

WEAVING
STYLE
WITH
SUBSTANCE

//
ANNUAL
REPORT
FY 2015/16



GROWTH



RESILIENCE



CREATIVITY

Overview

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 12 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S\$3,136.6 million as at 30 June 2016.

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 Australia; Starhill Gallery and Lot 10 Property in Kuala Lumpur, Malaysia; a retail property in Chengdu, China and four properties in the prime areas of 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.

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Vision

To be the most valued real estate investment trust in Singapore which is committed to delivering long-term superior returns to our Unitholders.

Mission

To create and deliver superior returns to our investors through growth and value creation in our assets, products and services, unconstrained by boundary and reach.

To be the landlord of choice for our tenants and shoppers and be committed in our delivery of quality products and services.

To be a forward-thinking real estate company with strong management expertise and provide fulfilment for our people.

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

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Note:
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WEAVING
STYLE
WITH
SUBSTANCE

At Starhill Global REIT, creating a distinction is a constant pursuit and not a one-time act. We are always on the lookout for fresh ideas to differentiate ourselves from the competition. We focus on delivering superior returns to our Unitholders through growth, resilience and value creation.

FINANCIAL HIGHLIGHTS



GROSS
REVENUE



NET PROPERTY
INCOME



INCOME AVAILABLE
FOR DISTRIBUTION



NET ASSET
VALUE



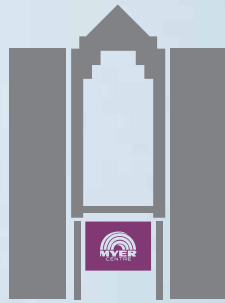
RESILIENT
OCCUPANCY



STABLE
GEARING



SCALE UP
WITH
CONFIDENCE



+9.2%*

Growth in Total
Assets Following
Acquisition of
Myer Centre Adelaide

* between 31 March 2015
(prior to the acquisition of Myer Centre
Adelaide in May 2015) and 30 June 2016

Scaling Up with Stability

+5.5%

increase in base rent from
Toshin master lease in
Ngee Ann City Property



+6.7%

increase in rent from
master leases for the
Malaysia Properties

Ongoing planning
for Asset
Redevelopment
at Plaza Arcade



From a distinct positioning of our properties to proactive lease management, we are meticulous in our approach to growth. With steady strides, we have scaled up our footprint in Australia with the acquisition of Myer Centre Adelaide. Healthy rental growth was also achieved from our master leases.



RESILIENCE
WITH
FLAIR



We are focused on maintaining strong fundamentals and have built an established track record. With discipline and resourcefulness, we have navigated through economic cycles.

Prime Quality Assets



Sound Financials

11-year CAGR
6.7%*
in DPU

Stable Gearing of
35%
as at 30 June 2016

Average Debt
Maturity of
3.1 years
as at 30 June 2016

BBB+
Rating affirmed by
Standard & Poor's
in March 2016

Income Stability with Potential Rental Upside

- Balance of master tenancies and long-term leases, coupled with actively-managed short- to medium-term leases
- High overall portfolio occupancy rate above 95% since listing



Strong Sponsor: YTL Corporation

US\$7.4 billion

Combined market capitalisation with its four listed entities in Malaysia as at 30 June 2016

* DPU from FY 2005 to 2Q FY 2009 have been restated to include the 963,724,106 rights units issued in August 2009. The computation excluded DPU for FY 2005 and the DPU for FY 2014/15 (18 months ended 30 June 2015) has been annualised for the purpose of computing CAGR.



CREATIVITY
WITH
TASTE

Ahead of the Crowd

Extended our footprint in Australia in anticipation of international brands' expansion



Focus on Mid- to High-end Retail Tenant Base

Established fashion labels including Louis Vuitton, Chanel, Dior, Van Cleef & Arpels, TAG Heuer, Sergio Rossi, Coach, Tory Burch and H&M are drawn to our prime assets



We are constantly re-inventing and refreshing the retail experience to stay abreast with changing trends and consumer tastes. By building a discerning premium portfolio, we create value for our stakeholders.

Experiential shopping at Wisma Atria

Attractive food cluster appealing to a range of tastes, from popular street food to chic casual dining



FINANCIAL SUMMARY

Statement of Total Return and Distribution for the Period:	12 Months from Jul 2015 to Jun 2016 ("FY 2015/16") ⁽¹⁾	18 Months from Jan 2014 to Jun 2015 ("FY 2014/15") ⁽¹⁾	Change (%)
Gross Revenue (million)	S\$219.7	S\$294.8	(25.5%)
Net Property Income (million)	S\$170.3	S\$237.6	(28.3%)
Income Available for Distribution (million)	S\$116.5 ⁽²⁾	S\$171.6	(32.1%)
Income to be Distributed to:			
– Unitholders (million)	S\$113.0	S\$164.0	(31.1%)
– CPU holder (million)	– ⁽³⁾	S\$1.3 ⁽³⁾	(100.0%)
Distribution Per Unit (DPU)	5.18 cents ⁽⁵⁾	7.60 cents ⁽⁴⁾⁽⁵⁾	(31.8%)
Distribution Yield	6.60% ⁽⁶⁾ (S\$0.785) ⁽⁷⁾	5.81% ⁽⁶⁾ (S\$0.880) ⁽⁷⁾	NM
Total Return	(4.7%)	22.9%	NM

Notes:

⁽¹⁾ Figures presented above include the 12-month period from 1 July 2015 to 30 June 2016 (FY 2015/16) and the 18-month period from 1 January 2014 to 30 June 2015 (FY 2014/15). Therefore, the comparative amounts presented in relation to the 12-month period in the current financial year are not entirely comparable.

⁽²⁾ Approximately S\$3.5 million of income available for distribution for FY 2015/16 has been retained for working capital requirements.

⁽³⁾ There is no CPU distribution for FY 2015/16, following the conversion of the remaining 20,334,750 CPU into 27,986,168 ordinary units on 25 June 2015. CPU distribution for FY 2014/15 was based on S\$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum.

⁽⁴⁾ Included two additional quarters of DPU during the comparative period of 18 months ended 30 June 2015.

⁽⁵⁾ The computation of DPU for FY 2015/16 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue. The computation of DPU for FY 2014/15 was based on number of units entitled to distributions comprising 2,153,218,267 units in issue for 1Q to 5Q FY 2014/15 and number of units post-CPU conversion on 25 June 2015 of 2,181,204,435 units for 6Q FY 2014/15.

⁽⁶⁾ For FY 2015/16, based on actual DPU of 5.18 cents for the 12 months ended 30 June 2016. For FY 2014/15, based on actual rolling 12-month DPU of 5.11 cents for the period from July 2014 to June 2015.

⁽⁷⁾ Based on the last traded price for the financial year/period.

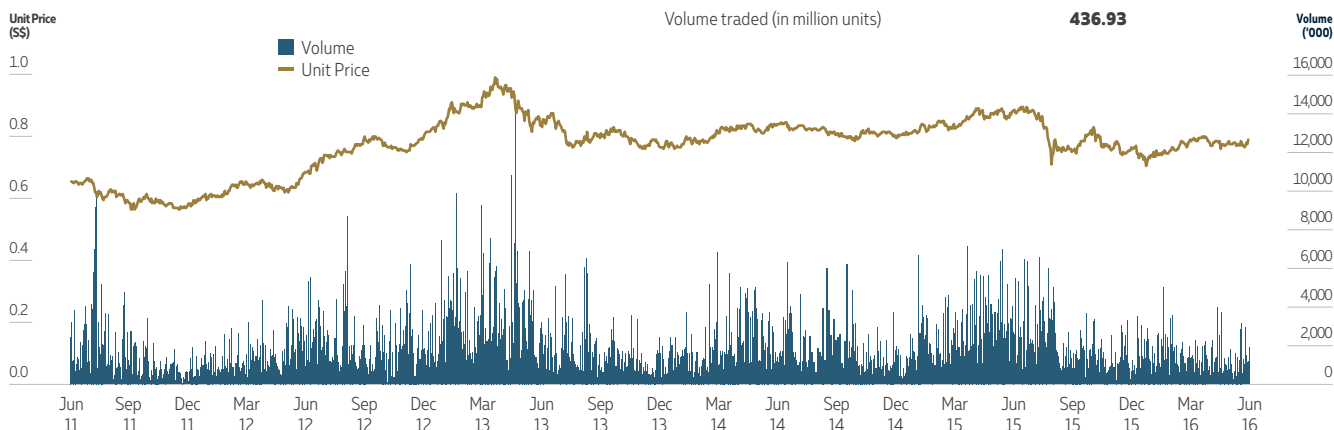
Balance Sheet as at:	30 Jun 2016	30 Jun 2015	Change (%)
Net Asset Value Per Unit	S\$0.92	S\$0.91	1.1%
Total Assets (million)	S\$3,222.2	S\$3,193.4	0.9%
Investment Properties			
– Number of Properties	12 ⁽¹⁾	13	
– Valuation (million)	S\$3,136.6	S\$3,116.2	0.7%
Gearing	35.0%	35.5%	NM

Note:

⁽¹⁾ Number of properties excluded Roppongi Terzo which was divested on 7 January 2016.

Starhill Global REIT Unit Price & Daily Volume

(1 July 2011 – 30 June 2016)



KEY FIGURES FOR 5 YEARS

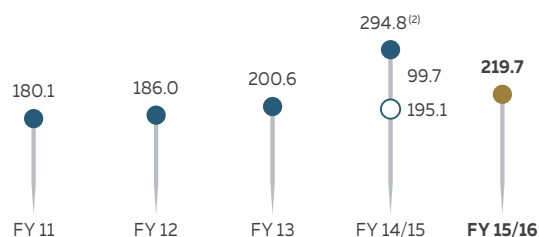
Gross Revenue

(S\$ MILLION)

FY 2015/16

S\$219.7^m

CAGR⁽¹⁾ +5.1%



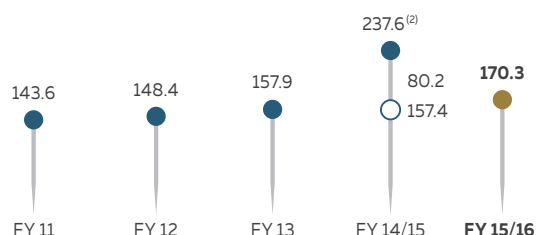
Net Property Income

(S\$ MILLION)

FY 2015/16

S\$170.3^m

CAGR⁽¹⁾ +4.4%



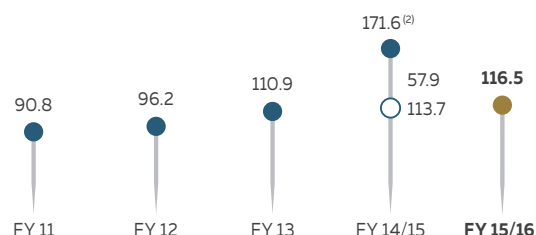
Income Available for Distribution

(S\$ MILLION)

FY 2015/16

S\$116.5^m

CAGR⁽¹⁾ +6.4%



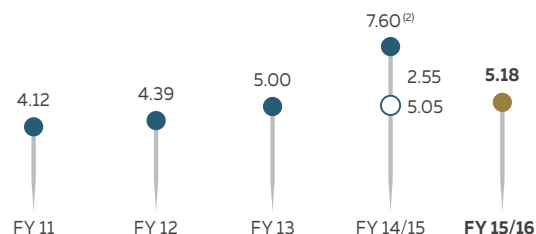
DPU

(CENTS)

FY 2015/16

5.18[¢]

CAGR⁽¹⁾ +5.9%



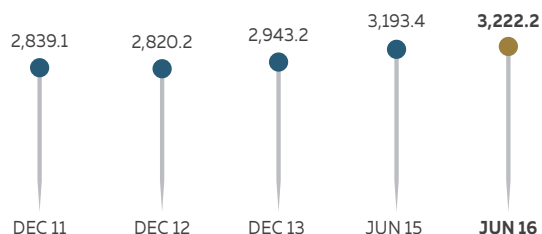
Total Assets

(S\$ MILLION)

JUNE 2016

S\$3,222.2^m

CAGR +2.9%

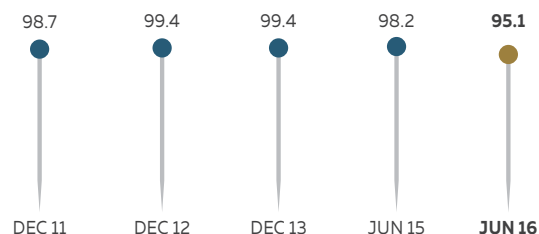


Occupancy Rate

(%)

JUNE 2016

95.1%



Notes:

⁽¹⁾ Numbers for FY 2014/15 (18 months ended 30 June 2015) have been annualised for the purpose of calculating CAGR.

⁽²⁾ Includes additional six months from January 2015 to June 2015 for FY 2014/15.

OUR GEOGRAPHICAL REACH

STARHILL GLOBAL REIT'S PORTFOLIO COMPRISES 12 MID- TO HIGH-END PROPERTIES – MAINLY RETAIL ASSETS – IN SIX CITIES ACROSS THE ASIA-PACIFIC

CHENGDU, CHINA

RENHE SPRING
ZONGBEI PROPERTY
Retail

KUALA LUMPUR, MALAYSIA

STARHILL GALLERY
Retail ⁽¹⁾
LOT 10 PROPERTY
Retail ⁽¹⁾

TOKYO, JAPAN

DAIKANYAMA
Retail ⁽¹⁾
EBISU FORT
Retail ⁽¹⁾

HARAJYUKU SECONDO
Retail
NAKAMEGURO PLACE
Retail

SINGAPORE

WISMA ATRIA PROPERTY
Retail and Office
NGEE ANN CITY PROPERTY
Retail and Office

PERTH, AUSTRALIA

DAVID JONES BUILDING
Retail
PLAZA ARCADE
Retail

ADELAIDE, AUSTRALIA

MYER CENTRE ADELAIDE
Retail and Office

⁽¹⁾ Largely retail with a small office component.

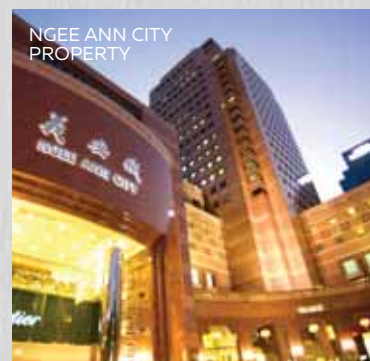
WISMA ATRIA PROPERTY



ASIA-PACIFIC CITIES

6

NGEE ANN CITY PROPERTY



PROPERTIES

12

DAVID JONES BUILDING & PLAZA ARCADE



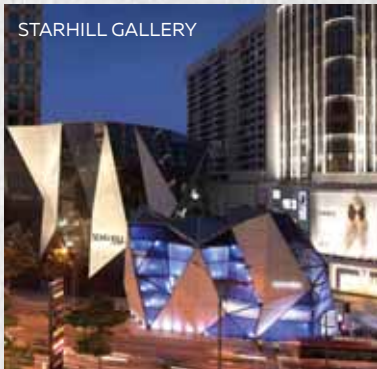
RETAIL AND OFFICE SPACE

2.20m sq ft

MYER CENTRE ADELAIDE



STARHILL GALLERY



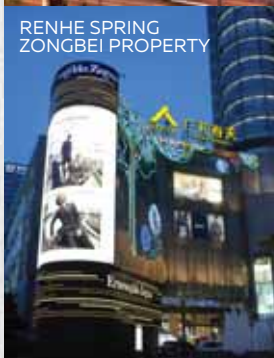
LOT 10 PROPERTY



STARHILL GLOBAL REIT'S ASSET VALUE

S\$3,136.6^m

RENHE SPRING ZONGBEI PROPERTY



DAIKANYAMA



EBISU FORT



HARAJYUKU SECONDO



NAKAMEGURO PLACE



LETTER TO UNITHOLDERS

A year of
resilient
performance



MR HO SING
Chief Executive Officer
& Executive Director

TAN SRI DATO' (DR)
FRANCIS YEOH SOCK PING
Chairman

Dear Unitholders,

We are pleased to report that Starhill Global REIT (SGREIT) has delivered a set of good financial results, delivering stable distribution to Unitholders amidst a challenging operating environment. Distribution Per Unit (DPU) for FY 2015/16 was 5.18 cents, representing an increase of 1.4% compared with 5.11 cents for the corresponding 12-month period ended 30 June 2015. This translated to a distribution yield of 6.6% based on SGREIT's closing price of 78.5 cents per unit on 30 June 2016, approximately 470 basis points higher than the 10-year Singapore Government bond yield as at 30 June 2016.

For the financial year ended 30 June 2016, SGREIT achieved gross revenue and net property income (NPI) of S\$219.7 million and S\$170.3 million respectively, representing an increase of 11.4% and 6.9% over the corresponding period last year.

SGREIT's resilient performance is partly attributed to the contribution from the Myer Centre Adelaide acquisition as well as the resilience of our core Singapore portfolio. However, this was partly offset by negative currency movements, the loss of income following the divestment in Tokyo and weaker contribution from the China portfolio.

SOUND OPERATING PERFORMANCE

SGREIT's overall portfolio continued to be resilient with an occupancy rate of 95.1% as at 30 June 2016. Since listing in 2005, SGREIT's portfolio occupancy has remained above 95% even during economic downturns mainly due to its prime location and balanced portfolio.

Singapore and Australia, SGREIT's two largest markets accounting for 83.8% of FY 2015/16's revenue, contributed positively to the results. The Singapore portfolio, the largest contributor with 61.1% of total group revenue in FY 2015/16, achieved revenue and NPI growth of 1.0% and 0.6% respectively despite the difficult retail environment. Occupancy for the Singapore portfolio, which comprises mostly of retail space and some office space, remained resilient at 97.9% as at 30 June 2016. Ngee Ann City Property (Retail), which is majority master tenanted to Toshin Development Singapore Pte. Ltd., remains fully occupied. The recent rent review yielded about 5.5% increase in base rent from the master tenant and will contribute positively towards FY 2016/17 financials. Wisma Atria Property (Retail)

recorded committed occupancy of 97.7% as at 30 June 2016 in spite of the tepid retail environment and ongoing mall reconfiguration. Isetan has progressively re-opened its strata-owned space in Wisma Atria since its closure in April 2015, injecting vibrancy into the mall. The office segment continued to enjoy positive rent reversions given the limited supply in prime Orchard Road.

The Australia portfolio, the second largest market with 22.7% revenue contribution in FY 2015/16, saw revenue and NPI growth of 120.5% and 89.1% respectively over the previous corresponding period. The performance was mainly driven by the full period contribution from Myer Centre Adelaide acquired in May 2015. Since the acquisition, Myer Centre Adelaide's NPI has risen by approximately 5% in local currency terms.

The Malaysia portfolio comprising of Starhill Gallery and Lot 10 Property along Bukit Bintang in Kuala Lumpur, which contributed 11.7% of total revenue in FY 2015/16, registered 11.0% and 11.9% decline in revenue and NPI mainly as a result of the Malaysian Ringgit depreciation against the Singapore Dollar. Both properties are on a fixed rent master lease with Katagreen Development Sdn Bhd which was recently extended with an approximately 6.7% rental increase.

the yield-accretive acquisition of Myer Centre Adelaide, located along the prime shopping stretch of Adelaide city centre for A\$288.0 million. Following the latest acquisition, Australia's share of revenue contribution has more than doubled from 9.3% in the quarter ended 31 March 2015 to 22.7% in FY 2015/16.

In Perth, the entry of many international retailers has transformed the retail scene despite a downturn in the city's mining sector. Zara and Topshop launched their respective city-centre stores in 2014 while H&M is setting up a flagship city store in the city's former central post office. SGREIT's David Jones Building and Plaza Arcade are located in the heart of Perth's city centre within a short walk from these new international brands. Plaza Arcade in particular is well-positioned to tap on Perth's rejuvenated retail scene and is undergoing asset enhancement planning to activate upper floor space and accommodate an international tenant.

In Adelaide, Myer Centre Adelaide has been actively exploring various usage alternatives for upper floor space left unoccupied by the previous owner. The space has since been partially revamped to accommodate short-term tenancies such as Slingsby Theatre to generate greater awareness and traffic to the mall. Discussion with prospective tenants to take up space on a more permanent basis is ongoing.

SGREIT'S RESILIENT PERFORMANCE IS PARTLY ATTRIBUTED TO THE CONTRIBUTION FROM THE MYER CENTRE ADELAIDE ACQUISITION AS WELL AS THE RESILIENCE OF OUR CORE SINGAPORE PORTFOLIO.

AUSTRALIA - BUILDING ANOTHER GROWTH MARKET

SGREIT was one of the first S-REITs to establish a presence in Australia with the acquisition of David Jones Building in Perth in 2010. Over the years, we have capitalised on the growing number of international retailers in Australia by expanding our footprint. In 2013, we acquired Plaza Arcade Building, a prime property adjoining the David Jones Building in Perth, for A\$48.0 million. In May 2015, we completed

SHARPEN AND IMPROVE THE QUALITY OF THE PORTFOLIO

In January 2016, Roppongi Terzo in Tokyo, Japan, was divested for JPY2,500.0 million (approximately S\$29.9 million), a premium to its latest valuation. The divestment price translated to an implied yield of 4.4%. The divestment marks the sale of SGREIT's third non-strategic commercial property in Japan over the past three years and is part of an ongoing strategy to streamline the overall portfolio and focus on our strengths. Over

LETTER TO UNITHOLDERS

this period we have also acquired two new strategic properties in Australia for A\$336.0 million, which were yield-accretive from the onset. The most recent addition, Myer Centre Adelaide, was bought without dilutive equity fundraising.

STABILITY AND GROWTH

SGREIT's core assets are located in the main shopping districts of Singapore, Kuala Lumpur, Perth and Adelaide. These locations are highly sought after by international retailers given the central locations and high tourist traffic. SGREIT's master leases and long-term leases with periodic rent reviews and reputable tenants also provide income stability to the portfolio. Such leases represent approximately 44.6% of the gross rental income as at 30 June 2016.

During the year ended 30 June 2016, we concluded the rent review for the Toshin master lease at Ngee Ann City Property. SGREIT secured about 5.5% base rent increase for the three years commencing 8 June 2016, thereby boosting rental revenue by approximately S\$2.2 million per annum.

The master tenancy agreement for the two Malaysia assets, namely Starhill Gallery and Lot 10 Property, has been extended for a third three-year term commencing 28 June 2016. Katagreen Development Sdn Bhd, a wholly-owned subsidiary of YTL Corporation Berhad, will revise its annual rent to approximately RM84.4 million, representing approximately 6.7% above the annual rent in the previous three-year term.

The rental reversions for these master leases which represent approximately 34% of SGREIT's gross rent have only commenced in June 2016 and are expected to contribute positively to SGREIT's FY 2016/17 financial performance.

PRUDENT CAPITAL MANAGEMENT

Standard & Poor's Rating Services affirmed SGREIT's "BBB+" rating with a stable outlook in March 2016.

We have been proactive in refinancing existing facilities ahead of maturities and there is no refinancing requirement until 2018. The average debt maturity remained stable at 3.1 years as at 30 June 2016. Given the volatility in foreign exchange and interest rates, we have partially hedged our foreign exchange exposure via foreign currency borrowings and short-term foreign currency forward contracts. As at 30 June 2016, we have also proactively hedged about 100% of our interest rate exposure through interest rates swaps and caps to mitigate the impact of interest rates fluctuation on DPU. Gearing remains stable at 35.0%.

LOOKING AHEAD

The macroeconomic environment continues to be challenging amidst the uncertain global economic growth outlook. The International Monetary Fund forecasts that growth in Asia-Pacific will moderate further to 3.1% this year, partially attributed to economic uncertainties in Europe. The slower economic outlook will lead to further moderation in regional tourism and retail spending growth in the immediate future. A prolonged manpower crunch in Singapore may also dampen some retailers' expansion plans. Interest rates and foreign exchange markets are also expected to remain volatile. On a brighter note, Australia's retail scene should continue to be vibrant with more international retailers expanding their presence, hence driving the demand for commercial real estate.

Notwithstanding the challenging environment, Asia's middle income class is expected to continue growing, auguring well for the longer term retail scene. SGREIT's portfolio of properties in prime locations is well-positioned to cater to the growing pool of international retailers seeking to establish their presence in the region. We intend to continue refining our portfolio and selectively acquiring prime real estate in core markets.

We remain focused on optimising the performance of our assets through asset enhancement initiatives and active leasing management. We will continue to adopt prudent capital management approach so as to deliver sustainable long-term returns to our Unitholders.

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

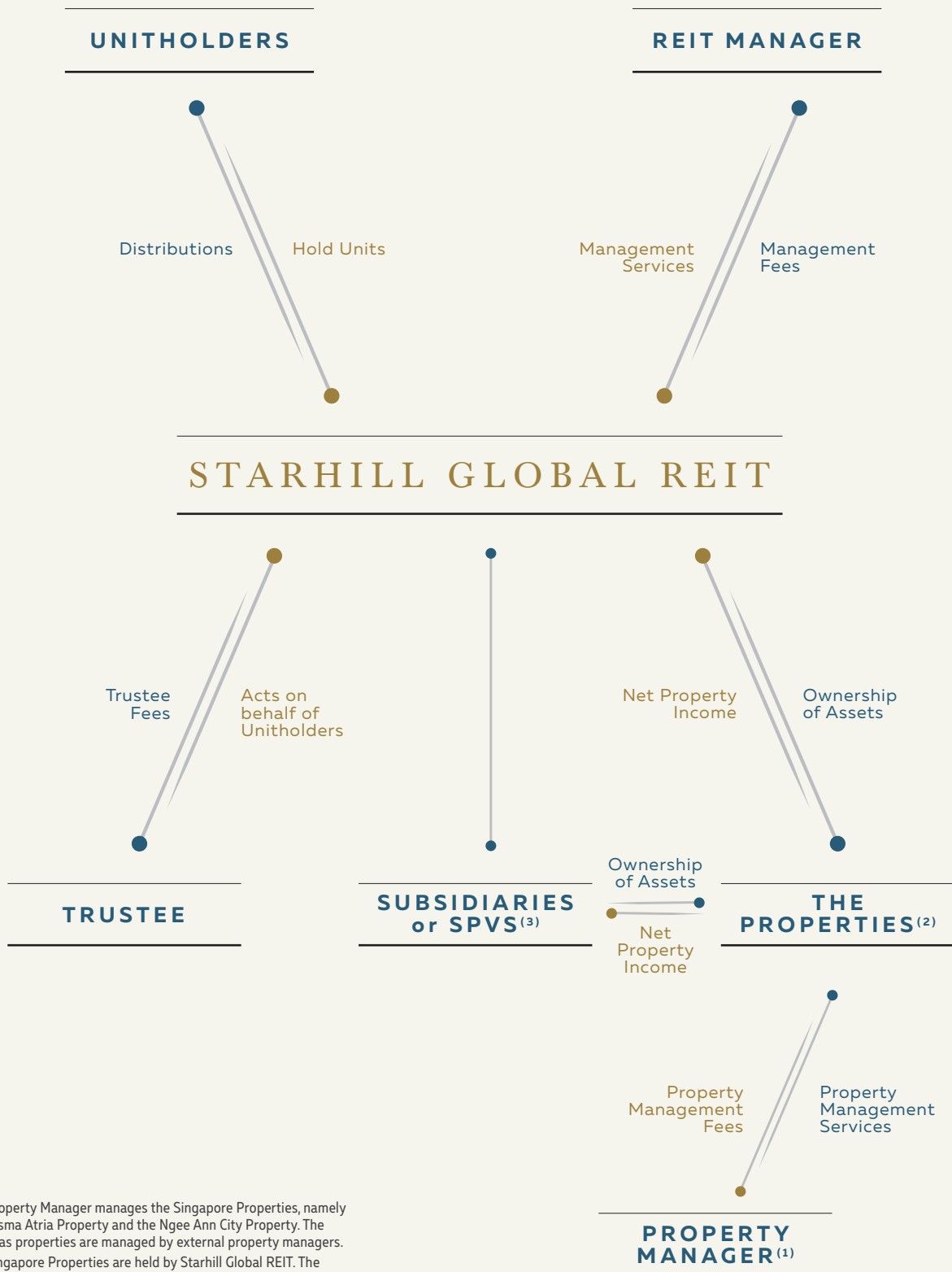
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Chairman

HO SING

Chief Executive Officer and
Executive Director

29 August 2016

TRUST STRUCTURE



Notes:

- ⁽¹⁾ The Property Manager manages the Singapore Properties, namely the Wisma Atria Property and the Ngee Ann City Property. The overseas properties are 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 is 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 2015/16

2015



↑ Appearance by international Formula One Racing driver at the TAG Heuer Art Helmet Contest at Wisma Atria.

AUGUST 2015

Coach unveiled the brand's next generation retail concept at its flagship store in Wisma Atria which included a special appearance by South Korean superstar, Jay Park, as well as local celebrities and style personalities.



← Special appearance by South Korean superstar Jay Park, who attended the unveiling of Coach's next generation retail concept at its flagship store in Wisma Atria.

SEPTEMBER 2015

Appearance by international Formula One Racing driver at the TAG Heuer Art Helmet Contest at Wisma Atria.

OCTOBER 2015

Popular K-pop idol of South Korean television shows Running Man and School's Out fame, Gary Kang, made an appearance at the fan meet-and-greet session at Wisma Atria.

Myer Centre Adelaide organised its pop-up Spring Summer fashion parades along the pedestrian street of Rundle Mall, featuring EcoCaddys and collection from its tenants including Myer, Jacqui E, Paper Scissors and Review.



↓ Popular K-pop idol Gary Kang made a guest appearance at the fan meet-and-greet session at Wisma Atria.

NOVEMBER 2015

Starhill Gallery hosted Asia's grandest luxury watch and jewellery show "A Journey Through Time IX" which showcased 125 international luxury watch and jewellery brands such as Bedat & Co, Cecil Purnell, Hermès, Gubelin and Emperor's Fine Jewels. British mezzo-soprano queen Carly Paoli and pop singer Gareth Gates performed at the gala dinner.

Popular K-pop girl group Secret performed live at Wisma Atria as part of Starhill Global REIT's tenth anniversary celebrations.



A Journey Through Time IX →
at Starhill Gallery.



↓ K-pop girl group Secret at Wisma Atria.



↑ Myer Centre Adelaide's pop-up Spring Summer fashion parade along Rundle Mall.

2016

JANUARY 2016

Roppongi Terzo in Tokyo, Japan was divested on 7 January 2016 for JPY2,500.0 million, at a yield of 4.4%.



↑ Dutch designer Monique Collignon (right) at the preview of her Spring/Summer collection at the annual Starhill Gallery Fashion Week.

MARCH 2016

The master tenancy agreements for Starhill Gallery and Lot 10 Property were extended for a third three-year term commencing 28 June 2016, with an approximately 6.7% increase above the annual rent in the previous three-year term.

Starhill Global REIT was affirmed a "BBB+" rating by Standard & Poor's.

APRIL 2016

Starhill Gallery held its annual Fashion Week which showcased preview Spring/Summer collections by international and local designers.

MAY 2016

Swiss singer and OMEGA ambassador Bastian Baker visited and held a private performance at the OMEGA boutique at Starhill Gallery.



↑ Swiss singer and OMEGA ambassador Bastian Baker held a private performance at the OMEGA boutique in Starhill Gallery.

JUNE 2016

Secured about 5.5% increase in base rent for the master lease with Toshin in Ngee Ann City Property for three years commencing 8 June 2016.

Starhill Global REIT's property portfolio was valued at S\$3,136.6 million as at 30 June 2016.

Wisma Atria Property attracted shopper traffic of 25.3 million in FY 2015/16.

BOARD OF DIRECTORS

1 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) 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 was appointed as an Executive Director of YTL Corp in 1984 and has been the Managing Director of YTL Group since 1988. Under his stewardship, YTL Corp has grown from a single listed entity into a force comprising five listed entities, i.e. YTL Corp, YTL Power International Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and YTL Hospitality REIT.

Tan Sri Francis is presently 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. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad. He sits on the board of several public companies such as YTL Cement Berhad and YTL Industries Berhad, and also serves as Chairman of private utilities companies including Wessex Water Limited and 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 and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation and 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. He is also a member of The Nature Conservancy Asia Pacific Council, 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 served as a member of Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis was made board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

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

In 2015, he was awarded the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit (WCES), held in London and in 2016, he was honored with the prestigious Muhammad Ali Celebrity Fight Night Award at The Celebrity Fight Night in Arizona.

2 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 assists the Chairman and the Board in formulating strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT.

He has over 20 years of leadership and management experience with multi-national 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 is currently an Independent Non-Executive Director of Daiman Development Berhad, a company 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.

3 DATO' YEOH SEOK KIAN Non-Executive Director

Dato' Yeoh Seok Kian joined the Board on 31 December 2008. He has been an Executive Director of YTL Corp since 1984. He is currently the Deputy Managing Director of YTL Corp and YTL Power International Berhad, and the Executive Director of YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Yeoh also serves on the board of several other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities company, 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.

Dato' Yeoh holds a Bachelor of Science (Honours) degree in Building from Heriot-Watt University, Edinburgh, United Kingdom. He also attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania and is a Fellow of the Faculty of Building United Kingdom, as well as a Member of the Chartered Institute of Building (United Kingdom).





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4 MR KEITH TAY AH KEE Lead Independent Director

Mr Keith Tay joined the Board on 1 October 2007 and is the Chairman of the Audit Committee. Mr Tay has, on his own volition, been reducing his board commitments and currently remains on the boards of FJ Benjamin Holdings Ltd and Rotary Engineering Limited, and AMVIG Holdings Limited, a company listed on the Exchange of Hong Kong Limited. He was the Chairman and Managing Partner of KPMG Peat Marwick Singapore from 1984 to 1993 and President of the Institute of Certified Public Accountants of Singapore (now known as Institute of Singapore Chartered Accountants) from 1982 to 1992.

His past principal directorships in the preceding three years include Stirling Coleman Capital Limited, Singapore International Chamber of Commerce, SATS Limited, Singapore Reinsurance Corporation Ltd and Singapore Post Limited.

Mr Tay qualified as a Chartered Accountant in London, UK. He was conferred the BBM – Public Service Star in 1990 by the President of the Republic of Singapore. In 1988, he was conferred the First International Award by the Institute of Chartered Accountants in England & Wales for outstanding contributions to the profession. The Institute of Certified Public Accountants of Singapore conferred upon Mr Tay the Gold Medal for distinguished service to the profession and made him an Honorary Fellow in 1993.



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5 DR HONG HAI Independent Director

Dr Hong Hai joined the Board on 18 July 2005 and is a member of the Audit Committee. He is Adjunct Professor at Nanyang Business School, and Senior Fellow, Institute of Advanced Studies at Nanyang Technological University (NTU) in Singapore. He is a director of Asiamedic Limited, Poh Tiong Choon Logistics Ltd and China Merchant Holdings (Pacific) Ltd.

Dr Hong was previously Professor (2003 – 2013) and Dean (2003 – 2007) at the College of Business, NTU, and President and Chief Executive Officer of Haw Par Corporation Limited (1990 – 2003), and has taught at the Kellogg School of Management in Chicago and the National University of Singapore. His past principal directorships in the preceding three years include Luye Pharma Ltd.

Dr Hong holds a first class honours degree in Electrical Engineering from the University of Canterbury, Masters Degrees from Harvard University and Cambridge University, and PhDs from Carnegie-Mellon University and the London School of Economics. A former Member of Parliament and Chairman of the Parliamentary Select Committee on Land Transportation and Government Parliamentary Committees for Transport and Communications, and for Health. He is an Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry and an executive council member of the Academy of Chinese Medicine, Singapore.



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6 DR MICHAEL HWANG Independent Director

Dr Michael Hwang joined the Board on 1 January 2006 and is a member of the Audit Committee. He was formerly a Judicial Commissioner of the Supreme Court of Singapore from 1991 – 1992 and one of the first 12 Senior Counsel appointed in Singapore. Dr Hwang now practices as an independent barrister and international arbitrator and also serves as the Chief Justice of the Dubai International Financial Centre Courts. Currently, Dr Hwang also sits on the board of various companies, including Singapore Dance Theatre Ltd, Linyi Investments Pte Ltd and Religare Health Trust Trustee Manager Pte Ltd, the trustee-manager of Religare Health Trust.

Dr Hwang was a partner of Allen & Gledhill LLP from 1972 to 1991, and again from 1993 to 2002. His past appointments include being Singapore's Non-Resident Ambassador to Switzerland (and presently accredited to Argentina), a Commissioner of the UN Compensation Commission, President of the Law Society of Singapore, Vice President of the ICC International Court of Arbitration, and one of Singapore's official nominees to the Permanent Court of Arbitration at The Hague. Dr Hwang advised the Real Estate Developers' Association of Singapore for many years, including preparations for the establishment of REITs in Singapore. He has served on the boards of several publicly listed companies including The Straits Trading Company Ltd, Del Monte Pacific Limited, The Hour Glass Limited as well as PSA Corporation Ltd (and its predecessor the Port of Singapore Authority).

Dr Hwang holds undergraduate and post-graduate law degrees from the University of Oxford, and an Honorary Doctor of Laws degree from the University of Sydney.

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EXECUTIVE OFFICERS OF REIT MANAGER

1 MR HO SING Chief Executive Officer

Mr Ho assists the Chairman and the Board in formulating 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.

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.

2 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).

3 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 10 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.

4 MS ONG MELLYNN Senior Vice President, Head of Asset Management

Ms Ong is responsible for the management of the REIT's portfolio and properties. 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



General Manager at YTL Starhill Global Property Management Pte. Ltd. where she led the leasing, property operations, marketing, finance and human resource functions. She was also previously Vice President, Asset Management with YTL Starhill Global REIT Management Limited. Ms Ong's former experience included 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 from the National University of Singapore and a Master of Business Administration from Imperial College, London.



5 MS CLARE KOH
Senior Vice President,
Head of Investments

Ms Koh has more than 10 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 from the University of Western Australia.

6 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. His legal career spans private practice in the litigation field before moving on to in-house legal counsel roles within SGX-ST listed companies and a REIT. His broad experience includes corporate commercial matters in various industries including real estate, cross-border acquisitions and divestments as well as financing and joint ventures.

Mr Lam holds a Bachelor of Law (Honours) degree from the National University of Singapore.

7 MR JONATHAN KUAH
Senior Vice President,
Investor Relations &
Corporate Communications

Mr Kuah is responsible for strategic communication with Unitholders, potential investors, analysts and media. He has over 20 years of experience in the financial industry, including 10 years in the real estate industry. Prior to joining the Manager, he spent five years with CapitalLand Limited as Vice President of Investor Relations. Mr Kuah has also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various brokerages. Mr Kuah sits on the Board for Investor Relations Professionals Association (Singapore).

Mr Kuah holds a Bachelor of Science in Business Administration (Finance) from California State University, Long Beach, USA.

EXECUTIVE OFFICERS OF PROPERTY MANAGER



1 **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 construction 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 (major in Human Resource Management) from the RMIT University, Australia and a Diploma in Management Studies from the Singapore Institute of Management.

² **MS SHEREEN BERNADETTE DE SOUZA**
Vice President, Leasing

Ms De Souza is responsible for all leasing operations and tenant relationships for the Ngee Ann City Property and the office component of Wisma Atria Property. She has over 20 years of experience in leasing in the property management industry. She was previously the Assistant Manager at Raffles City for 18 years from 1987 to 2002 and from 2003 to 2006.

Ms De Souza holds a Diploma in Sales & Marketing from the Marketing Institute of Singapore.

³ **MS CHAN SHUK LING**
Vice President, Marketing

Ms Chan is responsible for conceptualising and implementing marketing programmes to attract shoppers and increase tenants' sales turnover at the Wisma Atria Property and Level 5 of the Ngee Ann City Property. Ms Chan has more than 10 years of marketing experience. From 2001 to 2002, she was with Wisma Development Pte Ltd where she was responsible for the advertising and promotional activities for the Wisma Atria Property. Prior to that, Ms Chan worked with Seiyu Department Store where she was in charge of implementing marketing programmes for their chain outlets.

Ms Chan holds a Bachelor of Arts from the National University of Singapore.

⁴ **MS KULANTHALVELU PARAMESHVARI**
Vice President, Finance

Ms Parameshvari, with more than 20 years' experience in the audit and finance industry, is responsible for finance, accounting and tax functions. Prior to joining the Property Manager, she was with Wisma Development Pte Ltd (WDPL) from 1986 to 2002 where she was responsible for its finance, accounting and tax functions and served as the chairman, treasurer, secretary and a council member (representing WDPL) of the Wisma Atria Management Corporation.

She also worked in the audit department of Ernst and Young from 1979 to 1986.

Ms Parameshvari is a Bachelor of Science graduate from the University of Madras. She is also a member of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.

⁵ **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 in Facilities Management from Heriot-Watt University, Edinburgh, United Kingdom.

PROPERTY HIGHLIGHTS

Name	Address	Description	NLA (sq ft) (as at 30 Jun 2016)	Title	Number of Tenants (as at 30 Jun 2016)
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: 126,359 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	125
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 ⁽¹⁾ Office: 139,167	Leasehold estate of 69 years, expiring on 31 March 2072	50
Myer Centre Adelaide ⁽²⁾	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings	Retail: 502,000 ⁽³⁾ Office: 98,000	Freehold	103
David Jones Building ⁽⁵⁾	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,082 (GLA)	Freehold	6
Plaza Arcade ⁽⁶⁾	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	24,212 (GLA)	Freehold	30
Starhill Gallery ⁽⁷⁾	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	306,113*	Freehold	1
Lot 10 Property ⁽⁷⁾	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	256,811*	Leasehold estate of 99 years, expiring on 29 July 2076	1
Renhe Spring Zongbei Property ⁽⁹⁾	No. 19, 4th Section, Renminnan Road, Chengdu, China	A four-storey plus mezzanine level retail podium forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate of 40 years, expiring on 27 December 2035	69
Daikanyama ⁽¹¹⁾	1-31-12 Ebisu Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	8,087*	Freehold	5
Ebisu Fort ⁽¹¹⁾	1-24-2 Ebisu Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for office and retail use	18,816*	Freehold	6
Harajyuku Secondo ⁽¹¹⁾	1-19-1 Jingumae, Shibuya-ku, Tokyo, Japan	Three-storey building for retail use	2,249	Freehold	2
Nakameguro Place ⁽¹¹⁾	1-20-2 Aobadaai, Meguro-ku, Tokyo, Japan	Four-storey building for retail use	3,526	Freehold	4
Roppongi Terzo ^{(11), (12)}	7-13-7 Roppongi, Minato-ku, Tokyo, Japan	Five-storey building for F&B and entertainment use	14,452	Freehold	NA

* Largely retail with some office component

Notes:

⁽¹⁾ Includes 225,969 sq ft of gross lettable area leased to Toshin Development Singapore Pte. Ltd. on a master tenant basis.

⁽²⁾ Myer Centre Adelaide was acquired on 18 May 2015 and based on the exchange rate of AUD0.95:\$S1 at acquisition. FY 2014/15 included a maiden contribution of approximately 1.5 months.

⁽³⁾ Excludes 113,000 sq ft of unactivated vacant area in the retail centre on level 4 and level 5.

⁽⁴⁾ Based on the exchange rate of AUD1.00:\$S1 at 30 June 2016.

⁽⁵⁾ David Jones Building was acquired on 20 January 2010 and based on the exchange rate of AUD0.79:\$S1 at acquisition.

⁽⁶⁾ Plaza Arcade was acquired on 1 March 2013 and based on the exchange rate of AUD0.79:\$S1 at acquisition.

⁽⁷⁾ Lot 10 Property and Starhill Gallery were acquired on 28 June 2010 and based on the exchange rate of RM2.32:\$S1 at acquisition.

Purchase Price (S\$ million)	Market Valuation (S\$ million) (as at 30 Jun 2016)	Committed Occupancy		Major Tenants and Brands	Revenue ⁽¹⁴⁾ (S\$ million)		NPI ⁽¹⁴⁾ (S\$ million)	
		30 Jun 2016	30 Jun 2015		Jul 2015 to Jun 2016 ("FY 2015/16")	Jan 2014 to Jun 2015 ("FY 2014/15")	Jul 2015 to Jun 2016 ("FY 2015/16")	Jan 2014 to Jun 2015 ("FY 2014/15")
663.0	996.0	Retail: 97.7% Office: 97.9%	Retail: 98.1% Office: 98.3%	Coach, Tory Burch, TAG Heuer, Cortina Watch Pte. Ltd., Charles & Keith Group, Cotton On	70.1	103.5	54.1	79.7
640.0	1,145.0	Retail: 100.0% Office: 94.0%	Retail: 100.0% Office: 100.0%	Toshin Development Singapore Pte. Ltd. (master tenant), DBS Treasures Centre, Statoil Asia Pacific Pte Ltd	64.2	94.8	52.5	77.8
303.1 ⁽²⁾	300.0 ⁽⁴⁾	Retail: 94.2% Office: 50.3%	Retail: 96.7% Office: 91.6%	Myer Pty Ltd, Nine West, Lush, Sunglass Hut, Rebel, Temt, Jacqui E, Rubi Shoes	33.6	4.1 ⁽²⁾	20.3	2.8 ⁽²⁾
145.7 ⁽⁵⁾	153.4 ⁽⁴⁾	97.4%	97.4%	David Jones Limited, Jeanswest, Pandora, Bodyshop, Lush	11.3	20.0	9.3	16.3
61.0 ⁽⁶⁾	52.1 ⁽⁴⁾	74.5%	92.5%	Billabong, Just Jeans, Virgin Mobile	5.0	8.3	3.6	6.0
271.3 ⁽⁷⁾	234.4 ⁽⁸⁾	100.0%	100.0%	Katagreen Development Sdn Bhd (master tenant)	16.0	27.2	15.5	26.2
173.0 ⁽⁷⁾	144.0 ⁽⁸⁾	100.0%	100.0%	Katagreen Development Sdn Bhd (master tenant)	9.8	16.6	9.4	16.0
70.6 ⁽⁹⁾	44.7 ⁽¹⁰⁾	96.4%	100.0%	Ermenegildo Zegna, Max Mara Weekend, Armani Collezione, Swarovski, Chow Tai Fook	5.8	13.8	2.6	7.5
22.8 ⁽¹¹⁾	15.8 ⁽¹³⁾	100.0%	100.0%	Good Design Company, Zwiesel, Mizutani Bicycle, Humans Brain, Seki Kagu	0.7	1.0	0.5	0.7
71.3 ⁽¹¹⁾	41.5 ⁽¹³⁾	100.0%	100.0%	Defence Associates, Style Create, Plug-In, Wano KK	1.8	2.3	1.4	1.6
6.1 ⁽¹¹⁾	4.4 ⁽¹³⁾	100.0%	100.0%	I-care, Marutomi	0.2	0.3	0.1	0.2
7.1 ⁽¹¹⁾	5.4 ⁽¹³⁾	100.0%	48.2%	Ad Universe, Hataya, Isego Honten, DL CHASE Japan	0.3	0.2	0.1	0.1
38.9 ⁽¹¹⁾	NA	NA	100.0%	NA	0.9	2.6	0.8	2.6

⁽⁸⁾ Based on the exchange rate of RM2.99:S\$1 at 30 June 2016.

⁽⁹⁾ Renhe Spring Zongbei Property was acquired on 28 August 2007 and based on the exchange rate of RMB4.96:S\$1 at acquisition.

⁽¹⁰⁾ Based on the exchange rate of RMB4.92:S\$1 at 30 June 2016.

⁽¹¹⁾ Harajyuku Secondo, Daikanyama, Nakameguro Place and Roppongi Terzo 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.

⁽¹²⁾ Roppongi Terzo was divested on 7 January 2016 for JPY2,500.0 million (approximately S\$29.9 million), a premium to its latest valuation of JPY2,440.0 million (approximately S\$29.2 million).

⁽¹³⁾ Based on the exchange rate of JPY76.14:S\$1 at 30 June 2016.

⁽¹⁴⁾ Figures presented above include the 12-month period from 1 July 2015 to 30 June 2016 (FY 2015/16) and the 18-month period from 1 January 2014 to 30 June 2015 (FY 2014/15). Therefore, the comparative amounts presented in relation to the 12-month period in the current financial year are not entirely comparable.

PROPERTY PORTFOLIO SUMMARY

STARHILL GLOBAL REIT'S PORTFOLIO COMPRISES MAINLY OF 12 MID-TO HIGH-END RETAIL PROPERTIES LOCATED IN SIX KEY CITIES IN FIVE COUNTRIES ACROSS THE ASIA-PACIFIC REGION.

THESE PROPERTIES WITH STRONG FUNDAMENTALS ARE STRATEGICALLY LOCATED IN GOOD TO PRIME LOCATIONS. THE RESILIENCE OF THE PORTFOLIO IS DEMONSTRATED BY THE HIGH OCCUPANCIES SINCE SGREIT'S LISTING IN 2005.

DIVERSIFIED RETAIL AND OFFICE PORTFOLIO

The Portfolio's gross revenue is diversified across Singapore 61.1%, Australia 22.7%, Malaysia 11.7%, China 2.7% and Japan 1.8% for FY 2015/16. The retail and office components contributed 86.3% and 13.7% to the Portfolio's FY 2015/16 revenue respectively.

As at 30 June 2016, the top 10 tenants of the Portfolio contributed 55.6% of the Portfolio's gross rent. The top four tenants were Toshin Development Singapore Pte. Ltd. (Toshin), YTL Group, Myer Pty

Ltd and David Jones Limited, accounting for 20.6%, 14.5%, 6.4% and 4.3% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

RESILIENT LEASE PROFILE

The Portfolio has several master leases and long-term leases, providing rental income stability with potential upside. Toshin's lease at Ngee Ann City Property until June 2025 incorporates a rent review every three years, with the next review due in June 2019. The recent rent review for the lease in June 2016 was concluded with an

increase of about 5.5% in base rent for the three years commencing 8 June 2016. The Malaysia Properties which are under master leases with Katagreen Development Sdn Bhd, an indirect wholly owned subsidiary of YTL Corporation Berhad, have recently been extended for a third three-year term commencing 28 June 2016 at approximately 6.7% above the annual rent from the previous three-year term. The David Jones Building in Perth, Australia has a long-term lease expiring in 2032 with anchor tenant David Jones Limited, with upward-only rent reviews every three years. Myer department store has a long-term anchor tenant lease at

TOP 10 TENANTS

Tenant Name	Property	% of Portfolio Gross Rent ^{(1) (2)}
Toshin Development Singapore Pte. Ltd.	Ngee Ann City Property, Singapore	20.6%
YTL Group ⁽³⁾	Ngee Ann City Property & Wisma Atria Property, Singapore Starhill Gallery & Lot 10 Property, Malaysia	14.5%
Myer Pty Ltd	Myer Centre Adelaide, Australia	6.4%
David Jones Limited	David Jones Building, Australia	4.3%
Cortina Watch Pte Ltd	Ngee Ann City Property & Wisma Atria Property, Singapore	2.3%
Cotton On Group	Wisma Atria Property, Singapore, Myer Centre Adelaide, Australia	2.1%
BreadTalk Group	Wisma Atria Property, Singapore	1.6%
Coach Singapore Pte. Ltd.	Ngee Ann City Property & Wisma Atria Property, Singapore	1.5%
Charles & Keith Group	Wisma Atria Property, Singapore	1.2%
LVMH Group	Ngee Ann City Property & Wisma Atria Property, Singapore	1.1%

Notes:

⁽¹⁾ As at 30 June 2016.

⁽²⁾ The total portfolio gross rent is based on the gross rent of all the properties including the Renhe Spring Zongbei Property.

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

the Myer Centre Adelaide expiring in 2032 which provides for an annual rent review. Collectively, these master leases and long-term leases accounted for 44.6% of the Portfolio's gross rent as at 30 June 2016.

The Manager actively manages the remaining leases of the Portfolio, which are on a short- to medium-term basis. The weighted average lease term by gross rent for new leases⁽¹⁾ signed in FY 2015/16 is 3.2 years regardless of lease commencement dates. The proportion of gross rent attributed to these leases is approximately 5% of the Portfolio's committed monthly gross rental income as at 30 June 2016, 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 Level 5, as well as office leases which are generally contracted for a three-year period. The Japan Properties generally have tenancies with three- to five-year lease terms while the specialty retail units in the David Jones Building and Plaza Arcade in Perth, as well as the Myer Centre Adelaide in Adelaide generally have one- to five-year lease terms. The Renhe Spring Zongbei Property in Chengdu operates as a department store with mostly short-term concessionaire leases running from three to 12 months.

As at 30 June 2016, the weighted average lease term expiry of the Portfolio is 7.1 years and 5.1 years by NLA and gross rent respectively.

STRONG PERFORMANCE FOR THE SINGAPORE PROPERTIES

The Singapore Properties consist of both retail and office spaces, which enjoy a combined occupancy of 97.9% as at 30 June 2016. Prime retail spaces in Orchard Road continue to attract international retailers and new-to-market brands looking to launch their products in the region. According to CBRE, Singapore was ranked the second top target market in the world for global retailers in 2015⁽²⁾. In FY 2015/16, Wisma Atria Property recorded centre sales of S\$191.7 million and attracted shopper traffic of 25.3 million.

The office portfolio in the Singapore Properties achieved a positive rental reversion of 5.2% for leases committed in FY 2015/16. The strong performance of the office properties can be attributed to their strategic location, which appeals especially to tenants from the fashion retail, medical and services industries, while supply of new office space in Orchard Road remains limited.

ENTRY OF INTERNATIONAL RETAILERS TO AUSTRALIA

Australia continues to be an attractive market for new entrants and expansions from international retailers, particularly along the prime shopping strips in the CBD, as the market is relatively new to international retail brands. In Perth, Zara and Topshop launched city-centre flagship stores in 2014, while H&M is setting up its first flagship CBD store this year.

WEAKENING GROWTH IN CHENGDU'S LUXURY RETAIL MARKET

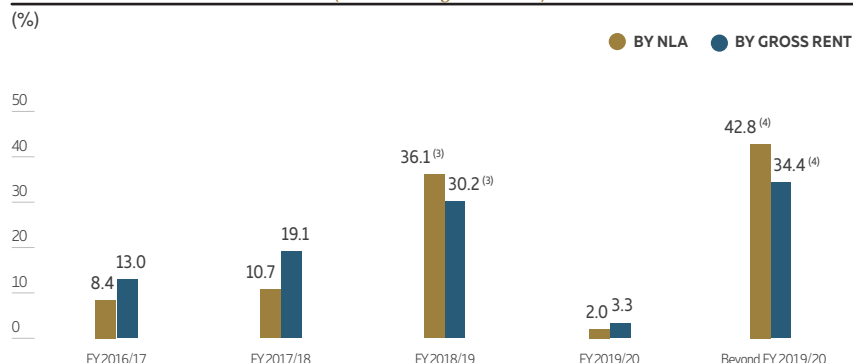
Retail sales, particularly the high-end luxury segment, continues to be impacted by austerity measures imposed by the Chinese central government and increased competition from new supply in Chengdu. China GDP growth eased to 6.7% in 1H 2016, compared to 7.0% in 1H 2015. Chengdu's GDP growth of 7.5% outpaced national level of 6.7% in 1H 2016, but eased from 8.0% in 1H 2015. Chengdu's retail sales growth slowed down from 10.9% in 1H 2015 to 9.7% for 1H 2016.

Notes:

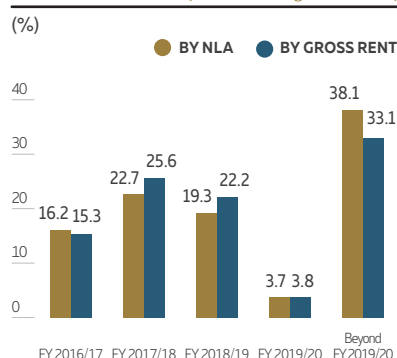
⁽¹⁾ Excludes Renhe Spring Zongbei Property, China which operates as a department store with mostly short-term concessionaire leases running three to 12 months.

⁽²⁾ Source: CBRE, How Global is the Business of Retail, 2016

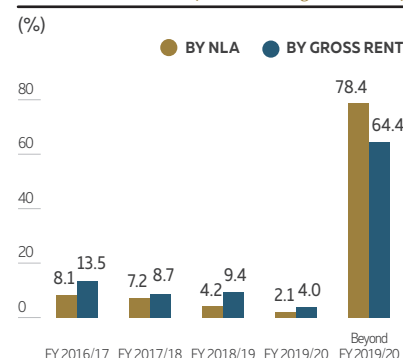
PORTFOLIO LEASE EXPIRY (AS AT 30 JUN 2016)^{(1) (2)}



SINGAPORE PORTFOLIO LEASE EXPIRY (AS AT 30 JUN 2016)



AUSTRALIA PORTFOLIO LEASE EXPIRY (AS AT 30 JUN 2016)



Notes:

⁽¹⁾ Portfolio lease expiry schedule includes Starhill Global REIT's properties in Singapore, Malaysia, Australia and Japan but excludes Renhe Spring Zongbei Property, China which operates as a department store with short-term concessionaire leases running three to 12 months.

⁽²⁾ Lease expiry schedule based on committed leases as at 30 June 2016.

⁽³⁾ Includes the master tenant leases in Malaysia that expire in 2019.

⁽⁴⁾ Includes the Toshin master lease that expires in 2025 and the long-term leases in Australia that have periodic rent reviews and expire in 2032.

PROPERTY PORTFOLIO SUMMARY

VALUATION

Starhill Global REIT's property portfolio was valued at S\$3,136.6 million as at 30 June 2016, increasing approximately S\$20.4 million compared to the previous valuation as at 30 June 2015. The higher portfolio valuation was mainly attributed to higher valuation for the Singapore Properties and Australia Properties, partially offset by the divestment of Roppongi Terzo, decrease in valuation for Renhe Spring Zongbei Property and net negative foreign currency movements. Roppongi Terzo in Tokyo, Japan was divested in January 2016 as part of the strategy to refine the portfolio.

As at 30 June 2016, the combined valuation of the Wisma Atria Property and the Ngee Ann City Property increased to S\$2,141.0 million or a S\$69.5 million increase from 30 June 2015, mainly driven by higher retail rents for Ngee Ann City Property due to the rent review for the Toshin master lease and potential net income upside after the Toshin master lease expires in 2025, as well as lower operating expenses for Wisma Atria's retail component. This was offset by lower market rents for the office components in consideration of the softer office market in Singapore.

The combined valuation of the Australia Properties was A\$504.2 million (approximately S\$505.5 million), increasing from that as at 30 June 2015 mainly due to lower expenses for Myer Centre Adelaide and lower capitalisation rates for the David Jones Building and Plaza Arcade reflecting recent transaction yields for retail properties. This increase was partially offset by the weaker Australian dollar in Singapore dollar terms.

The Malaysia Properties were valued at RM1,130.0 million (approximately S\$378.4 million) which saw an increase in valuation in Malaysian Ringgit terms from the valuation as at 30 June 2015 mainly due to higher reversionary market rents assumed at the expiry of the master lease. The valuation of the Malaysia Properties in Singapore dollar terms was however affected by the weaker Malaysian ringgit as compared to 30 June 2015.

The valuation of Renhe Spring Zongbei Property declined RMB86.0 million (approximately S\$21.6 million) compared

GROSS REVENUE BY COUNTRY

FY 2015/16



61.1%
SINGAPORE

22.7%
AUSTRALIA

11.7%
MALAYSIA

2.7%
CHINA

1.8%
JAPAN

GROSS REVENUE BY RETAIL AND OFFICE

FY 2015/16



RETAIL

86.3%

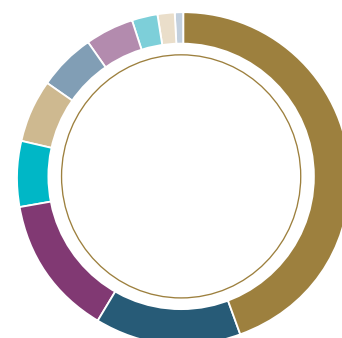


OFFICE

13.7%

PORTFOLIO TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



Master Tenancies & Long-Term Leases	44.6%
Fashion	13.8%
Office	13.6%
F&B	6.3%
Jewellery & Watches	6.2%
Beauty & Wellness	6.1%
Shoes & Accessories	4.7%
General Trade	2.4%
Services	1.6%
Others	0.7%

to that as at 30 June 2015 mainly due to lower income assumed and weaker Chinese Renminbi in Singapore dollar terms. Retail supply continues to outstrip retail demand in Chengdu and intensified competition has made it increasingly difficult to attract retailers.

The Japan Properties were valued at JPY5,104.0 million (approximately S\$67.0 million), a decrease of JPY2,344.0 million in local currency terms from the previous valuation as at 30 June 2015 mainly due to the divestment of Roppongi Terzo. The value of the remaining four Japanese properties

increased by 21.7% compared to that as at 30 June 2015 in Singapore dollar terms due to the appreciation of the Japanese Yen, as well as lower capitalisation rates for the Japan Properties reflecting recent transaction yields for retail properties. The Japan Properties are fully hedged by Yen denominated loans.

PORTFOLIO VALUATION

Description	30 Jun 2016 (S\$ million)	30 Jun 2015 (S\$ million)	Change (S\$ million)	Change (%)
Wisma Atria Property	996.0	987.5	8.5	0.9%
Ngee Ann City Property	1,145.0	1,084.0	61.0	5.6%
Australia Properties ⁽¹⁾	505.5	500.2	5.3	1.1%
Malaysia Properties ⁽²⁾	378.4	396.3	(17.9)	(4.5%)
Renhe Spring Zongbei Property ⁽³⁾	44.7	66.3	(21.6)	(32.6%)
Japan Properties ⁽⁴⁾	67.0	81.9	(14.9)	(18.1%)
	3,136.6	3,116.2	20.4	0.7%

Notes:

⁽¹⁾ Translated on 30 June 2016 at A\$1.00:S\$1 (30 June 2015 at A\$0.97:S\$1).

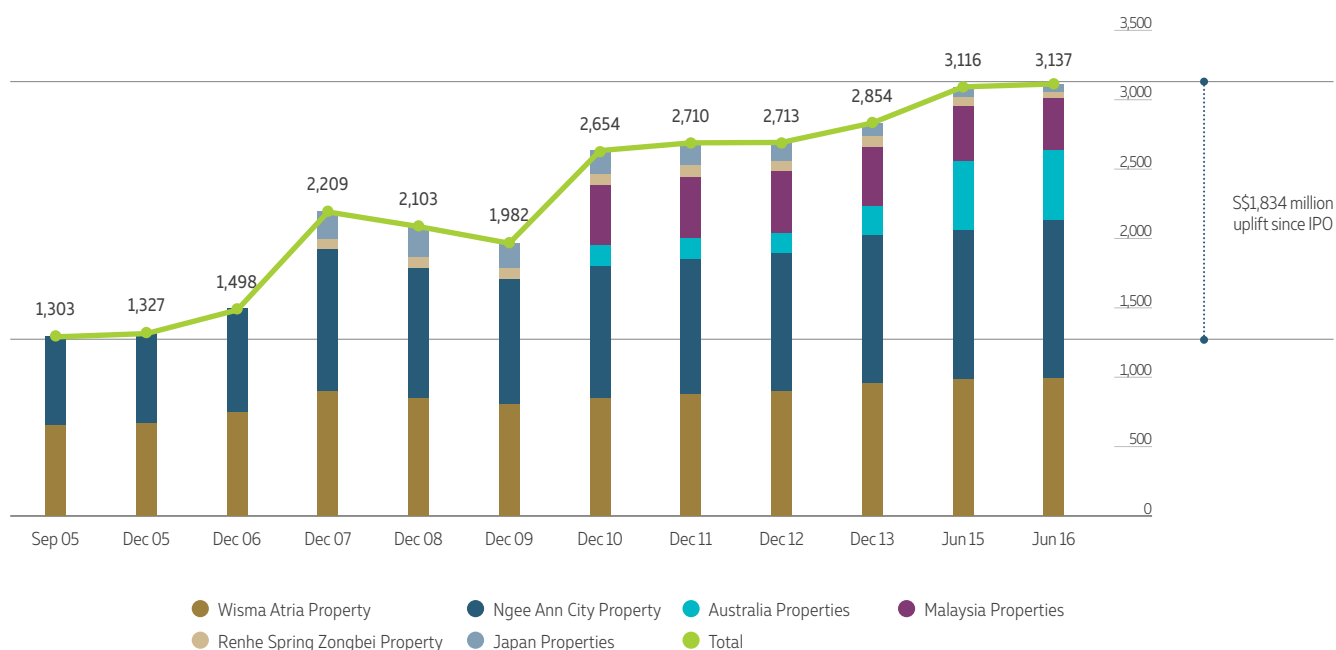
⁽²⁾ Translated on 30 June 2016 at RM2.99:S\$1 (30 June 2015 at RM2.81:S\$1).

⁽³⁾ Translated on 30 June 2016 at RMB4.92:S\$1 (30 June 2015 at RMB4.61:S\$1).

⁽⁴⁾ Translated on 30 June 2016 at JPY76.14:S\$1 (30 June 2015 at JPY90.94:S\$1).

PORTFOLIO VALUATION

(S\$ MILLION)



SINGAPORE PROPERTIES

WISMA ATRIA PROPERTY

STRATEGICALLY LOCATED ALONG THE MOST PRIME STRETCH OF ORCHARD ROAD BETWEEN ION ORCHARD AND Ngee Ann City, Wisma Atria Property enjoys more than 100 metres of prime street frontage and is one of the most popular malls with an established following among locals and tourists.

WISMA ATRIA

435 Orchard Road
Singapore 238877



Coach's next generation retail concept at its flagship store in Wisma Atria Property. →



The rejuvenated Paris Baguette Cafe at Wisma Atria Property. →



257

Strata lots representing 74.23% of the total share value in Wisma Atria

TENURE

99 YEARS

Leasehold Estate (expiring on 31 Mar 2061)

125

TENANTS (as at 30 Jun 2016)

NET LETTABLE AREA



126,359 SQ FT
RETAIL



98,889 SQ FT
OFFICE

225,248 SQ FT
TOTAL

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 (Singapore) Limited ("Isetan") and common area property) and the office tower.

STRATEGICALLY LOCATED ICONIC PROPERTY ALONG ORCHARD ROAD

Strategically located along the most prime stretch of Orchard Road between ION Orchard and Ngee Ann City, Wisma Atria enjoys more than

100 metres of prime street frontage and is one of the most popular malls with 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 at street level from Orchard Road and its underground pedestrian linkway which connects Wisma Atria to the Orchard MRT station and Ngee Ann City.

Wisma Atria continues to offer a wide trade mix to cater to shoppers, being home to the flagship stores of international retailers including Coach, Emperor Watch & Jewellery and Timewise by Cortina Watch. It also houses the first Tory Burch boutique in Singapore and the largest TAG Heuer boutique worldwide.

S\$996.0m

MARKET VALUATION

(as at 30 Jun 2016)

With international brands such as Cotton On, Forever New, Seafolly and Victoria's Secret, and local labels such as Lee Hwa Jewellery, Charles & Keith and Pedro, the shopping experience at Wisma Atria is a fashionista's dream. The food & beverage selections are also not to be missed, with favourites such as Ben's Cookies, Famous Amos, Garrett Popcorn, Joe & the Juice, Kotobuki Coffee, Ilao Ilao, Omakase Burger, Paris Baguette, Starbucks, Din Tai Fung and Food Republic with its mouth-watering local delights.

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, restaurants and healthcare providers. As at 30 June 2016, Wisma Atria Property (Retail) was 97.7% occupied and Wisma Atria Property (Office) enjoyed 97.9% occupancy.

In FY 2015/16, centre sales eased 0.2% yoy to reach S\$191.7 million as tenant mix reconfiguration remains ongoing, while annual centre traffic declined 2.6% to 25.3 million. Isetan is progressively re-opening its own strata-owned space at Wisma Atria after its closure for renovations since April 2015, with tenants such as Franck Muller, Japan Food Town and Pasquale Bruni, injecting vibrancy into the mall.

DIVERSIFIED TENANT MIX

For FY 2015/16, retail tenants contributed 83.1% of the Wisma Atria Property's gross revenue while office tenants contributed 16.9%. The Wisma Atria Property benefits from a diversified tenant base from various sectors.

ADVERTISING AND PROMOTION

Wisma Atria rolled out a robust marketing calendar of promotions and events during the year to encourage repeat visits and increase customer spending. The mall hosted many international celebrities throughout the year as part of SGREIT's tenth anniversary celebrations.

SINGAPORE PROPERTIES WISMA ATRIA PROPERTY

Tory Burch boutique at
Wisma Atria Property. →



RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



FASHION

37.3%



JEWELLERY
& WATCHES

18.7%



F&B

17.0%



SHOES &
ACCESSORIES

14.0%



HEALTH
& BEAUTY

9.2%



GENERAL
TRADE

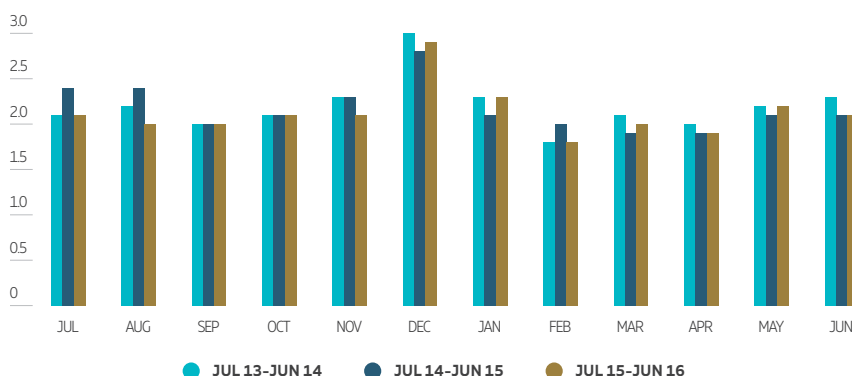
3.8%

In August 2015, Coach invited South Korean superstar Jay Park, as well as local celebrities and style personalities, to the launch of its next generation retail concept at its flagship store in Wisma Atria. In September 2015, an international Formula One driver made a guest appearance at the mall as part of the TAG Heuer Art Helmet Contest.

In October 2015, popular K-pop idol Gary Kang made a special appearance at his fan meet-and-greet session at Wisma Atria and attracted many fans to the mall. In November 2015, K-pop girl group Secret performed live at Wisma Atria.

SHOPPER TRAFFIC

VISITORS (MILLION)





← Crowd turnout at K-pop superstar Gary Kang's guest appearance at Wisma Atria.

RETAIL & OFFICE MIX

BY GROSS REVENUE
(FY 2015/16)



RETAIL

83.1%



OFFICE

16.9%

OCCUPANCY RATE



RETAIL

97.7%

30 Jun 2016



OFFICE

97.9%



RETAIL

98.1%

30 Jun 2015



OFFICE

98.3%

New tenant Kotobuki Coffee at
Wisma Atria Property. ↓



OFFICE TRADE MIX

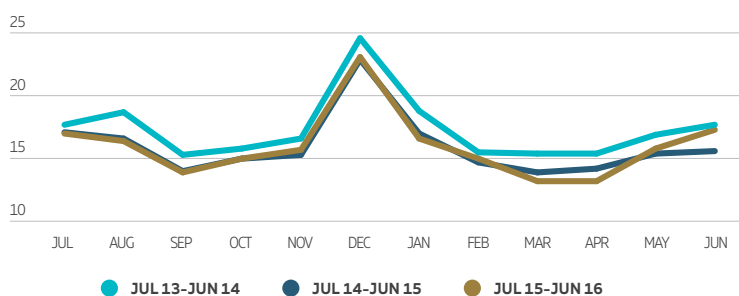
BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



Consultancy/Services	17.8%
Fashion Retail	17.5%
Real Estate & Property Services	15.2%
Beauty/Health	12.7%
Trading	12.5%
Information Technology	5.5%
Medical	5.1%
Petroleum Related	3.7%
Others	3.5%
Aerospace	2.5%
Government Related	2.4%
Banking and Financial Services	1.6%

CENTRE SALES

(S\$ MILLION)



SINGAPORE
PROPERTIES
NGEE ANN CITY PROPERTY

NGEE ANN CITY PROPERTY

NGEE ANN CITY IS POPULAR WITH LOCAL SHOPPERS AND TOURISTS – WITH LUXURY BRANDS, HIGH-STREET FAVOURITES AND DIVERSE DINING OPTIONS.

Located on the prime stretch of the bustling Orchard Road, Ngee Ann City is easily accessible to locals and tourists alike. It enjoys connectivity to Orchard MRT station through the underground pedestrian linkway to Wisma Atria and other parts of Orchard Road through the underpasses. With its depth and diversity of retail offerings, Ngee Ann City remains the mall of choice on Orchard Road.

The 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 which feature major brands such as Chanel, Louis Vuitton, Piaget and Roger Vivier.

As at 30 June 2016, Ngee Ann City Property (Retail) was 100.0% occupied and Ngee Ann City Property (Office) was 94.0% occupied.

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. With its iconic retailers and dining options, Ngee Ann City attracts the affluent, young and families as well as the tourists and business travellers from neighbouring hotels.

4

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

TENURE

69 YEARS

Leasehold Estate
(expiring on 31 Mar 2072)

50

TENANTS

including one master tenant
(as at 30 Jun 2016)

NET LETTABLE AREA



255,021^{SQ FT}
RETAIL



139,167^{SQ FT}
OFFICE

394,188^{SQ FT}
TOTAL

STRONG AND STABLE POSITIONING

Ngee Ann City is popular amongst retailers and shoppers. Affluent shoppers are attracted to the mall's stable of luxury retailers such as Berluti, Loewe and Goyard; the young and trendy enjoy Massimo Dutti and Zara; and families look out for inter-generational favourites such as Books Kinokuniya.

Above the retail podium, office tenants enjoy the well-furnished spaces designed for their convenience and comfort. The close proximity to amenities such as restaurants, gyms and shopping outlets is a plus for tenants which mainly belong to the fashion retail and services sectors. Among these tenants are Chanel, Cortina Watch, Embraer, Ralph Lauren and Tiffany & Co..

S\$1,145.0m

MARKET VALUATION

(as at 30 Jun 2016)

NGEE ANN CITY

391/391B Orchard Road,
Singapore 238874



SINGAPORE PROPERTIES NGEE ANN CITY PROPERTY

SGREIT SECURED ABOUT 5.5% INCREASE IN BASE RENT FOR THE MASTER LEASE WITH TOSHIN, WHICH REPRESENTS 66.4% OF Ngee ANN CITY PROPERTY BY GROSS RENT AS AT 30 JUNE 2016.



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

TENANT MIX

For FY 2015/16, 75.7% of the Ngee Ann City Property's gross revenue was from retail tenants and 24.3% 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 2016, Toshin accounted for 66.4% of the gross rent of the Ngee Ann City Property. Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn 100% 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. The last rent review was recently concluded in June 2016 with about 5.5% increase in base rent for the three years commencing 8 June 2016.

The Manager actively manages the beauty & wellness cluster on Level 5, constantly rejuvenating the tenant mix to bring about complementary offerings such as the DBS Treasures priority banking service.

RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



TOSHIN

86.4%



HEALTH
& BEAUTY

10.5%



SERVICES

2.6%



GENERAL
TRADE

0.5%

RETAIL & OFFICE MIX

BY GROSS REVENUE
(FY 2015/16)



RETAIL

75.7%



OFFICE

24.3%

Berluti store at
Ngee Ann City Property. →



Roger Vivier store at
Ngee Ann City Property. →



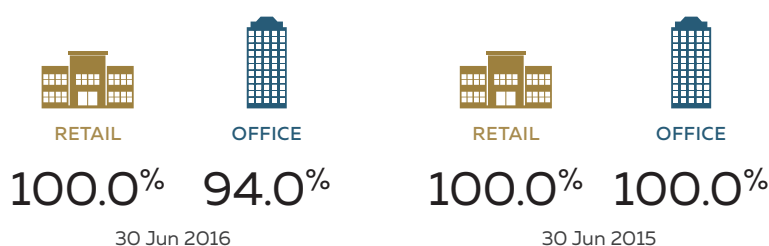
OFFICE TENANT MIX

Fashion Retail, Petroleum Related and Beauty/Health are the three key 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 continued to be 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, is also a popular venue for regular bazaars and events that draw throngs of shoppers.

OCCUPANCY RATE



OFFICE TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



Fashion Retail	27.5%
Petroleum Related	17.5%
Beauty/Health	16.7%
Consultancy/Services	15.7%
Real Estate & Property Services	8.6%
Banking and Financial Services	5.2%
Others	4.5%
Aerospace	4.3%

AUSTRALIA PROPERTIES

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 PREMIER RETAIL STRETCH OF RUNDLE MALL – THE CITY'S ONLY RETAIL PEDESTRIAN STREET – WHICH ATTRACTS 24 MILLION SHOPPERS ANNUALLY.



An **eight-storey retail centre with four basement levels**, and office component which includes a six-storey office tower and two heritage buildings

TENURE

Freehold

103

TENANTS
including one anchor tenant (as at 30 Jun 2016)

NET LETTABLE AREA



502,000 SQ FT
RETAIL



98,000 SQ FT
OFFICE

600,000 SQ FT ⁽¹⁾
TOTAL

Note:

⁽¹⁾ Excludes 113,000 sq ft of unactivated vacant area on the highest two floors of the retail centre.

MYER CENTRE ADELAIDE

14-38 Rundle Mall,
Adelaide, Australia

\$300.0m
MARKET VALUATION

(as at 30 Jun 2016)

LARGEST SHOPPING MALL IN ADELAIDE'S CITY CENTRE

Acquired by Starhill Global REIT in May 2015, Myer Centre Adelaide is a prominent landmark in the heart of the Adelaide city centre. Anchored by the popular Myer department store, the 502,000 sq ft retail centre houses other specialty tenants, including Lush, Nine West, Rebel, Sunglass Hut, Temt, and Thomas Sabo. The centre is located along the city's premier retail area and in the heart of South Australia retail, Rundle Mall – the city's only retail pedestrian street which attracts 24 million shoppers annually. Myer Centre Adelaide is the largest shopping mall in the city centre and is popular with both locals and tourists. It is within walking distance to the Riverbank Entertainment Precinct, which includes the convention centre, Festival Centre and multi-sports

stadium, the Adelaide Oval and also within close proximity to universities and hostels, as well as the city's art galleries, museums and casino.

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. A 600-seat foodcourt is located at the basement of the retail centre and is the biggest in the Adelaide city centre. Myer Centre Adelaide comprises an eight-storey retail centre with four basement levels of car park space, and an office component which includes a six-storey office tower which sits atop the retail centre, and two heritage buildings. The Myer department store occupies 324,000 sq ft or 54.1% of Myer Centre Adelaide's NLA. It accounts for 50.2% of the gross rent for the property as at 30 June 2016. 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.

RETAIL & OFFICE MIX

BY GROSS REVENUE
(FY 2015/16)



RETAIL

92.0%



OFFICE

8.0%



↑ Myer Centre Adelaide's outdoor fashion show featured collections by several fashion tenants.

AUSTRALIA
PROPERTIES
ADELAIDE

RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



Myer	53.6%
Fashion	12.0%
F&B	10.1%
General Trade	6.6%
Jewellery & Watches	5.0%
Shoes & Accessories	4.9%
Beauty & Wellness	4.2%
Services	3.1%
Others	0.5%



↑ Myer Centre Adelaide celebrated its 25th anniversary in 2016.

Myer Centre Adelaide's office component includes Terrace Towers, a six-storey 81,000 sq ft office tower which sits atop the retail centre and two heritage buildings (Shell House and Goldsbrough House). The University of Adelaide and Law Society of South Australia are among its tenants. Panoramic views of the Riverbank Entertainment Precinct and the city's cultural precinct can be enjoyed from the office suites. As at 30 June 2016, Myer Centre Adelaide (Retail) was 94.2% occupied while Myer Centre Adelaide (Office) was at 50.3% occupancy. The lower occupancies were mainly due to the lease expiry of one office tenant at Myer Centre Adelaide. The total revenue from office leases contributed approximately 8.0% of Myer Centre Adelaide's revenue in FY 2015/16.



↑ Rebel store at Myer Centre Adelaide.



↑ Thomas Sabo boutique at Myer Centre Adelaide.



↑ Jamaica Blue cafe at Myer Centre Adelaide.

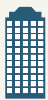
OCCUPANCY RATE



RETAIL

94.2%

30 Jun 2016



OFFICE

50.3%



RETAIL

96.7%

30 Jun 2015



OFFICE

91.6%

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

Centrally located in Perth's prime retail stretch along the bustling Murray Street Mall and Hay Street Mall, David Jones Building is anchored by the upmarket David Jones department store.

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

Four-storey building for retail use is anchored by David Jones department store with a heritage-listed building, formerly known as the Savoy Hotel.

TENURE

Freehold

6

TENANTS

including one anchor tenant
(as at 30 Jun 2016)

GROSS LETTABLE AREA

259,082 SQ FT

S\$153.4m

MARKET VALUATION

(as at 30 Jun 2016)

DAVID JONES BUILDING RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



DAVID JONES

81.0%



JEWELLERY
& WATCHES

7.4%



HEALTH
& BEAUTY

8.1%



FASHION

3.5%

DAVID JONES BUILDING

622-648

Hay Street Mall,
Perth, Australia

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 popular David Jones department store and five other specialty tenancies. As at 30 June 2016, the property's occupancy was 97.4%. David Jones Limited, which has a long-term lease in the building until 2032, occupies approximately 246,528 sq ft or 95% of the total gross lettable area. It accounts for 81.0% of the gross rent for David Jones Building as at 30 June 2016. David Jones Limited is an upmarket Australian-listed operator of premium department stores across the country.

Five specialty tenancies occupy a gross lettable area of about 5,783 sq ft and include Australian and international brands such as Bodyshop, Jeanswest, Lush, Michael Hill and Pandora. The long-term lease with David Jones Limited provides stable income, with the benefit of an upward-only rent review every three years, with the next review due in August 2017. The leases for the other established specialty tenants also incorporate annual upward-only rent reviews.



A three-storey heritage listed retail building

located next to the David Jones Building. The property was renovated in 2006 and has 30 specialty retail tenants located mostly at the ground floor.

TENURE

Freehold

30 TENANTS

(as at 30 Jun 2016)

GROSS LETTABLE AREA

24,212 SQ FT

S\$52.1m

MARKET VALUATION

(as at 30 Jun 2016)

PLAZA ARCADE

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 26,221 sq ft. The property is one of the two main thoroughfares with entrances at both Hay and Murray Street Malls. Renovated in 2006, it comprises a three-storey heritage-listed retail building with 30 specialty tenancies located mostly at the ground floor. The property has a GLA of approximately 24,212 sq ft and enjoys an occupancy of 74.5% as at 30 June 2016.

AUSTRALIA PROPERTIES PERTH

PLAZA ARCADE

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



THE MURRAY STREET MALL
END OF PLAZA ARCADE
IS UNDERGOING ASSET
ENHANCEMENT PLANNING.

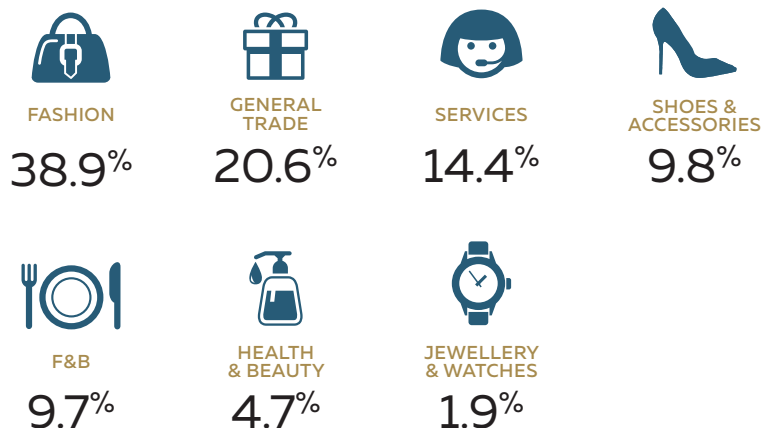




↑ Specialty tenant Lush at David Jones Building.

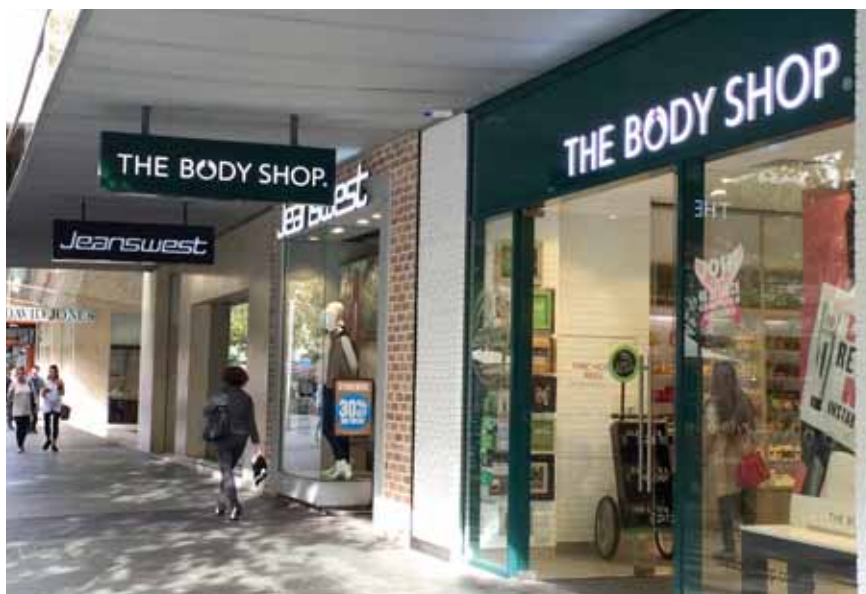
PLAZA ARCADE RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



The tenant mix is diversified, comprising services, food & beverage, fashion, shoes, jewellery & accessories, giftware and mobile shops. Established brands include Billabong, Just Jeans, and Virgin Mobile. Most leases at the property enjoy rental upside from an annual upward-only rent review.

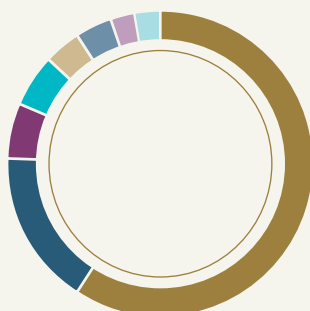
The Murray Street Mall end of Plaza Arcade is undergoing asset enhancement planning that comprises of upper floor activation and a revamped facade to house an international tenant.



↑ Specialty tenants Jeanswest and The Body Shop at David Jones Building.

PERTH PROPERTIES RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



David Jones	59.3%
Fashion	13.0%
Beauty & Wellness	7.2%
Jewellery & Watches	5.9%
General Trade	5.5%
Services	3.9%
Shoes & Accessories	2.6%
F&B	2.6%

PERTH PROPERTIES OCCUPANCY RATE



95.4%

30 Jun 2016



97.0%

30 Jun 2015

MALAYSIA PROPERTIES

STARHILL GALLERY & LOT 10 PROPERTY

STARHILL GALLERY AND LOT 10 PROPERTY ARE LOCATED IN THE HEART OF THE POPULAR BUKIT BINTANG SHOPPING DISTRICT IN KUALA LUMPUR'S GOLDEN TRIANGLE. THE MALAYSIA PROPERTIES ARE STRATEGICALLY SITUATED AS THE RITZY BUKIT BINTANG DISTRICT IS SET TO REMAIN AS ONE OF KUALA LUMPUR'S PREMIER SHOPPING DISTRICTS, BEING HOME TO MANY PRESTIGIOUS INTERNATIONAL HOTELS, PRIME OFFICE BUILDINGS AND SHOPPING COMPLEXES.



STARHILL GALLERY

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

TENURE

Freehold

1 MASTER TENANT

(as at 30 Jun 2016)

NET LETTABLE AREA
306,113 SQ FT

S\$234.4m

MARKET VALUATION

(as at 30 Jun 2016)

↑ Louis Vuitton boutique at Starhill Gallery.



↑ Dior boutique at Starhill Gallery.

STARHILL GALLERY AND LOT 10 PROPERTY

The Malaysia Properties comprise distinctive and vibrant shopping malls strategically located in Bukit Bintang, Kuala Lumpur's premier shopping and entertainment district, which is home to many prestigious international hotels, prime office buildings and shopping centres. Starhill Gallery features a high profile tenant base with some of the most recognised 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. In addition, the upcoming Bukit Bintang station of the Klang Valley MRT project's Sungai Buloh-Kajang Line is slated to be located diagonally opposite the mall when fully completed in 2017, with the station also in close proximity to Starhill Gallery.

↓ Van Cleef & Arpels boutique at Starhill Gallery.



Richard Mille boutique → at Starhill Gallery.

MALAYSIA PROPERTIES STARHILL GALLERY & LOT 10 PROPERTY



LUXURY SHOPPING AT STARHILL GALLERY

Starhill Gallery has a total NLA of 306,113 sq ft and 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 affluent tourists and high-end shoppers and comprises seven retail floors each offering a distinct and unique shopping experience. Starhill Gallery houses flagship stores of watch brands such as Audemars Piguet, Jaeger-LeCoultre, Chopard, Bedat & Co, HYT and Richard Mille. In addition, Starhill Gallery has a wide range of fashion and lifestyle offerings including luxury labels Louis Vuitton, Dior, Valentino, Van Cleef & Arpels, McQ by Alexander McQueen and British department store Debenhams.



↑ The upcoming Bukit Bintang station of the Klang Valley MRT project's Sungai Buloh-Kajang Line is slated to be diagonally opposite Lot 10 when it is completed in 2017.

← Zara store at Lot 10 Property.

Starhill Gallery hosts the annual "A Journey Through Time" exhibition, one of Asia's most prestigious watch and jewellery showcases. In its ninth year, the 2015 event was held from 20 to 27 November 2015. The Starhill Gallery Fashion Week is also held annually to showcase Spring/Summer collections from international brands like Debenhams, Kenzo, McQ by Alexander McQueen and Valentino to local labels such as Khoon Hooi and Mita Tam Style Studio.



↑ Timberland store at Lot 10 Property.



→ Samsung store at Lot 10 Property.

FASHION AND ENTERTAINMENT FOR YOUNG URBANITES AT LOT 10

Lot 10 Property sits on a 99-year leasehold site expiring on 29 July 2076 with a NLA of 256,811 sq ft. Lot 10 Property is positioned to appeal to young urbanites with a "Forest in the City" concept, taking advantage of Lot 10's distinct green facade and building on it by creating landscaped gardens and extensive greenery. Spanning over 21,000 sq ft of the mall, Lot 10 Sports Hub was launched in September 2014, housing sport and fitness brands including Hundred%, The Marathon Shop, Converse, Asia's first Liverpool FC boutique, and real-life escape game room Lockdown Kuala Lumpur. Notable tenants in Lot 10 include H&M, Zara, Braun Buffel, Celebrity Fitness, Timberland, Samsung, Alpha Hub and the Yes! Mobile flagship

store. In addition, the basement houses the Lot 10 Hutong, a heritage gourmet village where one can find a myriad of Malaysian gastronomic delights housed under one roof.

STABLE INCOME FROM MASTER LEASE

A master lease with Katagreen Development Sdn Bhd, an indirect wholly owned subsidiary of YTL Corporation Berhad, is in place at both Starhill Gallery and Lot 10 Property. The leases have a fixed term of 3+3 years commencing on 28 June 2010, and have been extended for a further three-year term with an approximately 6.7% increase in rent which is effective from 28 June 2016.

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

TENURE

99 YEARS

Leasehold Estate
(expiring on 29 Jul 2076)

1 MASTER TENANT

(as at 30 Jun 2016)

NET LETTABLE AREA

256,811^{SQ FT}

S\$144.0m

MARKET VALUATION

(as at 30 Jun 2016)

LOT 10 PROPERTY

50 Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia



CHINA PROPERTY

RENHE SPRING ZONGBEI PROPERTY

THE RENHE SPRING ZONGBEI PROPERTY IS LOCATED IN A HIGH INCOME AREA AND SURROUNDED BY GRADE A BUILDINGS AND HIGH-END RESIDENCES.

A four-storey plus mezzanine level retail department store

TENURE

40 YEARS

Leasehold Estate
(expiring on 27 Dec 2035)

69

TENANTS
(as at 30 Jun 2016)

GROSS FLOOR AREA
100,854 SQ FT

S\$44.7m

MARKET VALUATION
(as at 30 Jun 2016)

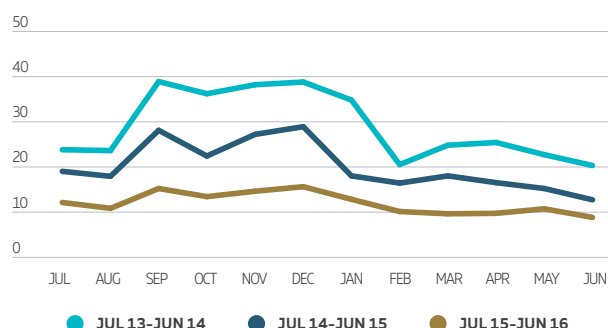
Renhe Spring Zongbei Property is located in Chengdu which is the capital city of Sichuan province.

The property with a GFA of approximately 100,854 sq ft comprises four levels of retail space and a mezzanine floor. It operates as a department store under the Renhe brand and is surrounded by high-end residences, offices and consulates. A Mass Rapid Transit station, Nijiaqiao Station, is located in front of the property to provide convenient access. Key international brands include Ermenegildo Zegna, Armani Collezioni, Max Mara Weekend, Swarovski and Chow Tai Fook.

The austerity measures driven by the central government and increased competition in the luxury market segment negatively affected the performance of Renhe Spring Zongbei Property for FY 2015/16. The retail landscape will remain challenging in the future, with a large supply of retail space placing pressure on leasing demand in the market.

MONTHLY SALES YOY COMPARISON

(RMB MILLION) INCLUDING VAT



RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



FASHION

82.0%



ACCESSORIES

9.5%



JEWELLERY

6.4%



F&B

2.1%

RENHE SPRING ZONGBEI PROPERTY

No. 19, 4th Section,
Renminnan Road,
Chengdu, China



JAPAN PROPERTIES

STARHILL GLOBAL REIT'S JAPAN PORTFOLIO CONSISTS OF FOUR CONTEMPORARY COMMERCIAL BUILDINGS LOCATED WITHIN WALKING DISTANCE FROM MAJOR SUBWAY STATIONS IN PRIME TOKYO AREAS.



DAIKANYAMA



EBISU FORT



HARAJYUKU SECONDO



NAKAMEGURO PLACE

TENURE

Freehold

17

TENANTS
(as at 30 Jun 2016)

NET LETTABLE AREA

32,678 SQ FT

S\$67.0m⁽¹⁾

MARKET
VALUATION

(as at 30 Jun 2016)

Note:

⁽¹⁾ Excludes Roppongi Terzo which was divested to K.K. Aslead in January 2016 at JPY2,500.0 million, a premium to the independent valuation of JPY2,440.0 million done as at 31 December 2015. The open market value was derived using the discounted cash flow and income capitalisation methods.

As at 30 June 2016, Starhill Global REIT's Japan portfolio consists of four contemporary commercial buildings located in the heart of prime Tokyo in areas such as Harajyuku and Ebisu, within walking distance from major subway stations. The portfolio was refined in January 2016 with the divestment of Roppongi Terzo at a sale consideration of JPY2,500.0 million (or approximately S\$29.9 million).

These four properties are targeted to appeal to young and stylish urbanites from the mid-income segment. As at 30 June 2016, the Japan Properties with a total NLA of approximately 32,678 sq ft are all fully occupied.

Having weighed the costs and benefits of earthquake insurance for the Japanese assets, the claimable sum and that their contribution to Starhill Global REIT's portfolio is approximately 2.1% by asset value as at 30 June 2016, no specific earthquake insurance has been taken up, which is consistent with the industry practice in Japan.

RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2016)



OTHERS

44.8%



SERVICES

21.0%



F&B

16.9%



HEALTH
& BEAUTY

7.4%



GENERAL
TRADE

6.5%



FASHION

3.4%

OCCUPANCY RATE



RETAIL

100.0%

30 Jun 2016



RETAIL

96.1%⁽¹⁾

30 Jun 2015

Note:

⁽¹⁾ Includes Roppongi Terzo which was divested in January 2016. Excluding Roppongi Terzo, the occupancy rate was 94.4% as at 30 June 2015.

MARKET OVERVIEW

SINGAPORE RETAIL PROPERTY MARKET

According to Singapore's Ministry of Trade and Industry (MTI), Singapore's GDP expanded by 2.1% yoy in the second quarter of 2016, unchanged from the first quarter⁽¹⁾. Softening of global economic conditions, uncertainties in the UK and the Eurozone, as well as moderating growth in Asia continue to dampen the growth outlook. The country's economy is expected to grow by 1.0% to 2.0% in 2016⁽²⁾.

From January to June 2016, tourist arrivals to Singapore reached 8.2 million, representing an increase of 12.5% yoy, largely due to increases in the top source markets, including China and India⁽³⁾. For the first quarter of 2016, international visitor arrivals rose 14% yoy⁽³⁾. However, tourism receipts grew just 2% to reach S\$5.4 billion as the fall in spending on entertainment and gaming was mitigated by increased spend on shopping, accommodation and food and beverage⁽³⁾. To support further growth, S\$700 million has been allocated to a third tranche of the Tourism Development Fund from 2016 to 2020⁽⁴⁾.

According to CBRE, Singapore remains an attractive market to international retailers⁽⁵⁾, while supply in Orchard Road remains limited to 2018⁽⁶⁾. In 2015, 63 new-to-market international brands established their presence in Singapore, making it the second top most attractive market globally⁽⁵⁾. Nonetheless, the retail environment remains challenging. The average prime Orchard Road retail rents was relatively flat yoy in the second quarter of 2016 at S\$32.50 per square foot per month (psfpm)⁽⁶⁾ and retail sales remain weak with the retail sales index in Singapore (excluding motor vehicle sales) declining 3.0% yoy in June 2016⁽⁷⁾. Labour-intensive sectors such as retail and food and beverage continue to face manpower constraints while the tight domestic labour market and global uncertainties weigh down consumer sentiments.

SINGAPORE OFFICE PROPERTY MARKET

For the office sector, average rents for Grade A and B space declined to S\$9.50 psfpm and S\$7.65 psfpm respectively in the second quarter of 2016 on the back of global economic concerns and more modest space requirements⁽⁸⁾. A further slowdown in rental demand is anticipated as pipeline projects largely in the CBD come on line⁽⁹⁾. However, according to CBRE, there is no known office supply in the pipeline within the Orchard Road vicinity till 2018⁽⁶⁾.

AUSTRALIA RETAIL PROPERTY MARKET

On a seasonally-adjusted chain volume basis, the Australian economy recorded a 3.1% yoy growth in the first quarter of 2016⁽⁸⁾, owing to increased exports and household final consumption expenditure. Consumers continue to benefit from record low interest rates and upcoming meaningful infrastructure projects⁽⁹⁾, with the retail turnover growth for South Australia and Western Australia at 3.5% and 1.4% respectively in seasonally-adjusted terms for the 12 months to July 2016⁽⁸⁾. Australia continued to register solid demand from retailers in the beginning of 2016 with new entrants and expansions from overseas driving the market, particularly for space along central and CBD prime strips⁽¹⁰⁾. The outlook for the Adelaide CBD retail market is stable with relatively low vacancy rates projected amidst lack of new stock and restrained rental growth⁽⁹⁾. For Perth, H&M just announced its first CBD store opening scheduled for November 2016⁽¹¹⁾, after international retailers, Topshop and Zara, opened their new stores in Perth back in 2014.

MALAYSIA RETAIL PROPERTY MARKET

In the second quarter of 2016, Malaysia's economy grew at a more moderate pace of 4.0% supported by the resilient growth in the services, manufacturing and construction sectors while exports declined⁽¹²⁾. The Malaysian economy is expected to grow by 4.0% to 4.5% in 2016 as global economic activity is expected to remain subdued⁽¹²⁾. Retail sales for the second quarter of 2016 recorded a 7.5% growth, although this came in below market expectations of 9.9%⁽¹³⁾. Earlier, Retail Group Malaysia projected a 3.5% growth in retail sales for 2016 in view of the increase in the price of retail goods and services and weak economy⁽¹³⁾. Tourist arrivals and receipts declined 6.3% to 25.7 million and 4.0% yoy to RM69.1 billion in 2015⁽¹⁴⁾. For 2016, Tourism Malaysia targets 30.5 million visitor arrivals and tourist receipts of RM103 billion⁽¹⁵⁾. Klang Valley is expected to see up to 17 million sq ft of retail space expansion till 2019⁽¹⁶⁾, however, the core Bukit Bintang shopping district is likely to see limited new retail supply until 2017. According to Mass Rapid Transit (MRT) Corporation Sdn Bhd, MRT line 1 from Sungai Buloh to Kajang will be fully operational and ready for the public in 2017⁽¹⁷⁾, and the upcoming Bukit Bintang station will be located diagonally opposite Lot 10.

CHENGDU RETAIL PROPERTY MARKET

Based on preliminary readings, GDP growth grew at a more stable pace of 6.7% in the first half of 2016 as part of the government's efforts to stabilise economic growth⁽¹⁸⁾. The Chinese government has set the growth target rate for 2016 at a lower range of 6.5% to 7.0%⁽¹⁸⁾. Nationwide retail sales growth in the six months to June 2016 was 10.2%, comparable to the 10.3% growth from the previous corresponding period⁽¹⁸⁾. In Chengdu, retail sales growth have also moderated to 9.7% in the first half of 2016 from 10.9% in the first half of 2015⁽¹⁹⁾ as the ongoing austerity drive continues to impact the high-end luxury market. Chengdu's retail landscape faces downward pressure with the continued state of poor performance for department stores and consolidation of retail space by luxury retailers⁽²⁰⁾.

JAPAN RETAIL PROPERTY MARKET

The Japan government cut its growth forecast to 0.9% for fiscal year 2016, down from a January 2016 estimate of 1.7%, on the back of lacklustre private consumption and business investment⁽²¹⁾. The Japanese government postponed the increase in sales tax which was originally scheduled for April 2017 to October 2019, citing the need to spur the economy⁽²¹⁾. Retail sales in Japan declined 0.2% yoy in July 2016, as consumer and business sentiment remain soft⁽²²⁾.

Sources:

- ⁽¹⁾ Ministry of Trade and Industry Singapore, MTI Narrows 2016 GDP Growth Forecast to 1.0 to 2.0 Per Cent, 11 August 2016
- ⁽²⁾ Singapore Tourism Board, International Visitor Arrivals, 12 August 2016
- ⁽³⁾ Singapore Tourism Board, Tourism Sector Performance, Q1 2016 Report
- ⁽⁴⁾ Singapore Tourism Board, Tourism Industry Conference 2016 – Speech by Mr S Iswaran, Minister for Trade and Industry, 26 April 2016
- ⁽⁵⁾ CBRE, How Global is the Business of Retail, 2016
- ⁽⁶⁾ CBRE Market View Singapore, 2Q 2016
- ⁽⁷⁾ Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 15 August 2016
- ⁽⁸⁾ Australia Bureau of Statistics
- ⁽⁹⁾ Colliers International, Research and Forecast Report, First Half 2016, Australia and New Zealand
- ⁽¹⁰⁾ CBRE, Retail Trends, Asia Pacific Q1 2016
- ⁽¹¹⁾ The West Australian, H&M gets to the heart of Perth retail market, 29 June 2016
- ⁽¹²⁾ Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the Second Quarter of 2016, 12 August 2016
- ⁽¹³⁾ The Star, Retail Industry Rewards 7.5% Sales Growth in Q2, 30 August 2016
- ⁽¹⁴⁾ Tourism Malaysia, Malaysia Registers 25.7 million tourists in 2015, 31 March 2016
- ⁽¹⁵⁾ Tourism Malaysia, My Tourism Data
- ⁽¹⁶⁾ The Star, Onslaught of Shopping Centres, 13 February 2016
- ⁽¹⁷⁾ The Star, MRT Corp: Global Economic Downturn Will Not Derail Second Line, 4 August 2016
- ⁽¹⁸⁾ National Bureau of Statistics of China
- ⁽¹⁹⁾ Chengdu Bureau of Statistics
- ⁽²⁰⁾ CBRE MarketView China, 2Q 2016
- ⁽²¹⁾ The Japan Times, Japan's 2016 Growth Forecast Cut to 0.9% Amid Uncertainty, Slack Consumption, Investment, 14 July 2016
- ⁽²²⁾ Japan Cabinet Office

FINANCIAL REVIEW

FINANCIAL REVIEW – JULY 2015 TO JUNE 2016 (12 MONTHS) VERSUS JULY 2014 TO JUNE 2015 (12 MONTHS)

For the purposes of providing a 12-month yoy analysis of Starhill Global REIT's financial performance, the figures for the 12-month period from 1 July 2015 to 30 June 2016 ("current 12-month period") and the corresponding 12-month period from 1 July 2014 to 30 June 2015 ("corresponding 12-month period") are presented below:

Group	July 2015 - June 2016 (S\$'000)	July 2014 - June 2015 (S\$'000)	Change (%)
Gross revenue	219,679	197,152	11.4%
Property expenses	(49,357)	(37,785)	30.6%
Net property income	170,322	159,367	6.9%
Non property expenses	(57,325)	(48,984)	17.0%
Net income before tax	112,997	110,383	2.4%
Change in fair value of derivative instruments	(6,487)	2,145	NM
Foreign exchange loss	(11,610)	-	NM
Change in fair value of investment properties	77,973	9,120	755.0%
Loss on divestment of investment property	(87)	-	NM
Impairment loss on intangible asset	(11,214)	-	NM
Total return for the period before tax and distribution	161,572	121,648	32.8%
Income tax	2,324	2,077	11.9%
Total return for the period after tax, before distribution	163,896	123,725	32.5%
Non-tax (chargeable)/deductible items and other adjustments	(47,394)	(8,265)	473.4%
Income available for distribution	116,502	115,460	0.9%
Income to be distributed to:			
- Unitholders	112,987	110,392	2.4%
- CPU holder	-	770	(100.0%)
Total income to be distributed	112,987	111,162	1.6%
Distribution per Unit	5.18 cents	5.11 cents	1.4%
Total operating expenses ⁽¹⁾	68,875	58,836	17.1%
Net asset value ⁽²⁾	2,017,551	1,982,791	1.8%
Total operating expenses to net asset value	3.4%	3.0%	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 2016 and 30 June 2015 respectively.

Gross revenue for the current 12-month period was S\$219.7 million, an increase of S\$22.5 million or 11.4% over the corresponding 12-month period, mainly due to full period contribution from Myer Centre Adelaide which was acquired in May 2015 and stronger performance of Singapore Properties. The increase was partially offset by lower contribution from Renhe Spring Zongbei Property, loss of contribution from divested property in Japan, lower occupancies

at Australia Properties and weaker foreign currencies. NPI grew by S\$11.0 million or 6.9% over the corresponding 12-month period to reach S\$170.3 million for the current 12-month period.

Singapore Properties contributed 61.1% of total revenue, or S\$134.3 million for the current 12-month period, 1.0% higher than the corresponding 12-month period. NPI increased by 0.6% to S\$106.7 million.

Australia Properties contributed 22.7% of total revenue, or S\$49.9 million in the current 12-month period, 120.5% higher than the corresponding 12-month period. NPI for the current 12-month period was S\$33.2 million, 89.1% higher than the corresponding 12-month period, mainly due to full period contribution from Myer Centre Adelaide which was acquired in May 2015. The increase was partially offset by depreciation of A\$ and lower occupancies.

FINANCIAL REVIEW

Malaysia Properties contributed 11.7% of total revenue, or S\$25.8 million in the current 12-month period, 11.0% lower than the corresponding 12-month period. NPI for the current 12-month period of S\$24.9 million was a 11.9% drop from the corresponding 12-month period, mainly due to the depreciation of RM.

Renhe Spring Zongbei Property in Chengdu, China, contributed 2.7% of total revenue, or S\$5.8 million in the current 12-month period, 31.1% lower than the corresponding 12-month period. NPI for the current 12-month period was S\$2.6 million, 39.0% lower than the corresponding 12-month period. The decrease was largely due to lower revenue amidst contraction of the high-end and luxury retail segment resulting from government austerity drive and increased competition from new and upcoming retail developments in the city, partially offset by lower operating expenses.

Japan Properties contributed 1.8% of total revenue, or S\$3.9 million in the current 12-month period, 6.8% lower than the corresponding 12-month period. NPI for the current 12-month period was S\$3.0 million, 9.2% lower than the corresponding 12-month period. The decrease was mainly due to loss of income contribution following the divestment of Roppongi Terzo in January 2016, partially offset by appreciation of JPY.

Non property expenses for the current 12-month period were S\$57.3 million, a S\$8.3 million or 17.0% increase over the corresponding 12-month period. This was mainly due to higher finance expenses, management fees and trust expenses in the current 12-month period.

Finance expenses for the current 12-month period were S\$38.8 million, a S\$7.1 million or 22.4% increase over the corresponding 12-month period. This was mainly due to full period of interest costs on the borrowings drawn to fund the acquisition of Myer Centre Adelaide, partially offset by lower interest costs incurred on the existing foreign currency borrowings.

Management fees for the current 12-month period were S\$15.9 million, a S\$0.9 million

or 5.8% increase over the corresponding 12-month period. The increase was in line with the higher average value of trust property during the current 12-month period.

Trust expenses for the current 12-month period were S\$3.5 million, a S\$0.5 million or 16.1% increase over the corresponding 12-month period. This was mainly due to full period of trust expenses for Myer Centre Adelaide and higher expenses incurred by the Trust in the current 12-month period.

The loss on derivative instruments of S\$6.5 million for the current 12-month period represents mainly the change in the fair value of interest rate swaps and caps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange loss for the current 12-month period arose mainly from the unrealised foreign exchange loss on the translation of JPY term loan, partially offset by realised foreign exchange gain from the settlement of forward contracts.

The change in fair value on investment properties of S\$78.0 million for the current 12-month period represented the net revaluation gain on the Group's investment properties.

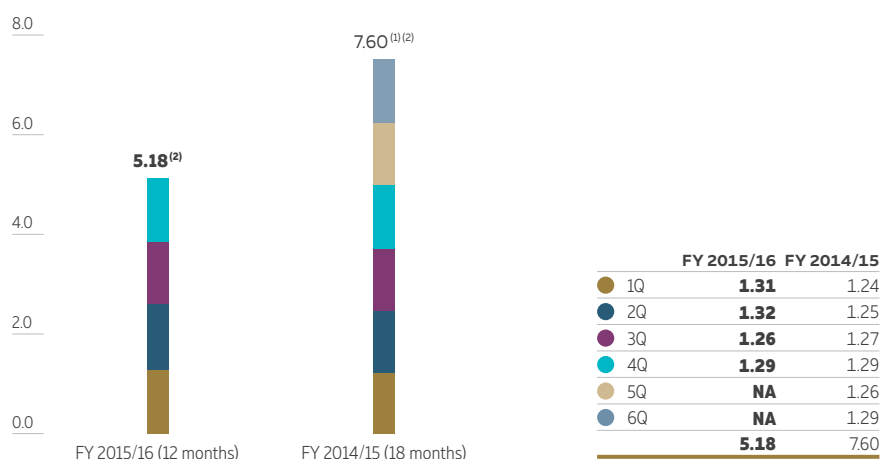
The loss on divestment for the current 12-month period represented the difference between the net proceeds and the carrying amount of Roppongi Terzo divested in January 2016.

The impairment loss on intangible asset represents the impairment of goodwill arising from acquisition of Top Sure Investment Limited and determined based on the difference between carrying amount and the recoverable amount.

Income tax credit for the current 12-month period was S\$2.3 million as compared to S\$2.1 million in the corresponding 12-month period. The income tax credit was mainly attributed to the deferred tax reversal arising from downward property revaluation of Renhe Spring Zongbei Property in both periods.

DISTRIBUTION PER UNIT

(CENTS)



Notes:

⁽¹⁾ Included two additional quarters of DPU during the comparative period of 18 months ended 30 June 2015.

⁽²⁾ The computation of DPU for FY 2015/16 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue. The computation of DPU for FY 2014/15 was based on number of units entitled to distributions comprising 2,153,218,267 units in issue for 1Q to 5Q FY 2014/15 and number of units post-CPU conversion on 25 June 2015 of 2,181,204,435 units for 6Q FY 2014/15.

The remaining variance was largely attributable to lower corporate tax and withholding tax provisions for Renhe Spring Zongbei Property for the current 12-month period, partially offset by higher withholding tax provision for the Australia Properties.

Income available for distribution for the current 12-month period was S\$116.5 million, an increase of S\$1.0 million or 0.9% over the corresponding 12-month period. Income to be distributed to the Unitholders for the current 12-month period was S\$113.0 million, an increase of S\$2.6 million or 2.4% over the corresponding 12-month period.

Total DPU for the current 12-month period from 1 July 2015 to 30 June 2016 was 5.18 cents, representing an increase of 1.4% over DPU of 5.11 cents achieved for the corresponding 12-month period from 1 July 2014 to 30 June 2015.

FINANCIAL REVIEW – FY 2015/16 (12 MONTHS) VERSUS FY 2014/15 (18 MONTHS)

Figures presented below include the 12-month period from 1 July 2015 to 30 June 2016 (FY 2015/16) and the 18-month period from 1 January 2014 to 30 June 2015 (FY 2014/15). Therefore, the comparative amounts presented in relation to the 12-month period in the current financial year are not entirely comparable.

Group	FY 2015/16 (S\$'000)	FY 2014/15 (S\$'000)	Change (%)
Gross revenue	219,679	294,789	(25.5%)
Property expenses	(49,357)	(57,160)	(13.7%)
Net property income	170,322	237,629	(28.3%)
Non property expenses	(57,325)	(72,652)	(21.1%)
Net income before tax	112,997	164,977	(31.5%)
Change in fair value of derivative instruments	(6,487)	(479)	NM
Foreign exchange loss	(11,610)	-	NM
Change in fair value of investment properties	77,973	9,120	755.0%
(Loss)/Gain on divestment of investment property	(87)	364	NM
Impairment loss on intangible asset	(11,214)	-	NM
Total return for the period before tax and distribution	161,572	173,982	(7.1%)
Income tax	2,324	559	315.7%
Total return for the period after tax, before distribution	163,896	174,541	(6.1%)
Non-tax (chargeable)/deductible items and other adjustments	(47,394)	(2,965)	NM
Income available for distribution	116,502	171,576	(32.1%)
Income to be distributed to:			
- Unitholders	112,987	164,007	(31.1%)
- CPU holder	-	1,287	(100.0%)
Total income to be distributed	112,987	165,294	(31.6%)
Distribution per Unit	5.18 cents	7.60 cents	(31.8%)
Total operating expenses ⁽¹⁾	68,875	87,079	(20.9%)
Net asset value ⁽²⁾	2,017,551	1,982,791	1.8%
Total operating expenses to net asset value	3.4%	4.4%	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 2016 and 30 June 2015 respectively.

FINANCIAL REVIEW

Gross revenue of S\$219.7 million for the Group in FY 2015/16 was 25.5% lower than S\$294.8 million achieved in FY 2014/15, mainly due to the additional six months in FY 2014/15 and weaker contribution from the overseas properties, partially offset by full period contribution from Myer Centre Adelaide (acquired in May 2015), as well as stronger performance of Singapore Properties. NPI for the Group decreased by 28.3% to S\$170.3 million for FY 2015/16.

Singapore, Australia and Malaysia are our three largest contributors to NPI, accounting for 96.7% of the Group's NPI for FY 2015/16.

Non property expenses were S\$57.3 million for FY 2015/16, 21.1% lower than in FY 2014/15, mainly attributed to the additional six months in FY 2014/15.

The loss on derivative instruments for FY 2015/16 represents mainly the change in the fair value of interest rate swaps and caps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange loss for FY 2015/16 arose mainly from the unrealised foreign exchange loss on the translation of JPY term loan, partially offset by realised foreign exchange gain from the settlement of forward contracts.

The change in fair value on investment properties of S\$78.0 million for FY 2015/16 represented the net revaluation gain on the Group's investment properties.

The impairment loss on intangible asset represents the impairment of goodwill arising from acquisition of Top Sure Investment Limited and determined based on the difference between carrying amount and the recoverable amount.

The increase in income tax credit for FY 2015/16 was mainly attributed to the deferred tax reversal arising from downward property revaluation of Renhe Spring Zongbei Property. The remaining variance was largely attributable to the additional six months in FY 2014/15 and lower corporate tax and withholding tax provisions for Renhe Spring Zongbei Property for the current period, partially offset by higher withholding tax provision for the Australia Properties for the current period.

Income available for distribution and income to be distributed to the Unitholders for FY 2015/16 was S\$116.5 million and S\$113.0 million respectively. Total DPU for FY 2015/16 was 5.18 cents.

ASSETS AND LIABILITIES

The Group's total assets as at 30 June 2016 were S\$3,222.2 million, representing an increase of S\$28.8 million or 0.9% compared to S\$3,193.4 million as at 30 June 2015, mainly due to the net increase in investment properties, as well as cash and cash equivalents. The increase was partially offset by full impairment on goodwill on acquisition of Top Sure Investment Limited as the carrying amount of its China cash-generating unit has exceeded its recoverable amount. The Group's portfolio of 12 prime properties across five countries was independently revalued at S\$3,136.6 million as at 30 June 2016 (June 2015: S\$3,116.2 million), resulting in a net revaluation gain of S\$78.0 million over the last valuation exercise in June 2015. The higher portfolio valuation was mainly attributed to higher valuation for the Singapore Properties and Australia Properties, partially offset by the divestment of Roppongi Terzo in January 2016, decrease in valuation for Renhe Spring Zongbei Property and net negative foreign currency movements. The geographic breakdown of the portfolio

by asset value as at 30 June 2016 was as follows: Singapore 68.3%, Australia 16.1%, Malaysia 12.1%, Japan 2.1%, and China 1.4%.

The Group's total liabilities as at 30 June 2016 were S\$1,204.6 million, representing a decrease of S\$6.0 million or 0.5%, compared to S\$1,210.6 million as at 30 June 2015, mainly due to decrease in borrowings and deferred tax liability. The net decrease in total borrowings was mainly due to redemption of S\$124 million MTN upon maturity in July 2015 and net repayment of S\$18.8 million of JPY borrowings and short-term RCF of S\$17 million, partially offset by drawdown of a three-year S\$150 million unsecured term loan and the net movement in foreign currencies. The decrease in deferred tax liabilities was mainly due to the downward revaluation of Renhe Spring Zongbei Property and weakening of RMB. Gearing decreased slightly from 35.5% as at 30 June 2015 to 35.0% as at 30 June 2016.

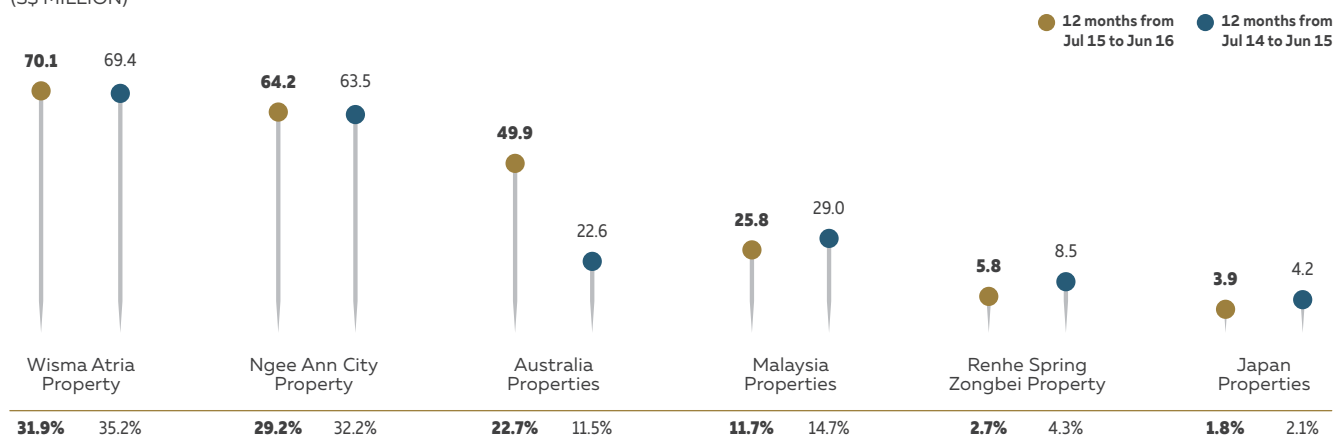
The Group's net asset value as at 30 June 2016 was S\$2,017.6 million (NAV per Unit of S\$0.92), representing an increase of S\$34.8 million or 1.8%, compared to S\$1,982.8 million (NAV per Unit of S\$0.91) as at 30 June 2015.

CASH FLOW

Total net cash inflow (excluding effects of exchange rate differences) for FY 2015/16 was S\$23.2 million, largely comprising cash flows generated from operating activities of S\$155.3 million and cash inflow from investing activities of S\$28.0 million, partially offset by cash outflow from financing activities of S\$160.1 million. The cash inflow from investing activities related mainly to the divestment of Roppongi Terzo in January 2016. Cash flows from financing activities comprised mainly repayment of borrowings and distributions paid to Unitholders, partially offset by proceeds from borrowings.

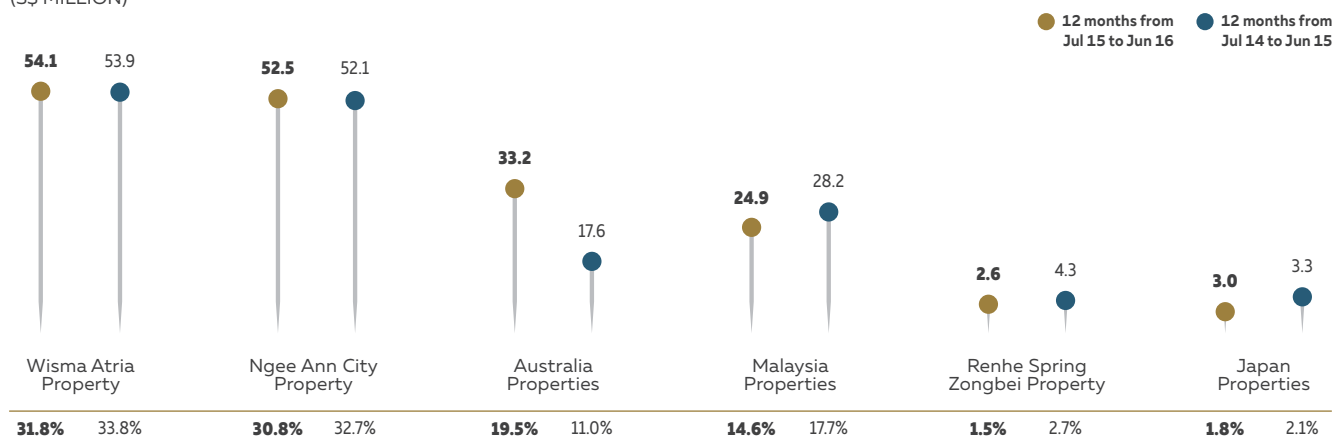
GROSS REVENUE

(S\$ MILLION)



NET PROPERTY INCOME

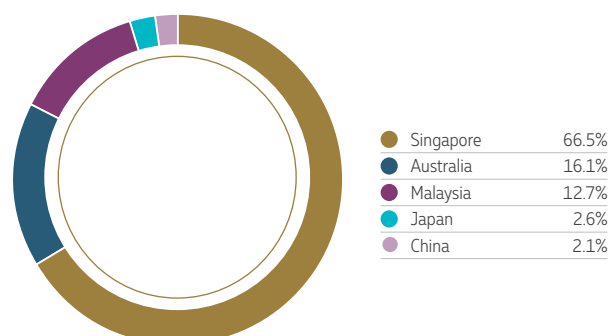
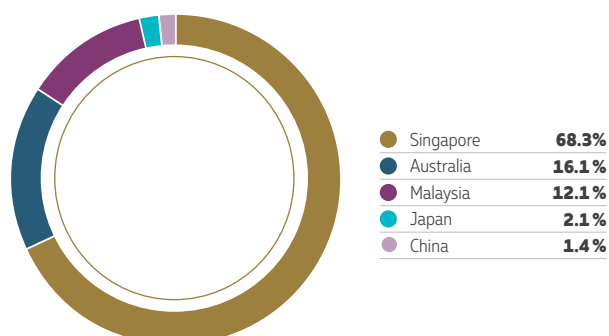
(S\$ MILLION)



ASSET VALUE BY COUNTRY

AS AT 30 JUN 2016

AS AT 30 JUN 2015



CAPITAL MANAGEMENT

PRUDENT CAPITAL MANAGEMENT TO OPTIMISE UNITHOLDERS' RETURNS

Starhill Global REIT's main objective when managing capital is to 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 2015, the Group has fully redeemed the S\$124 million Series 001 MTN upon maturity and utilised the remaining S\$150 million tranche from a three-year unsecured S\$250 million term loan facility, which was earmarked for acquisition of Myer Centre Adelaide.

In July 2015, the Group has refinanced its unsecured JPY6.3 billion term loan ahead of maturity in September 2016 with the same banks, with a new maturity in July 2020.

In February 2016 and March 2016, approximately JPY0.4 billion (S\$5.6 million) of JPY1.2 billion bond and JPY1.1 billion (S\$13.2 million) of JPY6.3 billion term loan were repaid using sales proceeds from the divestment of Roppongi Terzo in January 2016.

As at 30 June 2016, Starhill Global REIT's outstanding debt stood at approximately S\$1,127 million with a gearing ratio of 35.0%, and approximately S\$2.3 billion (73%) of the Group's investment properties

are unencumbered, enhancing its financial flexibility. As at 30 June 2016, the average debt maturity profile of Starhill Global REIT is approximately 3.1 years, with no significant debt refinancing requirement until 2018. The Manager intends to continue with its prudent capital management.

Starhill Global REIT's current financial risk management policy is described in greater details 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 2016, Starhill Global REIT hedged about 100% of its debt, of which 86% were hedged by a combination of fixed rate debt and interest rate swaps, and the remaining 14% were hedged using interest rate caps. The weighted average interest rate was approximately 3.09% per annum as at 30 June 2016. The interest service coverage ratio was a healthy 4.4 times for the year ended 30 June 2016. 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.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 30 June 2016, 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 61% of its revenue for the year ended 30 June 2016. 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 namely 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.

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 GEARING AND HIGHLIGHTS

AS AT 30 JUN 2016

SGD term loans	S\$500m
JPY term loan	S\$68m
SGD RCF	S\$5m
Singapore MTNs	S\$225m
Malaysia MTN	S\$110m
Australia loans	S\$208m
Japan bond	S\$11m
Total Debt	S\$1,127m

Gearing ratio ⁽¹⁾	35.0%
Fixed/hedged debt ratio ⁽²⁾	99.6%
Unencumbered assets ratio	73.5%
Interest cover for the year ended 30 June 2016	4.4x
Weighted average interest rate per annum ⁽³⁾	3.09%
Starhill Global REIT corporate rating:	
- Standard & Poor's ⁽⁴⁾	BBB+

Notes:

⁽¹⁾ Based on consolidated deposited property.

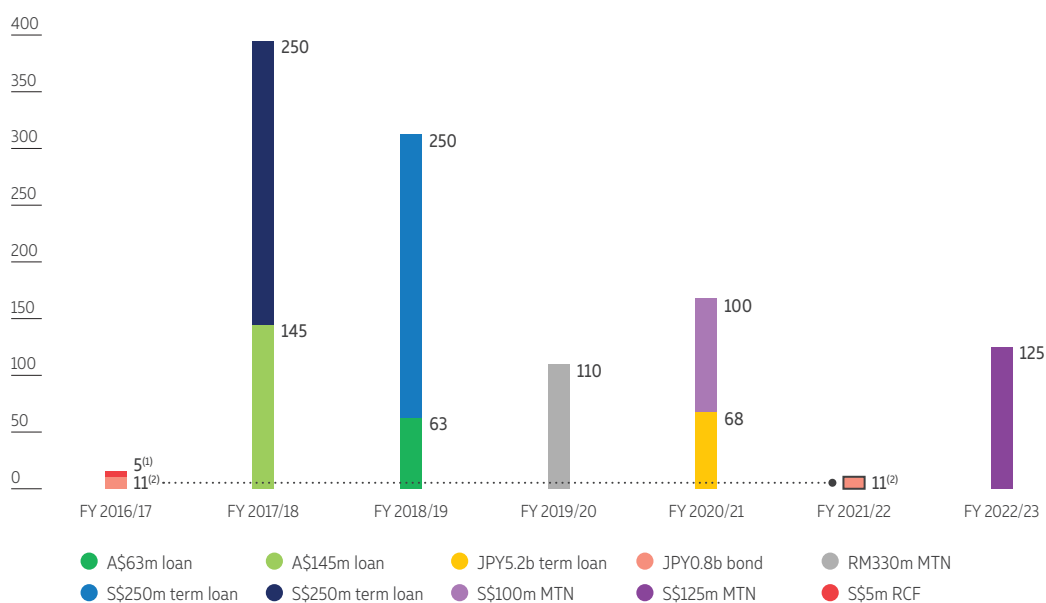
⁽²⁾ Including interest rate derivatives such as interest rate swaps and caps.

⁽³⁾ As at 30 June 2016. Includes interest rate derivatives but excludes upfront costs.

⁽⁴⁾ Standard & Poor's has affirmed its "BBB+" rating in March 2016, with a stable outlook.

DEBT MATURITY PROFILE

AS AT 30 JUN 2016
(S\$ MILLION)



Notes:

⁽¹⁾ In July 2016, the Group has fully repaid the outstanding short-term RCF of S\$5 million.

⁽²⁾ In August 2016, the Group has fully redeemed its JPY0.8 billion bond using the proceeds from the issuance of a new five-year bond facility of JPY0.8 billion maturing in August 2021.

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 workplace 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.



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.



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.



WORKPLACE SAFETY AND HEALTH

The Manager complies in all material respects with the Singapore's Workplace Safety and Health Act. We have also put in place appropriate fire safety practices for the Singapore assets of Starhill Global REIT.



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 118 to 124 of this Annual Report.



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.



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.



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 in the process of appropriately documenting all contractual agreements. Quarterly reports are made to the Manager's Audit Committee (on an exceptions basis), and the Board is regularly updated on all such matters.



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 communications channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate and share 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 2015/16, the Manager participated in a number of investor conferences and roadshows in Singapore, Hong Kong, Japan and Thailand. As at 30 June 2016, Starhill Global REIT is covered by a total of 11 research houses.

The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It continues to be committed to the provision of accurate information to the investing public in a timely manner.

RESEARCH COVERAGE

- CIMB Research
- Daiwa Securities Capital Markets
- DBS Vickers Research
- Julius Baer
- Macquarie Capital Securities
- Maybank Kim Eng Research
- OCBC Securities
- Religare Capital Markets
- RHB Research
- UBS Investment Research
- UOB Kay Hian Research

FY 2015/16 INVESTOR RELATIONS ACTIVITIES

1Q FY 2015/16 (1 Jul to 30 Sep 2015)	Release of FY 2014/15 financial results and analysts' results briefing
	Release of FY 2014/15 Annual Report
	Post-FY 2014/15 financial results investors' lunch hosted by DBS
	Macquarie ASEAN Conference, Singapore
2Q FY 2015/16 (1 Oct to 31 Dec 2015)	RHB Non-Deal Roadshow, Tokyo
	Release of 1Q FY 2015/16 financial results
	FY 2014/15 Annual General Meeting
3Q FY 2015/16 (1 Jan to 31 Mar 2016)	Release of 2Q FY 2015/16 financial results and analysts' results briefing
	Post-2Q FY 2015/16 financial results investors' lunch hosted by Daiwa
	DBS Vickers Thailand ETF & REITs Conference, Bangkok
	Macquarie Non-Deal Roadshow, Tokyo
4Q FY 2015/16 (1 Apr to 30 Jun 2016)	Release of 3Q FY 2015/16 financial results
	Standard Chartered Asian Investor Forum 2016, Singapore & Hong Kong
	Citibank ASEAN C-Suite Forum 2016, Singapore

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
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Phone: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: www1.cdp.sg.com

S U S T A I N A B I L I T Y

ENVIRONMENT, PEOPLE AND COMMUNITY

STARHILL GLOBAL REIT IS COMMITTED TO CREATING LONG-TERM VALUE FOR OUR UNITHOLDERS NOT ONLY THROUGH GROWING OUR BUSINESSES IN A SUSTAINABLE MANNER, BUT ALSO THROUGH CONTINUAL, CONSCIOUS EFFORTS IN DOING OUR PART FOR THE ENVIRONMENT, NURTURING OUR PEOPLE, GIVING BACK TO THE COMMUNITY AND STAYING COMMITTED TO STRONG GOVERNANCE.

ENVIRONMENT

Environmental protection not only makes business sense but it also forms the Manager's responsibility as a responsible corporate citizen. We complement our sustainability efforts by embracing practices that are more environmentally-friendly, raising awareness on climate change among our employees and by encouraging customers to also make sustainable choices.



↓ World Wide Fund for Nature's Earth Hour outreach at Wisma Atria.



2016

Eco Office Recertification

In Singapore, the offices of the REIT Manager and Property Manager were recognised for their green efforts at Project Eco-Office, an initiative between Singapore Environment Council and City Developments Limited that recognises environmentally-friendly practices in workplaces.

Earth Hour 2016

19 March 2016

Wisma Atria celebrated Earth Hour for the eighth consecutive year. As part of the mall's continued commitment to the global environment initiative, most stores and

offices switched off non-essential lights and the mall's facade lights from 8.30pm to 10.00pm.

The Malaysia Properties, Starhill Gallery and Lot 10 Property, commemorated the event by switching off the malls' facade lights. An eco bazaar featuring environmentally-friendly products was also organised at Lot 10 Property.

Reserved Lots for Electric Cars

At Wisma Atria and Lot 10, there are designated parking lots reserved for electric cars, whereby owners are able to charge their cars at these lots when they visit the malls.



Staff engaged in a cooking competition. ↑



↑ Staff competed in a fencing competition.

Growth and Strive for Continued Excellence: Skills-Future Readiness for the Future Organisation

The Manager believes in the need to constantly strengthen the education and training infrastructure in building a sustainable skills pipeline throughout the employee life-cycle. To be future-ready, it is vital to nurture our people to stay relevant in their skill-sets and to take on larger roles.

Our people development framework provides a wide range of learning, development and educational opportunities. It equips them with the skills and competencies to make positive contributions to the organisation, keep pace with changing work dynamics and enables our people to grow personally and professionally. Investments are made in various programmes covering training, workshops and seminars ranging from management, technical, communication, leadership to soft-skills. In our aspiration to develop and strengthen the leadership core, the "Executive Development Programme" was rolled out, aimed at nurturing business unit leaders. Selected high potential executives acquire broad-based knowledge and update their general management skills so that they are well-positioned for future growth opportunities.

Internal expertise and external professionals were engaged to

address knowledge gaps and coach technical mastery in tandem with execution excellence. Above all, this platform brings about shared understanding and team integration across different functional departments.

Recognising the importance of building talent pipeline, the Manager offers internship opportunities to students from local tertiary institutions who are interested in the real estate sector and/or for undergraduates to integrate their academic curriculum and real work experience. Concurrently, the intern placement programme provides our people with valuable mentoring and supervisory experience.

The People Equation: Workplace Diversity; Engaging Minds, Enriching Work-life

Professional success cannot be fully enjoyed without work-life integration. A diverse workforce spanning different generations, genders and nationalities generate significant value to a harmonious workplace. In building an inclusive workplace, we advocate the importance of team integration, a positive workplace culture and work ethos.

The Manager cares about its people and the demands each individual faces at different life

PEOPLE

Human capital is one of our key assets and the Manager firmly believes that human assets are similar to physical assets that need to be nurtured and developed. We instil a strong sense of belonging among our people through our Purpose, Values and Principles which are the building blocks of our culture. Our Purpose unifies us in a shared vision, our Values guide our work behaviours, and our Principles articulate our mission in business.

SUSTAINABILITY

ENVIRONMENT, PEOPLE AND COMMUNITY

stages. Family-friendly initiatives such as staggered work-hours and monthly "Bright Sky Day" are implemented at the workplace. On Bright Sky Day, staff can start their weekend early by leaving early on Friday to spend more time with their families, or to pursue their personal interests and for better work-life harmony.

We continually promote the merits of healthy living and encourage staff to take control of their physical and mental health as part of a holistic lifestyle. Comprehensive health screening programmes and influenza vaccination were organised for our People as part of our Health & Wellness initiative. Our Workplace Health Programme offers many varied sports and fitness activities such as yoga, archery and fencing for our people to learn a sport, unwind and interact with their fellow colleagues.

To forge stronger team dynamics, teambuilding activities, lunch talks and workshops such as "Escape Room", "Top Chef Challenge" and "Psychology of Dreams" were organised. As part of building an engaging culture, festive events such as Chinese New Year and Mid-Autumn Festival were celebrated together.

Our continuous efforts in implementing workplace health activities ensure that our people continue to live well-balanced work lives resulting in a happier, healthier and productive workforce.

The Success Story Continues

A Company is only as great as the people who embody its mission. We firmly believe each and every individual has potential and can make a positive difference. The broad array of employees' capabilities and experiences can only be powerful when

these are assembled to shape and support the Company's growth plans.

We believe the importance of holistic work-life experience and care about providing fulfilment for our people. In our commitment to drive long-term sustainability and continued business growth, we remain focused on strengthening organisational capabilities, employee engagement and the leadership bench. To be future-ready and to meet the evolving business needs, we will continue to inspire our people to embrace the unceasing need for knowledge and renew their skills.

Growing together with our people is a journey. The strategic imperative is to be future-ready and the Manager remains committed to take the company to greater excellence.

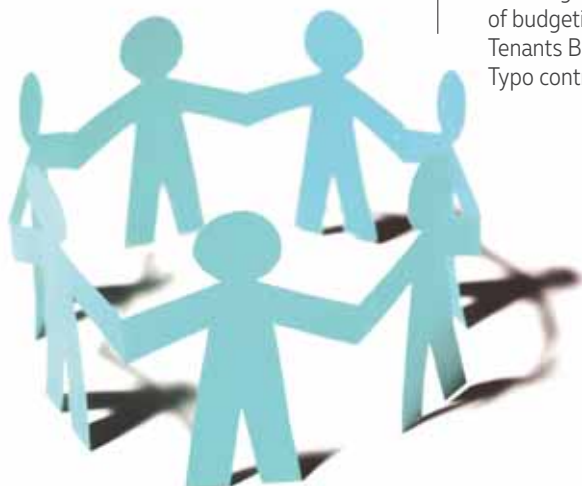
COMMUNITY

Our corporate social responsibility initiatives are in support of the underprivileged. Through various programmes and activities, we aim to contribute meaningfully to our local communities.

Students Care Service

17 December 2015

Wisma Atria played host to beneficiaries from Students Care Service which provides after-school care programmes for students with learning difficulties. The students, aged six to 12 years old, were given retail vouchers to shop at the mall for their Christmas presents, as staff volunteers interacted with the children and taught them about the virtues of budgeting and decision-making. Tenants BricksWorld, Crafttholic and Typo contributed to the event.



↑ Shop for A Cause community activity with children from Students Care Service.

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 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 73 to 74 for related party transactions and dealing with conflicts of interests.

Board meetings are scheduled and held at least once every quarter. Four Board meetings were held in FY 2015/16. The Articles of Association of the Manager

SUSTAINABILITY

CORPORATE GOVERNANCE

permit 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 reviewed environmental sustainability and work environment initiatives and community outreach programmes as set out on pages 62, 63 and 64.

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 framework for the Management and Starhill Global REIT, including 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. 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. Appropriate training will also be provided to first-time directors.

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. A Director who 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 is considered to be independent. The Board noted that Dr Hong Hai and Dr Michael Hwang have served on the Board for more than nine years from the date of their respective appointments and the Board subjected their independence to rigorous review. The Board (excluding the relevant director in question) considered that each of Dr Hong Hai and Dr Hwang has remained independent of character and judgment and should continue to be deemed as

independent director. Each of them has continued to express independent, impartial and autonomous viewpoints, debate issues objectively, scrutinise and challenge management on important issues and sought clarification and amplification when deemed necessary. As such, the Board decided to continue to retain the valuable expertise and experience of these directors. However the Board is currently in the process of sourcing for and identifying new independent directors to be appointed in place of existing independent directors who would have served more than nine years by the AGM of Starhill Global REIT for FY 2016/17. Thereafter, the Independent Directors will not serve more than nine years from their date of appointment.

The composition of the Board as at 30 June 2016 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 Keith Tay Ah Kee
Lead Independent Director (Non-executive)
(Independent)

Dr Hong Hai
Non-Executive Director (Independent)

Dr Michael Hwang
Non-Executive Director (Independent)

As Lead Independent Director, Mr Keith Tay has the discretion to hold meetings with the Independent Directors (without the presence of Management) as he deems appropriate or necessary. 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 20 and 21 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 related.

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 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 assists the Chairman and the Board in formulating strategies for Starhill Global REIT and is responsible for implementing Starhill Global REIT's strategies and its day-to-day operations.

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. 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.

Directors of the Manager are not subject to periodic retirement by rotation, nor re-appointment through voting by unitholders, as the Company 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 2015/16.

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 Singapore Institute of Directors or external search consultants. 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 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 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.

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. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2015/16.

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

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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 as follows:

	Board	Audit Committee
	No. of meetings held in FY 2015/16: 4	No. of meetings held in FY 2015/16: 4
	Attended	Attended
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	3	NA
Mr Ho Sing	4	NA
Dato' Yeoh Seok Kian	4	NA
Mr Keith Tay Ah Kee	4	4
Dr Hong Hai	4	4
Dr Michael Hwang	3	3

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. 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 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 Board approves the remuneration policy of the Manager, Directors' fees for non-executive Directors, remuneration package for the Chief Executive Officer, 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. For FY 2015/16, Aon Hewitt Singapore Pte Ltd was engaged to provide advice to the Board on, *inter alia*, the Manager's remuneration policy and they did not have any relationships with the Manager,

its controlling shareholder or related entities that would affect their independence.

Directors Remuneration

The remuneration of the non-executive Directors for FY 2015/16 comprises entirely of Directors' fees payable in cash. Directors' fees are established annually and 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 Chairman (for the period until his re-designation to Non-Executive Chairman on 1 January 2016) and the Chief Executive Officer do not receive Directors' fees as they receive 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 commencing 1 July 2015:

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 fees payable to the Non-Executive Directors for FY 2015/16 are as follows:

Name of Director	FY 2015/16
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	S\$50,000 ⁽¹⁾
Mr Ho Sing	NA
Dato' Yeoh Seok Kian	S\$63,000
Mr Keith Tay Ah Kee	S\$73,000
Dr Hong Hai	S\$68,000
Dr Michael Hwang	S\$68,000

Note:

⁽¹⁾ Chairman's non-executive Director's fees were pro-rated as he did not receive fees for the period until his re-designation to Non-Executive Chairman on 1 January 2016. Prior to 1 January 2016, Chairman received employee remuneration from the Manager.

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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.

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, incentivises and rewards individuals for their performance, efforts and achievement. The payment of variable bonus is subject to achievement of Starhill Global REIT's DPU, and the Manager's profit after tax targets, with a higher 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 2015/16, the Board had taken into account the extent to which the performance targets have been met.
- 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 higher 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 Chief Executive Officer 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. Further, given that the Executive Chairman has been re-designated Non-Executive Chairman with effect from 1 January 2016, it would not be meaningful to make disclosures of the remuneration of the Chairman as an Executive Chairman prior to 1 January 2016. 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 Executive Chairman, the Chief Executive Officer and executive officers and performance.

Other than the Chairman (until his re-designation to Non-Executive Chairman on 1 January 2016) there were no employees of the Manager who were immediate family members of a Director or the Chief Executive Officer and whose remuneration exceeds S\$50,000 during FY 2015/16. The Chairman and Dato' Yeoh Seok Kian, a non-executive Director, are siblings. "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 the year, 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. No significant weaknesses were noted from the auditors' respective scope of reviews. The findings were discussed, followed up and where appropriate, rectifications were made by Management.

The Board has also received assurance from the Chief Executive Officer and Chief Financial Officer of the Manager that:

- (a) 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
- (b) Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2016 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 Chief Executive Officer and Chief Financial Officer 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 2016 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The Chief Executive Officer and the Chief Financial Officer of the Manager have obtained similar assurances from the function heads of the Manager.

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 are Mr Keith Tay Ah Kee (Chairman), Dr Hong Hai and Dr Michael Hwang. 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.

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:

S U S T A I N A B I L I T Y

C O R P O R A T E G O V E R N A N C E

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

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 and external auditors at least once a year 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 auditors and is satisfied that the nature and extent of such services will not prejudice

the independence and objectivity of the external auditors. The aggregate amount of fees paid and payable to the external auditors for FY 2015/16 and the breakdown into audit fees and non-audit fees are set out on page 113. 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 auditors.

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@ytlistarhill.com.

The Audit Committee generally meets at least once every quarter.

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. The Audit Committee has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was 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. 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 are sent a copy of the Starhill Global REIT Annual Report prior to an Annual General Meeting. 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 and 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 auditors 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 discloses the distribution policy of Starhill Global REIT on page 97 of this Annual Report.

(E) ADDITIONAL INFORMATION **Dealing with Related Party Transactions**

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 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.

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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.

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. All executive officers will be employed by the Manager;
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

Pursuant to the revised CIS Code issued by MAS which came into effect on 1 January 2016, the Manager is to disclose the methodology and justifications of fees which are payable out of the deposited property of a property fund.

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 pages 88 and 89 (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 2015/16, 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 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 ("Benchmark Index"). For the period up to and including 30 June 2016, entitlement to the Performance Fee was determined every six months.

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.

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 page 89 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 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,

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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 90 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 90 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.

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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, first supplemental deed dated 20 April 2006, amended and restated deed dated 8 August 2007, second amended and restated deed dated 10 December 2007, second supplemental deed dated 22 April 2010, third supplemental deed dated 7 June 2010, fourth supplemental deed dated 17 March 2014 and third amending and restating deed dated 4 August 2016 (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 12 months ended 30 June 2016 covered by these financial statements, set out on pages 81 to 127 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



Esther Fong
Senior Vice President, Trustee Services

Singapore
29 August 2016

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 81 to 127, 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 2016, 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 12 months ended 30 June 2016 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 2016

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

We have audited the accompanying financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Trust, the investment properties portfolio statement of the Group as at 30 June 2016, the statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and the Trust and the cash flow statement of the Group for the 12 months ended 30 June 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 81 to 127.

THE MANAGER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements 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 for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 30 June 2016, 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 12 months ended 30 June 2016 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.



Public Accountants and
Chartered Accountants

Singapore
29 August 2016

BALANCE SHEETS

As at 30 June 2016

		Group		Trust	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current assets					
Investment properties	4	3,136,604	3,116,155	2,141,000	2,071,500
Plant and equipment	5	446	1,050	141	423
Interests in subsidiaries	6	-	-	651,509	703,217
Intangible asset	7	-	11,185	-	-
Derivative financial instruments	8	332	4,454	330	4,357
Trade and other receivables	9	1,759	3,674	1,266	2,344
		3,139,141	3,136,518	2,794,246	2,781,841
Current assets					
Derivative financial instruments	8	140	121	140	121
Trade and other receivables	9	5,926	5,184	5,655	4,853
Cash and cash equivalents	10	76,953	51,571	11,740	9,708
		83,019	56,876	17,535	14,682
Total assets		3,222,160	3,193,394	2,811,781	2,796,523
Non-current liabilities					
Trade and other payables	11	24,999	26,013	19,782	20,422
Derivative financial instruments	8	4,747	1,042	2,393	705
Deferred tax liabilities	12	9,737	14,884	-	-
Borrowings	13	1,107,521	983,249	790,124	639,692
		1,147,004	1,025,188	812,299	660,819
Current liabilities					
Trade and other payables	11	39,544	37,190	25,962	23,198
Derivative financial instruments	8	22	17	22	17
Income tax payable		2,641	2,208	-	-
Borrowings	13	15,398	146,000	5,000	146,000
		57,605	185,415	30,984	169,215
Total liabilities		1,204,609	1,210,603	843,283	830,034
Net assets		2,017,551	1,982,791	1,968,498	1,966,489
Represented by:					
Unitholders' funds	14	2,017,551	1,982,791	1,968,498	1,966,489
Units in issue ('000)	15	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/period		0.92	0.91	0.90	0.90
Net tangible asset per unit (\$) based on:					
- Units issued at the end of the year/period		0.92	0.90	0.90	0.90

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

STATEMENTS OF TOTAL RETURN

12 months ended 30 June 2016

	Note	Group		Trust	
		12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Gross revenue	16	219,679	294,789	134,251	198,240
Property operating expenses	17	(49,357)	(57,160)	(27,576)	(40,725)
Net property income		170,322	237,629	106,675	157,515
Interest income from fixed deposits and bank balances		914	1,551	48	330
Interest income from subsidiaries		-	-	5,621	6,639
Dividend income from subsidiaries	18	-	-	8,343	30,289
Fair value adjustment on security deposits		(106)	(505)	(404)	(170)
Management fees	19	(15,903)	(22,399)	(14,930)	(20,792)
Performance fees	19	-	-	-	-
Trust expenses	20	(3,463)	(4,425)	(3,173)	(3,548)
Finance expenses	21	(38,767)	(46,874)	(24,211)	(30,343)
		112,997	164,977	77,969	139,920
Change in fair value of derivative instruments		(6,487)	(479)	(4,959)	140
Foreign exchange loss		(11,610)	-	(4,043)	(14,010)
Change in fair value of investment properties	4	77,973	9,120	69,029	36,000
(Loss)/Gain on divestment of investment property ⁽¹⁾		(87)	364	-	-
Impairment loss on investment in subsidiaries		-	-	(23,000)	-
Impairment loss on intangible asset		(11,214)	-	-	-
Total return for the year/period before tax and distribution		161,572	173,982	114,996	162,050
Income tax	22	2,324	559	-	-
Total return for the year/period after tax, before distribution		163,896	174,541	114,996	162,050
Non-tax (chargeable)/deductible items and other adjustments		(47,394)	(2,965)	1,506	9,526
Income available for distribution		116,502	171,576	116,502	171,576
Earnings per unit (cents)					
Basic	23	7.51	8.05	5.27	7.47
Diluted	23	7.51	8.00	5.27	7.43

Note:

⁽¹⁾ Represents the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Roppongi Terzo in January 2016 (2015: Holon L in March 2014).

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

DISTRIBUTION STATEMENTS

12 months ended 30 June 2016

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Income available for distribution at the beginning of the year/period	45,240	37,567	45,240	37,567
Total return after tax, before distribution	163,896	174,541	114,996	162,050
Net tax and other adjustments (Note A below)	(47,394)	(2,965)	1,506	9,526
Income available for distribution	161,742	209,143	161,742	209,143
Distributions for the year/period:				
Unitholders				
Distribution of 1.23 cents per unit for the period 1 October to 31 December 2013	-	(26,485)	-	(26,485)
Distribution of 1.24 cents per unit for the period 1 January to 31 March 2014	-	(26,700)	-	(26,700)
Distribution of 1.29 cents (2014: 1.25 cents) per unit for the period 1 April to 30 June 2015	(28,138)	(26,915)	(28,138)	(26,915)
Distribution of 1.31 cents (2014: 1.27 cents) per unit for the period 1 July to 30 September 2015	(28,574)	(27,346)	(28,574)	(27,346)
Distribution of 1.32 cents (2014: 1.29 cents) per unit for the period 1 October to 31 December 2015	(28,792)	(27,777)	(28,792)	(27,777)
Distribution of 1.26 cents (2015: 1.26 cents) per unit for the period 1 January to 31 March 2016	(27,483)	(27,131)	(27,483)	(27,131)
Holder of convertible preferred units ("CPU")				
Distribution of 1.2904 cents per CPU for the period 1 October to 31 December 2013	-	(262)	-	(262)
Distribution of 1.2588 cents per CPU for the period 1 January to 31 March 2014	-	(256)	-	(256)
Distribution of 1.2814 cents per CPU for the period 1 April to 30 June 2014	-	(261)	-	(261)
Distribution of 1.3080 cents per CPU for the period 1 July to 30 September 2014	-	(266)	-	(266)
Distribution of 1.2590 cents per CPU for the period 1 October to 31 December 2014	-	(256)	-	(256)
Distribution of 1.2191 cents per CPU for the period 1 January to 31 March 2015	-	(248)	-	(248)
	(112,987)	(163,903)	(112,987)	(163,903)
Income available for distribution at the end of the year/period	48,755	45,240	48,755	45,240

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

DISTRIBUTION STATEMENTS

12 months ended 30 June 2016

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Number of units at end of the year/period ('000)	2,181,204	2,181,204	2,181,204	2,181,204
Distribution per unit for the year/period (cents)	5.18	7.60	5.18	7.60
Distribution per CPU for the year/period (cents) ⁽¹⁾	-	6.3263	-	6.3263

Note A – Net tax and other adjustments

Non-tax (chargeable)/deductible items and other adjustments:

- Finance costs	928	1,857	2,144	3,505
- Sinking fund contribution	1,808	2,712	1,808	2,712
- Depreciation	282	367	282	367
- Change in fair value of derivative instruments	6,487	479	4,959	(140)
- Change in fair value of investment properties	(77,973)	(9,120)	(69,029)	(36,000)
- Deferred tax	(4,196)	(4,349)	-	-
- Impairment loss on investment in subsidiaries	-	-	23,000	-
- Impairment loss on intangible asset	11,214	-	-	-
- Foreign exchange loss	11,830	-	4,043	14,010
- Fair value adjustment on security deposits	106	505	404	170
- Other items	2,120	4,584	2,902	4,114
- Net overseas income not distributed to the Trust, net of amount received	-	-	30,993	20,788
Net tax and other adjustments	(47,394)	(2,965)	1,506	9,526

Note:

⁽¹⁾ There is no CPU distribution in the current period, following the conversion of the remaining 20,334,750 CPU into 27,986,168 ordinary units at a conversion price of \$0.7266 per unit in June 2015.

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

12 months ended 30 June 2016

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Unitholders' funds at the beginning of the year/period	1,982,791	1,989,764	1,966,489	1,947,962
Operations				
Change in unitholders' funds resulting from operations, before distributions	163,896	174,541	114,996	162,050
Increase in unitholders' funds resulting from operations	163,896	174,541	114,996	162,050
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	(23,716)	(23,981)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	7,567	(14,010)	-	-
Net loss recognised directly in unitholders' funds	(16,149)	(37,991)	-	-
Unitholders' transactions				
Distributions to CPU holder	-	(1,549)	-	(1,549)
Distributions to unitholders	(112,987)	(162,354)	(112,987)	(162,354)
CPU conversion ⁽¹⁾	-	20,380	-	20,380
Decrease in unitholders' funds resulting from unitholders' transactions	(112,987)	(143,523)	(112,987)	(143,523)
Unitholders' funds at the end of the year/period	2,017,551	1,982,791	1,968,498	1,966,489

Note:

⁽¹⁾ Represents the value of 20,334,750 CPU being converted into ordinary units at a conversion price of \$0.7266 per unit in June 2015.

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

As at 30 June 2016

Group										
Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate	At valuation		Percentage of total net assets	
						2016 %	2016 \$'000	2015 \$'000	2016 %	2015 %
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	45 years	435 Orchard Road, Singapore 238877	Retail/ Office	97.7/97.9	996,000 ⁽⁵⁾	987,500	49.4	49.8
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	56 years	391/391B Orchard Road, Singapore 238874	Retail/ Office	100.0/94.0	1,145,000 ⁽⁵⁾	1,084,000	56.7	54.7
Myer Centre Adelaide ⁽¹⁾	Freehold	-	-	14-38 Rundle Mall, Adelaide, Australia	Retail/ Office	94.2/50.3	299,978 ⁽⁶⁾	297,288	14.9	15.0
David Jones Building ⁽¹⁾	Freehold	-	-	622-648 Hay Street Mall, Perth, Australia	Retail	97.4	153,398 ⁽⁷⁾	149,676	7.6	7.5
Plaza Arcade ⁽¹⁾	Freehold	-	-	650 Hay Street Mall and 185-191 Murray Street Mall, Perth, Australia	Retail	74.5	52,135 ⁽⁷⁾	53,161	2.6	2.7
Starhill Gallery ⁽²⁾	Freehold	-	-	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/ Office	100.0	234,395 ⁽⁸⁾	243,066	11.6	12.3
Lot 10 Property ⁽²⁾	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	60 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/ Office	100.0	143,986 ⁽⁸⁾	153,231	7.1	7.7
Renhe Spring Zongbei Property ⁽³⁾	Leasehold	Leasehold estate of 40 years expiring on 27 December 2035	19 years	No 19, Renminnan Road, Chengdu, China	Retail	96.4	44,677 ⁽⁹⁾	66,335	2.2	3.3
Ebisu Fort ⁽⁴⁾	Freehold	-	-	1-24-2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/ Office	100.0	41,502 ⁽¹⁰⁾	34,088	2.1	1.7
Roppongi Terzo ⁽⁴⁾	Freehold	-	-	7-13-7 Roppongi, Minato-ku, Tokyo, Japan	NA	NA	-	26,830	-	1.4
Daikanyama ⁽⁴⁾	Freehold	-	-	1-31-12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/ Office	100.0	15,761 ⁽¹⁰⁾	12,975	0.8	0.7
Nakameguro Place ⁽⁴⁾	Freehold	-	-	1-20-2 Aobadai, Meguro-ku, Tokyo, Japan	Retail	100.0	5,385 ⁽¹⁰⁾	4,453	0.3	0.2
Harajyuku Secondo ⁽⁴⁾	Freehold	-	-	1-19-1 Jingumae, Shibuya-ku, Tokyo, Japan	Retail	100.0	4,387 ⁽¹⁰⁾	3,552	0.2	0.2
Investment properties at valuation							3,136,604	3,116,155	155.5	157.2
Other assets and liabilities (net)							(1,119,053)	(1,133,364)	(55.5)	(57.2)
Net assets							2,017,551	1,982,791	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⁾ Renhe Spring Zongbei Property was acquired on 28 August 2007.
- ⁽⁴⁾ The Japan Properties comprise four properties (2015: five) as at 30 June 2016. Roppongi Terzo was divested on 7 January 2016. Three of these properties (Harajyuku Secondo, Daikanyama and Nakameguro Place) were acquired on 30 May 2007, whilst the fourth property, Ebisu Fort, was acquired on 26 September 2007.
- ⁽⁵⁾ Based on the valuation performed by CBRE Pte. Ltd. as at 30 June 2016.
- ⁽⁶⁾ Based on the valuation performed by Jones Lang LaSalle Advisory Services Pty Ltd as at 30 June 2016 and translated at the exchange rate of A\$1.00:\$1.00 (2015: A\$0.97:\$1.00).
- ⁽⁷⁾ Based on the valuation performed by CBRE Valuations Pty Limited as at 30 June 2016 and translated at the exchange rate of A\$1.00:\$1.00 (2015: A\$0.97:\$1.00).
- ⁽⁸⁾ Based on the valuation performed by IVPSP Property Consultant Sdn Bhd as at 30 June 2016 and translated at the exchange rate of RM2.99:\$1.00 (2015: RM2.81:\$1.00).
- ⁽⁹⁾ Based on the valuation performed by Knight Frank Petty Limited as at 30 June 2016 and translated at the exchange rate of RMB4.92:\$1.00 (2015: RMB4.61:\$1.00).
- ⁽¹⁰⁾ Based on the valuation performed by Jones Lang LaSalle K.K. as at 30 June 2016 and translated at the exchange rate of JPY76.14:\$1.00 (2015: JPY90.94:\$1.00).

The Manager believes that the above independent valuers have appropriate professional qualifications and recent 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

12 months ended 30 June 2016

	Group	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Cash flows from operating activities		
Total return for the year/period before tax and distribution	161,572	173,982
Adjustments for:		
Finance income	(914)	(1,551)
Fair value adjustment on security deposits	106	505
Depreciation	622	1,006
Finance expenses	38,767	46,874
Loss/(Gain) on divestment of investment property	87	(364)
Change in fair value of derivative instruments	6,487	479
Foreign exchange loss	11,610	-
Change in fair value of investment properties	(77,973)	(9,120)
Impairment loss on intangible asset	11,214	-
Operating income before working capital changes	151,578	211,811
Trade and other receivables	1,167	7,390
Trade and other payables	4,243	(3,053)
Cash generated from operating activities	156,988	216,148
Income tax paid	(1,729)	(3,766)
Net cash from operating activities	155,259	212,382
Cash flows from investing activities		
Net cash outflows on purchase of investment property	-	(325,336) ⁽¹⁾
Net proceeds on divestment of investment property	29,095 ⁽²⁾	12,428 ⁽²⁾
Capital expenditure on investment properties	(1,945)	(3,683)
Purchase of plant and equipment	(41)	(798)
Interest received on deposits	922	1,549
Net cash from/(used in) investing activities	28,031	(315,840)
Cash flows from financing activities		
Borrowing costs paid	(37,272)	(44,362)
Proceeds from borrowings	252,547	754,507
Repayment of borrowings	(262,348)	(446,470)
Distributions paid to CPU holder	-	(1,549)
Distributions paid to unitholders	(112,987)	(162,354)
Net cash (used in)/from financing activities	(160,060)	99,772
Net increase/(decrease) in cash and cash equivalents	23,230	(3,686)
Cash and cash equivalents at 1 July 2015/1 January 2014	51,571	58,038
Effects of exchange rate differences on cash	2,152	(2,781)
Cash and cash equivalents at 30 June	76,953	51,571

Notes:

⁽¹⁾ Net cash outflows on the purchase of Myer Centre Adelaide during the 18 months ended 30 June 2015 include the purchase consideration of A\$288 million (\$303.1 million) and related acquisition costs of approximately \$22.2 million, but exclude settlement adjustments of approximately \$0.9 million on completion in May 2015.

⁽²⁾ Net cash inflows on divestment of Roppongi Terzo (2015: Holon L in March 2014) represent the sale proceeds, net of directly attributable costs paid in January 2016.

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 2016.

1. GENERAL

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Starhill Global REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

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 to third party property managers of the Australia Properties, Renhe Spring Zongbei Property and Japan Properties.

(b) Management fees

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

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

Base fee

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

The Value of Trust Property means:

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

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

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

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

Performance fee

Pursuant to the third amending and restating deed executed on 4 August 2016 in respect of Starhill Global REIT, the performance fees (if any) to be paid to the Manager shall be determined on an annual basis (after the end of the financial year) instead of a half-yearly basis. This change will be effective from financial year beginning 1 July 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS

(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).

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
- Note 7 – Impairment on intangible asset
- Notes 8 and 25 – Valuation of financial instruments

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.

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 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 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 period are retranslated 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 that date of the transactions. The foreign currency gain or loss on

NOTES TO THE FINANCIAL STATEMENTS

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 the statement of total return.

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 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 the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

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 plant and equipment, and is recognised 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 the statement of total return as incurred.

Depreciation

Depreciation on plant and equipment is recognised 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 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 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 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 the statement of total return.

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

3.6 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of total return) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following category: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables. Cash and cash equivalents comprise cash at bank and fixed deposits.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through the statement of total return) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any 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) Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures arising from operating, financing and investing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. The Group does not adopt hedge accounting for its derivative financial instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return as incurred.

Subsequent to initial recognition, derivatives are measured at fair value. All changes in fair value is recognised immediately in the statement of total return. However, if derivatives qualify for hedge accounting, subsequent to initial recognition, changes in fair value therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in unitholders' funds. The amount recognised in unitholders' funds is removed and included in the statement of total return in the same period as the hedged cash flows affect total return under the same line item in the statement of total return as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in unitholders' funds remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in unitholders' funds is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in unitholders' funds is transferred to the statement of total return in the same period that the hedged item affects total return.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the statement of total return. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the statement of total return with an adjustment to the carrying amount of the hedged item.

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

Non-derivative financial assets

A financial asset not carried at fair value through the statement of total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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 will enter bankruptcy. In addition, for an investment, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

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. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

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

Impairment losses are recognised in 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 (groups of CGUs) and then to reduce the carrying amount of the other assets in the CGU (groups 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 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.

NOTES TO THE FINANCIAL STATEMENTS

3.10 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised 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 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 interest income on funds invested and derivative financial instruments. Interest income is recognised as it accrues in the statement of total return, using the effective interest method.

Finance expenses comprises interest expense on borrowings and derivative financial instruments and amortisation of loan acquisition expenses. All borrowing costs are recognised in the statement of total return using the effective interest method.

3.12 Expenses

(i) Property operating expenses

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

(ii) Management fees

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

(iii) 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 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 period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

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;
- 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

A qualifying unitholder is a unitholder who is:

- (i) a Singapore-incorporated company which is a tax resident in Singapore;
- (ii) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or
- (iii) a Singapore branch of a foreign company.

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

- (i) which does not have a permanent establishment in Singapore; or
- (ii) which 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.

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 taxable income for the 12 months ended 30 June 2016 (2015: 90%). 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.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Group \$'000	Trust \$'000
At 1 January 2014	2,854,443	2,035,500
Additions and acquisition of investment property	326,058	–
Divestment	(12,064)	–
Change in fair value of investment properties	9,120	36,000
Translation differences	(61,402)	–
At 30 June 2015	3,116,155	2,071,500
Additions	1,070	471
Divestment	(29,182)	–
Change in fair value of investment properties	77,973	69,029
Translation differences	(29,412)	–
At 30 June 2016	3,136,604	2,141,000

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and recent 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 flows 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.

At 30 June 2016, investment properties with a carrying value of approximately \$831.8 million (2015: \$843.3 million) are mortgaged to secure credit facilities for the Group (Note 13).

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 25.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2016:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	- Capitalisation rates from 3.90% to 8.25% (2015: from 4.25% to 11.50%) - Discount rates from 3.70% to 8.50% (2015: from 4.10% to 11.50%)	The estimated fair value would increase if capitalisation rates and discount rates were lower.

Key unobservable inputs correspond to:

- Capitalisation rates derived from specialised publications from the related markets and comparable transactions.
- Discount rates, which are largely based on the risk-free rate for 10-year bonds issued by the government 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 January 2014	2,415	-
Additions	798	790
Disposal/write off	(2)	-
Translation differences	91	-
At 30 June 2015	3,302	790
Additions	41	-
Disposal/write-off	(14)	-
Translation differences	(161)	-
At 30 June 2016	3,168	790
Accumulated depreciation:		
At 1 January 2014	(1,181)	-
Depreciation charge	(1,006)	(367)
Disposal/write off	2	-
Translation differences	(67)	-
At 30 June 2015	(2,252)	(367)
Depreciation charge	(622)	(282)
Disposal/write-off	14	-
Translation differences	138	-
At 30 June 2016	(2,722)	(649)
Carrying amount:		
At 1 January 2014	1,234	-
At 30 June 2015	1,050	423
At 30 June 2016	446	141

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2016 \$'000	2015 \$'000
Equity investments at cost	509,444	573,181
Advances to subsidiaries	232,065	197,036
	741,509	770,217
Less: allowance for impairment loss	(90,000)	(67,000)
	651,509	703,217

Advances to subsidiaries are unsecured. The advances form part of the Trust's interests in subsidiaries as settlement of these amounts is neither planned nor likely to occur in the foreseeable future, and are stated at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the Group's investment in subsidiaries. The recoverable amount of the cash generating unit was estimated based on its value in use, and using the discounted cash flow method. This involves the estimation and projection of an income stream over a period at a rental growth rate indicative of market, and discounting the income stream with an internal rate of return. The recoverable amount was estimated to be lower than the net carrying amount of the Group's interest in these subsidiaries, and an impairment loss of \$23.0 million (2015: nil) was recognised for the 12 months ended 30 June 2016, mainly in line with the drop in valuation of Renhe Spring Zongbei Property as at 30 June 2016.

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

	Trust	
	2016 \$'000	2015 \$'000
At 1 July 2015/1 January 2014	(67,000)	(67,000)
Impairment loss recognised	(23,000)	–
At 30 June	(90,000)	(67,000)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest	
		2016 %	2015 %
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
Renhe Spring Department Store 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

7. INTANGIBLE ASSET

The intangible asset represents goodwill on acquisition of Top Sure Investment Limited ("Top Sure") in August 2007. Top Sure owns, through its wholly owned subsidiary, Renhe Spring Zongbei Property in China. The goodwill was fully impaired as at 30 June 2016 as the net carrying amount of Top Sure and its subsidiary has exceeded its recoverable amount.

Goodwill is allocated to the operations in Top Sure and its subsidiary. The recoverable amount of Top Sure and its subsidiary was based on the value in use, determined using the realisable net asset value approach. The assets held by Top Sure and its subsidiary comprise mainly of an investment property whose fair value was determined using the key valuation techniques and key assumptions as described in Note 4. For the purpose of impairment testing as at 30 June 2016, the fair value was based on cash flows projections covering the remaining lease term of the investment property with a growth rate of 3.5% and a discount rate of 5.0%.

The movement during the year/period was as follows:

	Group	
	2016 \$'000	2015 \$'000
At 1 July 2015/1 January 2014	11,185	10,517
Impairment loss recognised	(11,214)	-
Translation differences	29	668
At 30 June	-	11,185

8. DERIVATIVE FINANCIAL INSTRUMENTS

	2016		2015	
	Contract notional amount \$'000	Fair value \$'000	Contract notional amount \$'000	Fair value \$'000
Group				
Non-current assets				
Interest rate swaps and caps	359,200	332	718,800	4,454
	359,200	332	718,800	4,454
Current assets				
Interest rate swap and caps	238,000	14	-	-
Foreign exchange forwards	11,300	126	2,400	121
	249,300	140	2,400	121
	608,500	472	721,200	4,575
Non-current liabilities				
Interest rate swaps	533,600	4,747	374,600	1,042
	533,600	4,747	374,600	1,042
Current liabilities				
Interest rate swap	50,000	14	-	-
Foreign exchange forwards	3,400	8	-	-
Foreign exchange option	-	-	1,600	17
	53,400	22	1,600	17
	587,000	4,769	376,200	1,059
Trust				
Non-current assets				
Interest rate swaps and caps	232,800	330	571,200	4,357
	232,800	330	571,200	4,357
Current assets				
Interest rate swap and caps	216,900	14	-	-
Foreign exchange forwards	11,300	126	2,400	121
	228,200	140	2,400	121
	461,000	470	573,600	4,478
Non-current liabilities				
Interest rate swaps	325,000	2,393	225,000	705
	325,000	2,393	225,000	705
Current liabilities				
Interest rate swap	50,000	14	-	-
Foreign exchange forwards	3,400	8	-	-
Foreign exchange option	-	-	1,600	17
	53,400	22	1,600	17
	378,400	2,415	226,600	722

NOTES TO THE FINANCIAL STATEMENTS

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 \$0.2 million decrease (2015: \$0.7 million decrease) in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2016 and 30 June 2015, 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 0.2% (2015: 0.2%) of the Group's unitholders' funds as at 30 June 2016. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 13.

9. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current				
Lease incentives	1,759	3,674	1,266	2,344
	1,759	3,674	1,266	2,344
Current				
Trade receivables	1,365	641	715	351
Deposits	268	254	268	254
Other receivables	1,855	2,118	2,843	2,686
Loans and receivables	3,488	3,013	3,826	3,291
Prepayments	762	642	395	171
Lease incentives	1,676	1,529	1,434	1,391
	5,926	5,184	5,655	4,853
	7,685	8,858	6,921	7,197

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. As at 30 June 2016, the Group and the Trust have security deposits of approximately \$31.3 million (2015: \$30.4 million) and \$24.6 million (2015: \$23.4 million) respectively (Note 11).

There is no impairment loss arising from the Group's other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are dividend and interest income receivable from its subsidiaries of approximately \$2.5 million (2015: \$2.6 million) as at 30 June 2016.

The maximum exposure to credit risk for the loans and receivables at the reporting date by geographic region was:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Singapore	1,343	666	3,826	3,291
Australia	1,099	736	-	-
Malaysia	86	196	-	-
China	827	1,324	-	-
Japan	133	91	-	-
	3,488	3,013	3,826	3,291

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross	Impairment losses	Gross	Impairment losses
	2016 \$'000	2016 \$'000	2015 \$'000	2015 \$'000
Group				
Not past due	821	-	777	(171)
Past due 0 – 30 days	257	-	115	(80)
Past due 31 – 120 days	434	(147)	5	(5)
More than 120 days	281	(281)	580	(580)
	1,793	(428)	1,477	(836)
Trust				
Not past due	377	-	506	(155)
Past due 0 – 30 days	142	-	40	(40)
Past due 31 – 120 days	270	(74)	3	(3)
More than 120 days	154	(154)	36	(36)
	943	(228)	585	(234)

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

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At 1 July 2015/1 January 2014	(836)	(1,574)	(234)	(234)
Impairment loss reversed (net)	13	649	-	-
Written off	453	19	6	-
Translation differences	(58)	70	-	-
At 30 June	(428)	(836)	(228)	(234)

The Group's and the Trust's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the Manager believes that, apart from the above, no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as these are substantially covered by security deposits, bank guarantees and allowance for impairment.

10. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and in hand	51,420	32,884	9,740	9,708
Fixed deposits with financial institutions	25,533	18,687	2,000	-
	76,953	51,571	11,740	9,708

The weighted average effective interest rates per annum relating to fixed deposits with financial institutions at the balance sheet date for the Group is 2.5% (2015: 2.9%). Interest rates reprice at intervals of one month to three months (2015: one day to three months).

NOTES TO THE FINANCIAL STATEMENTS

The Trust issued 963,724,106 new units pursuant to the rights issue in August 2009 and received total gross proceeds of \$337.3 million in consideration. Usage of the proceeds was as follows:

	Group and Trust \$'000
Gross proceeds from rights issue	337,303
Rights issue expenses and related costs	(9,427)
	327,876
Repayment of revolving credit facilities	(50,900)
Payment for acquisition of investment properties	(235,708)
Payment for asset redevelopment costs and capital expenditure of Wisma Atria Property	(30,207)
Payment to subscribe for second junior MTNs issued by Ara Bintang Berhad	(10,174)
Balance as at 30 June 2015	887
Payment for asset redevelopment costs of Wisma Atria Property	(887)
Balance of net proceeds included in cash and cash equivalents as at 30 June 2016	-

The above utilisations were in accordance with the intended use, and the percentage allocated for the use, of the proceeds of the rights issue as stated in the announcement dated 22 June 2009 in respect of the rights issue.

11. TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current				
Deferred income	42	-	42	-
Security deposits ⁽¹⁾	24,957	26,013	19,740	20,422
	24,999	26,013	19,782	20,422
Current				
Trade payables	5,426	5,949	2,819	2,283
Accrued expenses	7,105	6,542	2,322	2,519
Amounts due to:				
- the Manager ⁽²⁾	2,682	2,842	2,682	2,842
- the Property Manager ⁽²⁾	652	609	652	609
- the Trustee ⁽²⁾	80	82	80	82
Interest payable	2,844	4,722	2,062	3,875
Deferred income	2,577	221	2,577	221
Security deposits ⁽¹⁾	6,385	4,386	4,887	2,950
Other payables	11,793	11,837	7,881	7,817
	39,544	37,190	25,962	23,198
	64,543	63,203	45,744	43,620

⁽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 13 and 25.

12. DEFERRED TAX LIABILITIES

	Group	
	2016 \$'000	2015 \$'000
Deferred tax liabilities ⁽¹⁾	9,737	14,884

⁽¹⁾ The deferred tax liability is mainly in respect of Renhe Spring Zongbei Property in China and has been estimated on the basis of an asset sale at the current book value.

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

	At 1 July 2015/ 1 January 2014 \$'000	Recognised in statement of total return (Note 22) \$'000	Translation differences \$'000	At 30 June \$'000
Group				
2016				
Deferred tax liabilities				
Investment properties	14,884	(4,196)	(951)	9,737
2015				
Deferred tax liabilities				
Investment properties	18,502	(4,300)	682	14,884
Borrowings	50	(49)	(1)	-
Total	18,552	(4,349)	681	14,884

13. BORROWINGS

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current				
Secured borrowings	318,069	330,947	-	-
Unsecured borrowings	793,297	658,018	793,297	644,275
Unamortised loan acquisition expenses	(3,845)	(5,716)	(3,173)	(4,583)
	1,107,521	983,249	790,124	639,692
Current				
Unsecured borrowings	15,507	146,000	5,000	146,000
Unamortised loan acquisition expenses	(109)	-	-	-
	15,398	146,000	5,000	146,000
Total borrowings (net of borrowing costs)	1,122,919	1,129,249	795,124	785,692

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 risk, is disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

2016					
	Currency	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
Group					
JPY term loan facility ⁽¹⁾	JPY	0.83 – 1.01	2020	68,297	68,297
SGD term loan facilities ⁽¹⁾	SGD	1.68 – 3.04	2018	500,000	500,000
SGD revolving credit facilities ^{(1) (2)}	SGD	1.51 – 1.95	2017 & 2018	5,000	5,000
Singapore MTNs ⁽³⁾	SGD	3.40 – 3.50	2021 & 2023	225,000	225,000
Japan bond ⁽⁴⁾	JPY	1.97 – 2.10	2016	10,507	10,507
Australia loans ⁽⁵⁾	A\$	3.24 – 4.18	2018 & 2019	208,541	208,541
Malaysia MTN ⁽⁶⁾	RM	4.48	2019	110,501	109,528
				1,127,846	1,126,873
Trust					
JPY term loan facility ⁽¹⁾	JPY	0.83 – 1.01	2020	68,297	68,297
SGD term loan facilities ⁽¹⁾	SGD	1.68 – 3.04	2018	500,000	500,000
SGD revolving credit facilities ^{(1) (2)}	SGD	1.51 – 1.95	2017 & 2018	5,000	5,000
Intercompany loans ⁽³⁾	SGD	3.40 – 3.50	2021 & 2023	225,000	225,000
				798,297	798,297
2015					
	Currency	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
Group					
JPY term loan facility ⁽¹⁾	JPY	1.01 – 1.10	2016	69,275	69,275
SGD term loan facilities ⁽¹⁾	SGD	1.41 – 2.44	2018	350,000	350,000
SGD revolving credit facilities ^{(1) (2)}	SGD	1.20 – 2.18	2016 & 2018	22,000	22,000
Singapore MTNs ⁽³⁾	SGD	3.40 – 3.50	2015, 2021 & 2023	349,000	349,000
Japan bond ⁽⁴⁾	JPY	2.10 – 2.14	2016	13,743	13,743
Australia loans ⁽⁵⁾	A\$	3.39 – 5.10	2018 & 2019	214,708	214,708
Malaysia MTN ⁽⁶⁾	RM	4.48	2019	117,596	116,239
				1,136,322	1,134,965
Trust					
JPY term loan facility ⁽¹⁾	JPY	1.01 – 1.10	2016	69,275	69,275
SGD term loan facilities ⁽¹⁾	SGD	1.41 – 2.44	2018	350,000	350,000
SGD revolving credit facilities ^{(1) (2)}	SGD	1.20 – 2.18	2016 & 2018	22,000	22,000
Intercompany loans ⁽³⁾	SGD	3.40 – 3.50	2015, 2021 & 2023	349,000	349,000
				790,275	790,275

⁽¹⁾ The Group has in place the following unsecured loan facilities as at 30 June 2016, comprising:

- (i) five-year unsecured loan facilities with a club of eight banks at inception, comprising (a) \$250 million (2015: \$250 million) term loan (maturing in September 2018) and (b) \$250 million (2015: \$250 million) revolving credit facilities (maturing in September 2018) including a \$50 million (2015: \$50 million) uncommitted tranche. There is no amount outstanding (2015: nil) under the committed tranche as at the reporting date.
- (ii) three-year unsecured loan facilities of \$250 million (2015: \$100 million) (maturing in June 2018) obtained in May 2015 with four banks. The Group has utilised the remaining \$150 million of its \$250 million facilities in July 2015.
- (iii) five-year JPY5.2 billion (\$68.3 million) (2015: JPY6.3 billion (\$69.3 million)) term loan early refinanced in July 2015 with the same banks ahead of its maturity in September 2016 and extended the new maturity to July 2020. The Group has repaid JPY1.1 billion (\$13.2 million) in March 2016, financed by the proceeds from the divestment of Roppongi Terzo.

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

⁽²⁾ The Group has drawn down \$5 million (2015: \$22 million) of short term loan from its other unsecured multicurrency revolving credit facility as at 30 June 2016.

⁽³⁾ The Group has outstanding medium term notes ("MTN") of \$225 million (2015: \$349 million) as at 30 June 2016 issued by Starhill Global REIT MTN Pte Ltd under its \$2 billion multicurrency MTN programme and rated at "BBB+" by Standard & Poor's Rating Services, 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.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms. The Group has fully redeemed its \$124 million unsecured five-year Singapore MTN (the "Series 001 Notes") upon maturity. The Series 001 Notes were cancelled on 13 July 2015 pursuant to such redemption.

⁽⁴⁾ At the reporting date, the Group has JPY0.8 billion (\$10.5 million) (2015: JPY1.2 billion (\$13.7 million)) Japan bond outstanding and maturing in November 2016. The interest rate for the Japan bond was hedged via interest rate cap. 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). In August 2016, the Group has completed the refinancing of the above Japan bond (Note 29).

⁽⁵⁾ The Group has outstanding term loans of A\$208 million (\$208.6 million) (2015: A\$208 million (\$214.7 million)) as at 30 June 2016, comprising:

- (i) A\$63 million (\$63.2 million) (2015: A\$63 million (\$65.0 million)) (maturing in June 2019) loan which was hedged via interest rate swap 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 (\$145.4 million) (2015: A\$145 million (\$149.7 million)) (maturing in May 2018) 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 acquired the Malaysia Properties through an asset-backed securitisation structure in June 2010. Under the structure, the properties were acquired by Ara Bintang Berhad (a bankruptcy-remote special purpose vehicle) which issued five-year fixed-rate RM330 million Senior MTN ("First Senior MTN") to partially fund the acquisition of the Malaysia Properties. A refinancing was undertaken in September 2014 by buying back and cancelling the First Senior MTN and issuing new five-year fixed-rate senior MTN of a nominal value of RM330 million (\$110.5 million) ("Second Senior MTN") at a discounted cash consideration of approximately RM325 million. The Second Senior MTN have a carrying amount of approximately RM327.1 million (\$109.5 million) (2015: RM326.2 million (\$116.2 million)) as at 30 June 2016. The Second Senior MTN 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:

		Cash flows				
	Note	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
Group						
2016						
Non-derivative financial liabilities						
JPY term loan facility	13	68,297	(70,638)	(573)	(70,065)	-
SGD term loan facilities	13	500,000	(521,545)	(10,053)	(511,492)	-
SGD revolving credit facilities	13	5,000	(5,003)	(5,003)	-	-
Singapore MTNs	13	225,000	(272,281)	(7,750)	(131,031)	(133,500)
Japan bond	13	10,507	(10,613)	(10,613)	-	-
Australia loans	13	208,541	(224,999)	(7,042)	(217,957)	-
Malaysia MTN	13	109,528	(126,599)	(4,950)	(121,649)	-
Trade and other payables	11	64,543	(68,077)	(39,634)	(28,443)	-
		1,191,416	(1,299,755)	(85,618)	(1,080,637)	(133,500)
Derivative financial liabilities						
Interest rate swaps	8	4,761	-	-	-	-
- inflow			15,340	6,846	8,494	-
- outflow			(22,464)	(10,115)	(12,349)	-
Foreign exchange forwards	8	8	-	-	-	-
- inflow			3,366	3,366	-	-
- outflow			(3,399)	(3,399)	-	-
		4,769	(7,157)	(3,302)	(3,855)	-
		1,196,185	(1,306,912)	(88,920)	(1,084,492)	(133,500)

			Cash flows			
	Note	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
Group						
2015						
Non-derivative financial liabilities						
JPY term loan facility	13	69,275	(70,204)	(739)	(69,465)	-
SGD term loan facilities	13	350,000	(373,271)	(7,303)	(365,968)	-
SGD revolving credit facilities	13	22,000	(22,014)	(22,014)	-	-
Singapore MTNs	13	349,000	(406,136)	(133,865)	(31,021)	(241,250)
Japan bond	13	13,743	(14,184)	(293)	(13,891)	-
Australia loans	13	214,708	(240,271)	(7,679)	(232,592)	-
Malaysia MTN	13	116,239	(140,011)	(5,283)	(134,728)	-
Trade and other payables	11	63,203	(66,848)	(37,604)	(29,244)	-
		1,198,168	(1,332,939)	(214,780)	(876,909)	(241,250)
Derivative financial liabilities						
Interest rate swaps	8	1,042	-	-	-	-
- inflow			14,102	4,660	9,442	-
- outflow			(20,656)	(6,404)	(14,252)	-
Currency option	8	17	-	-	-	-
		1,059	(6,554)	(1,744)	(4,810)	-
		1,199,227	(1,339,493)	(216,524)	(881,719)	(241,250)
Trust						
2016						
Non-derivative financial liabilities						
JPY term loan facility	13	68,297	(70,638)	(573)	(70,065)	-
SGD term loan facilities	13	500,000	(521,545)	(10,053)	(511,492)	-
SGD revolving credit facilities	13	5,000	(5,003)	(5,003)	-	-
Intercompany loans	13	225,000	(272,281)	(7,750)	(131,031)	(133,500)
Trade and other payables	11	45,744	(48,662)	(26,052)	(22,610)	-
		844,041	(918,129)	(49,431)	(735,198)	(133,500)
Derivative financial liabilities						
Interest rate swaps	8	2,407	-	-	-	-
- inflow			5,687	2,654	3,033	-
- outflow			(11,260)	(5,210)	(6,050)	-
Foreign exchange forwards	8	8	-	-	-	-
- inflow			3,366	3,366	-	-
- outflow			(3,399)	(3,399)	-	-
		2,415	(5,606)	(2,589)	(3,017)	-
		846,456	(923,735)	(52,020)	(738,215)	(133,500)

NOTES TO THE FINANCIAL STATEMENTS

			Cash flows			
Note	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000	
Trust						
2015						
Non-derivative financial liabilities						
JPY term loan facility	13	69,275	(70,204)	(739)	(69,465)	-
SGD term loan facilities	13	350,000	(373,271)	(7,303)	(365,968)	-
SGD revolving credit facilities	13	22,000	(22,014)	(22,014)	-	-
Intercompany loans	13	349,000	(406,136)	(133,865)	(31,021)	(241,250)
Trade and other payables	11	43,620	(46,942)	(23,611)	(23,331)	-
		833,895	(918,567)	(187,532)	(489,785)	(241,250)
Derivative financial liabilities						
Interest rate swaps	8	705	-	-	-	-
- inflow			4,214	1,358	2,856	-
- outflow			(9,804)	(2,780)	(7,024)	-
Currency option	8	17	-	-	-	-
		722	(5,590)	(1,422)	(4,168)	-
		834,617	(924,157)	(188,954)	(493,953)	(241,250)

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

14. UNITHOLDERS' FUNDS

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net assets attributable to unitholders ⁽¹⁾	2,061,278	2,010,369	1,968,498	1,966,489
Foreign currency translation reserve ⁽²⁾	(43,727)	(27,578)	-	-
	2,017,551	1,982,791	1,968,498	1,966,489

⁽¹⁾ Included in the net assets attributable to unitholders is approximately \$2.8 million (2015: \$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; and (ii) the foreign differences on monetary items which form part of the Group's net investment in foreign operations.

15. UNITS IN ISSUE

	Group and Trust	
	2016 No. of units '000	2015 No. of units '000
At 1 July 2015/1 January 2014	2,181,204	2,153,218
Issue of units:		
- CPU conversion ⁽¹⁾	-	27,986
At 30 June	2,181,204	2,181,204

⁽¹⁾ In June 2015, all the remaining 20,334,750 CPU were converted into 27,986,168 ordinary units at a conversion price of \$0.7266 per unit.

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 unitholder 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.

A unitholder's liability is limited to the amount paid or payable for any units in the Trust. The Trust Deed provides that no unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

16. GROSS REVENUE

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Property rental income	210,969	277,662	129,820	191,760
Turnover rental income	6,198	13,677	1,919	3,043
Other income	2,512	3,450	2,512	3,437
	219,679	294,789	134,251	198,240

NOTES TO THE FINANCIAL STATEMENTS

17. PROPERTY OPERATING EXPENSES

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Maintenance and sinking fund contributions	7,065	10,378	6,926	10,130
Property management fees	6,259	7,180	4,059	5,992
Property tax	20,292	23,638	12,722	17,566
Depreciation expense	622	1,006	282	367
Leasing and upkeep expenses	11,674	8,168	2,047	2,546
Staff costs ⁽¹⁾	881	1,640	-	-
Marketing expenses	888	3,125	415	2,703
Reversal of impairment losses on trade receivables (net)	(13)	(649)	-	-
Administrative expenses	1,689	2,674	1,125	1,421
	49,357	57,160	27,576	40,725

⁽¹⁾ Relates solely to staff costs of the Group's wholly owned subsidiary, Renhe Spring Department Store Co., Ltd, which operates Renhe Spring Zongbei Property in China.

18. DIVIDEND INCOME FROM SUBSIDIARIES

Represents dividend income from certain subsidiaries (Note 6).

19. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan Properties and fees payable to the servicer of the Malaysia Properties, which is a wholly owned subsidiary of the Manager. Base Fee paid and payable to the Manager for the 12 months ended 30 June 2016 amounted to approximately \$14,930,000 (2015: \$20,792,000). Approximately \$97,000 (2015: \$120,000) and \$876,000 (2015: \$1,487,000) were paid to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the 12 months ended 30 June 2016 respectively.

The Manager has elected to receive 100% of its base management fees in cash for the 12 months ended 30 June 2016 and 18 months ended 30 June 2015.

No performance fee was earned by the Manager for the 12 months ended 30 June 2016 and 18 months ended 30 June 2015. The performance of the Trust Index was approximately 13% and 1% below the Benchmark Index as at 30 June 2016 and 30 June 2015 respectively.

20. TRUST EXPENSES

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Auditor's remuneration	489	653	230	275
Trustee's fees	481	683	481	683
Others ⁽¹⁾	2,493	3,089	2,462	2,590
	3,463	4,425	3,173	3,548

⁽¹⁾ Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately \$145,000 (2015: \$288,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately \$169,000 (2015: \$247,000) for the 12 months ended 30 June 2016.

21. FINANCE EXPENSES

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Interest on borrowings	34,859	38,463	21,808	23,362
Interest on derivatives (net)	1,782	4,291	994	4,027
Amortisation of borrowing costs	2,126	4,120	1,409	2,954
	38,767	46,874	24,211	30,343

NOTES TO THE FINANCIAL STATEMENTS

22. INCOME TAX

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Current tax				
Current year/period	1,872	3,790	-	-
Deferred tax				
Reversal of temporary differences	(4,196)	(4,349)	-	-
	(2,324)	(559)	-	-
Reconciliation of effective tax rate				
Total return before tax and distribution	161,572	173,982	114,996	162,050
Income tax using Singapore tax rate of 17%	27,467	29,577	19,549	27,549
Net effect of different tax rates in other countries	(6,662)	(6,980)	-	-
Income not subject to tax	(15,031)	(4,671)	(11,902)	(9,690)
Non-deductible items	6,418	3,568	6,869	4,194
Tax transparency	(14,516)	(22,053)	(14,516)	(22,053)
	(2,324)	(559)	-	-

23. EARNINGS PER UNIT

	Group		Trust	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Total return for the year/period after tax, before distribution	163,896	174,541	114,996	162,050
Income distributed to CPU holder	-	(1,287)	-	(1,287)
Earnings attributable to unitholders	163,896	173,254	114,996	160,763
Basic earnings per unit (cents) ⁽¹⁾	7.51	8.05	5.27	7.47
Earnings per unit on a fully diluted basis (cents) ⁽²⁾	7.51	8.00	5.27	7.43

⁽¹⁾ In computing the basic earnings per unit, the earnings attributable to unitholders and the weighted average number of units in issue of 2,181,204,435 (2015: 2,153,525,807) as at 30 June 2016 are used and have been calculated on a time-weighted basis.

⁽²⁾ In computing the fully diluted earnings per unit for the 18 months ended 30 June 2015, the total return for the period after tax, before distribution is used and the weighted average number of units in issue is adjusted to take into account the full conversion of the outstanding CPU into 27,986,168 ordinary units from the beginning of the 18 months ended 30 June 2015 at the conversion price of \$0.7266 per unit.

24. OPERATING SEGMENTS

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the Group's Chief Operating Decision Maker ("CODM") at least on a quarterly 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, Chengdu-China and Tokyo-Japan. The segments are as follows:

- Wisma Atria Property
- Ngee Ann City Property
- Australia Properties
- Malaysia Properties
- Renhe Spring Zongbei Property
- Japan 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/period 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

Information about reportable segments

	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)		Australia Properties (Australia)	
	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000
Group						
Revenue and expenses						
External revenue	70,053	103,462	64,198	94,778	49,906	32,384
Depreciation of plant and equipment	282	367	-	-	-	-
Reportable segment net property income	54,140	79,735	52,535	77,780	33,188	25,121
Other material non-cash items:						
Change in fair value of investment properties	8,029	26,000	61,000	10,000	19,437	(9,257)
Impairment loss on intangible asset	-	-	-	-	-	-
Unallocated items:						
Finance income						
Fair value adjustment on security deposits						
Non-property expenses						
Finance expenses						
Change in fair value of derivative instruments						
Foreign exchange loss						
Total return for the year/period before tax						
Income tax						
Total return for the year/period						
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Group						
Assets and liabilities						
Reportable segment assets	999,934	991,869	1,145,532	1,084,488	507,423	501,653
Unallocated assets						
Total assets						
Reportable segment liabilities	(22,252)	(19,562)	(17,883)	(16,542)	(6,113)	(4,488)
Unallocated liabilities						
Total liabilities						
Other segmental information						
Capital expenditure	471	790	-	-	322	-
Non-current assets	997,284	990,197	1,145,124	1,084,071	506,004	500,529

Malaysia Properties (Malaysia)		Renhe Spring Zongbei Property (China)		Japan Properties (Japan)		Total	
12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000	12 months ended 30 June 2016 \$'000	18 months ended 30 June 2015 \$'000
25,797	43,764	5,847	13,802	3,878	6,599	219,679	294,789
-	-	340	639	-	-	622	1,006
24,853	42,233	2,626	7,468	2,980	5,292	170,322	237,629
5,785	717	(17,465)	(18,318)	1,187	(22)	77,973	9,120
-	-	(11,214)	-	-	-	(11,214)	-
						914	1,551
						(106)	(505)
						(19,453)	(26,460)
						(38,767)	(46,874)
						(6,487)	(479)
						(11,610)	-
						161,572	173,982
						2,324	559
						163,896	174,541
2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
378,541	397,496	45,809	79,472	67,382	82,132	3,144,621	3,137,110
						77,539	56,284
						3,222,160	3,193,394
(4,316)	(5,030)	(5,424)	(7,757)	(2,946)	(2,309)	(58,934)	(55,688)
						(1,145,675)	(1,154,915)
						(1,204,609)	(1,210,603)
211	656	41	8	66	66	1,111	1,520
378,381	397,223	44,981	78,146	67,035	81,898	3,138,809	3,132,064

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), Chengdu-China (consisting of Renhe Spring Zongbei Property) and Tokyo-Japan (consisting of four properties in Japan (2015: five properties in Japan)). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

Revenue from four tenants located at Ngee Ann City Property, Malaysia Properties and Australia Properties accounted for approximately 41.0% (2015: 41.4%) of the Group's total revenue for the 12 months ended 30 June 2016.

25. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective when managing capital is to 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 2016 is 35.0% (2015: 35.5%) and the interest service coverage ratio for the 12 months ended 30 June 2016 is 4.4 times (2015: 5.2 times). The Manager intends to continue with its prudent capital management.

Effective from 1 January 2016, the Property Fund Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund currently should not exceed 45.0% of the fund's deposited property, with or without a credit rating from Fitch Inc., Moody's or Standard and Poor's. The Trust has a corporate rating of BBB+ from Standard and Poor's as at 30 June 2016 (2015: BBB+) and remained within the Aggregate Leverage limit of 45.0% during the current year.

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	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Derivative financial instruments	8	472	4,575	470	4,478
Trade and other receivables	9	3,488	3,013	3,826	3,291
Cash and cash equivalents	10	76,953	51,571	11,740	9,708
		80,913	59,159	16,036	17,477

The Group has established credit limits for its tenants, obtains security deposits and/or bank guarantees (where applicable) and monitors their balances on an ongoing basis. 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 (2015: four) major tenants (Note 24), which accounted for approximately 41.0% (2015: 41.4%) of the Group's revenue for the 12 months ended 30 June 2016.

Cash and fixed deposits are placed with financial institutions which are regulated and have sound credit ratings. Given these sound credit ratings, the Group does not expect any counterparty to fail to meet its 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 2016, the Group has undrawn and committed long-term revolving credit facilities of up to 200 million (2015: \$250 million) and cash and cash equivalents of approximately \$77.0 million (2015: \$51.6 million).

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

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian Dollar ("A\$"), Ringgit Malaysia ("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					
2016					
Net balance sheet exposure	317,815	272,029	40,679	6,437	636,960
2015					
Net balance sheet exposure	295,691	284,969	66,446	4,882	651,988

NOTES TO THE FINANCIAL STATEMENTS

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

	A\$ \$'000	RM \$'000	RMB \$'000	JPY \$'000	Total \$'000
Trust					
2016					
Net balance sheet exposure	1,436	-	-	(67,521)	(66,085)
2015					
Net balance sheet exposure	-	-	-	(68,456)	(68,456)

Income hedging

Approximately 61% (2015: 67%) of the Group's revenue is derived in Singapore dollars for the 12 months ended 30 June 2016. 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.

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.

Sensitivity analysis

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

	Group		Trust	
	Unitholders' funds \$'000	Statement of total return \$'000	Unitholders' funds \$'000	Statement of total return \$'000
12-month period from 1 July 2015 to 30 June 2016				
A\$	(31,781)	(4,126)	-	(144)
RM	(27,203)	(2,498)	-	-
RMB	(4,068)	2,465	-	-
JPY	(644)	(231)	-	6,752
Financial derivatives	-	1,474	-	1,474
18-month period from 1 January 2014 to 30 June 2015				
A\$	(29,569)	(660)	-	-
RM	(28,497)	(3,160)	-	-
RMB	(6,645)	758	-	-
JPY	(488)	(264)	-	6,846
Financial derivatives	-	236	-	236

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 99.6% (2015: 100%) of its debt as at 30 June 2016 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.09% (2015: 3.19%) per annum as at 30 June 2016.

As at 30 June 2016, 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 \$475 million (2015: \$475 million) and A\$208 million (2015: A\$145 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 0.83% to 2.43% (2015: 0.83% to 2.43%) per annum. These included a forward start swap with notional amount of \$50 million entered into for the purpose of hedging the remaining tenor of existing borrowings.
- (ii) Interest rate caps, with a notional contract amount of \$175 million (2015: \$175 million), JPY14.9 billion (2015: JPY14.9 billion) and A\$126 million (2015: A\$126 million), whereby the benchmark interest rates are capped ranging from 1.0% to 5.5% (2015: 1.0% to 5.5%) per annum. These included forward start caps with notional amount of \$100 million, JPY6.3 billion and A\$63 million entered into for the purpose of hedging the remaining tenor of these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

For the interest rate swaps and caps, and variable rate instruments, a change of 1% in interest rate at the reporting date would increase/(decrease) total return by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return	
	1% increase \$'000	1% decrease \$'000
Group		
12-month period from 1 July 2015 to 30 June 2016		
Variable rate instruments *	(7,923)	6,188
Financial derivatives	13,354	(11,579)
	5,431	(5,391)
18-month period from 1 January 2014 to 30 June 2015		
Variable rate instruments *	(6,697)	5,158
Financial derivatives	18,910	(17,002)
	12,213	(11,844)
Trust		
12-month period from 1 July 2015 to 30 June 2016		
Variable rate instruments *	(5,733)	4,103
Financial derivatives	9,000	(7,257)
	3,267	(3,154)
18-month period from 1 January 2014 to 30 June 2015		
Variable rate instruments *	(4,413)	2,997
Financial derivatives	14,669	(12,930)
	10,256	(9,933)

* Excludes the hedging effect from interest rate swaps and interest rate caps.

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 its 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	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group							
2016							
Financial assets measured at fair value							
Derivative financial instruments	8	472	-	-	-	472	-
Financial assets not measured at fair value							
Trade and other receivables	9	-	3,488	-	-	-	-
Cash and cash equivalents	10	-	76,953	-	-	-	-
		-	80,441	-			
Financial liabilities measured at fair value							
Derivative financial instruments	8	(4,769)	-	-	-	(4,769)	-
Financial liabilities not measured at fair value							
Trade and other payables (excluding security deposits)	11	-	-	(30,582)	-	-	-
Security deposits	11	-	-	(31,342)	-	(31,342)	-
Variable rate borrowings (excluding medium term notes)	13	-	-	(788,978)	-	(788,978)	-
Medium term notes	13	-	-	(333,941)	-	(342,191)	-
		-	-	(1,184,843)			
2015							
Financial assets measured at fair value							
Derivative financial instruments	8	4,575	-	-	-	4,575	-
Financial assets not measured at fair value							
Trade and other receivables	9	-	3,013	-	-	-	-
Cash and cash equivalents	10	-	51,571	-	-	-	-
		-	54,584	-			
Financial liabilities measured at fair value							
Derivative financial instruments	8	(1,059)	-	-	-	(1,059)	-
Financial liabilities not measured at fair value							
Trade and other payables (excluding security deposits)	11	-	-	(32,583)	-	-	-
Security deposits	11	-	-	(30,399)	-	(30,399)	-
Variable rate borrowings (excluding medium term notes)	13	-	-	(664,737)	-	(664,737)	-
Medium term notes	13	-	-	(464,512)	-	(464,110)	-
		-	-	(1,192,231)			

NOTES TO THE FINANCIAL STATEMENTS

		Carrying amount			Fair value		
	Note	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Trust							
2016							
Financial assets measured at fair value							
Derivative financial instruments	8	470	-	-	-	470	-
Financial assets not measured at fair value							
Trade and other receivables	9	-	3,826	-	-	-	-
Cash and cash equivalents	10	-	11,740	-	-	-	-
		-	15,566	-			
Financial liabilities measured at fair value							
Derivative financial instruments	8	(2,415)	-	-	-	(2,415)	-
Financial liabilities not measured at fair value							
Trade and other payables (excluding security deposits)	11	-	-	(18,498)	-	-	-
Security deposits	11	-	-	(24,627)	-	(24,627)	-
Variable rate borrowings (excluding medium term notes)	13	-	-	(570,567)	-	(570,567)	-
Medium term notes	13	-	-	(224,557)	-	(231,789)	-
		-	-	(838,249)			
2015							
Financial assets measured at fair value							
Derivative financial instruments	8	4,478	-	-	-	4,478	-
Financial assets not measured at fair value							
Trade and other receivables	9	-	3,291	-	-	-	-
Cash and cash equivalents	10	-	9,708	-	-	-	-
		-	12,999	-			
Financial liabilities measured at fair value							
Derivative financial instruments	8	(722)	-	-	-	(722)	-
Financial liabilities not measured at fair value							
Trade and other payables (excluding security deposits)	11	-	-	(20,027)	-	-	-
Security deposits	11	-	-	(23,372)	-	(23,372)	-
Variable rate borrowings (excluding medium term notes)	13	-	-	(437,216)	-	(437,216)	-
Medium term notes	13	-	-	(348,476)	-	(345,498)	-
		-	-	(829,091)			

26. OPERATING LEASES

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

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	191,585	196,915	126,633	127,752
Between one and five years	410,279	372,369	251,392	263,967
More than five years	392,752	443,127	171,838	204,750
	994,616	1,012,411	549,863	596,469

Except for one long-term lease in David Jones Building and Myer Centre Adelaide respectively, as well as the master lease arrangements in the Malaysia Properties and Ngee Ann City Property respectively, the tenure of the Group's leases generally are less than five years.

27. CAPITAL COMMITMENTS

Capital commitments (contracted but not provided) as at 30 June 2016 of approximately \$1.7 million (2015: \$0.04 million) relate mainly to renovation works and reconfiguration, as well as purchase of plant and equipment for the Group's investment properties.

NOTES TO THE FINANCIAL STATEMENTS

28. 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	
	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000	12-month period from 1 July 2015 to 30 June 2016 \$'000	18-month period from 1 January 2014 to 30 June 2015 \$'000
Property rental income from the Manager and Property Manager	1,062	1,581	1,062	1,581
Property rental income from related parties of the Manager	27,130	45,727	1,333	1,963
Leasing commission fees paid to the Property Manager	(865)	(1,235)	(865)	(1,235)
Property management fees paid to the Property Manager	(4,059)	(5,992)	(4,059)	(5,992)
Management fees paid to the Manager	(14,930)	(20,792)	(14,930)	(20,792)
Acquisition fee paid to the Manager	-	(3,048)	-	(3,048)
Divestment fee paid to the Manager	(152)	(64)	(152)	(64)
Trustee fees paid to the Trustee	(481)	(683)	(481)	(683)
Reimbursements paid to the Property Manager	(846)	(1,239)	(846)	(1,239)
Servicer fees paid to a wholly owned subsidiary of the Manager	(876)	(1,487)	-	-

29. SUBSEQUENT EVENTS

Subsequent to the 12 months ended 30 June 2016:

- (a) In August 2016, the Group has redeemed its JPY0.8 billion Japan bond (maturing in November 2016) using the proceeds from the issuance of a new five-year bond facility of JPY0.8 billion maturing in August 2021.
- (b) The Manager declared a distribution of 1.29 cents per unit in respect of the period from 1 April 2016 to 30 June 2016, which was paid on 29 August 2016.

30. FINANCIAL RATIOS

	Group	
	12-month period from 1 July 2015 to 30 June 2016 %	18-month period from 1 January 2014 to 30 June 2015 %
Ratio of expenses to weighted average net assets ⁽¹⁾	0.98	1.31
Portfolio turnover rate ⁽²⁾	1.52	0.63

⁽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.

31. 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 12 months ended 30 June 2016 have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards, amendments and interpretations, on the financial statements of the Group and the Trust.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers*, FRS 109 *Financial Instruments* and FRS 116 *Leases* which are mandatory for adoption by the Group on 1 July 2017, 1 July 2018 and 1 July 2019 respectively. The Group does not plan to adopt these standards early.

32. COMPARATIVE INFORMATION

The financial statements for the comparative period was for the period from 1 January 2014 to 30 June 2015. As a result, the amounts presented in the financial statements are not entirely comparable.

STATISTICS OF UNITHOLDERS

As at 29 August 2016

ISSUED AND FULLY PAID UNITS

2,181,204,435 Units (Voting rights: 1 vote per Unit)

Market capitalisation of S\$1,744,963,548 (based on closing price of S\$0.80 on 29 August 2016)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	33	0.24	618	0.00
100 - 1,000	638	4.59	584,095	0.03
1,001 - 10,000	7,692	55.41	45,121,616	2.07
10,001 - 1,000,000	5,478	39.46	306,346,187	14.04
1,000,001 and above	42	0.30	1,829,151,919	83.86
TOTAL	13,883	100.00	2,181,204,435	100.00

LOCATION OF UNITHOLDINGS

Country	No. of Unitholders	%	No. of Units	%
Singapore	13,135	94.61	2,145,281,439	98.35
Malaysia	556	4.01	30,846,694	1.42
Others	192	1.38	5,076,302	0.23
TOTAL	13,883	100.00	2,181,204,435	100.00

TWENTY LARGEST UNITHOLDERS

Name	No. of Units	%
1 Raffles Nominees (Pte) Limited	888,337,602	40.73
2 Citibank Nominees Singapore Pte Ltd	417,301,219	19.13
3 DBS Nominees (Private) Limited	190,119,746	8.72
4 HSBC (Singapore) Nominees Pte Ltd	118,668,936	5.44
5 DBSN Services Pte. Ltd.	35,341,219	1.62
6 DB Nominees (Singapore) Pte Ltd	24,901,035	1.14
7 United Overseas Bank Nominees (Private) Limited	20,946,900	0.96
8 YTL Starhill Global REIT Management Limited	12,937,885	0.59
9 OCBC Securities Private Limited	11,172,783	0.51
10 CIMB Securities (Singapore) Pte. Ltd.	10,955,938	0.50
11 Maybank Kim Eng Securities Pte. Ltd.	9,176,700	0.42
12 KGI Fraser Securities Pte. Ltd.	8,887,200	0.41
13 BNP Paribas Nominees Singapore Pte Ltd	8,013,260	0.37
14 OCBC Nominees Singapore Private Limited	6,738,700	0.31
15 DBS Vickers Securities (Singapore) Pte Ltd	5,491,239	0.25
16 Second Chance Properties Ltd	5,000,000	0.23
17 UOB Kay Hian Private Limited	4,613,800	0.21
18 Phillip Securities Pte Ltd	4,181,500	0.19
19 Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,976,992	0.18
20 ABN Amro Nominees Singapore Pte Ltd	3,510,000	0.16
TOTAL	1,790,272,654	82.08

STATISTICS OF UNITHOLDERS

As at 29 August 2016

SUBSTANTIAL UNITHOLDINGS

As at 29 August 2016

Name	Direct interest		Deemed interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
YTL Hotels & Properties Sdn Bhd	130,140,379 ⁽²⁾	5.97	–	–
Starhill Global REIT Investments Limited	539,840,000 ⁽³⁾	24.75	–	–
YTL Cayman Limited	18,000,000 ⁽⁴⁾	0.83	552,777,885 ⁽⁵⁾	25.34
YTL Corporation Berhad	80,054,810 ⁽⁶⁾	3.67	728,904,432 ⁽⁷⁾	33.42
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	808,959,242 ⁽⁸⁾	37.09
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	808,959,242 ⁽⁸⁾	37.09
AIA Singapore Private Limited	161,070,000 ⁽⁹⁾	7.38	–	–
AIA Company Limited	12,602,000 ⁽¹⁰⁾	0.58	167,503,700 ⁽¹¹⁾	7.68
AIA Group Limited	–	–	180,105,700 ⁽¹²⁾	8.26

Notes:

⁽¹⁾ The percentage interest is based on total issued Units of 2,181,204,435 as at 29 August 2016.

⁽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 4,488,600 Units held by AIA Company Limited and 8,113,400 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 and 6,433,700 Units held by AIA International Limited.

⁽¹²⁾ Deemed interest in 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd, 6,433,700 Units held by AIA International Limited, 4,488,600 Units held by AIA Company Limited and 8,113,400 Units held by AIA Company Limited, Brunei Branch through Citibank Nominees Singapore Pte Ltd.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 July 2016

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	–	–	–	–
Keith Tay Ah Kee	1,000,000	0.05	–	–
Hong Hai	800,000	0.04	–	–
Michael Hwang	100,000 ⁽⁴⁾	– ⁽²⁾	–	–

Notes:

⁽¹⁾ The percentage interest is based on total issued Units of 2,181,204,435 as at 21 July 2016.

⁽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.

⁽⁴⁾ This relates to the 100,000 Units held through nominee, UBS AG.

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 2016, approximately 54% 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⁾	481	–
YTL Corporation Berhad and its subsidiaries and associates		
Management fees ⁽¹⁾⁽³⁾ and reimbursements ⁽²⁾⁽³⁾	14,973	–
Property management fees and reimbursements ^{(3) (7)}	5,770	–
Managing agent and ancillary service fees ⁽⁴⁾	2,133	–
Rental income ⁽⁵⁾	1,353	–
Servicer fees ⁽³⁾	876	–
Divestment fee ⁽³⁾⁽⁶⁾	152	–
Total	25,738	–

Notes:

⁽¹⁾ The Manager has elected to receive 100% of its base management fees in cash during the year ended 30 June 2016.

⁽²⁾ Relates to the non-deal road show expenses of approximately S\$43,000 paid to the Manager during the year ended 30 June 2016.

⁽³⁾ The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) and the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 17 August 2005, as amended) (collectively, the "Singapore Property Management Agreements") 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 each of these agreements, 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 2016 in relation to the common property of Wisma Atria.

⁽⁵⁾ Rental income is for the entire period of the lease.

⁽⁶⁾ Comprises divestment fee paid to the Manager of 0.5% of the sale price of the divestment of Roppongi Terzo during the year ended 30 June 2016, details of which are contained in the Manager's announcement dated 7 January 2016.

⁽⁷⁾ The total estimated fees and charges payable under the Singapore Property Management Agreements 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 in FY 2014/15 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

Australia Properties	Myer Centre Adelaide, David Jones Building and Plaza Arcade
Benchmark Index	Provided by FTSE. Comprises all the REITs contained in the FTSE Allcap Singapore universe
Board	Board of Directors of the Manager
CAGR	Compound annual growth rate
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
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
CPU	Convertible preferred units in Starhill Global REIT
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
F&B	Food and beverage
FTSE	FTSE International Limited
FY	Financial year
FY 2014/15	Period of 18 months from 1 January 2014 to 30 June 2015
FY 2015/16	Period of 12 months from 1 July 2015 to 30 June 2016
GDP	Gross domestic product
GFA	Gross floor area
GLA	Gross lettable area
Group	Starhill Global REIT and its subsidiaries
GST	Goods and services tax
IPO	Initial public offering
IRAS	Inland Revenue Authority of Singapore
Japan Properties	Daikanyama, Ebisu Fort, Harajyuku Secondo and Nakameguro Place
Lot 10 Property	137 strata parcels and two accessory parcels within Lot 10 shopping centre
Malaysia Properties	Starhill Gallery and Lot 10 Property
Manager	YTL Starhill Global REIT Management Limited
MAS	Monetary Authority of Singapore
Moody's	Moody's Investors Service
MRT	Mass Rapid Transit
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
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
Perth Properties	David Jones Building and Plaza Arcade

GLOSSARY

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, Renhe Spring Zongbei 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
qoq	Quarter on quarter
RCF	Revolving credit facility
REIT	Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust
Renhe Spring Zongbei Property	A four-level retail department store (plus a mezzanine floor) forming part of a mixed-use commercial complex comprising retail and office
ROI	Return on investment
Roppongi Terzo	A five-storey building for retail use, located at 7-13-7 Roppongi, Minato-ku, Tokyo
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
Standard & Poor's	Standard & Poor's Rating Services
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	Starhill Global Real Estate Investment Trust
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
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, but shall exclude the CPU
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
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
yoy	Year on year
YTL Corp	YTL Corporation Berhad
YTL Group	YTL Corp and its subsidiaries
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 Keith Tay Ah Kee
(Lead Independent Director)

Dr Hong Hai
(Independent Director)

Dr Michael Hwang
(Independent Director)

AUDIT COMMITTEE

Mr Keith Tay Ah Kee
(Chairman)

Dr Hong Hai
(Member)

Dr Michael Hwang
(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

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 4142
Partner in charge: Ms Eng Chin Chin
(With effect from FY 2015/16)

SGX CODE

Starhill Gbl

WEBSITE

www.starhillglobalreit.com

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

NOTICE OF ANNUAL GENERAL MEETING

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 **The Gallery, Level 1, Grand Hyatt Singapore, 10 Scotts Road, Singapore 228211** on Friday, 28 October 2016 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 of 12 months ended 30 June 2016 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 resolution as an Ordinary Resolution:

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);
- (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;

**NOTICE OF
ANNUAL GENERAL MEETING**

- (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 interest of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Notes)

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 2016

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 8 August 2005 (as amended))

**NOTICE OF
ANNUAL GENERAL MEETING****EXPLANATORY NOTES:***Ordinary Resolution 3*

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 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.

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.

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 one proxy 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.

IMPORTANT

1. A relevant Intermediary may appoint more than one proxy 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 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 2016.

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 at **The Gallery, Level 1, Grand Hyatt Singapore, 10 Scotts Road, Singapore 228211** on Friday, 28 October 2016 at 11.00 a.m. 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.	Ordinary 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 of 12 months ended 30 June 2016 and the Auditors' Report thereon.		
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration.		
SPECIAL BUSINESS			
3.	Authority to issue Units and to make or grant convertible instruments.		

* 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 _____ 2016

Total Number of Units Held

Signature(s) of Unitholder(s)/Common Seal

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 one proxy 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 26 October 2016 at 11 a.m., being 48 hours before the time fixed for the AGM.

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Starhill Global REIT

This Annual Report for the financial year of 12 months ended 30 June 2016 has been prepared by YTL Starhill Global REIT Management Limited (Company Registration No. 200502123C) as the Manager of Starhill Global REIT. This report does not contain investment advice nor is it an offer to invest in units of Starhill Global REIT.

Whilst every care has been taken in relation to the accuracy of this report, no warranty is given or implied. This report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend that potential investors speak with their financial and/or other professional advisers.

The value of Starhill Global REIT units ("Units") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risk, including possible delays in repayment, or loss of income or principal invested. The Manager and its affiliates do not guarantee the performance of Starhill Global REIT or the repayment of capital from Starhill Global REIT or any particular rate of return. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Starhill Global REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not necessarily indicative of the future performance of Starhill Global REIT.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate and foreign exchange trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and government and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.



YTL Starhill Global REIT Management Limited
Company Registration No. 200502123C

www.starhillglobalreit.com