Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the Second Quarter Ended 31 December 2015

Starhill Global Real Estate Investment Trust ("Starhill Global REIT" or "Trust"), is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (as amended, restated or supplemented from time to time) between YTL Starhill Global REIT Management Limited as the Manager of Starhill Global REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Starhill Global REIT. Starhill Global REIT was listed on the main board of the Singapore Exchange Securities Trading Limited on 20 September 2005.

The principal activity of Starhill Global REIT 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 ("Unitholders") and to achieve long-term growth in the net asset value per unit.

These financial statements for the quarter from 1 October 2015 to 31 December 2015 have not been audited or reviewed by our auditors. The current figures presented in these financial statements are in relation to the period from 1 October 2015 to 31 December 2015 ("2Q FY15/16") as well as the six months period from 1 July 2015 to 31 December 2015 ("YTD FY15/16"). The comparative figures are in relation to the period from 1 October 2014 to 31 December 2014 ("4Q FY14/15") as well as the six months period from 1 July 2014 to 31 December 2014 ("YTD FY14/15").

As at 31 December 2015, the property portfolio of Starhill Global REIT consists of:

- 257 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria ("Wisma Atria Property") and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City ("Ngee Ann City Property") (collectively the "Singapore Properties");
- 100% interest in Myer Centre Adelaide, David Jones Building and Plaza Arcade in Australia (collectively the "Australia Properties");
- 100% interest in Starhill Gallery and 137 strata parcels and two accessory parcels within Lot 10 shopping centre ("Lot 10 Property") in Kuala Lumpur, Malaysia (collectively the "Malaysia Properties");
- 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property"); and
- 100% interest in five properties in Tokyo, Japan (the "Japan Properties"). Subsequent to 31 December 2015, Roppongi Terzo Property was divested on 7 January 2016 for a cash consideration of JPY2,500 million, a premium to its latest valuation of JPY2,440 million.

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015

	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %
Gross revenue	55,624	48,883	13.8%
Net property income	43,722	39,597	10.4%
Income available for distribution	30,061	29,054	3.5%
Income to be distributed to:			
- Unitholders	28,792	27,777	3.7%
- Convertible preferred units ("CPU") Holder [1]	-	256	(100.0%)
Total income to be distributed	28,792	28,033	2.7%

	Group 01/10/15 to 31/12/15	Group 01/10/14 to 31/12/14	Increase / (Decrease)
	Cents per unit/CPU		%
Distribution per unit ("DPU")/per CPU			
Unitholders			
For the quarter from 1 October to 31 December [2]	1.32	1.29	2.3%
Annualised (based on the three months ended 31 December)	5.24	5.12	2.3%
CPU Holder			
For the quarter from 1 October to 31 December [1]	-	1.26	(100.0%)
Annualised (based on the three months ended 31 December)	-	4.99	(100.0%)

Footnotes:

(1) There is no income to be distributed to CPU Holder for the quarter ended 31 December 2015, following the conversion of the remaining CPU on 25 June 2015. The actual distribution to CPU Holder for the quarter ended 31 December 2014 was 1.2590 cents per CPU.

(2) The computation of DPU for the quarter ended 31 December 2015 is based on total number of units entitled to the distributable income for the period from 1 October 2015 to 31 December 2015 of 2,181,204,435.

DISTRIBUTION DETAILS

Distribution period	1 October 2015 to 31 December 2015
Distribution amount to:	
Unitholders	1.32 cents per unit
Books closure date	3 February 2016
Payment date	29 February 2016

1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Total Return and Distribution (2Q FY15/16 vs 4Q FY14/15)

	Notes	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %	Trust 01/10/15 to 31/12/15 S$'000	Trust 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**55,624**	**48,883**	**13.8%**	**33,822**	**33,193**	**1.9%**
Maintenance and sinking fund contributions	(b)	(1,771)	(1,511)	17.2%	(1,731)	(1,472)	17.6%
Property management fees	(c)	(1,484)	(1,117)	32.9%	(1,019)	(1,002)	1.7%
Property tax	(d)	(5,048)	(3,821)	32.1%	(3,168)	(2,750)	15.2%
Other property expenses	(e)	(3,599)	(2,837)	26.9%	(652)	(1,434)	(54.5%)
Property expenses		**(11,902)**	**(9,286)**	**28.2%**	**(6,570)**	**(6,658)**	**(1.3%)**
Net property income		**43,722**	**39,597**	**10.4%**	**27,252**	**26,535**	**2.7%**
Finance income	(f)	196	291	(32.6%)	14	64	(78.1%)
Interest income from subsidiaries		-	-	-	1,419	769	84.5%
Dividend income from subsidiaries		-	-	-	-	5,914	(100.0%)
Fair value adjustment on security deposits	(g)	(189)	(14)	NM	(137)	28	NM
Management fees	(h)	(4,003)	(3,723)	7.5%	(3,763)	(3,454)	8.9%
Trust expenses	(i)	(920)	(651)	41.3%	(733)	(504)	45.4%
Finance expenses	(j)	(9,644)	(7,402)	30.3%	(6,113)	(4,944)	23.6%
Non property expenses		**(14,560)**	**(11,499)**	**26.6%**	**(9,313)**	**(2,127)**	**337.8%**
Net income before tax		**29,162**	**28,098**	**3.8%**	**17,939**	**24,408**	**(26.5%)**
Change in fair value of derivative instruments	(k)	992	670	48.1%	153	735	(79.2%)
Foreign exchange gain/(loss)	(l)	939	-	NM	781	(3,861)	NM
Change in fair value of investment properties	(m)	-	34,524	(100.0%)	-	36,000	(100.0%)
Total return for the period before tax and distribution		**31,093**	**63,292**	**(50.9%)**	**18,873**	**57,282**	**(67.1%)**
Income tax	(n)	(860)	859	NM	-	-	-
Total return for the period after tax, before distribution		**30,233**	**64,151**	**(52.9%)**	**18,873**	**57,282**	**(67.1%)**
Non-tax (chargeable)/deductible items and other adjustments	(o)	(172)	(35,097)	(99.5%)	11,188	(28,228)	NM
Income available for distribution		**30,061**	**29,054**	**3.5%**	**30,061**	**29,054**	**3.5%**

Footnotes:

(a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue for the Group was mainly due to contribution from Myer Centre Adelaide (acquired in May 2015), as well as stronger performance of Singapore and Japan Properties, partially offset by weaker contribution from Malaysia Properties, David Jones Building and Renhe Spring Zongbei Property. Approximately 39% (4Q FY14/15: 32%) of total gross revenue for the three months ended 31 December 2015 were contributed by the overseas properties.

(b) The increase for the current quarter was mainly attributable to the reversal of maintenance fund contribution for Wisma Atria Property in 4Q FY14/15.

(c) Property management fees comprise mainly 3.0% per annum of the gross revenue from Singapore Properties and fees paid to external property managers for Japan Properties, Renhe Spring Zongbei Property and Australia Properties. The increase was mainly due to full quarter of fees for Myer Centre Adelaide.

(d) Property tax expenses were higher for the current quarter mainly due to full quarter of expenses for Myer Centre Adelaide and higher property tax for Wisma Atria Property attributable to the reversal of property tax provision in 4Q FY14/15.

(e) Other property expenses were higher for the current quarter mainly due to full quarter of expenses for Myer Centre Adelaide. The increase was partially offset by lower operating expenses at Wisma Atria Property and Renhe Spring Zongbei Property.

(f) Represents interest income from bank deposits and current accounts for the three months ended 31 December 2015. The decrease was largely in line with the lower fixed deposits placed during the current quarter.

(g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.

(h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property. The increase was in line with the higher average value of the trust property during the current quarter.

(i) The increase in trust expenses was mainly due to full quarter of expenses for Myer Centre Adelaide and higher expenses incurred by the Trust for the three months ended 31 December 2015.

(j) Finance expenses were higher for the current quarter mainly due to 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 for the three months ended 31 December 2015.

(k) Represents mainly the change in the fair value of interest rate swaps and caps, as well as foreign exchange forward contracts for the three months ended 31 December 2015.

(l) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and JPY term loan, as well as realised foreign exchange differences from the settlement of forward contracts for the three months ended 31 December 2015.

(m) The change in fair value of investment properties for the three months ended 31 December 2014 represented a net revaluation gain based on the Group's property valuation as at 31 December 2014.

(n) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributable to higher withholding tax provision for the Australia Properties for the current quarter and reversal of deferred tax provision for Renhe Spring Zongbei Property in 4Q FY14/15 following its downward property valuation as at 31 December 2014. The increase was partially offset by lower corporate tax and withholding tax provision for Renhe Spring Zongbei Property.

(o) See details in the distribution statement below.

Distribution Statement (2Q FY15/16 vs 4Q FY14/15)

	Notes	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %	Trust 01/10/15 to 31/12/15 S$'000	Trust 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**30,233**	**64,151**	**(52.9%)**	**18,873**	**57,282**	**(67.1%)**
Non-tax deductible/(chargeable) items and other adjustments:		(172)	(35,097)	(99.5%)	11,188	(28,228)	NM
Finance costs	(p)	232	258	(10.1%)	535	489	9.4%
Sinking fund contribution		453	453	-	453	453	-
Depreciation		70	58	20.7%	70	58	20.7%
Change in fair value of derivative instruments		(992)	(670)	48.1%	(153)	(735)	(79.2%)
Change in fair value of investment properties		-	(34,524)	(100.0%)	-	(36,000)	(100.0%)
Deferred income tax		43	(1,504)	NM	-	-	-
Foreign exchange (gain)/loss		(709)	-	NM	(781)	3,861	NM
Fair value adjustment on security deposits		189	14	NM	137	(28)	NM
Other items	(q)	542	818	(33.7%)	572	574	(0.3%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	10,355	3,100	234.0%
Income available for distribution		**30,061**	**29,054**	**3.5%**	**30,061**	**29,054**	**3.5%**
Income to be distributed to:							
- Unitholders	(r)	**28,792**	**27,777**	**3.7%**	**28,792**	**27,777**	**3.7%**
- CPU Holder	(s)	**-**	**256**	**(100.0%)**	**-**	**256**	**(100.0%)**
Total income to be distributed		**28,792**	**28,033**	**2.7%**	**28,792**	**28,033**	**2.7%**

Footnotes:

(p) Finance costs include mainly amortisation of upfront borrowing costs.

(q) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs.

(r) Approximately S$1.2 million of income available for distribution for the three months ended 31 December 2015 has been retained for working capital requirements.

(s) There is no income to be distributed to CPU Holder for the quarter ended 31 December 2015, following the conversion of the remaining CPU on 25 June 2015.

Statement of Total Return and Distribution (YTD FY15/16 vs YTD FY14/15)

	Notes	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000	Increase / (Decrease) %	Trust 01/07/15 to 31/12/15 S$'000	Trust 01/07/14 to 31/12/14 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**112,398**	**97,488**	**15.3%**	**67,942**	**65,845**	**3.2%**
Maintenance and sinking fund contributions	(b)	(3,544)	(3,285)	7.9%	(3,463)	(3,204)	8.1%
Property management fees	(c)	(3,145)	(2,305)	36.4%	(2,052)	(1,996)	2.8%
Property tax	(d)	(10,110)	(7,682)	31.6%	(6,369)	(5,910)	7.8%
Other property expenses	(e)	(8,257)	(5,043)	63.7%	(1,926)	(2,245)	(14.2%)
Property expenses		**(25,056)**	**(18,315)**	**36.8%**	**(13,810)**	**(13,355)**	**3.4%**
Net property income		**87,342**	**79,173**	**10.3%**	**54,132**	**52,490**	**3.1%**
Finance income	(f)	388	561	(30.8%)	23	131	(82.4%)
Interest income from subsidiaries		-	-	-	2,821	1,566	80.1%
Dividend income from subsidiaries		-	-	-	4,762	14,629	(67.4%)
Fair value adjustment on security deposits	(g)	(383)	(108)	254.6%	(253)	(1)	NM
Management fees	(h)	(8,008)	(7,453)	7.4%	(7,522)	(6,910)	8.9%
Trust expenses	(i)	(1,802)	(1,405)	28.3%	(1,574)	(1,087)	44.8%
Finance expenses	(j)	(19,276)	(15,364)	25.5%	(12,191)	(9,887)	23.3%
Non property expenses		**(29,081)**	**(23,769)**	**22.3%**	**(13,934)**	**(1,559)**	**793.8%**
Net income before tax		**58,261**	**55,404**	**5.2%**	**40,198**	**50,931**	**(21.1%)**
Change in fair value of derivative instruments	(k)	4,157	2,319	79.3%	4,466	2,352	89.9%
Foreign exchange loss	(l)	(4,215)	-	NM	(5,307)	(9,468)	(43.9%)
Change in fair value of investment properties	(m)	-	34,524	(100.0%)	-	36,000	(100.0%)
Total return for the period before tax and distribution		**58,203**	**92,247**	**(36.9%)**	**39,357**	**79,815**	**(50.7%)**
Income tax	(n)	(1,737)	116	NM	-	-	-
Total return for the period after tax, before distribution		**56,466**	**92,363**	**(38.9%)**	**39,357**	**79,815**	**(50.7%)**
Non-tax (chargeable)/deductible items and other adjustments	(o)	3,640	(34,755)	NM	20,749	(22,207)	NM
Income available for distribution		**60,106**	**57,608**	**4.3%**	**60,106**	**57,608**	**4.3%**

Footnotes:

(a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue for the Group was mainly due to contribution from Myer Centre Adelaide (acquired in May 2015), as well as stronger performance of Singapore and Japan Properties, partially offset by weaker contribution from Malaysia Properties, David Jones Building and Renhe Spring Zongbei Property. Approximately 39% (YTD FY14/15: 32%) of total gross revenue for the six months ended 31 December 2015 were contributed by the overseas properties.

(b) The increase was mainly attributable to the reversal of maintenance fund contribution for Wisma Atria Property in YTD FY14/15.

(c) Property management fees comprise mainly 3.0% per annum of the gross revenue from Singapore Properties and fees paid to external property managers for Japan Properties, Renhe Spring Zongbei Property and Australia Properties. The increase was mainly due to full period of fees for Myer Centre Adelaide.

(d) Property tax expenses were higher for the current period mainly due to full period of expenses for Myer Centre Adelaide, higher property tax for Wisma Atria Property attributable to the reversal of property tax provision in YTD FY14/15, as well as higher property taxes (net of rebate) for Malaysia Properties due to reversal of excess provision in YTD FY14/15 following the revision in property tax assessment.

(e) Other property expenses were higher for the current period mainly due to full period of expenses for Myer Centre Adelaide. The increase was partially offset by lower operating expenses incurred by Wisma Atria Property and Renhe Spring Zongbei Property.

(f) Represents interest income from bank deposits and current accounts for the six months ended 31 December 2015. The decrease was largely in line with the lower fixed deposits placed during the current period.

(g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.

(h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property. The increase was in line with the higher average value of the trust property during the current period.

(i) The increase in trust expenses was mainly due to full period of expenses for Myer Centre Adelaide and higher expenses incurred by the Trust for the six months ended 31 December 2015.

(j) Finance expenses were higher for the current period mainly due to 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 for the six months ended 31 December 2015.

(k) Represents mainly the change in the fair value of interest rate swaps and caps for the six months ended 31 December 2015.

(l) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and JPY term loan, as well as realised foreign exchange differences from the settlement of forward contracts for the six months ended 31 December 2015.

(m) The change in fair value of investment properties for the six months ended 31 December 2014 represented a net revaluation gain based on the Group's property valuation as at 31 December 2014.

(n) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributable to higher withholding tax provision for the Australia Properties for the current period and reversal of deferred tax provision for Renhe Spring Zongbei Property in YTD FY14/15 following its downward property valuation as at 31 December 2014. The increase was partially offset by lower corporate tax and withholding tax provision for Renhe Spring Zongbei Property.

(o) See details in the distribution statement below.

Distribution Statement (YTD FY15/16 vs YTD FY14/15)

	Notes	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000	Increase / (Decrease) %	Trust 01/07/15 to 31/12/15 S$'000	Trust 01/07/14 to 31/12/14 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**56,466**	**92,363**	**(38.9%)**	**39,357**	**79,815**	**(50.7%)**
Non-tax deductible/(chargeable) items:		3,640	(34,755)	NM	20,749	(22,207)	NM
Finance costs	(p)	464	521	(10.9%)	1,073	970	10.6%
Sinking fund contribution		905	905	-	905	905	-
Depreciation		141	116	21.6%	141	116	21.6%
Change in fair value of derivative instruments		(4,157)	(2,319)	79.3%	(4,466)	(2,352)	89.9%
Change in fair value of investment properties		-	(34,524)	(100.0%)	-	(36,000)	(100.0%)
Deferred income tax		87	(1,475)	NM	-	-	-
Foreign exchange loss		4,523	-	NM	5,307	9,468	(43.9%)
Fair value adjustment on security deposits		383	108	254.6%	253	1	NM
Other items	(q)	1,294	1,913	(32.4%)	1,325	1,437	(7.8%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	16,211	3,248	399.1%
Income available for distribution		**60,106**	**57,608**	**4.3%**	**60,106**	**57,608**	**4.3%**
Income to be distributed to:							
- **Unitholders**	(r)	**57,366**	**55,123**	**4.1%**	**57,366**	**55,123**	**4.1%**
- **CPU Holder**	(s)	**-**	**522**	**(100.0%)**	**-**	**522**	**(100.0%)**
Total income to be distributed		**57,366**	**55,645**	**3.1%**	**57,366**	**55,645**	**3.1%**

Footnotes:

(p) Finance costs include mainly amortisation of upfront borrowing costs.

(q) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs.

(r) Approximately S$2.7 million of income available for distribution for the six months ended 31 December 2015 has been retained for working capital requirements.

(s) There is no income to be distributed to CPU Holder for the six months ended 31 December 2015, following the conversion of the remaining CPU on 25 June 2015.

1(b) (i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year

Balance Sheet as at 31 December 2015

	Notes	Group 31/12/15 S$'000	Group 30/06/15 S$'000	Trust 31/12/15 S$'000	Trust 30/06/15 S$'000
Non-current assets					
Investment properties	(a)	3,063,954	3,116,155	2,071,655	2,071,500
Plant and equipment		769	1,050	282	423
Interests in subsidiaries		-	-	690,929	703,217
Intangible asset	(c)	11,762	11,185	-	-
Derivative financial instruments	(d)	7,143	4,454	7,128	4,357
Trade and other receivables	(e)	2,136	3,674	1,693	2,344
		3,085,764	**3,136,518**	**2,771,687**	**2,781,841**
Current assets					
Investment property held for sale	(b)	28,643	-	-	-
Derivative financial instruments	(d)	972	121	972	121
Trade and other receivables	(e)	8,221	5,184	4,545	4,853
Cash and cash equivalents	(f)	59,557	51,571	10,588	9,708
		97,393	**56,876**	**16,105**	**14,682**
Total assets		**3,183,157**	**3,193,394**	**2,787,792**	**2,796,523**
Non-current liabilities					
Trade and other payables	(g)	20,571	26,013	19,261	20,422
Derivative financial instruments	(d)	645	1,042	-	705
Deferred tax liabilities	(h)	15,032	14,884	-	-
Borrowings	(i)	1,116,668	983,249	795,078	639,692
		1,152,916	**1,025,188**	**814,339**	**660,819**
Current liabilities					
Trade and other payables	(g)	45,372	37,190	24,162	23,198
Derivative financial instruments	(d)	157	17	157	17
Income tax payable		2,921	2,208	-	-
Borrowings	(i)	14,572	146,000	-	146,000
		63,022	**185,415**	**24,319**	**169,215**
Total liabilities		**1,215,938**	**1,210,603**	**838,658**	**830,034**
Net assets		**1,967,219**	**1,982,791**	**1,949,134**	**1,966,489**
Represented by:					
Unitholders' funds		1,967,219	1,982,791	1,949,134	1,966,489
		1,967,219	**1,982,791**	**1,949,134**	**1,966,489**

Footnotes:

(a) Investment properties decreased mainly due to the net movement in foreign currencies in relation to overseas properties as well as reclassification of Roppongi Terzo Property to current asset following the divestment in January 2016, partially offset by capital expenditure incurred during the current period.

(b) Represents the carrying value of Roppongi Terzo Property based on independent valuation as at 31 December 2015, which has been divested in January 2016.

(c) Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns Renhe Spring Zongbei Property through its wholly owned subsidiary.

(d) Derivative financial instruments as at 31 December 2015 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings, as well as foreign exchange forward contracts. The net increase in derivative assets was mainly due to the change in the fair value of existing S$ interest rate swaps during the current period, partially offset by the change in fair value of the A$ interest rate swaps.

(e) The net increase in trade and other receivables was mainly due to increase in prepayments for Australia and Singapore Properties and higher receivables for Australia Properties, as well as increase in outstanding receivables arising mainly from member card sales of Renhe Spring Zongbei Property, partially offset by decrease in straight-line rental adjustments for Malaysia and Singapore Properties.

(f) The increase in cash and cash equivalents was mainly due to cash generated from operations and net movement in borrowings, partially offset by payment of distributions and borrowing costs during the current period.

(g) The increase in the current portion of trade and other payables was mainly due to the reclassification of security deposits for Malaysia Properties, increase in payables for Australia Properties, as well as property tax payables for Singapore Properties, partially offset by settlement of interest payables for the Group borrowings and payables for Singapore Properties, Malaysia Properties and Renhe Spring Zongbei Property. The decrease in the non-current portion was in line with the reclassification of security deposits for the Malaysia Properties to current liabilities.

(h) Deferred tax liabilities are mainly in respect of Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value.

(i) Borrowings include S$500 million term loans, JPY6.3 billion (S$74.0 million) term loan, S$225 million Singapore MTNs, JPY1.2 billion (S$14.7 million) Japan bond (classified as current liability as at 31 December 2015), A$208 million (S$214.8 million) term loans and RM326.6 million (S$107.6 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings. As at 31 December 2015, the Group has available undrawn long-term committed revolving credit facility to cover the Japan bond maturing in November 2016.

The net increase in total borrowings was mainly due to drawdown of a three-year S$150 million unsecured term loan during the current period, partially offset by the redemption of S$124 million MTN upon maturity in July 2015, net repayment of short-term RCF of S$22 million and the net movement in foreign currencies.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/12/15 S$'000	Group 30/06/15 S$'000	Trust 31/12/15 S$'000	Trust 30/06/15 S$'000
Secured borrowings	(a)				
Amount repayable after one year		322,419	330,947	-	-
		322,419	**330,947**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		14,672	146,000	-	146,000
Amount repayable after one year		798,956	658,018	798,956	644,275
Total borrowings		**1,136,047**	**1,134,965**	**798,956**	**790,275**
Less: Unamortised loan acquisition expenses		(4,807)	(5,716)	(3,878)	(4,583)
Total borrowings		**1,131,240**	**1,129,249**	**795,078**	**785,692**

Footnotes:

(a) Secured
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 medium term notes ("First Senior MTN") to partially fund the acquisition of the Malaysia Properties. A refinancing was undertaken in September 2014 ahead of expected maturity in June 2015 by buying back and cancelling the First Senior MTN and issuing new five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Second Senior MTN") at a discounted cash consideration of approximately RM325 million. The Second Senior MTN bear a fixed coupon rate of 4.48% per annum and have a carrying amount of approximately RM326.6 million (S$107.6 million) as at 31 December 2015. The notes have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

The Group has outstanding term loans of A$208 million (S$214.8 million) as at 31 December 2015, comprising:
(i) A$63 million (S$65.1 million) (maturing in June 2019) secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. SG REIT (WA) Trust is wholly owned by the Group; and
(ii) A$145 million (S$149.7 million) (maturing in May 2018) secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. SG REIT (SA) Sub-Trust2 is wholly owned by the Group.

(b) Unsecured
As at 31 December 2015, the Group has outstanding medium term notes of S$225 million issued under its S$2 billion Multicurrency MTN Programme and rated at "BBB+" by Standard & Poor's Rating Services, comprising:
(i) S$100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (maturing in February 2021) which bear a fixed rate interest of 3.50% per annum payable semi-annually in arrear; and
(ii) S$125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrear.

As at 31 December 2015, the Group has in place:
(i) 5-year unsecured loan facilities with a club of eight banks at inception, comprising (a) term loan of S$250 million (maturing in September 2018) and (b) S$250 million revolving credit facilities ("RCF") (maturing in September 2018) including a S$50 million uncommitted tranche. There is no amount outstanding on this RCF as at 31 December 2015.
(ii) 3-year unsecured term loan facilities of S$250 million (maturing in June 2018) with four banks.
(iii) 5-year unsecured term loan facilities of JPY6.3 billion (S$74.0 million) (maturing in July 2020) with two banks.
(iv) available fully undrawn committed S$50 million RCF (maturing in September 2016) with a bank.

The Group has JPY1.2 billion (S$14.7 million) of Japan bond outstanding as at 31 December 2015, maturing in November 2016 ("Series 2 Bonds"). The bondholders of Series 2 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

1(c) Consolidated cash flow statement (2Q FY15/16 vs 4Q FY14/15) and (YTD FY15/16 vs YTD FY14/15)

	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000
Operating activities				
Total return for the period before tax and distribution	31,093	63,292	58,203	92,247
Adjustments for:				
Finance income	(196)	(291)	(388)	(561)
Fair value adjustment on security deposits	189	14	383	108
Depreciation	158	177	319	340
Finance expenses	9,644	7,402	19,276	15,364
Change in fair value of derivative instruments	(992)	(670)	(4,157)	(2,319)
Foreign exchange (gain)/loss	(939)	-	4,215	-
Change in fair value of investment properties	-	(34,524)	-	(34,524)
Operating income before working capital changes	38,957	35,400	77,851	70,655
Changes in working capital:				
Trade and other receivables	140	479	(1,499)	(856)
Trade and other payables	1,570	321	5,290	1,560
Income tax paid	(304)	(385)	(997)	(739)
Cash generated from operating activities	**40,363**	**35,815**	**80,645**	**70,620**
Investing activities				
Capital expenditure on investment properties	(253)	(468)	(1,209)	(592)
Purchase of plant and equipment	(32)	(96)	(33)	(98)
Interest received on deposits	187	397	390	560
Cash flows used in investing activities	**(98)**	**(167)**	**(852)**	**(130)**
Financing activities				
Borrowing costs paid	(9,014)	(4,743)	(19,503)	(13,777)
Proceeds from borrowings (1)	4,500	-	229,147	126,660
Repayment of borrowings (1)	(4,500)	-	(225,147)	(129,604)
Distributions paid to CPU Holder	-	(266)	-	(527)
Distributions paid to Unitholders	(28,574)	(27,346)	(56,712)	(54,261)
Cash flows used in financing activities	**(37,588)**	**(32,355)**	**(72,215)**	**(71,509)**
Net increase/(decrease) in cash and cash equivalents	**2,677**	**3,293**	**7,578**	**(1,019)**
Cash and cash equivalents at the beginning of the period	56,506	79,406	51,571	84,963
Effects of exchange rate differences on cash	374	(1,059)	408	(2,304)
Cash and cash equivalents at the end of the period	**59,557**	**81,640**	**59,557**	**81,640**

Footnote:

(1) The movement during the current period ended 31 December 2015 relates mainly to the drawdown of new S$150 million term loan, JPY6.3 billion (S$69.6 million) term loan which was used to early refinance an existing term loan of the same amount ahead of its maturity in September 2016, as well as S$9.5 million RCF. The repayment relates mainly to the redemption of the S$124 million MTN and S$31.5 million RCF settled during the current period.

1(d) (i) Statement of movements in Unitholders' Funds (2Q FY15/16 vs 4Q FY14/15)

	Notes	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Trust 01/10/15 to 31/12/15 S$'000	Trust 01/10/14 to 31/12/14 S$'000
Unitholders' funds at the beginning of the period		1,952,667	1,987,491	1,958,835	1,937,084
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	30,233	64,151	18,873	57,282
Increase in Unitholders' funds resulting from operations		**30,233**	**64,151**	**18,873**	**57,282**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		13,051	(7,319)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(158)	(3,861)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	(b)	**12,893**	**(11,180)**	**-**	**-**
Unitholders' transactions					
Distributions to CPU Holder		-	(266)	-	(266)
Distributions to Unitholders		(28,574)	(27,346)	(28,574)	(27,346)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(28,574)**	**(27,612)**	**(28,574)**	**(27,612)**
Unitholders' funds at the end of the period		**1,967,219**	**2,012,850**	**1,949,134**	**1,966,754**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 31 December 2015, includes a gain in the fair value of derivative instruments of S$1.0 million (4Q FY14/15: S$0.7 million) and a net foreign exchange gain of S$0.9 million (4Q FY14/15: nil). Included in 4Q FY14/15 was a gain in the fair value of investment properties of S$34.5 million.

(b) The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities.

1(d) (i) Statement of movements in Unitholders' Funds (YTD FY15/16 vs YTD FY14/15)

	Notes	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000	Trust 01/07/15 to 31/12/15 S$'000	Trust 01/07/14 to 31/12/14 S$'000
Unitholders' funds at the beginning of the period		1,982,791	1,992,822	1,966,489	1,941,727
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	56,466	92,363	39,357	79,815
Increase in Unitholders' funds resulting from operations		**56,466**	**92,363**	**39,357**	**79,815**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(14,234)	(8,079)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(1,092)	(9,468)	-	-
Net loss recognised directly in Unitholders' funds	(b)	**(15,326)**	**(17,547)**	**-**	**-**
Unitholders' transactions					
Distributions to CPU Holder		-	(527)	-	(527)
Distributions to Unitholders		(56,712)	(54,261)	(56,712)	(54,261)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(56,712)**	**(54,788)**	**(56,712)**	**(54,788)**
Unitholders' funds at the end of the period		**1,967,219**	**2,012,850**	**1,949,134**	**1,966,754**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the six months ended 31 December 2015, includes a gain in the fair value of derivative instruments of S$4.2 million (YTD FY14/15: S$2.3 million) and a net foreign exchange loss of S$4.2 million (YTD FY14/15: nil). Included in YTD FY14/15 was a gain in the fair value of investment properties of S$34.5 million.

(b) The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities.

1(d) (ii) Details of any change in the units since the end of the previous period reported on

	Notes	Group and Trust 01/10/15 to 31/12/15 Units	Group and Trust 01/10/14 to 31/12/14 Units	Group and Trust 01/07/15 to 31/12/15 Units	Group and Trust 01/07/14 to 31/12/14 Units
Issued units at the beginning of the period		2,181,204,435	2,153,218,267	2,181,204,435	2,153,218,267
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
Total issued units at the end of the period		**2,181,204,435**	**2,153,218,267**	**2,181,204,435**	**2,153,218,267**
Number of units that may be issued on conversion of CPU outstanding	(c)	**-**	**27,986,168**	**-**	**27,986,168**

Footnotes:

(a) The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the three months ended 31 December 2015.

(b) Performance fees are calculated for each six-month period ending 30 June and 31 December. There is no performance fee for six months ended 31 December 2015 as the performance of Starhill Global REIT's trust index is approximately 8% below the benchmark index as at 31 December 2015.

(c) Following the CPU conversion on 25 June 2015, there is no CPU outstanding as at 31 December 2015 (4Q FY14/15: 20,334,750 CPU outstanding).

1(d) (iii) To show the total number of issued units excluding treasury units as at the end of the current financial period, and as at the end of the immediately preceding year

Starhill Global REIT did not hold any treasury units as at 31 December 2015 and 30 June 2015. The total number of issued units as at the end of the current period, and as at the end of the immediately preceding year are disclosed in Section 1(d)(ii).

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and method of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the 18 months ended 30 June 2015, except for the adoption of the new and revised Financial Reporting Standards which became effective for financial periods beginning on or after 1 July 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6 Consolidated earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period

	Notes	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000
Total return for the period after tax, before distribution		30,233	64,151	56,466	92,363
Income to be distributed to CPU Holder		-	(256)	-	(522)
Earnings attributable to Unitholders		30,233	63,895	56,466	91,841
EPU					
Basic EPU					
Weighted average number of units	(a)	2,181,204,435	2,153,218,267	2,181,204,435	2,153,218,267
Earnings per unit (cents)	(b)	1.39	2.97	2.59	4.27
Diluted EPU					
Weighted average number of units	(c)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Earnings per unit on a fully diluted basis (cents)		1.39	2.94	2.59	4.23
DPU					
Number of units issued at end of period	(d)	2,181,204,435	2,153,218,267	2,181,204,435	2,153,218,267
DPU for the period based on the total number of units entitled to distribution (cents)		1.32	1.29	2.63	2.56

Footnotes:

(a) For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months and six months ended 31 December 2015 are used and have been calculated on a time-weighted basis.

(b) The earnings per unit for the three months ended 31 December 2015, includes a gain in the fair value of derivative instruments of S$1.0 million (4Q FY14/15: S$0.7 million) and a net foreign exchange gain of S$0.9 million (4Q FY14/15: nil). The earnings per unit for the six months ended 31 December 2015 includes a gain in the fair value of derivative instruments of S$4.2 million (YTD FY14/15: S$2.3 million) and a net foreign exchange loss of S$4.2 million (YTD FY14/15: nil). Included in the three months and six months ended 31 December 2014 was a gain in the fair value of investment properties of S$34.5 million.

(c) For illustrative purpose of computing the diluted EPU for the comparative period ended 31 December 2014, the weighted average number of units in issue was adjusted to take into account the full conversion of the CPU outstanding into 27,986,168 ordinary units from the beginning of the period at the conversion price of S$0.7266 per unit.

(d) The computation of DPU for the quarter ended 31 December 2015 is based on total number of units in issue as at 31 December 2015 of 2,181,204,435.

7 Net asset value per unit based on units issued at the end of the period

	Note	Group 31/12/15	Group 30/06/15	Trust 31/12/15	Trust 30/06/15
Net asset value per unit (S$) based on:					
- units issued at the end of the period	(a)	0.90	0.91	0.89	0.90

Footnote:

(a) The number of units used for computation of NAV per unit is 2,181,204,435 which represents the number of units in issue as at 31 December 2015 and 30 June 2015.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(2Q FY15/16 vs 4Q FY14/15) and (YTD FY15/16 vs YTD FY14/15)

	Group 01/10/15 to 31/12/15 S$'000	Group 01/10/14 to 31/12/14 S$'000	Increase / (Decrease) %	Group 01/07/15 to 31/12/15 S$'000	Group 01/07/14 to 31/12/14 S$'000	Increase / (Decrease) %
Gross revenue	**55,624**	**48,883**	**13.8%**	**112,398**	**97,488**	**15.3%**
Property expenses	(11,902)	(9,286)	28.2%	(25,056)	(18,315)	36.8%
Net property income	**43,722**	**39,597**	**10.4%**	**87,342**	**79,173**	**10.3%**
Non property expenses	(14,560)	(11,499)	26.6%	(29,081)	(23,769)	22.3%
Net income before tax	**29,162**	**28,098**	**3.8%**	**58,261**	**55,404**	**5.2%**
Change in fair value of derivative instruments	992	670	48.1%	4,157	2,319	79.3%
Foreign exchange gain/(loss)	939	-	NM	(4,215)	-	NM
Change in fair value of investment properties	-	34,524	(100.0%)	-	34,524	(100.0%)
Total return for the period before tax and distribution	**31,093**	**63,292**	**(50.9%)**	**58,203**	**92,247**	**(36.9%)**
Income tax	(860)	859	NM	(1,737)	116	NM
Total return for the period after tax, before distribution	**30,233**	**64,151**	**(52.9%)**	**56,466**	**92,363**	**(38.9%)**
Non-tax (chargeable)/deductible items and other adjustments	(172)	(35,097)	(99.5%)	3,640	(34,755)	NM
Income available for distribution	**30,061**	**29,054**	**3.5%**	**60,106**	**57,608**	**4.3%**
Income to be distributed to:						
- Unitholders	**28,792**	**27,777**	**3.7%**	**57,366**	**55,123**	**4.1%**
- CPU Holder	**-**	**256**	**(100.0%)**	**-**	**522**	**(100.0%)**
Total income to be distributed	**28,792**	**28,033**	**2.7%**	**57,366**	**55,645**	**3.1%**

<u>2Q FY15/16 vs 4Q FY14/15</u>

Revenue for the Group in 2Q FY15/16 was S$55.6 million, representing an increase of 13.8% over 4Q FY14/15. Net property income ("NPI") for the Group was higher at S$43.7 million, representing an increase of 10.4% over 4Q FY14/15, mainly driven by the contribution from Myer Centre Adelaide which was acquired in May 2015 and the resilience of the Singapore portfolio performance, partially offset by lower contributions from Renhe Spring Zongbei Property and net foreign currency movements.

Singapore Properties contributed 60.8% of total revenue, or S$33.8 million in 2Q FY15/16, 1.9% higher than in 4Q FY14/15. NPI for 2Q FY15/16 was S$27.3 million, 2.7% higher than in 4Q FY14/15. The stronger performance of Singapore Properties was largely attributed to the positive rental reversions achieved in previous quarters.

Australia Properties contributed 22.8% of total revenue, or S$12.7 million in 2Q FY15/16, 161.1% higher than in 4Q FY14/15. NPI for 2Q FY15/16 was S$8.6 million, 121.6% higher than in 4Q FY14/15, mainly due to contribution from Myer Centre Adelaide which was acquired in May 2015, partially offset by depreciation of A$ and lower occupancies.

Malaysia Properties contributed 11.3% of total revenue, or S$6.3 million in 2Q FY15/16, 14.5% lower than in 4Q FY14/15. NPI for 2Q FY15/16 was S$6.1 million, a decrease of 14.8% from 4Q FY14/15, mainly due to depreciation of RM.

Renhe Spring Zongbei Property in Chengdu, China contributed 3.0% of total revenue, or S$1.7 million in 2Q FY15/16, 34.4% lower than in 4Q FY14/15. NPI for 2Q FY15/16 was S$0.8 million, 37.5% lower than in 4Q FY14/15, mainly 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 2.1% of total revenue, or S$1.1 million in 2Q FY15/16, 25.7% higher than in 4Q FY14/15. NPI for 2Q FY15/16 was S$1.0 million, 27.7% higher than in 4Q FY14/15, mainly due to higher occupancies and appreciation of JPY.

Non property expenses were S$14.6 million in 2Q FY15/16, 26.6% higher than in 4Q FY14/15, mainly due to higher finance expenses and management fees for the current quarter.

The gain on derivative instruments for 2Q FY15/16 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 gain in 2Q FY15/16 arose mainly from the unrealised foreign exchange gain on the translation of JPY term loan, as well as realised foreign exchange gain from the settlement of forward contracts.

The change in fair value of investment properties for 4Q FY14/15 represented a net revaluation gain based on the Group's property valuation as at 31 December 2014.

The variance in income tax was mainly attributable to higher withholding tax provision for the Australia Properties and reversal of deferred tax provision for Renhe Spring Zongbei Property in 4Q FY14/15 following its downward property valuation as at 31 December 2014. The increase was partially offset by lower corporate tax and withholding tax provision for Renhe Spring Zongbei Property.

Income available for distribution and income to be distributed to Unitholders for 2Q FY15/16 were S$30.1 million and S$28.8 million respectively, being 3.5% and 2.7% higher than the corresponding period.

YTD FY15/16 vs YTD FY14/15

Group revenue of S$112.4 million for the six months ended 31 December 2015 was 15.3% higher than S$97.5 million achieved in corresponding period. NPI for the Group was S$87.3 million, representing an increase of 10.3% over the corresponding period, mainly driven by contribution from Myer Centre Adelaide which was acquired in May 2015 and the resilience of the Singapore portfolio performance, partially offset by lower contributions from Renhe Spring Zongbei Property and net foreign currency movements.

Singapore Properties contributed 60.5% of total revenue, or S$67.9 million in the current period, 3.2% higher than in corresponding period. NPI increased by 3.1% to S$54.1 million for the six months ended 31 December 2015, primarily due to the positive rental reversions achieved in previous quarters.

Australia Properties contributed 22.9% of total revenue, or S$25.7 million in the current period, 160.2% higher than in corresponding period. NPI was S$17.3 million, 117.4% higher than in corresponding period, mainly due to contribution from Myer Centre Adelaide which was acquired in May 2015, partially offset by depreciation of A$ and lower occupancies.

Malaysia Properties contributed 11.4% of total revenue, or S$12.8 million in the current period, 13.8% lower than in corresponding period. NPI was S$12.3 million, 15.4% lower than in corresponding period, mainly due to depreciation of RM and higher property taxes (net of rebate) for the current period attributed to the reversal of excess provision in 3Q FY14/15 following the revision in property tax assessment.

Renhe Spring Zongbei Property in Chengdu, China contributed 3.2% of total revenue, or S$3.6 million in the current period, 25.6% lower than in corresponding period. NPI was S$1.7 million, 32.6% lower than in corresponding period, mainly 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 2.0% of total revenue, or S$2.3 million in the current period, 13.3% higher than in corresponding period. NPI was S$1.9 million, 19.1% higher than in corresponding period, mainly due to higher occupancies.

Non property expenses were S$29.1 million in the current period, 22.3% higher than in corresponding period, mainly due to higher finance expenses and management fees for the current period.

The gain on derivative instruments for the current period represents mainly the change in the fair value of interest rate swaps and caps entered into for the Group's borrowings.

The net foreign exchange loss in the current 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 of investment properties for the corresponding period represented a net revaluation gain based on the Group's property valuation as at 31 December 2014.

The variance in income tax was mainly attributable to higher withholding tax provision for the Australia Properties and reversal of deferred tax provision for Renhe Spring Zongbei Property in the corresponding period following its downward property valuation as at 31 December 2014. The increase was partially offset by lower corporate tax and withholding tax provision for Renhe Spring Zongbei Property.

Income available for distribution and income to be distributed to Unitholders for the six months ended 31 December 2015 were S$60.1 million and S$57.4 million respectively, being 4.3% and 3.1% higher than the corresponding period.

9 Variance between forecast and the actual results

The Trust has not disclosed any forecast to the market.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Based on advanced estimates, the Singapore economy grew 2.0% year-on-year ("y-o-y") in 4Q 2015 and 2.1% y-o-y for the whole of 2015[1]. For 2016, the Singapore economy is expected to grow at a modest pace of 1.0% to 3.0%, in view of global growth downside risks and a tight domestic labour market[2]. Retail sentiment remains soft with the retail sales index (excluding motor vehicle sales) declining 2.0% y-o-y in November 2015[3]. Tourist arrivals however, have made a turnaround since May 2015, mainly boosted by the uptrend from key markets China and India[4]. For the eleven months to November 2015, tourist arrivals registered a 0.4% y-o-y growth[4].

The Australian retail sector continues to be propped up by low interest rates, improving labour market, falling fuel prices and lower Australian dollar[5]. For the twelve months to

November 2015, retail sales in South Australia recorded a 4.5% y-o-y growth while Western Australia recorded a 2.6% y-o-y growth in seasonally adjusted terms[6].

For 3Q 2015, Malaysia's economy moderated to 4.7%[7] mainly due to further slowdown in domestic demand following the implementation of the goods and services tax in April 2015 and weak oil and commodity prices. Retail Group Malaysia anticipates retail sales growth of 2% for 2015, easing from an earlier estimate of 3.1%, citing the challenges of a weak ringgit which led to higher import costs[8]. It also projects a 4% growth rate for the Malaysia retail industry in 2016[8].

Based on preliminary readings, China's GDP growth eased to 6.8% in 4Q 2015, from 6.9% in the previous quarter[9]. For the full year of 2015, China's economy grew 6.9%[9]. In Chengdu, retail sales growth moderated to 10.9% from January to November 2015, compared to 12.6% over the same corresponding period in 2014[10] as the ongoing anti-corruption and austerity drive continue to impact the high-end luxury market. For Japan, the Bank of Japan reported that the economy is recovering moderately, helped by firm consumer spending and improving corporate profits, notwithstanding global economic downside risks[11].

<u>Outlook for the next 12 months</u>

The International Monetary Fund has trimmed its global growth forecasts again citing a sharp slowdown in China trade and weak commodity prices that are impacting emerging markets[12]. It forecasts global growth at 3.4% in 2016 and 3.6% in 2017, both years down 0.2 percentage points from the previous estimates made in October 2015[12]. According to the World Bank, growth in the East Asian region is expected to ease from 6.4% to 6.2% on average in 2016-18[13]. Notwithstanding a more cautious market and economic outlook, Starhill Global REIT's balanced retail mall portfolio in good-to-prime locations including several long-term leases and master leases across key cities in Asia Pacific will provide income stability with growth potential for its Unitholders.

Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 61% of its revenue for the 3 months ended 31 December 2015. The impact of the volatility in the foreign currencies, mainly Malaysian Ringgit and Australian Dollar, on its distributions has been partially mitigated by having foreign currency denominated borrowings as a natural hedge, and short-term foreign currency forward contracts to hedge partially its net foreign income.

In Singapore, while there remains healthy interest among new international brands, deals between landlords and prospective tenants require more time in view of concerns about existing headwinds and tepid medium-term outlook from the prospective tenants[14]. In Australia, demand for retail space will be driven by emerging brands who are looking to gain a foothold in Australia's retail market, and global retailers will form an increasingly important part of the future retail landscape[5] in the near future. Chengdu's retail landscape continues to face pressure with the large stock of existing retail premises, coupled with easing economic growth and the ongoing anti-corruption campaign on luxury goods[15].

The Manager will continue to focus on optimising the performance of its portfolio while sourcing for attractive prime property assets in Singapore and core overseas markets.

Sources

1. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015, 4 January 2016
2. Ministry of Trade and Industry Singapore, MTI Forecasts GDP to Grow by "Close to 2.0 Per Cent" in 2015 and "1.0 to 3.0 Per Cent" in 2016, 25 November 2015
3. Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 15 January 2016
4. Singapore Tourism Board Visitor Arrivals 2015, 20 January 2016
5. Colliers, Research and Forecast Report, Second Half 2015, Australia and New Zealand, Game On: Retail's New Entrants Flex Muscles as Competition Grows, 16 November 2015
6. Australia Bureau of Statistics
7. Department of Statistics, Malaysia
8. The Edge Financial Daily, Retail Group Cuts 2015 Forecast, 17 December 2015
9. National Bureau Statistics of China
10. Chengdu Bureau of Statistics
11. Bank of Japan, Monthly Report of Recent Economic and Financial Developments, 22 December 2015
12. International Monetary Fund, World Economic Outlook Update: Subdued Demand, Diminished Prospects, January 2016
13. World Bank, Global Economic Prospects, Spillovers Amid Weak Growth, January 2016
14. CBRE MarketView Singapore, Q4 2015
15. South China Morning Post, Glut of China Shopping Malls a Problem for Those in Poor Locations, 17 January 2016

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Distribution to Unitholders for the period from 1 October 2015 to 31 December 2015 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 October 2015 to 31 December 2015
	Cents
Taxable income component	0.9800
Capital component	0.3400
Total	**1.3200**

Par value of units: Not applicable

Tax rate:

Taxable income component
Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Capital component
The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution:

(1) Distribution to Unitholders for the period from 1 October 2014 to 31 December 2014 ("Unitholders' Distribution")

(2) Distribution to CPU Holder for the period from 1 October 2014 to 31 December 2014 ("CPU Distribution")

Distribution rate:

	Unitholders' Distribution	CPU Distribution
	For the period from 1 October 2014 to 31 December 2014	**For the period from 1 October 2014 to 31 December 2014**
	Cents	Cents
Taxable income component	1.0200	0.9955
Tax-exempt income component	0.2700	0.2635
Total	**1.2900**	**1.2590**

Par value of units: Not applicable

Tax rate:

Taxable income component
Taxable income distributions are made out of the Trust's taxable income. CPU Holder and Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income component
Tax-exempt income component is exempt from tax in the hands of all CPU Holder and Unitholders.

(c) Date payable: 29 February 2016

(d) Books Closure Date: 3 February 2016

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13 General mandate for interested person transactions

Starhill Global REIT has not obtained a Unitholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14 Directors' confirmation

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 31 December 2015 (comprising the balance sheets as at 31 December 2015, the statements of total return and distribution, the cash flow statements and statements of changes in Unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Chairman	Ho Sing Chief Executive Officer/Director

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

BY ORDER OF THE BOARD
YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED
AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

Lam Chee Kin
Joint Company Secretary
26 January 2016