

# STARHILL REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

Interim financial report on result for the financial quarter ended 31 December 2005

The figures have not been audited.

### CONDENSED INCOME STATEMENTS

|                                      | INDIVIDUAL QUARTER<br>CURRENT<br>YEAR<br>18.11.2005<br>TO<br>31.12.2005<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31.12.2004<br>RM'000 | CUMULATIVE QUARTER<br>CURRENT<br>YEAR TO<br>DATE<br>31.12.2005<br>RM'000 | PRECEDING<br>YEAR TO<br>DATE<br>31.12.2004<br>RM'000 |
|--------------------------------------|---|---|--|--|
| GROSS RECEIPTS                       | 3,949   | N/A   | 3,949  | N/A  |
| PROPERTY OPERATING<br>EXPENSES       | (728)   | N/A   | (728)  | N/A  |
| NET PROPERTY INCOME                  | 3,221   | N/A   | 3,221  | N/A  |
| OTHER INCOME                         | 215   | N/A   | 215  | N/A  |
| TRUST EXPENSES                       | (767)   | N/A   | (767)  | N/A  |
| FINANCE COSTS                        | (379)   | N/A   | (379)  | N/A  |
| INCOME BEFORE TAXATION               | 2,290   | N/A   | 2,290  | N/A  |
| TAXATION                             | -   | N/A   | -  | N/A  |
| DISTRIBUTABLE INCOME                 | 2,290   | N/A   | 2,290  | N/A  |
| PROVISION FOR INCOME<br>DISTRIBUTION | (2,290)   | N/A   | (2,290)  | N/A  |
| NET INCOME RETAINED                  | -   | N/A   | -  | N/A  |
| EARNINGS PER UNIT (SEN)              | 0.22  | N/A   | 0.22   | N/A  |
| GROSS DISTRIBUTION<br>UNIT (SEN)     | 0.22  | N/A   | 0.22   | N/A  |

As this is the first interim financial report prepared by the Trust, the comparative financial information for corresponding period is not available.

# STARHILL REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

### CONDENSED BALANCE SHEETS

|                                   | AS AT<br>31.12.2005<br>RM'000 | AS AT<br>30.06.2005<br>RM'000 |
|-----------------------------------|-------------------------------|-------------------------------|
| INVESTMENT PROPERTIES             | 1,150,000                     | N/A                           |
|                                   | -----                         | -----                         |
| CURRENT ASSETS                    |                               |                               |
| Trade receivables                 | 3,949                         | N/A                           |
| Other receivables                 | 197                           | N/A                           |
| Fixed deposits                    | 56,992                        | N/A                           |
| Cash and bank balances            | 643                           | N/A                           |
|                                   | -----                         | -----                         |
|                                   | 61,781                        | N/A                           |
|                                   | -----                         | -----                         |
| CURRENT LIABILITIES               |                               |                               |
| Trade payables                    | 222                           | N/A                           |
| Other payables                    | 4,749                         | N/A                           |
| Provision for income distribution | 2,290                         | N/A                           |
|                                   | -----                         | -----                         |
|                                   | 7,261                         | N/A                           |
|                                   | -----                         | -----                         |
| NET CURRENT ASSETS                | 54,520                        | N/A                           |
|                                   | -----                         | -----                         |
|                                   | 1,204,520                     | N/A                           |
|                                   | =====                         | =====                         |
| UNITHOLDERS' FUNDS                |                               |                               |
| Unitholders' capital              | 1,043,596                     | N/A                           |
| Listing expenses                  | (19,076)                      | N/A                           |
| Retained income                   | -                             | N/A                           |
|                                   | -----                         | -----                         |
| UNITHOLDERS' FUNDS                | 1,024,520                     | N/A                           |
| NON-CURRENT LIABILITIES           |                               |                               |
| Bank borrowings                   | 180,000                       | N/A                           |
|                                   | -----                         | -----                         |
|                                   | 1,204,520                     | N/A                           |
|                                   | =====                         | =====                         |
| Net asset value per unit (RM)     | 0.985                         | N/A                           |
|                                   | =====                         | =====                         |

As this is the first interim financial report prepared by the Trust, the financial information for last financial year ended 30 June 2005 is not available.

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2005**

|  | <b>31.12.2005</b> | <b>31.12.2004</b> |
|--|-------------------|-------------------|
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Net cash generated from operating activities           | 2,900             | N/A               |
|  | =====             | =====             |
| Net cash used in investing activities                  | (1,149,785)       | N/A               |
|  | =====             | =====             |
| Net cash generated from financing activities           | 1,204,520         | N/A               |
|  | =====             | =====             |
| Net increase in cash and cash equivalents              | 57,635            | N/A               |
| Cash and cash equivalents at beginning of the year     | -                 | N/A               |
|  | -----             | -----             |
| Cash and cash equivalent at end of the period (note a) | 57,635            | N/A               |
|  | =====             | =====             |

**Note (a)**

Cash and cash equivalent

|   | <b>31.12.2005</b> | <b>31.12.2004</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| Cash and bank balances                        | 643               | N/A               |
| Fixed Deposit                                 | 56,992            | N/A               |
|   | -----             | -----             |
| Cash and cash equivalent at end of the period | 57,635            | N/A               |
|   | =====             | =====             |

As this is the first interim financial report prepared by the Trust, the comparative financial information for corresponding period is not available.

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE PERIOD ENDED 31 DECEMBER 2005**

|                                       | <b>Unitholders<br/>Capital<br/>RM'000</b> | <b>Retained<br/>Income<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---------------------------------------|---|---------------------------------------|-------------------------|
| <b>Net assets as at 18 Nov 2005</b>   | -   | -                                     | -                       |
| Proceeds from promoter unit           | 1   | -                                     | 1                       |
| Proceeds from Initial Public Offering | 1,043,595                                 | -                                     | 1,043,595               |
| Listing expenses                      | (19,076)                                  | -                                     | (19,076)                |
| Distributable income for the period   | -   | 2,290                                 | 2,290                   |
| Provision for income distribution     | -   | (2,290)                               | (2,290)                 |
|                                       | -----                                     | -----                                 | -----                   |
| As at 31 December 2005                | <u><u>1,024,520</u></u>                   | <u><u>-</u></u>                       | <u><u>1,024,520</u></u> |

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As this is the first interim financial report prepared by the Trust, the comparative financial information for corresponding period is not available.

# STARHILL REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

### Notes :

#### Disclosure requirement per FRS 134 (formerly known as MASB 26) – paragraph 16

##### **A1. Accounting Policies**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Trust in this interim financial report are consistent with those adopted in the prospectus of Starhill REIT dated 22 November 2005.

##### **A2. Audit Report of preceding financial year ended 30 June 2005**

There was no annual report of preceding financial year ended 30 June 2005 as the Trust was established on 18 Nov 2005.

##### **A3. Seasonality or Cyclicity of Operations**

The business operations of the Trust are not materially affected by any seasonal or cyclical factor.

##### **A4. Exceptional or Unusual Items**

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Trust.

##### **A5. Changes in estimates of amounts reported**

This is not applicable as there was no estimate of amount reported.

##### **A6. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter. The outstanding debts are disclosed in Note B9.

# **STARHILL REAL ESTATE INVESTMENT TRUST**

## **INTERIM FINANCIAL REPORT**

**Notes : - continued**

### **A7. Income Distribution**

There was no distribution paid during the current financial quarter ended 31 December 2005 as the Trust was established on 18 November 2005. Provision was made to distribute 100% of the distributable income during the quarter in accordance with the Trust Deed dated 18 November 2005.

### **A8. Segment Reporting**

No segment information is prepared as the Trust's activities are predominantly in one industry segment and occur predominantly in Malaysia.

### **A9. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without any amendments from the valuation report dated 1 March 2005.

### **A10. Material Events Subsequent to the end of the interim period**

There is no material event subsequent to the end of the interim period.

### **A11. Changes in the Composition of the Trust**

There is no change in composition of the Trust during the current financial quarter.

### **A12. Changes in Contingent Liabilities**

There is no contingent liability to be disclosed.

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# STARHILL REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

### Disclosure requirement per Bursa Malaysia listing requirements Part A of Appendix 9B

#### **B1. Review of Performance**

The Trust recorded RM3.949 million and RM2.290 million revenue and profit before taxation respectively for the period from 18 November 2005 to 31 December 2005.

#### **B2. Comparison with Preceding Quarter**

There was no comparison with preceding quarter as this is the first interim financial report prepared by the Trust.

#### **B3. Prospects**

The Trust, after considering the strength of the real estate portfolio invested, is expected to achieve satisfactory performance for financial year ending 2006.

#### **B4. Profit Forecast**

This is not applicable as the Trust did not issue any profit forecast or profit guarantee for the current financial quarter.

#### **B5. Taxation**

There was no tax payable as the Trust has provided 100% of the distributable income to unitholders.

#### **B6. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investment or properties during the current financial quarter.

#### **B7. Quoted Investment**

During the current financial quarter, there was no purchase or disposal of quoted investment.

#### **B8. Corporate Development**

There was no corporate proposal announced during the current financial quarter.

# STARHILL REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

Notes : continued

### B9. Borrowings and Debt Securities

The borrowing of RM180 million is long term and secured.

### B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial quarter.

### B11. Material litigation

There was no material litigation as at the end of current financial quarter.

### B12. Income Distribution

No distribution has been declared for the current financial quarter. Provision was made to distribute 100% of the distributable income during the quarter in accordance with the Trust Deed dated 18 November 2005.

### B13. Distribution Per Unit

The distribution per unit of the Trust has been computed by dividing the provision for income distribution for the financial quarter by the total number of units in issue during the financial quarter.

|                                   | <b>Period<br/>18.11.2005<br/>to<br/>31.12.2005</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>31.12.2004</b> |
|-----------------------------------|--|--|
| Provision for income distribution | 2,290  | N/A  |
| Number of units in issue          | 1,040,000  | N/A  |
| Distribution per unit (sen)       | 0.22   | N/A  |

By Order of the Board  
HO SAY KENG  
Secretary  
Pintar Projek Sdn Bhd  
Company No : 314009-W  
(As the Manager of Starhill Real Estate Investment Trust)  
Kuala Lumpur  
Dated: 23 February 2006