

## STARHILL REAL ESTATE INVESTMENT TRUST

### INTERIM FINANCIAL REPORT

Interim financial report on results for the financial period ended 31 March 2008.

The figures have not been audited.

### CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2007 RM'000	CURRENT YEAR TO DATE 31.03.2008 RM'000	PRECEDING YEAR TO DATE 31.03.2007 RM'000
NET REVENUE	27,379	24,873	80,956	72,813
PROPERTY OPERATING EXPENSES	(4,423)	(4,277)	(13,183)	(12,826)
NET PROPERTY INCOME	22,956	20,596	67,773	59,987
OTHER INCOME	857	813	2,408	2,437
TRUST EXPENSES	(915)	(820)	(2,724)	(2,439)
ADMINISTRATIVE EXPENSES	(12)	(56)	(97)	(97)
BORROWING COSTS	(2,156)	(2,135)	(6,517)	(6,494)
<b>INCOME BEFORE TAXATION</b>	<b>20,730</b>	<b>18,398</b>	<b>60,843</b>	<b>53,394</b>
TAXATION	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>20,730</b>	<b>18,398</b>	<b>60,843</b>	<b>53,394</b>
<b>EARNINGS PER UNIT (Sen)</b>	<b>1.76</b>	<b>1.77</b>	<b>5.16</b>	<b>5.13</b>
<b>GROSS DISTRIBUTION PER UNIT (Sen)</b>	<b>1.76</b>	<b>1.77</b>	<b>5.16</b>	<b>5.13</b>

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED BALANCE SHEET**

	<b>AS AT 31.03.2008 RM'000</b>	<b>AS AT 30.06.2007 RM'000</b>
<b>ASSETS</b>		
INVESTMENT PROPERTIES	1,275,000	1,275,000
Current Assets		
Trade receivables	3,583	2,384
Other receivables	1,307	174
Fixed deposits	81,191	84,842
Bank balances	374	942
	-----	-----
	86,455	88,342
	-----	-----
<b>TOTAL ASSETS</b>	<b>1,361,455</b>	<b>1,363,342</b>
	=====	=====
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	1,145,895	1,145,901
Undistributed income	2	1
	-----	-----
Net Asset Value	1,145,897	1,145,902
	-----	-----
<b>LIABILITIES</b>		
Non-current liabilities		
Borrowing	180,000	180,000
Other payables	8,624	6,294
	-----	-----
	188,624	186,294
	-----	-----
Current Liabilities		
Other payables	6,203	5,766
Provision for income distribution	20,731	25,380
	-----	-----
	26,934	31,146
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>215,558</b>	<b>217,440</b>
	-----	-----
<b>TOTAL UNITHOLDERS' FUNDS &amp; LIABILITIES</b>	<b>1,361,455</b>	<b>1,363,342</b>
	=====	=====

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED BALANCE SHEET – continued**

	<b>AS AT 31.03.2008 RM'000</b>	<b>AS AT 30.06.2007 RM'000</b>
Number of units in circulations ('000)	1,178,889 =====	1,178,889 =====
Net asset value per unit (RM)	0.972 =====	0.972 =====

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The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	<b>Unitholders' Capital</b>	<b>Distributable Undistributed Income</b>	<b>Unitholders' Funds</b>
<b>9 months ended 31 March 2008</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net assets as at 1 July 2007	1,145,901	1	1,145,902
Acquisition expenses	(6)	-	(6)
Net income for the period	-	60,843	60,843
Distribution paid	-	(40,112)	(40,112)
Provision for income distribution	-	(20,730)	(20,730)
As at 31 March 2008	----- 1,145,895 =====	----- 2 =====	----- 1,145,897 =====

	<b>Unitholders' Capital</b>	<b>Distributable Undistributed Income</b>	<b>Unitholders' Funds</b>
<b>9 months ended 31 March 2007</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net assets as at 1 July 2006	1,022,755	1	1,022,756
Listing expenses	96	-	96
Net income for the period	-	53,394	53,394
Distribution paid	-	(34,996)	(34,996)
Provision for income distribution	-	(18,398)	(18,398)
As at 31 March 2007	----- 1,022,851 =====	----- 1 =====	----- 1,022,852 =====

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

**STARHILL REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	<b>9 months ended</b>	
	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	65,381	56,272
Net cash generated from investing activities	2,402	2,532
Net cash used in financing activities	(72,002)	(77,387)
Net decrease in cash and cash equivalent	(4,219)	(18,583)
Cash and cash equivalents at beginning of period	85,784	97,991
Cash and cash equivalent at end of the period (note a)	81,565	79,408

**Note (a)**

Cash and cash equivalent

	<b>As At</b>	<b>As At</b>
	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed Deposit	81,191	79,296
Bank balances	374	112
	81,565	79,408

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

## **STARHILL REAL ESTATE INVESTMENT TRUST**

### **INTERIM FINANCIAL REPORT**

#### **Notes :**

#### **Disclosure requirement per FRS 134 – paragraph 16**

The interim financial report should be read in conjunction with the audited financial report of the Trust for the year ended 30 June 2007. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Trust since the financial year ended 30 June 2007.

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

The interim financial report is unaudited and has been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The significant accounting policies adopted are consistent with those adopted in the audited financial report for the year ended 30 June 2007, except for the adoption of the relevant new/revised Financial Reporting Standards (FRS) effective for the financial year beginning 1 July 2007 as disclosed below:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above new / revised FRSs does not have significant financial impact on the Trust.

#### **A2. Seasonality or Cyclicity of Operations**

The business operations of the Trust are not affected by any material seasonal or cyclical factors.

#### **A3. 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.

## **STARHILL REAL ESTATE INVESTMENT TRUST**

### **INTERIM FINANCIAL REPORT**

#### **Notes : - continued**

#### **A4. Changes in estimates of amounts reported**

This is not applicable as there were no estimates previously reported.

#### **A5. 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.

#### **A6. Income Distribution**

The interim distribution of 3.4025 sen per unit (which is tax exempt at Trust level under Section 61A, Income Tax Act, 1967), totalling RM40,111,694, in respect of the six-month period ended 31 December 2007 was paid during the current financial quarter.

#### **A7. Segment Reporting**

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

#### **A8. Material Events Subsequent to the end of the interim period**

There was no material event subsequent to the end of the current financial quarter.

#### **A9. Changes in the Composition of the Trust**

There is no change in composition of the Trust during the current financial quarter and the fund size stands at 1,178,888,889 units.

#### **A10. Changes in Contingent Liabilities**

There were no contingent liabilities to be disclosed.

## STARHILL REAL ESTATE INVESTMENT TRUST

### INTERIM FINANCIAL REPORT

#### Notes :

#### Disclosure requirement per Bursa Securities' Listing Requirements Part A of Appendix 9B

#### B1. Review of Performance

The Trust recorded RM80.956 million and RM60.843 million of revenue and income before taxation respectively for the financial period ended 31 March 2008, representing an increase of 11.18% and 13.95% recorded in previous corresponding period ended 31 March 2007. The increases in revenue and income before taxation were mainly contributed by rental received from The Residences at The Ritz-Carlton, Kuala Lumpur acquired in May 2007 and higher rental rates received from the renewal of existing tenancies and commencement of new tenancies from Starhill Gallery and Lot 10.

#### B2. Comparison with Preceding Quarter

	<b>Current Quarter 31.03.2008 RM'000</b>	<b>Preceding Quarter 31.12.2007 RM'000</b>
Revenue	27,379	26,685
Income before taxation	20,730	19,975
Income after taxation before provision for income distribution	20,730	19,975

The Trust's revenue and income before taxation for the current financial quarter ended 31 March 2008 increased marginally to RM27.379 million and RM20.730 million from RM26.685 million and RM19.975 million recorded in the preceding financial quarter ended 31 December 2007. This represents an increase of 2.60% and 3.78% in revenue and income before taxation respectively. The increases were mainly contributed by the commencement of new tenancies and increase in rental rate of the existing tenancies in the retail space.

#### B3. Prospects

The Manager, after considering the strength of the real estate portfolio invested, is optimistic that the Trust is expected to achieve satisfactory performance for financial year ending 2008.

#### B4. Profit Forecast

The Trust did not issue any profit forecast or profit guarantee during the current financial quarter.



## **STARHILL REAL ESTATE INVESTMENT TRUST**

### **INTERIM FINANCIAL REPORT**

#### **Notes : continued**

##### **B5. Taxation**

The Trust has provided approximately 100% of the distributable income to unitholders, which income at the Trust level is exempted from tax in accordance with the Section 61A, Income Tax Act, 1967, thus no tax is payable during the financial period.

##### **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.

##### **B9. Borrowings and Debt Securities**

The borrowing of RM180 million is long term and secured.

##### **B10. Off Balance Sheet Financial Instruments**

The Trust has no financial instruments with off balance sheet risks as at the date of this report.

##### **B11. Material litigation**

There was no material litigation as at the date of this report.

## STARHILL REAL ESTATE INVESTMENT TRUST

### INTERIM FINANCIAL REPORT

Notes : continued

#### B12. Income Distribution

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

#### B13. Earnings Per Unit

The earnings per unit of the Trust have been computed by dividing the income after taxation for the financial quarter by the weighted average number of units in issue during the financial quarter.

	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>31.03.2008</b>	<b>31.03.2007</b>
Income after taxation for the quarter (RM'000)	20,730 =====	18,398 =====
Weighted average number of Units in issue ('000)	1,178,889 =====	1,040,000 =====
Earnings per unit (sen)	1.76 =====	1.77 =====

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## STARHILL REAL ESTATE INVESTMENT TRUST

### INTERIM FINANCIAL REPORT

Notes : continued

#### B14. 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>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>31.03.2008</b>	<b>31.03.2007</b>
Provision for income distribution (RM'000)	20,730	18,398
Number of units in issue ('000)	1,178,889	1,040,000
Distribution per unit (sen)	1.76	1.77

#### B15. Audit Report of preceding financial year ended 30 June 2007

The audit report on the financial statements of the preceding financial year ended 30 June 2007 was not subject to any qualification.

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: 22 May 2008