning, mechanical and electrical systems. The new BMS has multiple platforms to improve the monitoring of power usage throughout the Centre. It will allow us to optimise all temperature-controlled equipment with delayed starting methodology, which will reduce running time of the plant such as chillers, pumps and cooling towers. Additionally, all pumps now operate on variable speed drives providing power savings. We are currently reviewing chiller efficiency at Myer Centre Adelaide which could potentially result in energy and water savings. Besides that, there are also plans to replace the fire stairs emergency fluorescent lights with the energy-efficient LED equivalent at Myer Centre Adelaide. For Plaza Arcade, the plans to upgrade current lights in the mall to energy-saving LED lights are in the pipeline for FY 2019/20.

Target to reduce electricity consumption by 15% for Wisma Atria over 10 years from FY 2016/17

Figure 8: **ELECTRICITY CONSUMPTION** (MWh/'000)



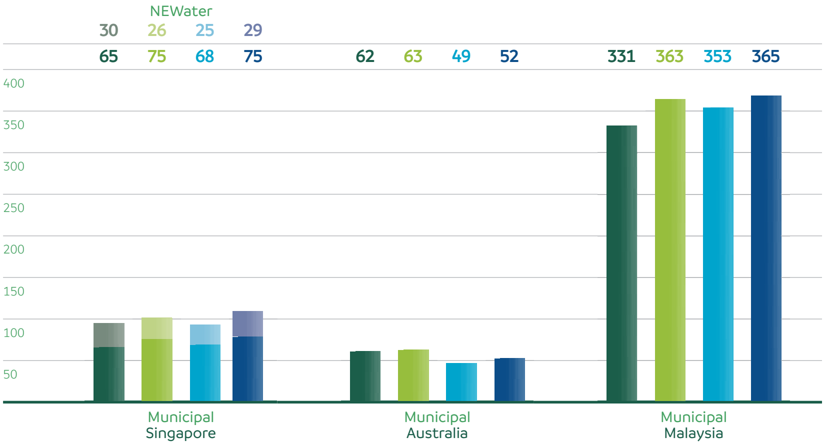
Sustainability Report

ENVIRONMENTAL CONSERVATION

Water Conservation

We believe that small initiatives can help to create a huge difference. In Singapore, we have increased the proportion of high-grade reclaimed water (NEWater) used in our mall. In 2008, the use of NEWater was implemented only for cooling towers and fire protection systems such as sprinklers and wet risers. In 2013, this was expanded to include non-essential areas such as taps for air handling unit (AHU) rooms, bin centre and ad-hoc cleaning like façade cleaning.

Figure 9: **WATER WITHDRAWAL**
(1,000 m^3)



At Wisma Atria, we have installed water-saving features such as waterless urinal systems and other fittings approved by the Public Utilities Board's Water Efficiency Labelling Scheme (WELS) in Singapore. We also have a Water Efficiency Management Plan (WEMP) in place, which helps the Manager understand water usage within our buildings, and thus the identification of areas to reduce water consumption and raise water efficiency. Private water meters were installed at essential areas as mandated by PUB to monitor water consumption and serve as an advance warning on possible pipe leakages. These translate into cost-savings for tenants and discourage excessive use of water through WELS-rated fittings. At Myer Centre Adelaide, water saving taps that are timed to go off after a short time are used in the centre, while waterless urinals were used on two levels of the building. The Malaysia Properties have a water harvesting system on the rooftop of the buildings to collect rainwater, which is recycled for uses such as watering plants in the building.

In FY 2018/19, the water consumption in our Singapore, Australia and Malaysia Properties was approximately 0.5 million m^3, inclusive of 29,000 m^3 of NEWater. Water usage this financial year was 5.2% higher than the previous financial year, mainly due to an increasing number of food & beverage tenants in Wisma Atria and Lot 10. An additional façade cleaning that we undertook after ad hoc re-sealant works were done to the window panels at the Wisma Atria office tower could have also contributed to the higher water usage.

However, the total consumption has remained below the level seen when we first embarked on our sustainability journey in FY 2016/17. Although the total water consumption seems larger for our Malaysia Properties, total water usage per area (i.e. water intensity) is relatively comparable. Considering that Singapore and Malaysia operate under a similar climate, the total water usage intensity at Malaysia Properties are about 1.4 times total water usage intensity at Wisma Atria. When compared based on total water usage alone, Malaysia Properties used about 3.5 times more water than Wisma Atria.

For FY 2019/20, we target to review our water usage and look into areas we can improve on in maintaining water usage in our portfolio. Over the longer term, we strive to maintain current overall water consumption in our portfolio.

At Wisma Atria, we have installed water-saving features such as

waterless urinal systems and other fittings

approved by the Public Utilities Board's Water Efficiency Labelling Scheme (WELS) in Singapore.

Waste Management

We believe in recycling our waste for better uses. We encourage our employees and tenants to participate in recycling efforts by separating their recyclable waste as much as possible. Many different types of non-hazardous waste are generated at SGREIT properties as our tenants span a range of industries, such as the retail and food & beverage industries (Figures 10 & 11). The collection and disposal of waste at our Singapore Properties are carried out by appointed contractors. In FY 2018/19, we collected a total of 1,987 tonnes of waste from our Singapore, Australia and Malaysia Properties, out of which a total of 167 tonnes of waste were recycled, which represents 8.4% of our total waste.

In Singapore, we have embarked on an e-waste collection campaign that collects e-waste from our tenants in Wisma Atria. The response has been overwhelming, with a total of 482 kg of e-waste, such as information technology (IT) peripherals, collected in our inaugural drive this financial year. Another significant group of recycled waste comes from our food & beverage tenants in our properties in Malaysia. Food waste such as used cooking oil is collected and sold to a third-party oil recycling company that processes the used oil into biodiesel. In FY 2018/19, 1.12 tonnes of used cooking oil was recycled from Starhill Gallery and Lot 10 Property. From July 2015 to June 2019, the Malaysian malls have recycled over 17.6 tonnes of used cooking oil.

In Australia, the waste data collected does not include that of Plaza Arcade and David Jones Building as waste collection was conducted by the City of Perth. Nevertheless, we support the recycling efforts by the City of Perth by allowing them to place cardboard recycling bins at Plaza Arcade. As for Myer Centre Adelaide, waste is removed by our waste removal contractor, Veolia Environment Services SA, which collects, sorts and delivers the waste to the respective facilities for recycling. Myer Centre Adelaide has a compactor dedicated to cardboard waste and recycles cooking oil.

We aim to continue encouraging recycling throughout our value chain and in the wider community through various initiatives and campaigns. In FY 2019/20, we target to maintain or increase the amount of total recycled waste as compared to the previous year.

We aim to continue encouraging recycling throughout our value chain and in the wider community

through various initiatives and campaigns.

Figure 10:
TOTAL RECYCLED WASTE
(Tonnes)

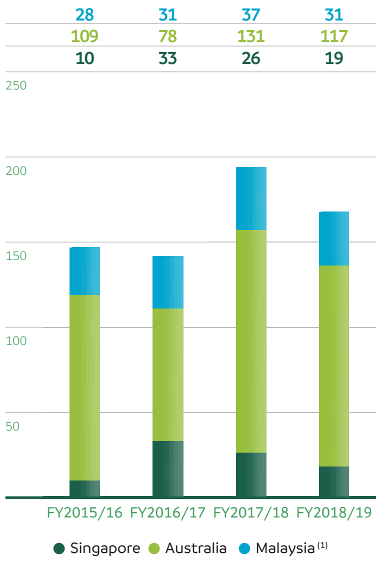
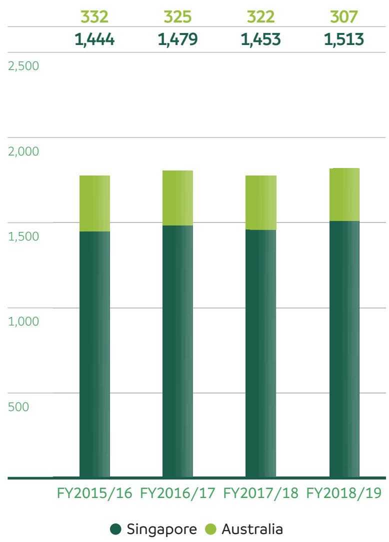


Figure 11:
NON-RECYCLED WASTE GENERATED (2) (3)
(Tonnes)



Notes:

(1) Total recycled waste data includes recycled oil.

(2) Data represents non-recycled solid general wastes.

(3) Excludes Malaysia as non-recycled waste data from Malaysia Properties are not available.

Sustainability Report

EMPOWERING OUR PEOPLE

Our Approach

- Creating a well-balanced workplace that is healthy and safe
- Fostering fair and equitable workplace conditions
- Caring for our employees through active engagement
- Nurturing human capital through learning and development

Fair Employment

We pride ourselves in maintaining a harmonious and diverse workforce spanning different generations, genders, nationalities and skill sets.

We are committed to providing equal opportunities and fair employment practices. As at 30 June 2019, the Manager has 29 employees*, all located in Singapore. We have no temporary or part-time employees.

In FY 2018/19, the rate of new employee hires was 31.0% and the rate of employee turnover was 13.8%. The graphs in Figure 13 and Figure 14 show a detailed breakdown of the changes in our workforce according to age group and gender.

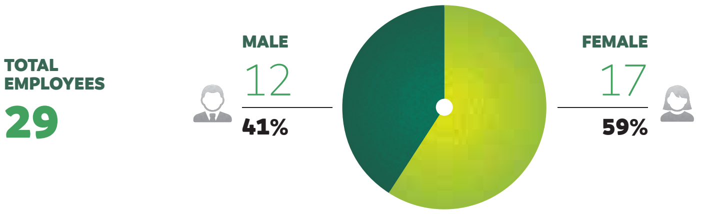
* *SGREIT is managed by the Manager, YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore.*

Occupational Health and Safety

In compliance with the Singapore Workplace Safety and Health Act 2006, the Manager places a large emphasis on cultivating good safety habits in all individuals. This has created a strong safety culture in the Manager which extends beyond physical health to mental and emotional health as well. Additionally, our employees are provided with a wide range of life and medical insurance plans, inclusive of disability coverage, to protect them and safeguard their interests.

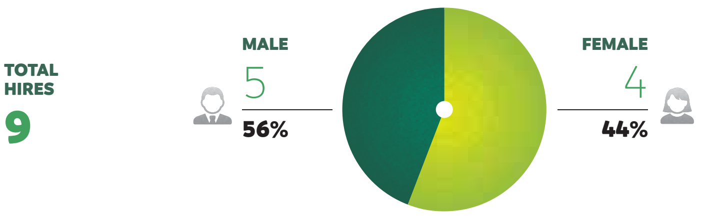
In FY 2018/19, our efforts in strengthening the company's safety culture have shown results as we have experienced a zero-injury, fatality, and occupational disease rate. We aim to maintain the current performance in FY 2019/20.

Figure 12: **TOTAL NUMBER OF EMPLOYEES**
By Employment Category and Gender
(As at 30 Jun 2019)



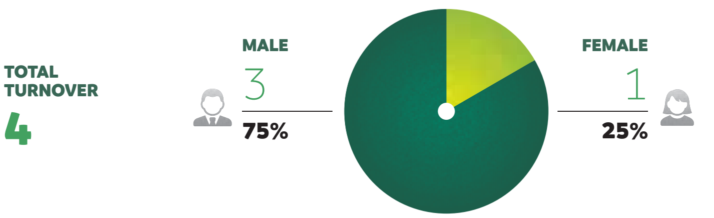
Employment Type	Male	Female	Total Employees	% Total	% Male	% Female
Rank and file	0	4	4	14%	0%	100%
Executives and Supervisors	2	2	4	14%	50%	50%
Management	5	9	14	48%	36%	64%
Senior Management	5	2	7	24%	71%	29%
Total	**12**	**17**	**29**	**100%**	**41%**	**59%**

Figure 13: **EMPLOYEE HIRES IN FY2018/19**
By Age Group and Gender
(As at 30 Jun 2019)



Age Group	Male	Female	Total	%
Below 30	3	1	4	44%
30 – 50	2	2	4	44%
Above 50	0	1	1	12%
Total	**5**	**4**	**9**	**100%**

Figure 14: **EMPLOYEE TURNOVER IN FY2018/19**
By Age Group and Gender
(As at 30 Jun 2019)



Age Group	Male	Female	Total	%
Below 30	3	0	3	75%
30 – 50	0	1	1	25%
Above 50	0	0	0	0%
Total	**3**	**1**	**4**	**100%**

Colleagues had fun battling it out in several games of Laser Tag as part of teambuilding.

Employees enjoyed themselves while picking up culinary skills during a group cooking class held during the Chinese New Year festive season.

Employee Well-being and Active Engagement

We promote a family-like culture and focus on employee bonding to forge stronger team dynamics. We share festive joys with staff through luncheons and celebrations in the office. The Manager holds annual year-end luncheons to celebrate the Christmas festive season. For the Chinese New Year celebration, employees were treated to a lion dance and *lohei* to usher in a bountiful year ahead. Employees also competed in games like the pomelo-peeling contest to celebrate the Mid Autumn Festival.

Besides that, the Manager organised day trips for employees to Batam, Indonesia, where they visited several malls, dined and explored the city together. The incentive trip was aimed at getting employees to bond with each other and build team spirit. Employees also enjoyed a group cooking class where they were entertained by the chef while picking up culinary skills the fun way. Other team-bonding activities include an arts and craft session where they learnt how to make a photo album from scratch together.

We promote the merits of healthy living and encourage employees to embrace a holistic lifestyle through our Workplace Health Programme (WHP). The WHP comprises a calendar of sports and health-related activities organised for employees to experience quality work-life balance and stay fit, healthy and productive.

The Manager organised regular badminton sessions for employees to have a friendly game of badminton with colleagues, in our effort to promote a healthy lifestyle among employees. Colleagues also battled it out in several games of Laser Tag as part of our teambuilding activities, thus creating a greater sense of camaraderie and nurturing better teamwork among co-workers, all while having fun. These workplace health and bonding activities have resulted in a happier, more cohesive and more productive workforce.

The Manager organised educational talks to create safety awareness among employees, such as learning how to use the fire extinguisher and how to react in an emergency situation through the Emergency Readiness Seminar. Employees learnt survival skills crucial in the event of terrorism or a fire.

We care for the well-being of our staff and view the health of each employee as being of utmost importance to better productivity among the workplace. To improve staff welfare, the Manager organised flu and measles vaccinations for all employees in view of the year-end influenza peak season and the outbreak of measles in Hong Kong. Many staff turned up for the vaccinations and stayed healthy. By valuing the health of our employees, we create a conducive work environment with a healthy and happy workforce.

In support of work-life balance, family-friendly initiatives such as staggered work-hours and monthly 'Bright Sky Day' are implemented at the workplace. On Bright Sky Day, staff are encouraged to leave early on Friday to spend more time with their families, or to pursue their personal interests over the weekend. The Manager also participates in the annual 'Eat With Your Family Day' initiative by the Centre for Fathering in Singapore which encourages companies and schools to end the day at 5 p.m. to spend time with their family.

Sustainability Report

EMPOWERING OUR PEOPLE

The Manager implemented a telecommuting scheme or Home Office Work Arrangement (HOWA) for eligible staff this year – a new initiative to encourage work-life harmony for employees.

The Manager provides government-paid maternity and paternity leave to all eligible female and male employees in Singapore. In FY 2018/19, three male and eight female employees were entitled to parental leave. Employees also enjoy a range of benefits including medical insurance, birthday leave, wedding vouchers, childbirth vouchers and service awards.

Employees are encouraged to maintain a healthy lifestyle and to look after their well-being through the 'Perfect Attendance Award' issued quarterly, whereby they are rewarded with vouchers for staying healthy. For FY 2018/19, 66.2% of our employees, excluding senior management, received Perfect Attendance Award.

There were zero absentees this financial year, thus no lost days during the period. We will continue to maintain a safety-first consciousness in the workplace in FY 2019/20.

Talent Management
We believe in encouraging holistic development of our employees and grooming them to their fullest potential, personally and professionally. Hence, we are committed to learning and development programmes to drive productivity and develop the personal effectiveness of our employees.

Our employees undergo training, workshops and seminars on management, technical skills, communication, leadership and other topics relevant to their work, such as Microsoft Excel and financial modelling courses. These opportunities allow them to improve on their job-related skills and knowledge, remain future-ready and progress to take on larger roles in the organisation. We continue to enhance our Executive Development Programme, which nurtures high-performing business unit leaders. The programme gives them additional knowledge and experience to improve their management and leadership skills. Concurrently, the intern placement programme provides our people with valuable mentoring and supervisory experience.

We believe in nurturing human capital through learning and development, ensuring that employees are future-ready with skills that stay relevant. Employees are encouraged to attend training workshops and courses both locally and overseas, as well as go on overseas mall trips to familiarise themselves with the retail landscape and current trends.

Each employee undergoes an average of 30.5 hours of training, with the detailed breakdown by gender and employment category illustrated in Figure 15 above. Going forward, we aim to achieve 75 hours of training hours per employee over three years, which works out to about 25 training hours a year per employee.

Staff are appraised annually to cultivate the learning culture in the company. Employees are encouraged to reflect on their performance over the financial year and they also receive all-rounded 360-degree feedback from their supervisors, peers and juniors. During staff appraisal, we recognise every employee for their valuable contributions at work, identify areas of improvement and set achievable targets for the next review period. In FY 2018/19, 100% of employees received their appraisal. We aim to maintain the current achievement in FY 2019/20 and going forward.

Figure 15: **AVERAGE TRAINING HOURS PER EMPLOYEE**
By Employment Category and Gender

Employee Category	Male	Female
Rank and File	0 [1]	18.8
Executives and Supervisors	24.8	44.8
Management	29.2	33.2
Senior Management	30.6	36.8
Average Training Hours per Employee (By gender)	**29.0**	**31.6**

AVERAGE TRAINING HOURS PER EMPLOYEE
30.5 hrs

Note:
[1] There was no male employee in the Rank and File category for FY 2018/19.

We believe in encouraging
holistic development of our employees and grooming them to their fullest potential, personally and professionally.

ENRICHING COMMUNITIES

Our Approach

- Local Communities
- Strive to positively impact and enrich the lives of people in the communities where we operate

World Wide Fund for Nature (WWF) Festival for Asia campaign at Wisma Atria.

Lottie's Science Adventure at Lot 10.

We strive to positively impact the lives of people in the countries where we operate in, through our participation in corporate social responsibility activities.

Space for Charity

Bone Marrow Donor Programme

Wisma Atria was the venue sponsor for the Bone Marrow Donor Programme (BMDP) roadshow which was held from 11-17 March 2019. The BMDP aims to educate members of the public about its life-saving mission for patients with blood-related diseases and how the public can sign up to be on the bone marrow donor registry.

World Wide Fund for Nature (WWF) Festival for Asia

Wisma Atria hosted the WWF Festival for Asia campaign from 25-31 March 2019. The campaign was held in conjunction with the Earth Hour and aims to rally the local community and build a city that comes together as conscious citizens to drive major change for nature.

Bone Marrow Donor Programme roadshow at Wisma Atria.

Salvation Army Fundraising

Myer Centre Adelaide provided the Salvation Army a space to host their signature fundraising drive, The Red Shield Appeal, which helped fund a vast network of social and community services within South Australia.

Contributing to Community Causes

Lottie's Science Adventure

Lot 10 hosted the Lottie's Science Adventure – an event based on STEAM (Science, Technology, Engineering, Arts and Mathematics) – organised by YTL Foundation in partnership with Petrosains. The event, which was held from 23-25 November 2018, aimed to interest students in science-based subjects and promote STEAM subjects among students from all backgrounds. Visitors created a table lamp at woodwork and science workshops, carried out various types of science experiments and learnt how to make mini robots that dance and scribble patterns to create a marble maze. The event also featured a juice bicycle, a toy drive and a toy repair booth by Toy Libraries Malaysia. Toys collected and the proceeds from the sale of the Lottie Bears were donated to Toy Libraries Malaysia to set up a toy library in the University Malaya Medical Centre under the 'School in the Hospital' programme. Proceeds collected from the sales of several vendors were also contributed to charity. Students from public schools were invited by YTL Foundation to attend the event and participate in the workshops.

Supporting Arts and Craft, Music and Culture

We support the local industry by hosting a series of arts and craft, music and cultural activities featuring products sourced and produced locally by local artisans in our properties on a regular basis.

The Social Exchange

Wisma Atria played host to The Social Exchange, a monthly craft market that builds a community that congregates, interact, browse and buy quirky and bespoke finds in a marketplace. It is a craft market that supports local efforts by featuring locally-made and curated products, as well as local artists.

Charity Art Exhibition

Wisma Atria sponsored the venue for the charity art exhibition "Fall in Love with Art" by Life Art Society led by famous Singapore artist Tan Khim Ser. Almost 100 pieces of original art pieces contributed by artists and

Sustainability Report

ENRICHING COMMUNITIES

The Social Exchange craft market at Wisma Atria.

Natural products sold at the We.Women Market at Lot 10.

novice painters were put on sale and through the funds raised, the non-profit organisation donated more than S$100,000 to the Straits Times School Pocket Money Fund.

We.Women Market

We.Women Market supports female entrepreneurs with a monthly event with a different theme for each edition. From 1-5 August 2018, the We.Women Market – In Bloom Artisan Showcase edition displayed unique handcrafted products from homemade dessert and cookies, scented tea to handmade jewellery and fashion apparel. In conjunction with Malaysia's Merdeka Day celebration, the We.Women Market – We are Local Artisans (Merdeka Artisans Showcase) edition ran from 30 August 2018 to 2 September 2018, showcasing the best of Malaysian crafts and produce with a patriotic twist by homegrown artisans and vendors.

Merdeka Kraf

Merdeka Kraf was held from 25-26 August 2018 and saw exhibits of ceramics, painting, writing and woodwork activities by a homegrown studio as well as arts and craft workshops by Malaysian craftsmen and artisans. Shoppers painted National Day-themed crafts such as ceramic cup coasters, hand-woven Penan bags and baskets, created table lamps and model catapults, as well as made wood crafts and natural soap bars. Shoppers played Malaysian childhood games such as batu Seremban, gasing, congkak and carom at a traditional games station for both children and adults.

Art Events

Lot 10 played host to the monthly ArtPlusD event, where local artisans sold their wares, attracting huge crowds of art enthusiasts and food lovers.

Wisma Atria co-sponsored charity art exhibition led by famous Singapore artist Tan Khim Ser.

Source: Life Art Society

Lot 10 White Christmas event.

Promoting a Healthy Lifestyle

Lot 10 hosted a regular series of free-for-all fitness classes on Saturdays over six months. The #goodsweat programme, which kicked off on 4 August 2018, aims to make healthy living and fitness accessible to the public right in the heart of Kuala Lumpur. Collaborating with the best of Kuala Lumpur's fitness clubs, including Lot 10's own Celebrity Fitness, MMA Monarchy Gym and independent yoga teacher Shazana Zulkifli, #goodsweat offered trendy workouts such as Dance Cardio and Unplugged HIIT – a high-intensity interval training with hip-hop choreography that is backed by live music performances.

Supporting a Closely-Knit Community

Free Movie Screenings

Lot 10's Cinema Paradiso hosted movie screenings from 10 a.m. to 10 p.m. daily, attracting both local shoppers and tourists. In conjunction with Malaysia's 61st National Day celebration, #lot10cinemaparadiso featured two screenings of a local social documentary film entitled "Rediscovering Each Other" on 30 and 31 August 2018. The 2017 film by Rojak Projek was filmed across communities throughout Malaysia by social enterprise TRP Creative and focuses on discovering and embracing the rich diversity of race, language and culture of Malaysians and their integration for a united nation.

Street Food Weekender

About once a month, Lot 10 also turned its terrace space into a bustling food street for the Street Food Weekender featuring a wide selection of local delicacies from Lot 10 Hutong and international bites like Japanese and Western cuisines. More than 15 carts with savoury and sweet delights, such as Asian desserts and cupcakes, made their appearance every first weekend of the month. Since the #lot10NomNom initiative kicked off in August 2018, the monthly event has attracted a huge crowd and has brought people together over food and live music performances.

Lot 10 White Christmas

During the Lot 10 White Christmas event from November to December 2018, shoppers were treated to performances, special promotion for toys and festive decorations.

Shoppers at the #Lot10NomNom Street Food Weekender event.

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	102-50 Reporting period	Sustainability Report, About this Report (Page 62–63)	
	102-51 Date of most recent report	Sustainability Report, About this Report (Page 62–63)	
	102-52 Reporting cycle	Sustainability Report, About this Report (Page 62–63)	
	102-53 Contact point or questions regarding the report	Sustainability Report, About this Report (Page 62–63)	
	102-54 Claims of reporting in accordance with the GRI Standards	Sustainability Report, About this Report (Page 62–63)	
	102-55 Content Index	Sustainability Report, GRI Content Index (Page 78–79)	
	102-56 External assurance	Sustainability Report, About this Report (Page 62–63)	
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Annual Report, About Starhill Global REIT (Inside Front Cover), Our Strategy (Page 2)	
	103-2 The management approach and its components	Annual Report, Vision and Mission (Inside Front Cover), Our Strategy (Page 2–9)	
	103-3 Evaluation of the management approach	Annual Report, Our Strategy (Page 2–9)	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report, Financial Review (Page 54–57) Financial Statements (Page 93–150)	
CATEGORY: ENVIRONMENT			
ENERGY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-2 The management approach and its components	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-3 Evaluation of the management approach	Sustainability Report, Environmental Conservation (Page 68–71)	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report, Environmental Conservation (Page 68–71)	
	302-4 Reduction of energy consumption	Sustainability Report, Environmental Conservation (Page 69)	

Note:

[1] The column is left blank intentionally as there are no omissions made in the Sustainability Report.

General Standard	Disclosure	References	Omission [1]
CATEGORY: ENVIRONMENT			
WATER			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-2 The management approach and its components	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-3 Evaluation of the management approach	Sustainability Report, Environmental Conservation (Page 68–71)	
GRI 303: Water 2016	303-1 Water withdrawal by source	Sustainability Report, Environmental Conservation (Page 70)	
EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-2 The management approach and its components	Sustainability Report, Environmental Conservation (Page 68–71)	
	103-3 Evaluation of the management approach	Sustainability Report, Environmental Conservation (Page 68–71)	
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Sustainability Report, Environmental Conservation (Page 71)	
CATEGORY: SOCIAL			
EMPLOYMENT			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Empowering Our People (Page 72–74)	
	103-2 The management approach and its components	Sustainability Report, Empowering Our People (Page 72–74)	
	103-3 Evaluation of the management approach	Sustainability Report, Empowering Our People (Page 72–74)	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report, Empowering Our People (Page 72)	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report, Empowering Our People (Page 72–74)	
	401-3 Parental leave	Sustainability Report, Empowering Our People (Page 74)	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Empowering Our People (Page 72–74)	
	103-2 The management approach and its components	Sustainability Report, Empowering Our People (Page 72–74)	
	103-3 Evaluation of the management approach	Sustainability Report, Empowering Our People (Page 72–74)	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Sustainability Report, Empowering Our People (Page 72–74)	
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Empowering Our People (Page 72–74)	
	103-2 The management approach and its components	Sustainability Report, Empowering Our People (Page 72–74)	
	103-3 Evaluation of the management approach	Sustainability Report, Empowering Our People (Page 72–74)	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report, Empowering Our People (Page 74)	
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report, Empowering Our People (Page 74)	
CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-2 The management approach and its components	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-3 Evaluation of the management approach	Sustainability Report, Embracing the Marketplace (Page 66–67)	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report, Embracing the Marketplace (Page 66–67)	
CUSTOMER PRIVACY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-2 The management approach and its components	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-3 Evaluation of the management approach	Sustainability Report, Embracing the Marketplace (Page 66–67)	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report, Embracing the Marketplace (Page 67)	
SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-2 The management approach and its components	Sustainability Report, Embracing the Marketplace (Page 66–67)	
	103-3 Evaluation of the management approach	Sustainability Report, Embracing the Marketplace (Page 66–67)	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Sustainability Report, Embracing the Marketplace (Page 66–67)	

Corporate Governance

MANAGER OF STARHILL GLOBAL REIT

YTL Starhill Global REIT Management Limited was appointed the Manager of Starhill Global REIT in accordance with the terms of the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) ("Trust Deed").

The Manager of Starhill Global REIT has general power of management over the assets of Starhill Global REIT. The primary role of the Manager is to set the strategic direction of Starhill Global REIT and to make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT ("Trustee"), on acquisitions, divestments and enhancement of the assets of Starhill Global REIT, in accordance with its stated business strategy and the terms of the Trust Deed. Other important functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Starhill Global REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with, or for Starhill Global REIT, at arm's length;

2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. The purpose of these plans is to manage the performance of Starhill Global REIT's assets;

3. ensuring compliance with applicable laws and regulations, and the Trust Deed;

4. attending to all communications with Unitholders; and

5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager, and not by Starhill Global REIT.

The Trust Deed provides *inter alia* for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the Monetary Authority of Singapore ("MAS") to conduct REIT management activities under the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders of Starhill Global REIT and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2012 ("Code") in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. Where there are differences from the principles and guidelines of the Code, an explanation has been provided in this section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code of Collective Investment Schemes ("CIS Code") (including the Property Funds Appendix) issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore are complied with, and that the Manager's obligations in the Trust Deed are honoured.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and Management remains accountable to the Board.

The Board of Directors of the Manager ("Board") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives for the management team of the Manager ("Management") and monitoring the achievement of these objectives. All Board members participate in matters relating to corporate governance, business operations and risk management, and financial performance.

Each Director must act honestly, with due care and diligence, and in the best interest of Unitholders. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of Starhill Global REIT. The Manager has adopted guidelines, details of which are set out on pages 89 to 91 for related party transactions and dealing with conflicts of interests.

Board meetings are scheduled and held at least once every quarter. Five Board meetings were held in FY 2018/19. The Constitution of the Manager permits Board meetings to be held by way of teleconference and videoconference. Directors meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board also reviews and approves the release of Starhill Global REIT's quarterly and annual results. The Board will generally review matters which have an impact on the business risks and management of liability of Starhill Global REIT, and acts on comments and recommendations from the auditors of Starhill Global REIT.

The Board has considered and reviewed sustainability issues in the environment, social and governance aspects of our business. More information on the material sustainability issues of Starhill Global REIT are set out from pages 62 to 79 of this Annual Report.

In the discharge of its functions, the Board is supported by an Audit Committee that provides independent oversight of Management and which also serves to ensure that there are appropriate checks and balances. The Board has established a system of internal controls and an enterprise risk management framework. The application of the policies and protocol under the framework is further described in the section "Risk Management" on page 60. The Board has adopted a set of internal controls with approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories, amongst others. Apart from matters that specifically require Board approval, such as the issue of new units, income distributions and other returns to Unitholders, the Board approves transactions exceeding certain threshold limits, while delegating authority for matters below those limits to Management to facilitate operational efficiency.

Changes to regulations, policies and accounting standards are monitored closely. Where the changes have significant impact on Starhill Global REIT and its obligations of continuing disclosure, the Directors will be briefed during Board meetings or by circulation of Board papers. Further, Directors have access to programmes, courses or seminars organised by the Singapore Institute of Directors ("SID"). The costs of training are borne by the Manager. The Board has reviewed the current training and professional development programmes in place for the Directors.

Newly appointed directors are briefed on their roles and responsibilities as Directors of the Manager, and of the business activities and strategic directions of Starhill Global REIT. Upon appointment, a formal letter setting out the Director's duties, obligations and responsibilities, together with the Trust Deed and latest annual report will be given to the Director. The Manager has in place an orientation programme aimed at familiarising new Directors with the business activities and strategic directions of Starhill Global REIT, the corporate governance and risk management structure and practices, as well as their disclosure obligations as Directors. Directors who have no prior experience as a director of an issuer listed on SGX-ST will be provided training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. No new Directors were appointed during FY 2018/19.

Board Composition
Principle 2:
There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises six members, three of whom are Independent Non-Executive Directors. As such, there is a strong and independent element on the Board. The Board assesses the independence of each Director in accordance with the requirements of the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCBR"), and the listing manual of the SGX-ST. A Director is considered to be independent if he or she:

(i) has no relationship with the Manager, its shareholders who hold 10% or more of the voting shares in the Manager, Unitholders who hold 10% or more of the units in issue of Starhill Global REIT, its related corporation or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of Starhill Global REIT,

(ii) is independent from any management and business relationship with the Manager and Starhill Global REIT,

(iii) is independent from any substantial shareholder of the Manager and any substantial Unitholder of Starhill Global REIT,

(iv) is not a substantial shareholder of the Manager, or a substantial Unitholder of Starhill Global REIT,

(v) has not served on the Board for a continuous period of nine years or longer,

(vi) is not employed by the Manager, any of its related corporations, or the Trustee for the current or any of the past three financial years, and

(vii) does not have an immediate family member who is employed or has been employed by the Manager, any of its related corporations, or the Trustee for the past three financial years.

Mr Ching Yew Chye has disclosed that he is the independent non-executive Chairman of AIA General Berhad and AIA Berhad. AIA General Berhad is a subsidiary of AIA Berhad, which is in turn a wholly-owned subsidiary of AIA Group Limited, a substantial Unitholder of Starhill Global REIT. Despite the foregoing, the Board has assessed Mr Ching's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded, given that Mr Ching is not an executive but an independent director of AIA General Berhad and AIA Berhad and is not appointed on the Board as a nominee of any AIA entities. He is also not a director of AIA Group Limited, the substantial Unitholder of Starhill Global REIT, and the businesses of Starhill Global REIT and each of AIA General Berhad, AIA Berhad or AIA Group Limited are distinctly different and there are therefore unlikely to be any competing interests.

In addition, Mr Tan Woon Hum has disclosed that he is a partner of

Corporate Governance

M/s Shook Lin & Bok LLP ("SLB"), which provides services to the Trustee from time to time. As the amount of legal fees paid to SLB by Starhill Global REIT in FY 2017/18 and FY 2018/19 is insignificant, and is also insubstantial in relation to the revenue of SLB, and Mr Tan will not be personally involved in legal services to be provided by SLB for Starhill Global REIT, the Board has assessed Mr Tan Woon Hum's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

Further, Mr Tan Bong Lin is a Non-Executive Independent Director of APAC Realty Limited ("APAC Realty"). APAC Realty provides real estate brokerage services, franchise arrangements, and training, valuation and other ancillary services. APAC Realty provides leasing agency services to Starhill Global REIT and real estate salesperson training courses to YTL Starhill Global Property Management Pte. Ltd., a related company of the Manager, from time to time. The aggregate amount of fees paid to APAC Realty for leasing agency services and training courses in FY 2017/18 and FY 2018/19 is insignificant, and is also insubstantial, relative to the revenue of APAC Realty, and the total amount of leasing agency fees paid by Starhill Global REIT. Mr Tan's directorship in APAC Realty is non-executive in nature and he is not involved in its day-to-day management. He will also recuse himself from any issues and/or matters arising from the provision of any of the above services by APAC Realty to Starhill Global REIT. Based on the above, the Board has assessed Mr Tan Bong Lin's independence and has taken the view that his independent business judgment and ability to act in the best interests of all Unitholders as a whole will not be impeded.

As such, none of the Independent Directors have any relationships which are likely to affect his independent business judgment and ability to act in the best interests of all Unitholders as a whole. The independence of the Independent Directors is assessed by the Board on an annual basis. As and when any relationship which is likely to affect an Independent Director's judgment and ability to act in the interests of all Unitholders as a whole arises, the affected Director is expected to disclose such relationship to the Board.

The composition of the Board as at 30 June 2019 is as follows:

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
Non-Executive Chairman
(Non-independent)

Mr Ho Sing
Executive Director &
Chief Executive Officer
(Non-independent)

Dato' Yeoh Seok Kian
Non-Executive Director
(Non-independent)

Mr Tan Bong Lin
Lead Independent Director
(Non-executive) (Independent)

Mr Ching Yew Chye
Non-Executive Director
(Independent)

Mr Tan Woon Hum
Non-Executive Director
(Independent)

The Non-Executive Directors participate in setting and developing strategies and goals for Management, and reviewing and assessing Management's performance. This enables Management to benefit from their external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with Management through a healthy exchange of ideas and views to help shape the strategic process.

The size of the Board and core competencies of its members in various fields of accounting, finance, business management and legal, together with their relevant industry knowledge and strategic planning experience, effectively serve Starhill Global REIT and the Manager. Management is able to benefit from their diverse and objective perspectives on issues that are brought before the Board with a healthy exchange of ideas and views between the Board and Management.

The Board is of the view that its current composition comprises persons who, as a group, provide the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of Starhill Global REIT's operations. When the Board decides to appoint new directors, it will consider suitable candidates without regard to gender, as the ultimate choice should primarily be based on merit.

The profiles of the Directors are set out on pages 22 and 23 of this Annual Report.

Chairman and Chief Executive Officer
Principle 3:
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons in order to maintain effective segregation of duties. There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, and the CEO, Mr Ho Sing, are not immediate family members.

The Chairman facilitates active Board discussion on matters concerning the business of Starhill Global REIT, and ensures that the Board satisfactorily oversees and evaluates the implementation of Starhill Global REIT's strategy, policies, business plans and Board decisions. In addition, the Chairman ensures that the members of the Board receive complete, adequate and timely information, facilitates the effective contribution of the Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The CEO works with the Chairman and the Board in formulating and executing strategies for Starhill Global

REIT and is responsible for the day-to-day operations of Starhill Global REIT.

Mr Tan Bong Lin is appointed the Lead Independent Director and he has the discretion to hold meetings with the Independent Directors (without the presence of Management) as he deems appropriate or necessary, and he will provide feedback to the Non-Executive Chairman, where appropriate. The Lead Independent Director is available to Unitholders where they have concerns and for which contact through the normal channels of the CEO or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate.

Board Membership
Principle 4:
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Manager has not established a nominating committee as the Board undertakes the function of a nominating committee, including assessing the independence of the Independent Directors on an annual basis. The Manager, taking into account the capacity of the Board to undertake the responsibilities of a nominating committee in light of the activities and scale of the business of Starhill Global REIT, the fact that Independent Directors constitute half of the Board of the Manager and that the nomination policy is required to be approved by the Board, including by at least a majority of Independent Directors, does not consider it necessary for the Board to establish a nominating committee. The Independent Directors constitute half the Board and therefore play a substantial role and assures the objectivity and independence of the decision-making process.

The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of nominating and remuneration committee under the listing manual of the SGX-ST does not apply to REITs if the REIT complies with regulations made under the SFA relating to board composition of a REIT manager. As the Manager complies with Regulation 13D of the SFLCBR and Practice Guidance 2 (Board Composition and Guidance) to the Code relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committee have been substantively addressed.

Directors of the Manager are not subject to periodic retirement by rotation, nor re-appointment through voting by Unitholders, as the Manager is a wholly-owned subsidiary of YTL Corporation Berhad and Independent Directors comprise a minimum of one-half of the Board.

The composition of the Board is reviewed regularly to ensure that it has the appropriate mix of expertise and experience. The composition of the Board (including the selection of candidates for new appointments as part of the Board's renewal process) is determined in accordance with the following principles:

1. The Board should comprise directors with a broad range of commercial experience including expertise in fund management and experience in all facets of the property or real estate industry; and

2. At least half of the Board should comprise independent directors.

A director with multiple board representation is expected to ensure sufficient attention is given to the affairs of the Manager and Starhill Global REIT. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary, and thus should not be prescriptive. A sufficient safeguard is requiring each Director to confirm his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments.

No alternate directors were appointed during FY 2018/19.

Any Director may source for and nominate new Directors to be appointed by the Board of Directors, through their extensive networks and contacts. If necessary, the Board may seek advice from the SID or external search consultants. No new Directors were appointed during FY 2018/19. Prior to FY 2018/19, new potential directors of both genders were sourced through contacts and recommendations, including recommendations from the SID, contacts from Directors, and recommendations from relevant industry professionals.

Selections and nominations are made based on the following guidelines:

- Integrity;
- Relevant expertise (sector and functional) and the degree to which his or her skill set complements the skill set of the other Board members;
- Reputation and standing in the market;
- In the case of prospective Independent Directors, independence based on the criteria in the Code, the SFLCBR and the listing manual of the SGX-ST;
- The fit and proper criteria issued by MAS;
- Potential Directors will be considered without regard to gender, and the ultimate choice will primarily be based on merit; and
- The Director should be likely to have adequate time to discharge his duties.

Board Performance
Principle 5:
There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

The Manager believes that the performance of the Manager, and the Board, is reflected in the long-term success of Starhill Global REIT.

Corporate Governance

Reviews of Board performance are conducted once a year. Directors are required to complete a questionnaire evaluating the Board and the Audit Committee. The questionnaire covers areas such as Board composition, access to information, Board processes, risk management, Board training and development, understanding of the business, strategic planning and any specific areas where improvements may be made. The Board will evaluate and discuss the results of the annual Board performance review with a view towards improving the effectiveness of the Board. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2018/19.

In cases where the Director(s) have multiple listed board representations, the Board conducts an annual review to ensure that they are able to and have been devoting sufficient time to discharge their responsibilities adequately. Each Director confirmed his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments. Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Manager.

The Manager believes that contributions from each Director go beyond his attendance at Board and committee meetings. Contributions by an individual Board member take other forms, which includes providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of a formal environment of Board and/or Audit Committee meetings. A Director of the Manager would have been appointed on the principles outlined earlier in this statement, and on his/her ability to contribute to the proper guidance of the Manager in its management of Starhill Global REIT.

In the year under review, the number of Board and Audit Committee meetings held and attended by each Board member is

	Board	Audit Committee
	No. of meetings held in FY 2018/19: 5	No. of meetings held in FY 2018/19: 7
	Attended	Attended
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5	NA
Mr Ho Sing	5	NA
Dato' Yeoh Seok Kian	5	NA
Mr Tan Bong Lin	5	7
Mr Ching Yew Chye	5	7
Mr Tan Woon Hum	5	7

Access to Information
Principle 6:
In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Board with regular updates on financial results, market and business developments, and business and operational information. Board papers and agenda are provided to each Director in advance of Board meetings so that Directors can review and consider the matters being tabled beforehand. Management provides the Board with management accounts of Starhill Global REIT on a quarterly basis to enable the Board to keep abreast of Starhill Global REIT's financial performance. In addition, as and when any significant matter arises, Management promptly brings these matters to the Board's attention and provides the Board with the relevant financial information.

Where necessary, senior members of Management participate in Board meetings to provide additional insights and to respond to any queries from Directors. The Board has unfettered access to senior members of Management and the company secretary at all times. The Board also has access to independent professional advice (legal, financial or otherwise) where appropriate or necessary, with the cost borne by the Manager or Starhill Global REIT, as appropriate. The company secretary of the Manager will render necessary assistance to the Board and will ensure that the Board procedures are followed and that applicable laws and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flow between the Board and its committees and between Management and Non-Executive Directors and advising the Board on all governance matters. The company secretary attends all Board and Audit Committee meetings of the Manager to take minutes. The appointment and removal of the company secretary is a Board reserved matter.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7:
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration
Principle 8:
The level and structure of remuneration should be aligned with the long-term

interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration
Principle 9:
Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The remuneration of Directors and staff of the Manager is paid by the Manager from the fees it receives from Starhill Global REIT, and not by Starhill Global REIT itself.

The Manager has not established a remuneration committee as the Board undertakes the function of a remuneration committee. The Manager, taking into account the capacity of the Board to undertake the responsibilities of a remuneration committee in light of the activities and scale of business of Starhill Global REIT, the fact that independent directors constitute half of the Board of the Manager and that the remuneration policy is required to be approved by the Board, including by at least a majority of Independent Directors, does not consider it necessary for the Board to establish a remuneration committee. The Independent Directors constitute half the Board and therefore play a substantial role and assures the objectivity and independence of the decision-making process.

The Board approves the remuneration policy of the Manager, Directors' fees for Non-Executive Directors, remuneration packages for the CEO and CFO, the total variable bonus amount payable to all employees and the corporate performance targets for payment of variable bonus. Such matters will also require approval by at least a majority of Independent Directors.

The Board of Directors seeks expert advice on remuneration and governance matters from external consultants, where necessary. The Board will ensure that existing relationships between the group and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the external remuneration consultants.

Directors Remuneration
The remuneration of the Non-Executive Directors for FY 2018/19 comprises entirely of Directors' fees payable in cash. Directors' fees are subject to approval by the Board of Directors and the shareholders of the Manager. Each Director abstains from voting in respect of the fees payable to their respective selves. The Directors' fees take into account industry practices and norms on remuneration. Each Director is paid a basic fee and the Chairman and the Chairman of the Audit Committee are paid a higher fee in view of the greater responsibility carried by that office. The CEO does not receive Directors' fees as he receives employee remuneration from the Manager. Each Director will be remunerated based on their level of responsibilities on the Board and the Audit Committee, in accordance with the following framework:

Fee Structure		Fees (per annum)
Board of Directors	Non-Executive Chairman	S$100,000
	Non-Executive Director	S$63,000
Audit Committee	Chairman and Lead Independent Director	S$10,000
	Member	S$5,000

The total amount of Directors' fees (gross before net of withholding tax) payable to the Non-Executive Directors for FY 2018/19 are as follows:

Name of Director	FY 2018/19
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	S$100,000
Dato' Yeoh Seok Kian	S$63,000
Mr Tan Bong Lin	S$73,000
Mr Ching Yew Chye	S$68,000
Mr Tan Woon Hum	S$68,000

Employee Remuneration
To support the business growth and aspirations, the Manager is committed to strengthen its leadership capability and organisational effectiveness through talent management. As such, the Manager adopts a remuneration philosophy that is directed towards the attraction, retention and motivation of competent employees and key talents to ensure the long-term success of Starhill Global REIT.

It emphasises on performance-based remuneration by linking total compensation directly to the achievement of organisational and individual performance goals, and gives consideration to the equitability and market competitiveness of its remuneration practices.

In determining the mix of different forms of remuneration for executive officers, the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between fixed and performance-related components.

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Total remuneration comprises the following components:

- Fixed remuneration comprises base salary, Central Provident Fund contributions, Annual Wage Supplement and benefits and allowances.
- Variable bonus payments, paid wholly in cash, incentivise and reward individuals for their performance, efforts and achievement. The payment of variable bonus is subject to achievement of Starhill Global REIT's DPU, the Manager's profit after tax targets and other long-term targets approved by the Board, with substantial emphasis on the performance of Starhill Global REIT to align employee interests with the interests of Starhill Global REIT. In approving the variable bonus for FY 2018/19, the Board is satisfied that the performance targets have been largely achieved.
- A long-term deferred bonus scheme, awarded wholly in cash, is put in place to retain selected management executives and talent who are key in the business operation. The scheme focuses on strengthening its organisational capability and leadership core, with the objective of encouraging loyalty and ensuring that decisions are taken with a long-term view in mind.

No share/unit option schemes or share/unit schemes have been implemented. The Manager ensures that performance-related remuneration is aligned with the interests of the Unitholders and will promote the long-term success of the Manager. The Board has reviewed the remuneration components above and is satisfied that there is reasonable mitigation of any potential misalignment of interests, taking into account (i) the Board's discretion (including the requirement for approval by not less than a majority of Independent Directors) to determine whether the remuneration payable is in line with the remuneration policy; (ii) the substantial emphasis placed on the performance of Starhill Global REIT; and (iii) the absence of any remuneration payment in the form of shares or interest in the controlling Unitholder of Starhill Global REIT or its related entities.

The Manager is cognisant of the requirement to disclose (i) the remuneration of the CEO and each individual Director on a named basis, (ii) the remuneration of at least the top five executive officers (who shall not include the CEO and Directors), on a named basis, in bands of S$250,000 and (iii) the aggregate total remuneration paid to the top five executive officers. The Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S$250,000 and of the aggregate total remuneration paid to the top five executive officers because it is not in the Manager's best interest to do so, taking into account, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the presence of highly competitive conditions for talent in the industry, which is relatively small, the importance of ensuring stability and continuity of business operations of Starhill Global REIT with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent on a long-term basis. The non-disclosure will not be prejudicial to the interests of Unitholders as sufficient information is provided on the Manager's remuneration policy to enable Unitholders to understand the link between the remuneration paid to the CEO and executive officers and performance.

There were no employees of the Manager who were immediate family members of a Director or the CEO and whose remuneration exceeds S$50,000 during FY 2018/19. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

(C) ACCOUNTABILITY AND AUDIT

Accountability
Principle 10:
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Manager provides Unitholders with quarterly and annual financial statements. The Board, with the support of Management, is responsible for providing a balanced and informed assessment of Starhill Global REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. Financial reports and other material information are disseminated to Unitholders through announcements to SGX-ST via SGXNET, Starhill Global REIT's website and where applicable, press releases, of the performance, position and prospects of Starhill Global REIT.

Risk Management and Internal Controls
Principle 11:
The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Effective risk management is a fundamental part of Starhill Global REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. The Manager has in place an enterprise risk management ("ERM") framework and policies, which have been approved by the Board, that provide a structured approach to identifying and managing the material risks that could arise in the course of managing Starhill Global REIT. The ERM framework and policies are monitored and reviewed by the Board as and when appropriate, and major developments and significant revisions to the ERM framework or policies will be submitted to the Board for approval. An independent consultant also reviews the ERM framework and the identified risks and control activities, and provides a report to the Board once every two years. Material risks at both the Manager and Starhill Global REIT levels are managed through this ERM framework.

The Audit Committee has also been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by Management with respect to the business operations of the Manager, Starhill Global REIT and the assets of Starhill Global REIT.

Application of the policies and protocol under the ERM framework in respect of Starhill Global REIT assets and operations is further described in the section "Risk Management" on page 60.

The Manager has put in place a system of internal controls, compliance procedures and processes to safeguard Starhill Global REIT's assets and Unitholders' interests, manage risks and ensure compliance with high standards of corporate governance. Financial risk management is exercised in accordance with a robust policy. During FY 2018/19, the Audit Committee and the Board, with the assistance of the internal and external auditors, has reviewed the adequacy and effectiveness of Starhill Global REIT's system of risk management and internal controls that address material risks, including material financial, operational, compliance and information technology risks. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee also reviewed the measures taken by Management on the recommendations made by the internal and external auditors.

The Board has also received assurance from the CEO and CFO of the Manager that:

1. The financial records of Starhill Global REIT have been properly maintained and the consolidated financial statements give a true and fair view of Starhill Global REIT's operations and finances; and

2. Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2019 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, and the assurance from the CEO and CFO of the Manager, the Board with the concurrence of the Audit Committee is of the opinion that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2019 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The CEO and the CFO of the Manager have obtained similar assurances from the function heads of the Manager. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the Audit Committee for FY 2018/19.

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute, assurance that Starhill Global REIT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Audit Committee
Principle 12:
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee is established by the Board from amongst the Directors of the Manager and currently comprises three members, all of whom are Independent Non-Executive Directors. The members of the Audit Committee as at 30 June 2019 are Mr Tan Bong Lin (Chairman), Mr Ching Yew Chye and Mr Tan Woon Hum. The members of the Audit Committee, collectively, have relevant accounting and financial management expertise or experience and are qualified to discharge the Audit Committee's responsibilities. No former partner or director of the Manager's existing auditing firm or audit corporation is a member of the Audit Committee within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation, or for as long as he has any financial interest in the auditing firm or auditing corporation.

The Audit Committee assists the Board in overseeing the ERM framework and any matters of significance affecting financial reporting and internal controls of Starhill Global REIT.

The terms of reference for the Audit Committee include:

1. reviewing audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management;

2. monitoring the procedures in place to ensure compliance with applicable legislation, the listing manual of the SGX-ST and the Property Funds Appendix;

3. reviewing and making recommendations to the Board in relation to the financial statements and the audit report;

4. monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the relevant regulations;

5. making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of such auditors; and

6. ensuring that the internal audit function is adequately resourced through outsourcing the appointment to a reputable

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accounting firm where appropriate and approving their appointment, removal and remuneration.

During FY 2018/19, the Audit Committee performed independent reviews of the financial statements of Starhill Global REIT before the announcement of Starhill Global REIT's quarterly and annual results, including key areas of management judgment.

The Audit Committee also reviewed and approved both the internal auditor's and the external auditor's audit plans of Starhill Global REIT for FY 2018/19. The audit findings and recommendations put up by the internal auditor and the external auditor were reported and discussed at the Audit Committee meetings.

The Audit Committee is responsible for the nomination of external auditors and internal auditors, and reviewing the adequacy and effectiveness of existing audits in respect of cost, scope and performance. The Audit Committee meets with the internal auditor at least once a year and with the external auditor at least once every quarter without the presence of Management, to discuss any matters which the Audit Committee or the auditors believe should be discussed privately without the presence of Management.

The Audit Committee is authorised to investigate any matters within its terms of reference. It has unfettered access to and cooperation from Management and to reasonable resources to enable it to discharge its functions. The Audit Committee has also reviewed all non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid and payable to the external auditor for FY 2018/19 and the breakdown into audit fees and non-audit fees are set out on page 136. Pursuant to Rule 1207(6)(c) of the listing manual of the SGX-ST, the Manager confirms that Starhill Global REIT has complied with Rules 712 and 715 of the listing manual in relation to the appointment of the external auditor.

The Audit Committee has reviewed the procedures in place to ensure that employees of the Manager and any other persons are provided with well-defined and accessible channels to report on potential or actual improprieties in financial or other operational matters, in confidence, and for the independent investigation of any reports by employees and any other persons and appropriate follow up action. Reports may be made to the compliance officer and to the Chairman of the Audit Committee via email at whistleblowing@ytlstarhill.com.

The Audit Committee meets at least once every quarter. A total of seven Audit Committee meetings were held in FY 2018/19.

As part of its oversight role over financial reporting, the Audit Committee has reviewed the following key audit matter identified by the external auditor:

Significant matter	How the Audit Committee reviewed the matter and what decisions were made
Valuation of investment properties	The Audit Committee reviewed the outcomes of the annual external valuation process and discussed the details of the valuation of Starhill Global REIT's investment properties with the Management and the external auditor. The Audit Committee had a robust discussion with Management and the professional valuers to review the methodology, bases and assumptions used in arriving at the valuation of the Singapore, Australia and Malaysia investment properties (the "key investment properties"). The work performed by the external auditor was considered by the Audit Committee, including their assessment of the appropriateness of the valuation methodologies and assumptions applied in the valuation of the key investment properties. No significant matter came to the attention of the Audit Committee in the course of the review.

Internal Audit
Principle 13:
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Audit Committee has appointed PricewaterhouseCoopers LLP to perform the internal audit functions. The internal auditor subscribes to, and is guided by the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("IIA") and has incorporated these standards into its audit practices and meets with the standards set by the IIA. To ensure that the internal audits are performed effectively, the internal auditor recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For FY 2018/19, the Audit Committee has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was independent, effective, adequately resourced and has appropriate standing within Starhill Global REIT and the Manager.

The internal auditor provides risk assessment services and controls assurance in order to ensure internal controls are aligned to business objectives and address related risks, and reports directly to the Audit Committee. Management is responsible for addressing issues identified by the internal auditor. The internal auditor will also audit and report on the appropriateness and effectiveness of processes for the management of Related Party Transactions at least once a year. In addition, the Trustee also has a right to review the internal audit reports so as to ascertain that the Property Funds Appendix has been complied with. The internal auditor has unrestricted access to the Audit Committee, and access to the Manager's and Starhill Global REIT's documents, records, properties and personnel, where relevant to their work.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14:
Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15:
Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16:
Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has in place a dedicated team performing the investor relations function and has developed a communications policy, the cornerstone of which is delivery of timely and full disclosure of all material information relating to Starhill Global REIT by way of announcements via SGXNET in the first instance and then including the announcements on Starhill Global REIT's website at www.starhillglobalreit.com. Where there is inadvertent disclosure of material information made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible, where appropriate or necessary. More details on the Manager's investor relations activities and efforts are set out on page 61.

Starhill Global REIT's website contains recent announcements, press releases, presentations, and past and current reports to Unitholders. The website also provides visitors with the option of signing up for a free email alert service on public materials released by the Manager in relation to Starhill Global REIT.

The Manager also participates in investor conferences locally and overseas as part of its efforts to cultivate and maintain regular contact with investors and analysts and to build interest in and strengthen the branding of Starhill Global REIT.

All Unitholders can access the electronic copy of the Starhill Global REIT Annual Report which is published via SGXNET as well as Starhill Global REIT's website. Prior to an Annual General Meeting ("AGM"), all Unitholders will receive a notice of AGM and an accompanying request form containing instructions on accessing the Annual Report online with the option of receiving a printed version. As and when an Extraordinary General Meeting of the Unitholders is to be held, each Unitholder is sent a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. Unitholders are invited to attend these meetings to put forward any questions they may have on the matters on the agenda. Proxy forms containing voting rules and procedures are provided to Unitholders. During the meeting, Unitholders are also briefed on the detailed voting procedures and to ensure transparency, the Manager conducts electronic poll voting and all votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each poll. An independent scrutineer is also appointed to validate the vote tabulation procedures. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET.

Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings are also announced on SGXNET. Members of the Board, representatives of the Trustee, the Manager's senior management and the external auditor of Starhill Global REIT are in attendance at such general meetings, and Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings. Resolutions put to the general meeting are separate unless they are interdependent and linked, and the reasons and material implications are explained. Minutes of general meetings will be made available to Unitholders at their request.

The Manager is in full support of unitholder participation at AGMs. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than two proxies to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Starhill Global REIT's distribution policy is to distribute at least 90% of its taxable income.

(E) ADDITIONAL INFORMATION

Dealing with Related Party Transactions

(i) *Review procedures for related party transactions*

The Manager has established internal control procedures to ensure that transactions involving the Trustee, as trustee for Starhill Global REIT, and any Interested Person or Interested Party as defined in the listing manual of the SGX-ST and the Property Funds Appendix respectively ("Related Party Transactions") are undertaken on normal commercial terms and will not be prejudicial to the interests of Starhill Global REIT or the Unitholders. As a general rule, the Manager would have to demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or

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obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures are followed:

1. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review by the Audit Committee;

2. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for Starhill Global REIT, with third parties which are unrelated to the Manager; and

3. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review and prior approval of the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the listing manual of the SGX-ST and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning Starhill Global REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager or Starhill Global REIT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Starhill Global REIT or Unitholders and are in accordance with all applicable requirements of the Property Funds Appendix and/or the listing manual of the SGX-ST relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Starhill Global REIT. If the Trustee is to sign any contract with a related party of the Manager or Starhill Global REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the listing manual of the SGX-ST relating to interested person transactions as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to real estate investment trusts.

(ii) *Internal control procedures*
The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by Starhill Global REIT. The Manager has incorporated into its internal audit plan a review of all Related Party Transactions entered into by Starhill Global REIT.

The Audit Committee reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Audit Committee periodically reviews all Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the listing manual of the SGX-ST and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. If a member of the Audit Committee or any Director has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The Manager discloses in Starhill Global REIT's Annual Report the aggregate value of Related Party Transactions (equal to or exceeding S$100,000 each in value) entered into during the relevant financial year.

Dealing with conflicts of interest
The Manager has instituted the following procedures to deal with potential conflicts of interest issues which may arise in managing Starhill Global REIT:

1. The Manager will not manage any other real estate investment trust which invests in the same type of properties as Starhill Global REIT;

2. Executive officers will be employed by the Manager or measures will be put in place to mitigate any potential conflict;

3. All resolutions in writing of the Directors of the Manager in relation to matters concerning Starhill Global REIT must be approved by a majority of the Directors, including at least one independent Director;

4. At least half of the Board shall comprise independent Directors;

5. All Related Party Transactions must be reviewed by the Audit Committee and/or approved by a majority of the Audit Committee in accordance with the materiality thresholds and procedures outlined above. If a member of the Audit Committee has an interest in a transaction, he will abstain from voting;

6. In respect of matters in which a Director of the Manager or his Associates (as defined in the listing manual of the SGX-ST) have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Manager and must exclude such interested Director; and

7. The Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates have a material interest.

The Directors of the Manager are under a fiduciary duty to Starhill Global REIT to act in its best interests in relation to decisions affecting Starhill Global REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its independent Directors) have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

Dealing in Starhill Global REIT Units
Each Director of the Manager is required to give notice to the Manager of his acquisition of units or of changes in the number of units which he holds or in which he has an interest, within two business days after such acquisition or changes in interest. All dealings in units by Directors of the Manager are announced via SGXNET.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold units but are prohibited from dealing in the units during the following periods:

1. a one-month period preceding the announcement of annual financial results;

2. a two-week period preceding the announcement of quarterly financial results; or

3. any period when there exists any matter which constitutes non-public price-sensitive information in relation to the securities of Starhill Global REIT.

The Directors and employees of the Manager are advised not to deal in the units on short-term considerations. In addition, the Manager will announce via SGXNET the particulars of its holdings in the units and any changes thereto within one business day after the date on which it acquires or disposes of any units, as the case may be. The Manager has also undertaken to MAS that it will not deal in the units during the period commencing one month before the public announcement of Starhill Global REIT's annual and half-year financial results and two weeks before the public announcement of Starhill Global REIT's quarterly financial results, and ending on the date of announcement of the relevant results.

Fees payable to the Manager
The Manager is entitled to the following fees:

(i) *Base Fee*
The Base Fee covers the operational and administrative expenses incurred by the Manager in executing its responsibilities to manage Starhill Global REIT's portfolio. The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property as defined on page 106 (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. 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. During FY 2018/19, the Manager has elected to receive 100% of the Base Fee in cash. In accordance with clause 15.1.1 of the Trust Deed, this shall be payable monthly in arrears.

(ii) *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 reinvested 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 reinvestment of all distributions) of a benchmark index ("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.

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The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears within 30 days after the last day of each financial year. Please refer to pages 106 and 107 for further details on the Performance Fee.

The Performance Fee is based on accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units, such that where the accumulated return for the Trust Index exceeds the total return of the Benchmark Index, the Manager will be paid a Performance Fee. The interests of the Manager are therefore aligned with the interests of the Unitholders as the Performance Fee would be commensurate with the value that the Manager delivers to Unitholders in the form of such accumulated return. In addition, the Manager has to ensure that the Trust Index outperforms the Benchmark Index. This motivates and incentivises the Manager to grow the accumulated return to Unitholders and outperform the Benchmark Index on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives, disciplined investments and prudent capital and risk management. By pegging performance fee to accumulated return, the Manager will not take on excessive short-term risks that will affect returns to Unitholders.

(iii) *Acquisition Fee*
The Manager is entitled to an Acquisition Fee as set out in clause 15.2 of the Trust Deed. This is earned by the Manager upon completion of an acquisition. The fee seeks to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet Starhill Global REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man hours spent in evaluating the transactions. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of Starhill Global REIT.

The Acquisition Fee is calculated at 1% of the value of the real estate acquired and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/ or Units (as the Manager shall elect). The Acquisition Fee is payable to the Manager 14 days after the completion of the relevant acquisition. Please refer to page 107 for further details on the Acquisition Fee.

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of units which shall not be sold within one year from the date of issuance. This motivates the Manager to ensure that any acquisitions from interested parties perform and contribute to Unitholders' returns.

(iv) *Divestment Fee*
The Manager is entitled to a Divestment Fee as set out in clause 15.3 of the Trust Deed. This is earned by the Manager upon completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and recycle capital and optimise Starhill Global REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, sourcing for buyers, due diligence efforts and man hours spent in the course of the transactions.

In accordance to clause 15.3 of the Trust Deed, the Divestment Fee is calculated at 0.5% of the value of the real estate divested and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or units (as the Manager may elect). The Divestment Fee is payable as soon as practicable after the completion of the relevant divestment. Please refer to page 107 for further details on the Divestment Fee.

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager shall be in the form of units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

Financials

Financial Statements

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 and a fifth supplemental deed dated 27 October 2017 (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 2019 covered by these financial statements, set out on pages 99 to 150 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
29 August 2019

Statement by the Manager

In the opinion of the directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 99 to 150, 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 2019, 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 2019 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
29 August 2019

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 2019, 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 99 to 150.

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 2019, 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.

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

Risk:
As at 30 June 2019, the Group's investment properties portfolio comprises 10 properties which amounted to $3,065 million (2018: $3,118 million) representing 98% (2018: 98%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques such as the capitalisation approach and/or discounted cash flow method.

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.

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 considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the valuers and challenged the key assumptions applied, including capitalisation and discount rates, by comparing them to market comparables, historical data and available industry data.

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. The key assumptions applied are comparable to the historical trends and within the range of available market comparables.

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.

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.

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))

- 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

Public Accountants and
Chartered Accountants

Singapore
29 August 2019

Balance Sheets

As at 30 June 2019

	Note	Group		Trust	
		2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Non-current assets					
Investment properties	4	**3,064,861**	3,118,338	**2,116,000**	2,147,000
Plant and equipment	5	**26**	42	**–**	–
Interests in subsidiaries	6	**–**	–	**576,915**	590,224
Derivative financial instruments	7	**–**	1,964	**–**	1,964
		3,064,887	3,120,344	**2,692,915**	2,739,188
Current assets					
Derivative financial instruments	7	**302**	244	**302**	242
Trade and other receivables	8	**3,846**	4,191	**4,871**	2,929
Cash and cash equivalents	9	**72,946**	66,730	**11,517**	20,420
		77,094	71,165	**16,690**	23,591
Total assets		**3,141,981**	3,191,509	**2,709,605**	2,762,779
Non-current liabilities					
Trade and other payables	10	**26,581**	22,460	**20,467**	20,549
Derivative financial instruments	7	**11,432**	1,242	**4,685**	453
Deferred tax liabilities	11	**6,168**	6,336	**–**	–
Borrowings	12	**1,004,271**	1,066,931	**799,037**	801,954
		1,048,452	1,096,969	**824,189**	822,956
Current liabilities					
Trade and other payables	10	**32,491**	38,633	**23,811**	24,307
Derivative financial instruments	7	**–**	199	**–**	85
Income tax payable		**3,180**	2,014	**–**	–
Borrowings	12	**127,837**	63,398	**20,000**	–
		163,508	104,244	**43,811**	24,392
Total liabilities		**1,211,960**	1,201,213	**868,000**	847,348
Net assets		**1,930,021**	1,990,296	**1,841,605**	1,915,431
Represented by:					
Unitholders' funds	13	**1,930,021**	1,990,296	**1,841,605**	1,915,431
Units in issue ('000)	14	**2,181,204**	2,181,204	**2,181,204**	2,181,204
Net asset value per unit ($) based on:					
- Units issued at the end of the year		**0.88**	0.91	**0.84**	0.88

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

Statements of Total Return

Year ended 30 June 2019

	Note	Group		Trust	
		2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Gross revenue	15	**206,190**	208,814	**127,148**	129,736
Property operating expenses	16	**(46,784)**	(46,627)	**(26,868)**	(26,749)
Net property income		**159,406**	162,187	**100,280**	102,987
Interest income from fixed deposits and bank balances		**956**	900	**106**	151
Interest income from subsidiaries		**–**	–	**5,677**	6,022
Dividend income from subsidiaries	17	**–**	–	**6,980**	17,557
Management fees	18	**(15,846)**	(16,094)	**(14,936)**	(15,167)
Performance fees	18	**–**	–	**–**	–
Trust expenses	19	**(4,684)**	(4,123)	**(3,469)**	(2,540)
Finance expenses	20	**(38,697)**	(38,259)	**(25,284)**	(24,223)
		101,135	104,611	**69,354**	84,787
Change in fair value of derivative instruments		**(11,932)**	4,467	**(6,032)**	4,194
Foreign exchange gain/(loss)		**178**	134	**(5,755)**	(8,501)
Change in fair value of investment properties	4	**(20,315)**	(22,669)	**(32,041)**	(1,496)
Gain on divestment of investment property [1]		**–**	1,147	**–**	–
Impairment loss on investment in subsidiaries	6	**–**	–	**(1,000)**	(1,400)
Total return for the year before tax and distribution		**69,066**	87,690	**24,526**	77,584
Income tax	21	**(3,479)**	(3,446)	**(852)**	(907)
Total return for the year after tax, before distribution		**65,587**	84,244	**23,674**	76,677
Non-tax deductible items and other adjustments		**35,732**	18,892	**77,645**	26,459
Income available for distribution		**101,319**	103,136	**101,319**	103,136
Earnings per unit (cents)					
Basic	22	**3.01**	3.86	**1.09**	3.52
Diluted	22	**3.01**	3.86	**1.09**	3.52

Note:

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

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

Distribution Statements

Year ended 30 June 2019

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Income available for distribution at the beginning of the year	**51,414**	49,485	**51,414**	49,485
Total return after tax, before distribution	**65,587**	84,244	**23,674**	76,677
Net tax and other adjustments (Note A below)	**35,732**	18,892	**77,645**	26,459
Income available for distribution	**152,733**	152,621	**152,733**	152,621
Distributions during the year:				
Unitholders				
Distribution of 1.09 cents (2017: 1.18 cents) per unit for the period 1 April to 30 June 2018	**(23,775)**	(25,738)	**(23,775)**	(25,738)
Distribution of 1.15 cents (2017: 1.20 cents) per unit for the period 1 July to 30 September 2018	**(25,084)**	(26,174)	**(25,084)**	(26,174)
Distribution of 1.13 cents (2017: 1.17 cents) per unit for the period 1 October to 31 December 2018	**(24,648)**	(25,520)	**(24,648)**	(25,520)
Distribution of 1.10 cents (2018: 1.09 cents) per unit for the period 1 January to 31 March 2019	**(23,993)**	(23,775)	**(23,993)**	(23,775)
	(97,500)	(101,207)	**(97,500)**	(101,207)
Income available for distribution at the end of the year	**55,233**	51,414	**55,233**	51,414
Number of units at end of the year ('000)	**2,181,204**	2,181,204	**2,181,204**	2,181,204
Distribution per unit for the year (cents)	**4.48**	4.55	**4.48**	4.55

Note A – Net tax and other adjustments

Non-tax deductible/(chargeable) items and other adjustments:				
- Finance costs	**582**	1,304	**848**	1,857
- Sinking fund contribution	**1,678**	1,808	**1,678**	1,808
- Change in fair value of derivative instruments	**12,189**	(4,467)	**6,254**	(4,194)
- Change in fair value of investment properties	**20,315**	22,669	**32,041**	1,496
- Deferred tax	**108**	(506)	**–**	–
- Impairment loss on investment in subsidiaries	**–**	–	**1,000**	1,400
- Foreign exchange loss/(gain)	**72**	(319)	**5,915**	8,336
- Other items	**788**	(1,597)	**3,681**	2,037
- Net overseas income not distributed to the Trust, net of amount received	**–**	–	**26,228**	13,719
Net tax and other adjustments	**35,732**	18,892	**77,645**	26,459

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

Statements of Movements in Unitholders' Funds

Year ended 30 June 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Unitholders' funds at the beginning of the year	**1,990,296**	2,009,346	**1,915,431**	1,939,961
Operations				
Change in unitholders' funds resulting from operations, before distributions	**65,587**	84,244	**23,674**	76,677
Increase in unitholders' funds resulting from operations	**65,587**	84,244	**23,674**	76,677
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	**(24,594)**	2,002	**–**	–
Transfer of translation differences from total return arising from hedge accounting [1]	**(877)**	(158)	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(2,891)**	(3,931)	**–**	–
Net loss recognised directly in unitholders' funds	**(28,362)**	(2,087)	**–**	–
Unitholders' transactions				
Distributions to unitholders	**(97,500)**	(101,207)	**(97,500)**	(101,207)
Decrease in unitholders' funds resulting from unitholders' transactions	**(97,500)**	(101,207)	**(97,500)**	(101,207)
Unitholders' funds at the end of the year	**1,930,021**	1,990,296	**1,841,605**	1,915,431

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 2019

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate [11]	At valuation		Percentage of total net assets	
						2019 %	2019 $'000	2018 $'000	2019 %	2018 %
Group										
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	42 years	435 Orchard Road, Singapore 238877	Retail/ Office	**99.6/89.3**	**978,000** [5]	997,000	**50.7**	50.1
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	53 years	391/391B Orchard Road, Singapore 238874	Retail/ Office	**99.3/95.9**	**1,138,000** [5]	1,150,000	**59.0**	57.8
Myer Centre Adelaide [1]	Freehold	–	–	14-38 Rundle Mall, Adelaide, Australia	Retail/ Office	**93.6/75.2**	**284,625** [6]	296,234	**14.7**	14.9
David Jones Building [1]	Freehold	–	–	622-648 Hay Street Mall, Perth, Australia	Retail	**98.9**	**158,441** [7]	166,254	**8.2**	8.4
Plaza Arcade [1]	Freehold	–	–	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	**86.9**	**46,679** [7]	54,410	**2.4**	2.7
Starhill Gallery [2]	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/ Office	**100.0**	**217,455** [8]	221,154	**11.3**	11.1
Lot 10 Property [2]	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	57 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/ Office	**100.0**	**153,363** [8]	146,231	**7.9**	7.3
China Property [3]	Leasehold	Leasehold estate expiring on 27 December 2035	16 years	19, 4th Section, Renminnan Road, Chengdu, Sichuan, China	Retail	**100.0**	**28,358** [9]	29,848	**1.5**	1.5
Ebisu Fort [4]	Freehold	–	–	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**43,981** [10]	41,919	**2.3**	2.1
Daikanyama [4]	Freehold	–	–	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/ Office	**100.0**	**15,959** [10]	15,288	**0.8**	0.8
Investment properties at valuation							**3,064,861**	3,118,338	**158.8**	156.7
Other assets and liabilities (net)							**(1,134,840)**	(1,128,042)	**(58.8)**	(56.7)
Net assets							**1,930,021**	1,990,296	**100.0**	100.0

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) 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 2019. 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 Savills Valuation And Professional Services (S) Pte Ltd as at 30 June 2019.

(6) Based on the valuation performed by Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations as at 30 June 2019 and translated at the exchange rate of A$1.05 : $1.00 (2018: A$0.99 : $1.00).

(7) Based on the valuation performed by Savills Valuations Pty Ltd as at 30 June 2019 and translated at the exchange rate of A$1.05 : $1.00 (2018: A$0.99 : $1.00).

(8) Based on the valuation performed by IVPS Property Consultant Sdn Bhd as at 30 June 2019 and translated at the exchange rate of RM3.06 : $1.00 (2018: RM2.96 : $1.00).

(9) Based on the valuation performed by Cushman & Wakefield Limited as at 30 June 2019 and translated at the exchange rate of RMB5.08 : $1.00 (2018: RMB4.86 : $1.00).

(10) Based on the valuation performed by CBRE K.K. as at 30 June 2019 and translated at the exchange rate of JPY79.58 : $1.00 (2018: JPY81.11 : $1.00).

(11) Based on commenced leases as at 30 June 2019.

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.

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

Consolidated Cash Flow Statement

Year ended 30 June 2019

	Group	
	2019 $'000	**2018 $'000**
Cash flows from operating activities		
Total return for the year before tax and distribution	**69,066**	87,690
Adjustments for:		
Finance income	**(956)**	(900)
Depreciation	**15**	12
Finance expenses	**38,697**	38,259
Gain on divestment of investment property	**–**	(1,147)
Plant and equipment written off	**–**	6
Change in fair value of derivative instruments	**11,932**	(4,467)
Foreign exchange gain	**(178)**	(134)
Change in fair value of investment properties	**20,315**	22,669
Operating income before working capital changes	**138,891**	141,988
Trade and other receivables	**(1,321)**	568
Trade and other payables	**(1,349)**	(2,211)
Income tax paid	**(2,256)**	(4,433)
Net cash from operating activities	**133,965**	135,912
Cash flows from investing activities		
Net proceeds on divestment of investment property [1]	**–**	6,206
Capital expenditure on investment properties	**(7,673)**	(13,702)
Purchase of plant and equipment	**(1)**	–
Interest received on deposits	**958**	890
Net cash used in investing activities	**(6,716)**	(6,606)
Cash flows from financing activities		
Borrowing costs paid	**(37,759)**	(39,094)
Proceeds from borrowings	**81,600**	482,000
Repayment of borrowings	**(65,879)**	(480,791)
Distributions paid to unitholders	**(97,500)**	(101,207)
Net cash used in financing activities	**(119,538)**	(139,092)
Net increase/(decrease) in cash and cash equivalents	**7,711**	(9,786)
Cash and cash equivalents at the beginning of the year	**66,730**	76,603
Effects of exchange rate differences on cash	**(1,495)**	(87)
Cash and cash equivalents at the end of the year	**72,946**	66,730

Note:

[1] Net cash inflows on divestment of Nakameguro Place representing the sale proceeds, net of directly attributable costs paid in May 2018.

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 29 August 2019.

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, Starhill Global Real Estate Investment Trust is regarded as a subsidiary of YTL Corporation Berhad. Accordingly, the ultimate holding company is Yeoh Tiong Lay and 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.

Notes to the Financial Statements

(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) 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).

Notes to the Financial Statements

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 24 – Valuation of financial instruments

2.5 Adoption of new/revised FRS

The Group has adopted the following FRSs, amendments to and interpretations of FRS for the first time for the year beginning on 1 July 2018:

A. FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced FRS 18 *Revenue*, FRS 11 *Construction Contracts* and related interpretations. Under FRS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Group has adopted FRS 115 using the cumulative effect method to contracts that are not completed contracts at the date of initial application (i.e. 1 July 2018), with the effect of initially applying this standard recognised at the date of initial application, where appropriate. Accordingly, the information presented for 2018 has not been restated. For information about the Group's accounting policies relating to revenue recognition, see Note 3.10. There is no significant effect on the financial statements of the Group and the Trust upon the adoption of FRS 115.

B. FRS 109 *Financial Instruments*

FRS 109 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new expected credit loss ("ECL") model and a new general hedge accounting model.

FRS 109 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 categories of held to maturity, loans and receivables and available-for-sale. FRS 109 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities. The Group elected not to adjust the comparative information as permitted under FRS 109 transitional provision. The adoption of FRS 109 has no significant effect on the financial statements of the Group and the Trust.

(i) Classification and measurement of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under FRS 109, see Note 3.6.

The following tables explain the original measurement categories under the principles of FRS 39 and the new measurement categories under the principles of FRS 109 for each class of the Group's and the Trust's financial assets and financial liabilities as at 1 July 2018.

	Note	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group					
Financial assets					
Derivative financial instruments	7	Designated at FVTPL	Mandatorily at FVTPL	2,208	2,208
Trade and other receivables	8	Loans and receivables	Amortised cost	3,518	3,518
Cash and cash equivalents	9	Loans and receivables	Amortised cost	66,730	66,730
Total financial assets				72,456	72,456
Financial liabilities					
Trade and other payables	10	Other financial liabilities	Other financial liabilities	60,578	60,578
Derivative financial instruments	7	Designated at FVTPL	Mandatorily at FVTPL	1,441	1,441
Borrowings	12	Other financial liabilities	Other financial liabilities	1,130,329	1,130,329
Total financial liabilities				1,192,348	1,192,348

Notes to the Financial Statements

	Note	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Trust					
Financial assets					
Derivative financial instruments	7	Designated at FVTPL	Mandatorily at FVTPL	2,206	2,206
Trade and other receivables	8	Loans and receivables	Amortised cost	2,645	2,645
Cash and cash equivalents	9	Loans and receivables	Amortised cost	20,420	20,420
Total financial assets				25,271	25,271
Financial liabilities					
Trade and other payables	10	Other financial liabilities	Other financial liabilities	44,571	44,571
Derivative financial instruments	7	Designated at FVTPL	Mandatorily at FVTPL	538	538
Borrowings	12	Other financial liabilities	Other financial liabilities	801,954	801,954
Total financial liabilities				847,063	847,063

(ii) Impairment of financial assets

FRS 109 replaces the 'incurred loss' model in FRS 39 with an ECL model. The Group applies the simplified approach and records lifetime ECL on all trade receivables (see Note 3.8). The change in the impairment loss amount was negligible.

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.

Notes to the 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 2 to 5 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 – Policy applicable from 1 July 2018

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. Interest income from the financial asset is included in interest income using the effective interest method.

Notes to the Financial Statements

Non-derivative financial assets – Policy applicable before 1 July 2018

The Group classifies non-derivative financial assets into the following category: loans and receivables.

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised trade and other receivables excluding prepayments, and cash and cash equivalents.

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, and trade and other payables.

(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 2019.

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 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 July 2018

The Group recognises loss allowances for 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.

Notes to the Financial Statements

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.

Policy applicable before 1 July 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event had occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a tenant, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a tenant or issuer would enter bankruptcy.

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss in the statement of total return and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss in the statement of total return.

(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.

Notes to the Financial Statements

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.

3.9 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.

3.10 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.

3.11 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 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.

3.12 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(d).

3.13 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 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.

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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. 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.

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.

3.14 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 2017	3,136,315	2,147,000
Additions and straight-line rental adjustments	15,294	1,496
Divestment	(5,059)	–
Change in fair value of investment properties	(22,669)	(1,496)
Translation differences	(5,543)	–
At 30 June 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**

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 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. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at balance sheet date.

The valuers have considered the capitalisation approach and/or discounted cash flow method 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 2019, investment properties with a carrying value of approximately $813.9 million (2018: $829.9 million) are mortgaged to secure credit facilities for the Group (Note 12).

Notes to the Financial Statements

Fair value hierarchy

The Group's investment properties 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 24.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2019:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	• Capitalisation rates from 3.70% to 6.88% (2018: from 3.75% to 7.00%) • Discount rates from 3.50% to 8.50% (2018: from 3.60% to 8.25%)	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 2017	1,988	790
Disposal/write off	(124)	–
Translation differences	16	–
At 30 June 2018	1,880	790
Additions	1	–
Disposal/write-off	(958)	–
Translation differences	(39)	–
At 30 June 2019	**884**	**790**
Accumulated depreciation:		
At 1 July 2017	(1,929)	(790)
Depreciation charge	(12)	–
Disposal/write off	118	–
Translation differences	(15)	–
At 30 June 2018	(1,838)	(790)
Depreciation charge	(15)	–
Disposal/write-off	958	–
Translation differences	37	–
At 30 June 2019	**(858)**	**(790)**
Carrying amount:		
At 1 July 2017	59	–
At 30 June 2018	42	–
At 30 June 2019	**26**	**–**

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2019 $'000	**2018 $'000**
Equity investments at cost	**480,446**	484,538
Less: allowance for impairment loss	**(34,400)**	(33,400)
	446,046	451,138
Loans to subsidiaries	**197,869**	206,086
Less: allowance for impairment loss	**(67,000)**	(67,000)
	130,869	139,086
	576,915	590,224

Loans to subsidiaries are unsecured and include an interest-free portion of approximately $8.3 million (2018: $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 interests in these subsidiaries, an impairment loss of $1.0 million (2018: $1.4 million) was recognised for the year ended 30 June 2019. 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	
	2019 $'000	**2018 $'000**
At 1 July	**(100,400)**	(99,000)
Impairment loss recognised	**(1,000)**	(1,400)
At 30 June	**(101,400)**	(100,400)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest 2019 %	Effective interest 2018 %
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 [2]	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

Notes to the Financial Statements

7. DERIVATIVE FINANCIAL INSTRUMENTS

	2019		2018	
	Contract notional amount $'000	Fair value $'000	Contract notional amount $'000	Fair value $'000
Group				
Non-current assets				
Interest rate swaps and caps	**79,200**	**–** [1]	352,700	1,964
Current assets				
Interest rate swaps and caps	**–**	**–**	263,500	157
Foreign exchange forwards	**10,500**	**302**	4,400	87
	10,500	**302**	267,900	244
	89,700	**302**	620,600	2,208
Non-current liabilities				
Interest rate swaps	**572,300**	**11,432**	246,100	1,242
Current liabilities				
Interest rate swaps	**–**	**–**	113,500	157
Foreign exchange forwards	**–**	**–**	5,300	42
	–	**–**	118,800	199
	572,300	**11,432**	364,900	1,441
Trust				
Non-current assets				
Interest rate swaps and caps	**79,200**	**–** [1]	352,700	1,964
Current assets				
Interest rate swaps and caps	**–**	**–**	200,000	157
Foreign exchange forwards	**10,500**	**302**	3,000	85
	10,500	**302**	203,000	242
	89,700	**302**	555,700	2,206
Non-current liabilities				
Interest rate swaps	**375,000**	**4,685**	100,000	453
Current liabilities				
Interest rate swaps	**–**	**–**	50,000	80
Foreign exchange forwards	**–**	**–**	1,600	5
	–	**–**	51,600	85
	375,000	**4,685**	151,600	538

[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, the impact would be approximately $0.3 million decrease (2018: $0.3 million decrease) in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2019 and 30 June 2018, 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 0.58% (2018: 0.04%) and 0.24% (2018: 0.09%) of the Group's and Trust's unitholders' funds as at 30 June 2019. 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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Trade receivables	**1,521**	1,629	**229**	208
Deposits	**250**	284	**250**	284
Other receivables	**1,450**	1,605	**4,111**	2,153
	3,221	3,518	**4,590**	2,645
Prepayments	**625**	673	**281**	284
	3,846	4,191	**4,871**	2,929

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 2019, the Group and the Trust have security deposits of approximately $30.7 million (2018: $31.3 million) and $24.3 million (2018: $24.5 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 $3.5 million (2018: $1.6 million) as at 30 June 2019.

Notes to the Financial Statements

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

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Singapore	**1,099**	1,067	**4,590**	2,645
Australia	**1,638**	2,009	**–**	–
Malaysia	**295**	272	**–**	–
Others	**189**	170	**–**	–
	3,221	3,518	**4,590**	2,645

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2019 $'000	Impairment losses 2019 $'000	Gross 2018 $'000	Impairment losses 2018 $'000
Group				
Not past due	**612**	**(36)**	650	(123)
Past due 0 – 30 days	**291**	**(73)**	237	(34)
Past due 31 – 120 days	**220**	**(92)**	408	(89)
More than 120 days	**1,117**	**(518)**	1,004	(424)
	2,240	**(719)**	2,299	(670)
Trust				
Not past due	**265**	**(36)**	331	(123)
Past due 0 – 30 days	**73**	**(73)**	34	(34)
Past due 31 – 120 days	**70**	**(70)**	37	(37)
More than 120 days	**37**	**(37)**	222	(222)
	445	**(216)**	624	(416)

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

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
At 1 July	**(670)**	(416)	**(416)**	(228)
Impairment loss recognised	**(939)**	(379)	**(163)**	(235)
Utilised	**862**	111	**363**	47
Translation differences	**28**	14	**–**	–
At 30 June	**(719)**	(670)	**(216)**	(416)

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, 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 these are partially covered by security deposits, bank guarantees and allowance for impairment.

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Cash at bank and in hand	**36,759**	46,701	**11,043**	20,420
Fixed deposits with financial institutions	**36,187**	20,029	**474**	–
	72,946	66,730	**11,517**	20,420

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Non-current				
Security deposits [1]	**26,581**	22,460	**20,467**	20,549
	26,581	22,460	**20,467**	20,549
Current				
Trade payables	**4,718**	4,327	**3,686**	3,428
Accrued expenses	**5,955**	6,963	**1,782**	2,237
Amounts due to:				
- the Manager [2]	**2,652**	2,757	**2,652**	2,757
- the Property Manager [2]	**705**	708	**705**	708
- the Trustee [2]	**80**	123	**80**	123
Interest payable	**3,320**	3,332	**2,651**	2,554
Deferred income	**524**	515	**262**	285
Security deposits [1]	**4,084**	8,870	**3,790**	3,924
Other payables	**10,453**	11,038	**8,203**	8,291
	32,491	38,633	**23,811**	24,307
	59,072	61,093	**44,278**	44,856

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

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

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 24.

11. DEFERRED TAX LIABILITIES

	Group	
	2019 $'000	**2018 $'000**
Deferred tax liabilities [1]	**6,168**	6,336

[1] The deferred tax liability is in respect of the China Property and has been estimated on the basis of an asset sale at the current book value.

Notes to the Financial Statements

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 21) $'000	Translation differences $'000	At 30 June $'000
Group				
2019				
Deferred tax liabilities				
Investment properties	**6,336**	**108**	**(276)**	**6,168**
2018				
Deferred tax liabilities				
Investment properties	6,748	(506)	94	6,336

12. BORROWINGS

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Non-current				
Secured borrowings	**197,340**	257,255	**–**	–
Unsecured borrowings	**810,014**	813,292	**801,494**	804,933
Unamortised loan acquisition expenses	**(3,083)**	(3,616)	**(2,457)**	(2,979)
	1,004,271	1,066,931	**799,037**	801,954
Current				
Secured borrowings	**107,848**	63,479	**–**	–
Unsecured borrowings	**20,000**	–	**20,000**	–
Unamortised loan acquisition expenses	**(11)**	(81)	**–**	–
	127,837	63,398	**20,000**	–
Total borrowings (net of borrowing costs)	**1,132,108**	1,130,329	**819,037**	801,954

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 24.

Reconciliation of liabilities arising from financing activities

	Borrowings $'000	Interest payable $'000	Net derivative financial (assets)/ liabilities $'000	Total $'000
Group				
Balance at 1 July 2017	1,134,278	3,223	3,879	1,141,380
Changes from financing cash flows				
Borrowing costs paid	(3,427)	(32,418)	(3,249)	(39,094)
Proceeds from borrowings	482,000	–	–	482,000
Repayment of borrowings	(480,791)	–	–	(480,791)
Total changes from financing cash flows	(2,218)	(32,418)	(3,249)	(37,885)
Other changes				
Effects of exchange rate differences	(4,368)	–	(25)	(4,393)
Change in fair value of derivative instruments	–	–	(4,467)	(4,467)
Amortisation of loan acquisition expenses	2,637	–	–	2,637
Finance expenses	–	32,527	3,095	35,622
Total other changes	(1,731)	32,527	(1,397)	29,399
Balance at 30 June 2018	1,130,329	3,332	(767)	1,132,894
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**

Notes to the Financial Statements

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 $'000
2019					
Group					
JPY term loan facility [(1)]	JPY	0.85	2020	**46,494**	**46,494**
SGD term loan facilities [(1)]	SGD	2.49 – 2.93	2021 & 2022	**460,000**	**460,000**
SGD revolving credit facilities [(1)] [(2)]	SGD	2.20 – 2.85	2020, 2022 & 2024	**20,000**	**20,000**
Singapore MTNs [(3)]	SGD	3.14 – 3.50	2021, 2023 & 2026	**295,000**	**295,000**
Japan bond [(4)]	JPY	0.57	2021	**8,520**	**8,520**
Australia loans [(5)]	A$	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**
2018					
Group					
JPY term loan facility [(1)]	JPY	0.85	2020	49,933	49,933
SGD term loan facilities [(1)]	SGD	1.72 – 2.59	2021 & 2022	460,000	460,000
SGD revolving credit facilities [(1)]	SGD	1.34 – 2.21	2019 & 2022	–	–
Singapore MTNs [(3)]	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
Japan bond [(4)]	JPY	0.56 – 0.57	2021	8,359	8,359
Australia loans [(5)]	A$	2.94 – 3.83	2019 & 2021	209,581	209,581
Malaysia MTN [(6)]	RM	4.48	2019	111,524	111,153
				1,134,397	1,134,026
Trust					
JPY term loan facility [(1)]	JPY	0.85	2020	49,933	49,933
SGD term loan facilities [(1)]	SGD	1.72 – 2.59	2021 & 2022	460,000	460,000
SGD revolving credit facilities [(1)]	SGD	1.34 – 2.21	2019 & 2022	–	–
Intercompany loans [(3)]	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
				804,933	804,933

(1) The Group has in place the following unsecured loan facilities as at 30 June 2019, comprising:

(i) four-year and five-year unsecured loan facilities with a club of seven banks at inception, comprising (a) term loan of $200 million (maturing in September 2021), (b) term loan of $260 million (maturing September 2022) and (c) $240 million committed revolving credit facilities (maturing in September 2022) (2018: $240 million revolving credit facilities including a $50 million uncommitted tranche at inception). There is no amount outstanding under the above revolving credit facilities as at the reporting date.

(ii) five-year unsecured term loan facilities comprising balance of JPY3.7 billion ($46.5 million) (2018: JPY4.05 billion ($49.9 million)) (maturing in July 2020) with two banks.

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 2019.

(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 $10 million is outstanding as at 30 June 2019. In addition, the Group has outstanding $10 million (2018: $Nil) from its other unsecured revolving credit facilities as at 30 June 2019.

(3) The Group has outstanding medium term notes ("MTN") of $295 million (2018: $295 million) as at 30 June 2019 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.

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 ($8.5 million) (2018: JPY678 million ($8.4 million 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$208 million ($197.3 million) (2018: A$208 million ($209.6 million)) as at 30 June 2019, comprising:

(i) A$63 million ($59.8 million) (2018: A$63 million ($63.5 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$145 million ($137.6 million) (2018: A$145 million ($146.1 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 has outstanding five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Senior MTN") issued at a discounted cash consideration of approximately RM325 million. The Senior MTN bear a fixed coupon rate of 4.48% per annum and have a carrying amount of approximately RM329.8 million ($107.8 million) (2018: RM328.9 million ($111.2 million)) as at 30 June 2019. The notes have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

Notes to the Financial Statements

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	Cash flows Within 1 to 5 years $'000	Cash flows After 5 years $'000
Group						
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)**
2018						
Non-derivative financial liabilities						
JPY term loan facility	12	49,933	(50,753)	(4,711)	(46,042)	–
SGD term loan facilities	12	460,000	(504,815)	(11,719)	(493,096)	–
Singapore MTNs	12	295,000	(345,469)	(9,948)	(257,819)	(77,702)
Japan bond	12	8,359	(8,516)	(48)	(8,468)	–
Australia loans	12	209,581	(228,000)	(68,835)	(159,165)	–
Malaysia MTN	12	111,153	(117,779)	(4,996)	(112,783)	–
Trade and other payables	10	60,578	(63,748)	(38,386)	(16,932)	(8,430)
		1,194,604	(1,319,080)	(138,643)	(1,094,305)	(86,132)
Derivative financial liabilities						
Interest rate swaps	7	1,399	–	–	–	–
- inflow		–	19,500	6,314	13,186	–
- outflow		–	(23,909)	(7,489)	(16,420)	–
Foreign exchange forwards	7	42	–	–	–	–
- inflow		–	5,270	5,270	–	–
- outflow		–	(5,334)	(5,334)	–	–
		1,441	(4,473)	(1,239)	(3,234)	–
		1,196,045	(1,323,553)	(139,882)	(1,097,539)	(86,132)

	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						
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)**
2018						
Non-derivative financial liabilities						
JPY term loan facility	12	49,933	(50,753)	(4,711)	(46,042)	–
SGD term loan facilities	12	460,000	(504,815)	(11,719)	(493,096)	–
Intercompany loans	12	295,000	(345,469)	(9,948)	(257,819)	(77,702)
Trade and other payables	10	44,571	(47,426)	(24,089)	(15,222)	(8,115)
		849,504	(948,463)	(50,467)	(812,179)	(85,817)
Derivative financial liabilities						
Interest rate swaps	7	533	–	–	–	–
- inflow		–	6,959	1,789	5,170	–
- outflow		–	(10,211)	(2,616)	(7,595)	–
Foreign exchange forwards	7	5	–	–	–	–
- inflow		–	1,609	1,609	–	–
- outflow		–	(1,619)	(1,619)	–	–
		538	(3,262)	(837)	(2,425)	–
		850,042	(951,725)	(51,304)	(814,604)	(85,817)

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

Notes to the Financial Statements

13. UNITHOLDERS' FUNDS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Net assets attributable to unitholders [1]	**2,002,941**	2,034,854	**1,841,605**	1,915,431
Foreign currency translation reserve [2]	**(72,920)**	(44,558)	**–**	–
	1,930,021	1,990,296	**1,841,605**	1,915,431

(1) Included in the net assets attributable to unitholders is approximately $2.8 million (2018: $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.

14. UNITS IN ISSUE

	Group and Trust	
	2019 No. of units '000	2018 No. of units '000
At 1 July and 30 June	**2,181,204**	2,181,204

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.

15. GROSS REVENUE

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Property rental income	**201,316**	204,088	**122,474**	125,225
Turnover rental income	**2,336**	2,154	**2,178**	1,942
Other income	**2,538**	2,572	**2,496**	2,569
	206,190	208,814	**127,148**	129,736

16. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Maintenance and sinking fund contributions	**6,867**	7,018	**6,796**	6,926
Property management fees	**5,485**	5,581	**3,812**	3,873
Property tax	**19,819**	20,255	**12,212**	12,306
Depreciation expense	**15**	12	**–**	–
Leasing and upkeep expenses	**10,964**	10,929	**2,064**	1,767
Marketing expenses	**903**	1,093	**747**	927
Impairment loss recognised on trade receivables	**939**	379	**163**	235
Administrative expenses	**1,792**	1,360	**1,074**	715
	46,784	46,627	**26,868**	26,749

17. DIVIDEND INCOME FROM SUBSIDIARIES

Represents dividend income from certain subsidiaries (Note 6).

18. 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 2019 amounted to approximately $14,936,000 (2018: $15,167,000). Approximately $51,000 (2018: $69,000) and $859,000 (2018: $858,000) were paid/payable to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the year ended 30 June 2019 respectively.

The Manager has elected to receive 100% of its base management fees in cash for the years ended 30 June 2019 and 30 June 2018.

No performance fee was earned by the Manager for the years ended 30 June 2019 and 30 June 2018. The performance of the Trust Index was approximately 83% and 72% below the Benchmark Index as at 30 June 2019 and 30 June 2018 respectively.

Notes to the Financial Statements

19. TRUST EXPENSES

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Auditor's remuneration	**399**	424	**240**	230
Trustee's fees	**479**	485	**479**	485
Others [1]	**3,806**	3,214	**2,750**	1,825
	4,684	4,123	**3,469**	2,540

(1) Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately $107,000 (2018: $150,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately $142,000 (2018: $168,000) for the year ended 30 June 2019.

20. FINANCE EXPENSES

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Interest costs	**37,181**	35,622	**24,437**	22,369
Amortisation of borrowing costs	**1,516**	2,637	**847**	1,854
	38,697	38,259	**25,284**	24,223

21. INCOME TAX

	Group		Trust	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Current tax				
Current year	**3,371**	3,952	**852**	907
Deferred tax				
Origination/(Reversal) of temporary differences	**108**	(506)	**–**	–
	3,479	3,446	**852**	907
Reconciliation of effective tax rate				
Total return before tax and distribution	**69,066**	87,690	**24,526**	77,584
Income tax using Singapore tax rate of 17% (2018: 17%)	**11,741**	14,907	**4,169**	13,189
Net effect of different tax rates in other countries	**2,932**	821	**–**	–
Withholding tax	**3,267**	3,956	**852**	907
Income not subject to tax	**(10,758)**	(8,122)	**–**	(2,239)
Non-deductible items	**9,196**	5,559	**8,730**	2,725
Tax transparency	**(12,899)**	(13,675)	**(12,899)**	(13,675)
	3,479	3,446	**852**	907

22. EARNINGS PER UNIT

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Earnings attributable to unitholders	**65,587**	84,244	**23,674**	76,677
Basic earnings per unit (cents) [1]	**3.01**	3.86	**1.09**	3.52
Earnings per unit on a fully diluted basis (cents) [1]	**3.01**	3.86	**1.09**	3.52

[1] In computing the basic and diluted earnings per unit, the earnings attributable to unitholders and the weighted average number of units in issue of 2,181,204,435 (2018: 2,181,204,435) as at 30 June 2019 are used and have been calculated on a time-weighted basis, where applicable.

23. 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.

Notes to the Financial Statements

	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Group				
Revenue and expenses				
External revenue	**61,778**	65,845	**65,370**	63,891
Depreciation of plant and equipment	**–**	–	**–**	–
Reportable segment net property income	**46,835**	51,026	**53,445**	51,961
Other material non-cash items:				
Change in fair value of investment properties	**(20,244)**	(666)	**(11,797)**	(830)
Unallocated items:				
Finance income				
Non-property expenses				
Finance expenses				
Change in fair value of derivative instruments				
Foreign exchange gain				
Total return for the year before tax				
Income tax				
Total return for the year				
Assets and liabilities				
Reportable segment assets	**978,847**	997,895	**1,138,520**	1,150,443
Unallocated assets				
Total assets				
Reportable segment liabilities	**(17,896)**	(18,154)	**(18,848)**	(19,248)
Unallocated liabilities				
Total liabilities				
Other segmental information				
Capital expenditure	**673**	612	**16**	260
Non-current assets	**978,000**	997,000	**1,138,000**	1,150,000

	Australia Properties (Australia)		Malaysia Properties (Malaysia)		Other Properties (China/Japan)		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
	46,186	46,382	**28,179**	27,867	**4,677**	4,829	**206,190**	208,814
	–	–	**–**	–	**15**	12	**15**	12
	28,265	28,658	**27,278**	26,938	**3,583**	3,604	**159,406**	162,187
	(4,952)	(7,130)	**15,139**	(13,339)	**1,539**	(704)	**(20,315)**	(22,669)
							956	900
							(20,530)	(19,070)
							(38,697)	(38,259)
							(11,932)	4,467
							178	134
							69,066	87,690
							(3,479)	(3,446)
							65,587	84,244
	491,677	519,246	**371,157**	367,702	**88,519**	87,272	**3,068,720**	3,122,558
							73,261	68,951
							3,141,981	3,191,509
	(5,384)	(6,116)	**(5,668)**	(5,376)	**(3,743)**	(4,744)	**(51,539)**	(53,638)
							(1,160,421)	(1,147,575)
							(1,211,960)	(1,201,213)
	6,757	8,950	**197**	3,871	**31**	9	**7,674**	13,702
	489,745	516,898	**370,818**	367,385	**88,324**	87,097	**3,064,887**	3,118,380

Notes to the Financial Statements

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 Starhill Gallery 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 22.9%, 10.5%, 7.0% and 4.7% (2018: 21.6%, 15.1%, 7.0% and 4.8%) of the Group's gross rent as at 30 June 2019 respectively.

24. 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 as at 30 June 2019 is 36.1% (2018: 35.5%) and the interest service coverage ratio for the year ended 30 June 2019 is 3.8 times (2018: 4.1 times).

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	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Derivative financial instruments	7	**302**	2,208	**302**	2,206
Trade and other receivables	8	**3,221**	3,518	**4,590**	2,645
Cash and cash equivalents	9	**72,946**	66,730	**11,517**	20,420
		76,469	72,456	**16,409**	25,271

The Group has established credit procedures for its tenants, obtains security deposits and/or bank 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 (2018: four) largest tenants (Note 23), which accounted for approximately 45.1% (2018: 48.5%) of the Group's gross rent as at 30 June 2019.

The Group and the Trust held cash and cash equivalents of approximately $72.9 million and $11.5 million respectively as at 30 June 2019 (2018: $66.7 million and $20.4 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 2019, the Group has undrawn and committed long-term revolving credit facilities of up to $310 million (2018: $190 million) to cover the net current liabilities of the Group, as well as cash and cash equivalents of approximately $72.9 million (2018: $66.7 million).

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

Notes to the Financial Statements

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					
2019					
Net balance sheet exposure	**302,348**	**277,587**	**28,653**	**16,602**	**625,190**
2018					
Net balance sheet exposure	323,478	259,215	29,646	13,347	625,686

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					
2019					
Net balance sheet exposure	**1,982**	**–**	**–**	**(42,976)**	**(40,994)**
2018					
Net balance sheet exposure	1,602	–	–	(41,719)	(40,117)

Income hedging

Approximately 62% (2018: 62%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2019. The Group has used a combination of local currency denominated loans and short-term foreign exchange forward contracts to partially hedge its overseas net income, where appropriate.

The Group continues to proactively monitor the exchange rates and may use more 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 2019, 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 ($46.5 million) (2018: JPY4.05 billion ($49.9 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 $'000
2019		
A$	**(30,235)**	**(198)**
RM	**(27,759)**	**–**
RMB	**(2,865)**	**–**
JPY	**(1,660)**	**4,298**
Financial derivatives		
- A$	**1,052**	**1,052**
2018		
A$	(32,348)	(160)
RM	(25,922)	–
RMB	(2,964)	–
JPY	(1,335)	4,172
Financial derivatives		
- A$	466	466
- RM	507	–

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 90% (2018: 96%) of its debt as at 30 June 2019 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.28% (2018: 3.13%) per annum as at 30 June 2019.

As at 30 June 2019, 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 (2018: $625 million) and A$208 million (2018: 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% (2018: 1.23% to 2.41%) per annum.

(ii) Interest rate caps, with a notional contract amount of JPY6.3 billion (2018: JPY6.3 billion and A$63 million), whereby the benchmark interest rate is capped at 1.0% (2018: 1.0% to 5.5%) per annum.

Notes to the Financial Statements

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 $'000	**1% decrease $'000**
Group		
2019		
Variable rate instruments	**(1,600)**	**1,056**
Financial derivatives	**14,943**	**(14,629)**
	13,343	**(13,573)**
2018		
Variable rate instruments	(890)	356
Financial derivatives	18,197	(17,655)
	17,307	(17,299)
Trust		
2019		
Variable rate instruments	**(1,515)**	**1,050**
Financial derivatives	**9,412**	**(9,168)**
	7,897	**(8,118)**
2018		
Variable rate instruments	(806)	350
Financial derivatives	13,149	(12,621)
	12,343	(12,271)

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 and trade and other payables.

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.

		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							
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.

Notes to the Financial Statements

	Note	Carrying amount			Fair value		
		Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group							
2018							
Financial assets measured at fair value							
Derivative financial instruments	7	2,208	–	–	–	2,208	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	3,518	–	–	–	–
Cash and cash equivalents	9	–	66,730	–	–	–	–
		–	70,248	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(1,441)	–	–	–	(1,441)	–
Financial liabilities not measured at fair value							
Trade and other payables [(1)]	10	–	–	(29,248)	–	–	–
Security deposits	10	–	–	(31,330)	–	(31,693)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(724,620)	–	(724,620)	–
Medium term notes	12	–	–	(405,709)	–	(406,000)	–
		–	–	(1,190,907)			

(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							
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.

Notes to the Financial Statements

	Note	Carrying amount			Fair value		
		Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Trust							
2018							
Financial assets measured at fair value							
Derivative financial instruments	7	2,206	–	–	–	2,206	–
Financial assets not measured at fair value							
Trade and other receivables	8	–	2,645	–	–	–	–
Cash and cash equivalents	9	–	20,420	–	–	–	–
		–	23,065	–			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(538)	–	–	–	(538)	–
Financial liabilities not measured at fair value							
Trade and other payables [(1)]	10	–	–	(20,098)	–	–	–
Security deposits	10	–	–	(24,473)	–	(24,645)	–
Variable rate borrowings (excluding medium term notes)	12	–	–	(507,335)	–	(507,335)	–
Medium term notes	12	–	–	(294,619)	–	(292,732)	–
		–	–	(846,525)			

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

25. OPERATING LEASES

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

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within one year	**178,344**	185,833	**121,655**	121,215
Between one and five years	**505,737**	402,079	**288,280**	290,946
More than five years	**501,859**	266,794	**41,014**	87,719
	1,185,940	854,706	**450,949**	499,880

26. CAPITAL COMMITMENTS

Capital commitments (contracted but not provided) as at 30 June 2019 comprise of approximately $4.8 million (2018: $4.3 million) capital expenditure, professional fees and asset redevelopment works for the Group's investment properties, and approximately $57.2 million asset enhancement works for Starhill Gallery in Malaysia.

27. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

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	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Property rental income from the Manager and Property Manager	**1,013**	1,017	**1,013**	1,017
Property rental income from related parties of the Manager	**29,286**	29,045	**1,107**	1,178
Leasing commission fees paid to the Property Manager	**(991)**	(663)	**(991)**	(663)
Property management fees paid to the Property Manager	**(3,812)**	(3,873)	**(3,812)**	(3,873)
Management fees paid to the Manager	**(14,936)**	(15,167)	**(14,936)**	(15,167)
Divestment fee paid to the Manager	**–**	(32)	**–**	(32)
Trustee fees paid to the Trustee	**(479)**	(485)	**(479)**	(485)
Reimbursements paid to the Property Manager	**(909)**	(665)	**(909)**	(665)
Asset redevelopment fees paid to related party of the Manager [1]	**–**	(3,556)	**–**	–
Servicer fees paid to a wholly-owned subsidiary of the Manager	**(859)**	(858)	**–**	–

[1] Comprises fees paid/payable to related party of the Manager for acting as turnkey contractor to carry out the asset redevelopment works at Lot 10 Property.

28. SUBSEQUENT EVENTS

Subsequent to the year ended 30 June 2019, the Manager declared a distribution of 1.10 cents per unit in respect of the period from 1 April 2019 to 30 June 2019, which was paid on 29 August 2019.

29. FINANCIAL RATIOS

	Group	
	2019 %	**2018 %**
Ratio of expenses to weighted average net assets [1]	**1.04**	0.99
Portfolio turnover rate [2]	**–**	0.32

[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.

Notes to the Financial Statements

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 2019 have not been applied in preparing these financial statements. These include FRS 116 *Leases* which is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted.

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. However, FRS 116 requires more extensive disclosures to be provided by a lessor. FRS 116 replaces existing lease accounting guidance, including FRS 17 and related interpretations.

The Group plans to adopt the standard for the year ending 30 June 2020, using the modified retrospective approach and expects to measure its lease liabilities by applying a single discount rate to the leases. The Group plans to apply the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 July 2019 and recognition exemptions for short-term leases and leases of low-value items in accordance with the principles of FRS 116, where applicable. The Group does not expect the impact on the financial statements from the adoption of this standard to be significant.

Statistics of Unitholders

As at 29 August 2019

ISSUED AND FULLY PAID UNITS

Number of issued and fully paid Units	2,181,204,435
Voting rights	One vote per Unit
Number/Percentage of treasury Units	Nil
Number/Percentage of subsidiary holdings	Nil
Market capitalisation	S$1,624,997,304 (based on closing price of S$0.745 per Unit on 29 August 2019)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	35	0.23	656	0.00
100 - 1,000	710	4.80	624,101	0.03
1,001 - 10,000	7,890	53.31	46,554,605	2.13
10,001 - 1,000,000	6,125	41.38	326,951,248	14.99
1,000,001 and above	41	0.28	1,807,073,825	82.85
Total	**14,801**	**100.00**	**2,181,204,435**	**100.00**

LOCATION OF UNITHOLDINGS

Country	No. of Unitholders	%	No. of Units	%
Singapore	14,034	94.82	2,144,577,015	98.32
Malaysia	590	3.99	31,229,220	1.43
Others	177	1.19	5,398,200	0.25
Total	**14,801**	**100.00**	**2,181,204,435**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Raffles Nominees (Pte) Limited	883,950,421	40.53
2	Citibank Nominees Singapore Pte Ltd	447,677,884	20.52
3	DBS Nominees (Private) Limited	182,672,200	8.37
4	DBSN Services Pte. Ltd.	67,104,316	3.08
5	HSBC (Singapore) Nominees Pte Ltd	49,211,990	2.26
6	OCBC Securities Private Limited	21,840,783	1.00
7	United Overseas Bank Nominees (Private) Limited	21,665,523	0.99
8	YTL Starhill Global REIT Management Limited	12,937,885	0.59
9	CGS-CIMB Securities (Singapore) Pte. Ltd.	12,056,360	0.55
10	BNP Paribas Nominees Singapore Pte. Ltd.	11,915,260	0.55
11	OCBC Nominees Singapore Private Limited	8,813,800	0.40
12	KGI Securities (Singapore) Pte. Ltd.	7,359,100	0.34
13	Soon Li Heng Civil Engineering Pte Ltd	7,300,000	0.33
14	DB Nominees (Singapore) Pte Ltd	6,733,444	0.31
15	Maybank Kim Eng Securities Pte. Ltd.	6,682,000	0.31
16	Phillip Securities Pte Ltd	5,825,157	0.27
17	DBS Vickers Securities (Singapore) Pte Ltd	4,421,028	0.20
18	UOB Kay Hian Private Limited	4,336,200	0.20
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,684,848	0.17
20	Majlis Ugama Islam Singapura	3,410,000	0.16
Total		**1,769,598,199**	**81.13**

Statistics of Unitholders

As at 29 August 2019

SUBSTANTIAL UNITHOLDINGS

As at 29 August 2019

Name	Direct interest		Deemed interest			
	No. of Units	%[1]	No. of Units	%[1]	Total No. of Units	%[1]
YTL Hotels & Properties Sdn Bhd	130,140,379[2]	5.97	–	–	130,140,379	5.97
Starhill Global REIT Investments Limited	539,840,000[3]	24.75	–	–	539,840,000	24.75
YTL Cayman Limited	18,000,000[4]	0.83	552,777,885[5]	25.34	570,777,885	26.17
YTL Corporation Berhad	80,054,810[6]	3.67	728,904,432[7]	33.42	808,959,242	37.09
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	808,959,242[8]	37.09	808,959,242	37.09
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	808,959,242[8]	37.09	808,959,242	37.09
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	808,959,242[8]	37.09	808,959,242	37.09
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	–	–	808,959,242[8]	37.09	808,959,242	37.09
AIA Singapore Private Limited	161,070,000[9]	7.38	–	–	161,070,000	7.38
AIA Company Limited	3,500,000[10]	0.16	161,070,000[11]	7.38	164,570,000	7.54
AIA Group Limited	–	–	164,570,000[12]	7.54	164,570,000	7.54
AIA Investment Management Private Limited	–	–	164,570,000[13]	7.54	164,570,000	7.54

Notes:

(1) The percentage interest is based on total issued Units of 2,181,204,435 as at 29 August 2019.
(2) This relates to the 130,140,379 Units held through nominee, Raffles Nominees (Pte) Limited.
(3) This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(4) This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte) Limited.
(5) Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and 12,937,885 Units held by YTL Starhill Global REIT Management Limited ("YSGRM").
(6) This relates to 80,054,810 Units held through nominee, Raffles Nominees (Pte) Limited.
(7) Deemed interest in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 12,937,885 Units held by YSGRM, 130,140,379 Units held by YTL Hotels & Properties Sdn Bhd ("YTLHP") and 27,986,168 Units held by Business & Budget Hotels (Penang) Sdn Bhd ("BBHP").
(8) Deemed interest in 80,054,810 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 12,937,885 Units held by YSGRM, 130,140,379 Units held by YTLHP and 27,986,168 Units held by BBHP.
(9) This relates to the 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
(10) This relates to the 3,500,000 Units held by AIA Company Limited, Brunei Branch through Citibank Nominees Singapore Pte Ltd.
(11) Deemed interest in 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.
(12) Deemed interest in 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd, and 3,500,000 Units held by AIA Company Limited, Brunei Branch through Citibank Nominees Singapore Pte Ltd.
(13) AIA Investment Management Private Limited assumed investment management of the Units for its clients.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 July 2019

Name of Director	Direct interest		Deemed interest	
	No. of Units	%[1]	No. of Units	%[1]
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	–	–	–	–
Ho Sing	150,000	–[2]	54,000[3]	–[2]
Dato' Yeoh Seok Kian	–	–	–	–
Tan Bong Lin	–	–	–	–
Ching Yew Chye	–	–	–	–
Tan Woon Hum	–	–	–	–

Notes:

(1) The percentage interest is based on total issued Units of 2,181,204,435 as at 21 July 2019.
(2) Less than 0.01%.
(3) Deemed interest by virtue of 54,000 Units held by Ms Tay Soo Sien, the spouse of Mr Ho Sing.

FREE FLOAT

Under Rule 723 of the listing manual of SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on information made available to the Manager as at 29 August 2019 approximately 55% of the Units were held in the hands of the public. Rule 723 of the listing manual of the SGX-ST has accordingly been complied with.

Additional Information

RELATED PARTY TRANSACTIONS BETWEEN STARHILL GLOBAL REIT AND RELATED PARTIES

Name of related party	Aggregate value of related party transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of related party transactions during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
HSBC Institutional Trust Services (Singapore) Limited		
Trustee fees [3]	479	–
YTL Corporation Berhad and its subsidiaries and associates		
Management fees [1][3] and reimbursements [2][3]	14,978	–
Property management fees and reimbursements [7]	5,712	–
Managing agent and ancillary service fees [4]	2,133	–
Project management fee [5]	154	–
Servicer fees [3]	859	–
Master tenancy agreements and asset enhancement works [6]	526,842	–
Total	**551,157**	**–**

Notes:

(1) The Manager has elected to receive 100% of its base management fees in cash during the year ended 30 June 2019.

(2) Relates to the non-deal road show expenses of approximately S$42,000 reimbursed to the Manager during the year ended 30 June 2019.

(3) The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) are deemed to have been specifically approved by Unitholders upon subscription of Units and are therefore not subject to Rules 905 and 906 of the SGX-ST listing manual to the extent that there is no subsequent change to the fees (or the basis of determining the fees) charged under the trust deed, which will adversely affect Starhill Global REIT. In addition, the entry into the Servicer Agreement dated 6 May 2010 in relation to the acquisition of Starhill Gallery and Lot 10 Property was approved by Unitholders at the extraordinary general meeting held on 4 June 2010 and the servicer fees payable thereunder will not be subject to Rules 905 and 906 of the SGX-ST listing manual, to the extent that there is no subsequent change to the rates for such fees.

(4) Relates to the total contract sum entered into during the year ended 30 June 2019 in relation to the common property of Wisma Atria.

(5) Relates to the appointment of the Property Manager for project management services in relation to the capital upgrading works for the common property of Wisma Atria.

(6) Relates to the total amount of rent payable under the master tenancy agreements entered into on 18 March 2019 in relation to Starhill Gallery and Lot 10 Property (including the rent payable for the optional third term of the Lot 10 Property master tenancy agreement) and the cost of the asset enhancement works for Starhill Gallery. The amount is based on the assumption that approvals for the asset enhancement works for Starhill Gallery are obtained by, and such works are completed prior to, certain dates. For more details, please refer to the Circular to Unitholders dated 25 April 2019. The above master tenancy agreements and the asset enhancement works were approved by Unitholders at the extraordinary general meeting held on 16 May 2019.

(7) The total estimated fees and charges payable under the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 17 August 2005, as amended) for the extended term of five years from 20 September 2015 was aggregated for purposes of Rules 905 and 906 of the SGX-ST listing manual during the financial period of 18 months ended 30 June 2015 and accordingly, such fees and charges will not be subject to aggregation in subsequent financial years, to the extent that there is no subsequent change to the rates and/or basis of determining such fees and charges.

Glossary

A

AEW
The asset enhancement works for Starhill Gallery, details of which are set out in paragraph 2.6.1 of the Circular to Unitholders dated 25 April 2019

AGM
Annual general meeting

Australia Properties
Myer Centre Adelaide, David Jones Building and Plaza Arcade

B

Benchmark Index
Provided by FTSE International Limited. Comprises all the REITs contained in the FTSE All Cap Singapore universe

Board
Board of Directors of the Manager

C

CBD
Central Business District

CDP
The Central Depository (Pte) Limited

CEO
Chief Executive Officer

CFO
Chief Financial Officer

China Property
A four-level retail building (plus a mezzanine floor) forming part of a mixed use commercial development in Chengdu, China

CIS Code
Code on Collective Investment Scheme issued by MAS pursuant to section 321 of the Securities and Futures Act (Cap. 289)

CPF
Central Provident Fund

D

David Jones Building
A four-level property known as David Jones Building which includes a heritage-listed building that was formerly known as Savoy Hotel

DPU
Distribution per Unit

E

EGM
Extraordinary general meeting

F

F&B
Food and beverage

FTSE
FTSE International Limited

FY
Financial year

FY 2016/17 or FY 16/17
Period of 12 months from 1 July 2016 to 30 June 2017

FY 2017/18 or FY 17/18
Period of 12 months from 1 July 2017 to 30 June 2018

FY 2018/19 or FY 18/19
Period of 12 months from 1 July 2018 to 30 June 2019

G

GDP
Gross domestic product

GFA
Gross floor area

GLA
Gross lettable area

Group or SGREIT Group
Starhill Global REIT and its subsidiaries

GST
Goods and services tax

I

IPO
Initial public offering

IRAS
Inland Revenue Authority of Singapore

Isetan
Isetan (Singapore) Limited or Isetan of Japan Sdn. Bhd.

J

Japan Properties
Daikanyama and Ebisu Fort

L

Lot 10 Property
137 strata parcels and two accessory parcels within Lot 10 shopping centre

M

Malaysia Properties
Starhill Gallery and Lot 10 Property

Manager
YTL Starhill Global REIT Management Limited

MAS
Monetary Authority of Singapore

MRT
Mass Rapid Transit

MTAs
The new master tenancy agreements for Malaysia Properties

MTN
Medium term notes

Myer Centre Adelaide
An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings

N

NA
Not applicable

NAV
Net asset value

Ngee Ann City
The building known as 'Ngee Ann City' comprising a commercial complex with 18 levels of office space in the twin office tower blocks (Towers A and B) and a seven-storey podium with three basement levels comprising retail and car parking space

Ngee Ann City Property
Four strata lots in Ngee Ann City located on:
a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block;
b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and
c) Whole of Level 21 to Level 24 of Tower B (office)

NLA
Net lettable area

NM
Not meaningful

NPI
Net property income

P

Perth Properties
David Jones Building and Plaza Arcade

Plaza Arcade
A three-storey heritage-listed retail building known as Plaza Arcade located next to David Jones Building

pm
Per month

Portfolio
Singapore Properties, Australia Properties, Malaysia Properties, China Property and Japan Properties

Property Funds Appendix
Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts

Property Manager
YTL Starhill Global Property Management Pte. Ltd.

psf
Per square foot

psfpm
Per square foot per month

Q

q-o-q
Quarter-on-quarter

R

RCF
Revolving credit facility

REIT
Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust

S

S-REITs
Singapore Real Estate Investment Trusts

SGX-ST
Singapore Exchange Securities Trading Limited

Singapore Properties
Wisma Atria Property and Ngee Ann City Property

sq ft
Square feet

sq m
Square metre

Standard & Poor's or S&P
S&P Global Ratings

Starhill Gallery
Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements

Starhill Global REIT, SGREIT or SGR
Starhill Global Real Estate Investment Trust

T

Toshin
Toshin Development Singapore Pte. Ltd.

Trustee
Unless the context otherwise requires, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT

U

Unit
A unit representing an undivided interest in Starhill Global REIT. Where the context so requires, the definition includes a Unit of a class of Units

Unitholders
The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units

W

Wisma Atria
The building known as 'Wisma Atria' comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office block

Wisma Atria Property
257 strata lots in Wisma Atria

Y

y-o-y
Year-on-year

YTL Corp
YTL Corporation Berhad

YTL Group
YTL Corp and its subsidiaries

OTHERS

A$
Australian dollars, the official currency of Australia

JPY or Yen
Japanese yen, the official currency of Japan

RM or Ringgit
Malaysian ringgit, the official currency of Malaysia

RMB or Renminbi
Chinese renminbi, the official currency of China

S$, SGD and cents
Singapore dollars and cents, the official currency of Singapore

All values are expressed in Singapore currency unless otherwise stated.

Corporate Directory

MANAGER

YTL Starhill Global REIT Management Limited
391B Orchard Road
#21-08 Ngee Ann City Tower B
Singapore 238874
Phone : +65 6835 8633
Fax : +65 6835 8644
Email : info@ytlstarhill.com

DIRECTORS

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

Mr Ho Sing
(CEO & Executive Director)

Dato' Yeoh Seok Kian
(Non-Executive Director)

Mr Tan Bong Lin
(Lead Independent Director)

Mr Ching Yew Chye
(Independent Director)

Mr Tan Woon Hum
(Independent Director)

AUDIT COMMITTEE

Mr Tan Bong Lin
(Chairman)

Mr Ching Yew Chye
(Member)

Mr Tan Woon Hum
(Member)

JOINT COMPANY SECRETARIES

Mr Lam Chee Kin

Mr Abdul Jabbar bin Karam Din

TRUSTEE

Registered Address
HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Correspondence Address
HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#03-01 HSBC Building
Singapore 049320
Phone : +65 6658 6667

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone : +65 6536 5355
Fax : +65 6438 8710

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Phone : +65 6213 3388
Fax : +65 6225 0984

Partner in charge: Ms Eng Chin Chin
(With effect from FY 2015/16)

SGX CODE

Starhill Gbl

WEBSITE

www.starhillglobalreit.com

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders ("**Unitholders**") of Starhill Global Real Estate Investment Trust ("**SGR**") will be held at **Grand Mandarin Ballroom, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867** on Tuesday, 29 October 2019 at 11.00 a.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of SGR (the "**Trustee**"), the Statement by YTL Starhill Global REIT Management Limited, as manager of SGR (the "**Manager**") and the Audited Financial Statements of SGR for the financial year ended 30 June 2019 and the Auditors' Report thereon. *(Ordinary Resolution 1)*

2. To re-appoint Messrs KPMG LLP as the Auditors of SGR and to hold office until the conclusion of the next AGM of SGR, and to authorise the Manager to fix their remuneration. *(Ordinary Resolution 2)*

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

3. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 3)*

(a) (i) issue units in SGR ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

Notice of Annual General Meeting

Starhill Global Real Estate Investment Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

(2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting SGR (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 1)

4. That: *(Extraordinary Resolution 4)*

(a) approval be and is hereby given to amend the Trust Deed to include provisions regarding the repurchase and redemption of the Units of SGR in the manner set out in Annex A of the Letter to Unitholders dated 26 September 2019 (the "**Trust Deed Supplement**"); and

(b) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the Trust Deed Supplement.

(Please see Explanatory Note 2)

5. That subject to and conditional upon the passing of Extraordinary Resolution 4: *(Ordinary Resolution 5)*

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of SGR not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed, as proposed to be supplemented by the Trust Deed Supplement,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of SGR is held;

(ii) the date by which the next AGM of SGR is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

Notice of Annual General Meeting

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

"**Maximum Limit**" means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units in the case of a market repurchase and 110.0% of the Average Closing Price of the Units in the case of an off-market repurchase.

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of SGR to give effect to the transactions contemplated and/or authorised by this Resolution.

(Please see Explanatory Note 3)

BY ORDER OF THE BOARD
YTL Starhill Global REIT Management Limited
(Company Registration No. 200502123C)
As Manager of Starhill Global Real Estate Investment Trust

Lam Chee Kin
Joint Company Secretary
Singapore
26 September 2019

Explanatory Notes:

1. *Ordinary Resolution 3*

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a pro rata basis to Unitholders (excluding treasury Units, if any).

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fundraising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

2. *Extraordinary Resolution 4*

Extraordinary Resolution 4 above, if passed, will approve the supplement of the Trust Deed with the Trust Deed Supplement, which is set out in Annex A of the Letter to Unitholders.

(See the Letter to Unitholders dated 26 September 2019 in relation to the Trust Deed Supplement for further details.)

3. *Ordinary Resolution 5*

Ordinary Resolution 5, if passed, will empower the Manager from the date of the AGM of SGR until (i) the date on which the next AGM of SGR is held, (ii) the date by which the next AGM of SGR is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of SGR not exceeding in aggregate 2.5% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Letter to Unitholders dated 26 September 2019, unless such authority is revoked or varied by the Unitholders in a general meeting. As the Trust Deed Supplement is required for the adoption of the Unit Buy-Back Mandate, Ordinary Resolution 5 is conditional upon the passing of Extraordinary Resolution 4.

Notice of Annual General Meeting

Starhill Global Real Estate Investment Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

Important Notice:

1 A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.

2 A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"**Relevant Intermediary**"

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore; or

(c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3 The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the AGM.

Personal Data Privacy

4 By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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

IMPORTANT

1. A relevant Intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units in SGR, this Annual Report to Unitholders is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. PLEASE READ THE NOTES TO THE PROXY FORM.

PERSONAL DATA PRIVACY

5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 September 2019.

Proxy Form

Annual General Meeting

(Before completing this form, please read the notes behind)

I/We ______________________________ (Name(s) and NRIC Number(s)/Passport Number(s)/ Company Registration Number) of ______________________________

(Address) being a unitholder/unitholders of Starhill Global Real Estate Investment Trust ("**SGR**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of SGR to be held on 29 October 2019 at 11:00 a.m. at **Grand Mandarin Ballroom, Level 6, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	Adoption of the Trustee's Report, the Manager's Statement, the Audited Financial Statements of SGR for the financial year ended 30 June 2019 and the Auditors' Report thereon. (Ordinary Resolution 1)		
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration. (Ordinary Resolution 2)		
	SPECIAL BUSINESS		
3.	Authority to issue Units and to make or grant convertible instruments. (Ordinary Resolution 3)		
4.	To amend the Trust Deed to include provisions regarding the repurchase and redemption of Units of SGR (Extraordinary Resolution 4)		
5.	To approve the Unit Buy-Back Mandate (Ordinary Resolution 5)		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2019

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

1st fold (this flap for sealing) Glue all sides firmly. Stapling & spot sealing is disallowed.

Affix
Postage
Stamp

STARHILL GLOBAL REAL ESTATE
INVESTMENT TRUST
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2nd fold here

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of SGR ("Unitholder") who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of SGR, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the Unit Registrar's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for the AGM.
6. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with YTL Starhill Global REIT Management Limited, as manager of SGR (the "Manager")), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the AGM.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
11. At any meeting, a resolution put to the vote of the meeting shall be decided on a poll.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.
13. CPF Approved Nominees acting on the request of the CPF/SRS investors who wish to attend the AGM are requested to submit in writing, a list with details of the CPF/SRS investors' names, NRIC/Passport numbers, addresses and number of Units held. The list (to be signed by an authorised signatory of the CPF Approved Nominee) should reach SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 27 October 2019 at 11:00 a.m., being 48 hours before the time fixed for the AGM.

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