Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the Second Quarter Ended 31 December 2016

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 2016 to 31 December 2016 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 2016 to 31 December 2016 ("2Q FY16/17") as well as the six months period from 1 July 2016 to 31 December 2016 ("YTD FY16/17"). The comparative figures 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").

As at 31 December 2016, 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"); and
- 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property") and 100% interest in four properties in Tokyo, Japan (the "Japan Properties") (collectively the "China and Japan Properties").

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016

	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %
Gross revenue	54,067	55,624	(2.8%)
Net property income	41,380	43,722	(5.4%)
Income available for distribution	27,498	30,061	(8.5%)
Income to be distributed to Unitholders	27,483	28,792	(4.5%)

	Group 01/10/16 to 31/12/16	Group 01/10/15 to 31/12/15	Increase / (Decrease)
	Cents per unit		%
Distribution per unit ("DPU")			
For the quarter from 1 October to 31 December [(1)]	1.26	1.32	(4.5%)
Annualised (based on the three months ended 31 December)	5.01	5.24	(4.4%)

Footnote:

(1) The computation of DPU for the quarter ended 31 December 2016 is based on total number of units entitled to the distributable income for the period from 1 October 2016 to 31 December 2016 of 2,181,204,435.

DISTRIBUTION DETAILS

Distribution period	1 October 2016 to 31 December 2016
Distribution amount to Unitholders	1.26 cents per unit
Books closure date	6 February 2017
Payment date	28 February 2017

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 FY16/17 vs 2Q FY15/16)

	Notes	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %	Trust 01/10/16 to 31/12/16 S$'000	Trust 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**54,067**	**55,624**	**(2.8%)**	**33,178**	**33,822**	**(1.9%)**
Maintenance and sinking fund contributions		(1,761)	(1,771)	(0.6%)	(1,731)	(1,731)	-
Property management fees	(b)	(1,498)	(1,484)	0.9%	(1,004)	(1,019)	(1.5%)
Property tax	(c)	(5,182)	(5,048)	2.7%	(3,166)	(3,168)	(0.1%)
Other property expenses	(d)	(4,246)	(3,599)	18.0%	(918)	(652)	40.8%
Property expenses		**(12,687)**	**(11,902)**	**6.6%**	**(6,819)**	**(6,570)**	**3.8%**
Net property income		**41,380**	**43,722**	**(5.4%)**	**26,359**	**27,252**	**(3.3%)**
Finance income	(e)	317	196	61.7%	164	14	NM
Interest income from subsidiaries		-	-	-	1,473	1,419	3.8%
Dividend income from subsidiaries		-	-	-	2,136	-	NM
Fair value adjustment on security deposits	(f)	(202)	(189)	6.9%	(257)	(137)	87.6%
Management fees	(g)	(4,125)	(4,003)	3.0%	(3,890)	(3,763)	3.4%
Trust expenses	(h)	(880)	(920)	(4.3%)	(711)	(733)	(3.0%)
Finance expenses	(i)	(10,396)	(9,644)	7.8%	(6,899)	(6,113)	12.9%
Non property expenses		**(15,286)**	**(14,560)**	**5.0%**	**(7,984)**	**(9,313)**	**(14.3%)**
Net income before tax		**26,094**	**29,162**	**(10.5%)**	**18,375**	**17,939**	**2.4%**
Change in fair value of derivative instruments	(j)	4,254	992	328.8%	2,591	153	NM
Foreign exchange gain/(loss)	(k)	5,715	939	508.6%	(5,136)	781	NM
Change in fair value of investment properties	(l)	(12,906)	-	NM	-	-	-
Impairment loss on investment in subsidiaries	(m)	-	-	-	(9,000)	-	NM
Total return for the period before tax and distribution		**23,157**	**31,093**	**(25.5%)**	**6,830**	**18,873**	**(63.8%)**
Income tax	(n)	3,147	(860)	NM	-	-	-
Total return for the period after tax, before distribution		**26,304**	**30,233**	**(13.0%)**	**6,830**	**18,873**	**(63.8%)**
Non-tax (chargeable)/deductible items and other adjustments	(o)	1,194	(172)	NM	20,668	11,188	84.7%
Income available for distribution		**27,498**	**30,061**	**(8.5%)**	**27,498**	**30,061**	**(8.5%)**

Footnotes:

(a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as China and Japan Properties, partially offset by higher contributions from Ngee Ann City Property (Retail) and Malaysia Properties. Approximately 39% (2Q FY15/16: 39%) of total gross revenue for the three months ended 31 December 2016 were contributed by the overseas properties.

(b) Property management fees comprise mainly 3.0% per annum of the gross revenue from Singapore Properties and fees paid to external property managers for Australia Properties, as well as China and Japan Properties.

(c) Property tax expenses were higher for the current quarter mainly due to higher property tax expenses for Myer Centre Adelaide and Ngee Ann City Property, partially offset by lower property tax expenses for Wisma Atria Property.

(d) Other property expenses were higher for the current quarter mainly due to higher operating expenses at Wisma Atria Property and Renhe Spring Zongbei Property.

(e) Represents interest income from bank deposits and current accounts for the three months ended 31 December 2016. The increase was largely in line with the higher fixed deposits placed during the current quarter.

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

(g) 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.

(h) The decrease in trust expenses was mainly due to lower expenses incurred by Singapore Properties, Japan Properties and Australia Properties, partially offset by higher expenses incurred by Malaysia Properties for the three months ended 31 December 2016.

(i) Finance expenses were higher for the current quarter mainly in line with additional interest cost incurred on the 10-year S$70 million Series 004 medium term notes ("MTN") issued in October 2016 and one-time write off of upfront borrowing costs following the repayment of loans during the three months ended 31 December 2016.

(j) 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 2016.

(k) 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 2016.

(l) As at 31 December 2016, the Renhe Spring Zongbei Property was revalued at RMB158 million (S$32.9 million) by Knight Frank Petty Limited, resulting in a revaluation loss of S$12.9 million for the Group for the three months ended 31 December 2016.

(m) Represents the impairment loss on the Trust's China investment recorded in December 2016 and determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.

(n) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributed to the deferred tax reversal arising from downward revaluation of Renhe Spring Zongbei Property.

(o) See details in the distribution statement below.

Distribution Statement (2Q FY16/17 vs 2Q FY15/16)

	Notes	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %	Trust 01/10/16 to 31/12/16 S$'000	Trust 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**26,304**	**30,233**	**(13.0%)**	**6,830**	**18,873**	**(63.8%)**
Non-tax (chargeable)/deductible items and other adjustments:		1,194	(172)	NM	20,668	11,188	84.7%
Finance costs	(p)	389	232	67.7%	944	535	76.4%
Sinking fund contribution		452	453	(0.2%)	452	453	(0.2%)
Depreciation		70	70	-	70	70	-
Change in fair value of derivative instruments		(4,254)	(992)	328.8%	(2,591)	(153)	NM
Change in fair value of investment properties		12,906	-	NM	-	-	-
Deferred income tax		(3,185)	43	NM	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	9,000	-	NM
Foreign exchange (gain)/loss		(5,718)	(709)	706.5%	5,387	(781)	NM
Fair value adjustment on security deposits		202	189	6.9%	257	137	87.6%
Other items	(q)	332	542	(38.7%)	1,181	572	106.5%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	5,968	10,355	(42.4%)
Income available for distribution		**27,498**	**30,061**	**(8.5%)**	**27,498**	**30,061**	**(8.5%)**
Income to be distributed to Unitholders		**27,483**	**28,792**	**(4.5%)**	**27,483**	**28,792**	**(4.5%)**

Footnotes:

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

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

Statement of Total Return and Distribution (YTD FY16/17 vs YTD FY15/16)

`	Notes	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000	Increase / (Decrease) %	Trust 01/07/16 to 31/12/16 S$'000	Trust 01/07/15 to 31/12/15 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**109,326**	**112,398**	**(2.7%)**	**68,179**	**67,942**	**0.3%**
Maintenance and sinking fund contributions		(3,525)	(3,544)	(0.5%)	(3,463)	(3,463)	-
Property management fees	(b)	(3,111)	(3,145)	(1.1%)	(2,059)	(2,052)	0.3%
Property tax	(c)	(10,416)	(10,110)	3.0%	(6,435)	(6,369)	1.0%
Other property expenses	(d)	(8,005)	(8,257)	(3.1%)	(1,805)	(1,926)	(6.3%)
Property expenses		**(25,057)**	**(25,056)**	**0.0%**	**(13,762)**	**(13,810)**	**(0.3%)**
Net property income		**84,269**	**87,342**	**(3.5%)**	**54,417**	**54,132**	**0.5%**
Finance income	(e)	571	388	47.2%	174	23	656.5%
Interest income from subsidiaries		-	-	-	2,907	2,821	3.0%
Dividend income from subsidiaries		-	-	-	18,085	4,762	279.8%
Fair value adjustment on security deposits	(f)	(218)	(383)	(43.1%)	(214)	(253)	(15.4%)
Management fees	(g)	(8,205)	(8,008)	2.5%	(7,730)	(7,522)	2.8%
Trust expenses	(h)	(1,738)	(1,802)	(3.6%)	(1,618)	(1,574)	2.8%
Finance expenses	(i)	(19,897)	(19,276)	3.2%	(12,874)	(12,191)	5.6%
Non property expenses		**(29,487)**	**(29,081)**	**1.4%**	**(1,270)**	**(13,934)**	**(90.9%)**
Net income before tax		**54,782**	**58,261**	**(6.0%)**	**53,147**	**40,198**	**32.2%**
Change in fair value of derivative instruments	(j)	3,131	4,157	(24.7%)	1,730	4,466	(61.3%)
Foreign exchange gain/(loss)	(k)	3,582	(4,215)	NM	(1,875)	(5,307)	(64.7%)
Change in fair value of investment properties	(l)	(12,906)	-	NM	-	-	-
Impairment loss on investment in subsidiaries	(m)	-	-	-	(9,000)	-	NM
Total return for the period before tax and distribution		**48,589**	**58,203**	**(16.5%)**	**44,002**	**39,357**	**11.8%**
Income tax	(n)	2,836	(1,737)	NM	-	-	-
Total return for the period after tax, before distribution		**51,425**	**56,466**	**(8.9%)**	**44,002**	**39,357**	**11.8%**
Non-tax (chargeable)/deductible items and other adjustments	(o)	5,526	3,640	51.8%	12,949	20,749	(37.6%)
Income available for distribution		**56,951**	**60,106**	**(5.2%)**	**56,951**	**60,106**	**(5.2%)**

Footnotes:

(a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as Australia, China and Japan Properties, partially offset by higher contributions from Ngee Ann City Property (Retail) and Malaysia Properties. Approximately 38% (YTD FY15/16: 39%) of total gross revenue for the six months ended 31 December 2016 were contributed by the overseas properties.

(b) 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.

(c) Property tax expenses were higher for the current period mainly due to higher property tax expenses for Myer Centre Adelaide and Ngee Ann City Property, partially offset by lower property tax expenses for Wisma Atria Property.

(d) Other property expenses were lower for the current period mainly due to lower operating expenses at Wisma Atria Property, Renhe Spring Zongbei Property and Myer Centre Adelaide. The decrease was partially offset by higher operating expenses incurred by Japan Properties.

(e) Represents interest income from bank deposits and current accounts for the six months ended 31 December 2016. The increase was largely in line with the higher fixed deposits placed during the current period.

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

(g) 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.

(h) The decrease in trust expenses was mainly due to lower expenses incurred by Japan and Australia Properties, partially offset by higher expenses incurred by Malaysia and Singapore Properties for the six months ended 31 December 2016.

(i) Finance expenses were higher for the current period mainly in line with additional interest cost incurred on the 10-year S$70 million Series 004 MTN issued in October 2016 and one-time write off of upfront borrowing costs following the repayment of loans during the six months ended 31 December 2016.

(j) Represents mainly the change in the fair value of interest rate swaps and caps, as well as foreign exchange forward contracts, for the six months ended 31 December 2016.

(k) 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 2016.

(l) As at 31 December 2016, the Renhe Spring Zongbei Property was revalued at RMB158 million (S$32.9 million) by Knight Frank Petty Limited, resulting in a revaluation loss of S$12.9 million for the Group for the six months ended 31 December 2016.

(m) Represents the impairment loss on the Trust's China investment recorded in December 2016 and determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.

(n) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributed to the deferred tax reversal arising from downward revaluation of Renhe Spring Zongbei Property, as well as lower corporate tax provision for Renhe Spring Zongbei Property and withholding tax provision for Australia Properties.

(o) See details in the distribution statement below.

Distribution Statement (YTD FY16/17 vs YTD FY15/16)

	Notes	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000	Increase / (Decrease) %	Trust 01/07/16 to 31/12/16 S$'000	Trust 01/07/15 to 31/12/15 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**51,425**	**56,466**	**(8.9%)**	**44,002**	**39,357**	**11.8%**
Non-tax (chargeable)/deductible items and other adjustments:		5,526	3,640	51.8%	12,949	20,749	(37.6%)
Finance costs	(p)	617	464	33.0%	1,458	1,073	35.9%
Sinking fund contribution		904	905	(0.1%)	904	905	(0.1%)
Depreciation		141	141	-	141	141	-
Change in fair value of derivative instruments		(3,131)	(4,157)	(24.7%)	(1,730)	(4,466)	(61.3%)
Change in fair value of investment properties		12,906	-	NM	-	-	-
Deferred income tax		(3,145)	87	NM	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	9,000	-	NM
Foreign exchange (gain)/loss		(3,620)	4,523	NM	2,126	5,307	(59.9%)
Fair value adjustment on security deposits		218	383	(43.1%)	214	253	(15.4%)
Other items	(q)	636	1,294	(50.9%)	1,722	1,325	30.0%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	(886)	16,211	NM
Income available for distribution		**56,951**	**60,106**	**(5.2%)**	**56,951**	**60,106**	**(5.2%)**
Total income to be distributed	(r)	**55,839**	**57,366**	**(2.7%)**	**55,839**	**57,366**	**(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, commitment fees, and other non-tax deductible/chargeable costs.

(r) Approximately S$1.1 million of income available for distribution for the six months ended 31 December 2016 has been retained for working capital requirements.

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

Balance Sheet as at 31 December 2016

	Notes	Group 31/12/16 S$'000	Group 30/06/16 S$'000	Trust 31/12/16 S$'000	Trust 30/06/16 S$'000
Non-current assets					
Investment properties	(a)	3,129,826	3,136,604	2,141,212	2,141,000
Plant and equipment		154	446	-	141
Interests in subsidiaries	(b)	-	-	619,217	651,509
Derivative financial instruments	(c)	820	332	818	330
Trade and other receivables	(d)	2,097	1,759	1,149	1,266
		3,132,897	**3,139,141**	**2,762,396**	**2,794,246**
Current assets					
Derivative financial instruments	(c)	174	140	174	140
Trade and other receivables	(d)	7,517	5,926	3,556	5,655
Cash and cash equivalents	(e)	76,741	76,953	33,340	11,740
		84,432	**83,019**	**37,070**	**17,535**
Total assets		**3,217,329**	**3,222,160**	**2,799,466**	**2,811,781**
Non-current liabilities					
Trade and other payables	(f)	23,641	24,999	18,106	19,782
Derivative financial instruments	(c)	2,724	4,747	1,589	2,393
Deferred tax liabilities	(g)	6,837	9,737	-	-
Borrowings	(h)	1,128,738	1,107,521	796,996	790,124
		1,161,940	**1,147,004**	**816,691**	**812,299**
Current liabilities					
Trade and other payables	(f)	40,615	39,544	26,542	25,962
Derivative financial instruments	(c)	227	22	227	22
Income tax payable	(i)	1,978	2,641	-	-
Borrowings	(h)	-	15,398	-	5,000
		42,820	**57,605**	**26,769**	**30,984**
Total liabilities		**1,204,760**	**1,204,609**	**843,460**	**843,283**
Net assets		**2,012,569**	**2,017,551**	**1,956,006**	**1,968,498**
Represented by:					
Unitholders' funds		2,012,569	2,017,551	1,956,006	1,968,498
		2,012,569	**2,017,551**	**1,956,006**	**1,968,498**

Footnotes:

(a) Investment properties decreased mainly due to the downward revaluation of Renhe Spring Zongbei Property in December 2016, partially offset by the net strengthening of foreign currencies against the Singapore dollar in relation to overseas properties and capital expenditure incurred during the current period.

(b) The decrease in the Trust's interests in subsidiaries was mainly due to impairment loss on the Trust's China investment, capital redemptions and net movement in foreign currencies during the current period.

(c) Derivative financial instruments as at 31 December 2016 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings and foreign exchange forward contracts. The net increase in derivative values was mainly due to the change in the fair value of existing S$ and A$ interest rate swaps during the current period.

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

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

(f) The net decrease in trade and other payables was mainly due to recognition of deferred pre-termination compensation previously received for a lease at Wisma Atria Property during the current period as well as settlement of payables for China and Japan Properties, partially offset by increase in payables for Australia and Singapore Properties as well as increase in security deposits for Renhe Spring Zongbei Property.

(g) 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. The decrease in deferred tax liabilities was mainly due to the downward revaluation of the property during the current period.

(h) Borrowings include S$450 million term loans, JPY4.4 billion (S$54.4 million) term loan, S$295 million Singapore MTNs, JPY0.8 billion (S$9.9 million) Japan bond (classified as current liability as at 30 June 2016), A$208 million (S$217.3 million) term loans and RM327.5 million (S$105.6 million) Malaysia MTN. The net increase in total borrowings was mainly due to the issuance of S$70 million Series 004 MTN, partially offset by the net repayment of short-term revolving credit facilities ("RCF") of S$5 million, S$10.1 million (JPY0.8 billion) of JPY term loan and S$50 million of term loan during the current period. Please refer to Section 1(b)(ii) for details of the borrowings.

(i) The decrease in income tax payable was mainly due to lower corporate tax provision for Renhe Spring Zongbei Property and withholding tax provision for Australia Properties.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/12/16 S$'000	Group 30/06/16 S$'000	Trust 31/12/16 S$'000	Trust 30/06/16 S$'000
Secured borrowings	(a)				
Amount repayable after one year		322,895	318,069	-	-
		322,895	**318,069**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		-	15,507	-	5,000
Amount repayable after one year		809,261	793,297	799,375	793,297
Total borrowings		**1,132,156**	**1,126,873**	**799,375**	**798,297**
Less: Unamortised loan acquisition expenses		(3,418)	(3,954)	(2,379)	(3,173)
Total borrowings		**1,128,738**	**1,122,919**	**796,996**	**795,124**

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 RM327.5 million (S$105.6 million) as at 31 December 2016. 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$217.3 million) as at 31 December 2016, comprising:
(i) A$63 million (S$65.8 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$151.5 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 2016, the Group has outstanding medium term notes of S$295 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;
(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; and
(iii) S$70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrear.

As at 31 December 2016, the Group has in place:
(i) 5-year unsecured loan facilities with a club of eight banks at inception, comprising (a) term loan of balance S$200 million (maturing in September 2018) and (b) S$250 million RCF (maturing in September 2018) including a S$50 million uncommitted tranche. There is no amount outstanding on this RCF as at 31 December 2016.
(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 balance JPY4.4 billion (S$54.4 million) (maturing in July 2020) with two banks.

The Group has JPY0.8 billion (S$9.9 million) of Japan bond outstanding as at 31 December 2016, maturing in August 2021 ("Series 3 Bonds"). The bondholders of Series 3 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 FY16/17 vs 2Q FY15/16) and (YTD FY16/17 vs YTD FY15/16)

	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000
Operating activities				
Total return for the period before tax and distribution	23,157	31,093	48,589	58,203
Adjustments for:				
Finance income	(317)	(196)	(571)	(388)
Fair value adjustment on security deposits	202	189	218	383
Depreciation	149	158	297	319
Finance expenses	10,396	9,644	19,897	19,276
Change in fair value of derivative instruments	(4,254)	(992)	(3,131)	(4,157)
Foreign exchange (gain)/loss	(5,715)	(939)	(3,582)	4,215
Change in fair value of investment properties	12,906	-	12,906	-
Operating income before working capital changes	36,524	38,957	74,623	77,851
Changes in working capital:				
Trade and other receivables	(1,260)	140	(1,878)	(1,499)
Trade and other payables	762	1,570	(759)	5,290
Income tax paid	(208)	(304)	(874)	(997)
Cash generated from operating activities	**35,818**	**40,363**	**71,112**	**80,645**
Investing activities				
Capital expenditure on investment properties	(319)	(253)	(1,830)	(1,209)
Purchase of plant and equipment	-	(32)	-	(33)
Interest received on deposits	262	187	519	390
Cash flows used in investing activities	**(57)**	**(98)**	**(1,311)**	**(852)**
Financing activities				
Borrowing costs paid	(9,030)	(9,014)	(18,124)	(19,503)
Proceeds from borrowings [(1)]	70,000	4,500	97,577	229,147
Repayment of borrowings [(1)]	(69,113)	(4,500)	(92,690)	(225,147)
Distributions paid to Unitholders	(28,356)	(28,574)	(56,494)	(56,712)
Cash flows used in financing activities	**(36,499)**	**(37,588)**	**(69,731)**	**(72,215)**
Net (decrease)/increase in cash and cash equivalents	**(738)**	**2,677**	**70**	**7,578**
Cash and cash equivalents at the beginning of the period	79,276	56,506	76,953	51,571
Effects of exchange rate differences on cash	(1,797)	374	(282)	408
Cash and cash equivalents at the end of the period	**76,741**	**59,557**	**76,741**	**59,557**

Footnote:

(1) The movement during the current period of six months ended 31 December 2016 relates mainly to the issuance of S$70 million Series 004 MTN in October 2016, drawdown of S$17 million RCF as well as JPY0.8 billion Series 3 Bonds which was used to fully redeem the Series 2 Bonds of JPY0.8 billion in August 2016. The repayment includes mainly the repayment of S$50 million and JPY0.8 billion (S$10.1 million) term loans, as well as the full settlement of short-term RCF by S$22 million during the current period.

1(d) (i) Statement of movements in Unitholders' Funds (2Q FY16/17 vs 2Q FY15/16)

	Notes	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Trust 01/10/16 to 31/12/16 S$'000	Trust 01/10/15 to 31/12/15 S$'000
Unitholders' funds at the beginning of the period		2,024,031	1,952,667	1,977,532	1,958,835
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	26,304	30,233	6,830	18,873
Increase in Unitholders' funds resulting from operations		**26,304**	**30,233**	**6,830**	**18,873**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		1,441	13,051	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(10,851)	(158)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(b)	**(9,410)**	**12,893**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(28,356)	(28,574)	(28,356)	(28,574)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(28,356)**	**(28,574)**	**(28,356)**	**(28,574)**
Unitholders' funds at the end of the period		**2,012,569**	**1,967,219**	**1,956,006**	**1,949,134**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 31 December 2016 includes a loss in the fair value of investment properties of S$12.9 million (2Q FY15/16: nil), a gain in the fair value of derivative instruments of S$4.3 million (2Q FY15/16: S$1.0 million) and a net foreign exchange gain of S$5.7 million (2Q FY15/16: S$0.9 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 FY16/17 vs YTD FY15/16)

	Notes	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000	Trust 01/07/16 to 31/12/16 S$'000	Trust 01/07/15 to 31/12/15 S$'000
Unitholders' funds at the beginning of the period		2,017,551	1,982,791	1,968,498	1,966,489
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	51,425	56,466	44,002	39,357
Increase in Unitholders' funds resulting from operations		**51,425**	**56,466**	**44,002**	**39,357**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		5,544	(14,234)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(5,457)	(1,092)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	(b)	**87**	**(15,326)**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(56,494)	(56,712)	(56,494)	(56,712)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(56,494)**	**(56,712)**	**(56,494)**	**(56,712)**
Unitholders' funds at the end of the period		**2,012,569**	**1,967,219**	**1,956,006**	**1,949,134**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the six months ended 31 December 2016 includes a loss in the fair value of investment properties of S$12.9 million (YTD FY15/16: nil), a gain in the fair value of derivative instruments of S$3.1 million (YTD FY15/16: S$4.2 million) and a net foreign exchange gain of S$3.6 million (YTD FY15/16: loss of S$4.2 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 01/10/16 to 31/12/16 Units	Group and Trust 01/10/15 to 31/12/15 Units	Group and Trust 01/07/16 to 31/12/16 Units	Group and Trust 01/07/15 to 31/12/15 Units
Issued units at the beginning of the period		2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
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**	**2,181,204,435**	**2,181,204,435**	**2,181,204,435**

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 3 months ended 31 December 2016.

(b) Performance fees are calculated annually as at 30 June. The performance of Starhill Global REIT's trust index is approximately 13% below the benchmark index as at 30 June 2016.

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 2016 and 30 June 2016. 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 12 months ended 30 June 2016, except for the adoption of the new and revised Financial Reporting Standards which became effective for financial periods beginning on or after 1 July 2016.

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 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000
Total return for the period after tax, before distribution		26,304	30,233	51,425	56,466
EPU - Basic and Diluted					
Weighted average number of units	(a)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Earnings per unit (cents)	(b)	1.21	1.39	2.36	2.59
DPU					
Number of units issued at end of period	(c)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		1.26	1.32	2.56	2.63

Footnotes:

(a) For the purpose of computing the EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months and six months ended 31 December 2016 are used and have been calculated on a time-weighted basis.

(b) The earnings per unit for the three months ended 31 December 2016 includes a loss in the fair value of investment properties of S$12.9 million (2Q FY15/16: nil), a gain in the fair value of derivative instruments of S$4.3 million (2Q FY15/16: S$1.0 million) and a net foreign exchange gain of S$5.7 million (2Q FY15/16: S$0.9 million). The diluted EPU is the same as basic EPU.

The earnings per unit for the six months ended 31 December 2016 includes a loss in the fair value of investment properties of S$12.9 million (YTD FY15/16: nil), a gain in the fair value of derivative instruments of S$3.1 million (YTD FY15/16: S$4.2 million) and a net foreign exchange gain of S$3.6 million (YTD FY15/16: loss of S$4.2 million). The diluted EPU is the same as basic EPU.

(c) The computation of DPU for the three months ended 31 December 2016 is based on number of units in issue as at 31 December 2016 of 2,181,204,435.

7 Net asset value (“NAV”) and Net tangible asset (“NTA”) per unit based on units issued at the end of the period

	Note	Group 31/12/16	Group 30/06/16	Trust 31/12/16	Trust 30/06/16
NAV/NTA per unit (S$) based on:					
- units issued at the end of the period	(a)	0.92	0.92	0.90	0.90

Footnote:

(a) The number of units used for computation of NAV and NTA per unit is 2,181,204,435 which represents the number of units in issue as at 31 December 2016 and 30 June 2016.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(2Q FY16/17 vs 2Q FY15/16) and (YTD FY16/17 vs YTD FY15/16)

	Group 01/10/16 to 31/12/16 S$'000	Group 01/10/15 to 31/12/15 S$'000	Increase / (Decrease) %	Group 01/07/16 to 31/12/16 S$'000	Group 01/07/15 to 31/12/15 S$'000	Increase / (Decrease) %
Gross revenue	**54,067**	**55,624**	**(2.8%)**	**109,326**	**112,398**	**(2.7%)**
Property expenses	(12,687)	(11,902)	6.6%	(25,057)	(25,056)	0.0%
Net property income	**41,380**	**43,722**	**(5.4%)**	**84,269**	**87,342**	**(3.5%)**
Non property expenses	(15,286)	(14,560)	5.0%	(29,487)	(29,081)	1.4%
Net income before tax	**26,094**	**29,162**	**(10.5%)**	**54,782**	**58,261**	**(6.0%)**
Change in fair value of derivative instruments	4,254	992	328.8%	3,131	4,157	(24.7%)
Foreign exchange gain/(loss)	5,715	939	508.6%	3,582	(4,215)	NM
Change in fair value of investment properties	(12,906)	-	NM	(12,906)	-	NM
Total return for the period before tax and distribution	**23,157**	**31,093**	**(25.5%)**	**48,589**	**58,203**	**(16.5%)**
Income tax	3,147	(860)	NM	2,836	(1,737)	NM
Total return for the period after tax, before distribution	**26,304**	**30,233**	**(13.0%)**	**51,425**	**56,466**	**(8.9%)**
Non-tax deductible/(chargeable) items and other adjustments	1,194	(172)	NM	5,526	3,640	51.8%
Income available for distribution	**27,498**	**30,061**	**(8.5%)**	**56,951**	**60,106**	**(5.2%)**
Income to be distributed to Unitholders	**27,483**	**28,792**	**(4.5%)**	**55,839**	**57,366**	**(2.7%)**

2Q FY16/17 vs 2Q FY15/16

Revenue for the Group in 2Q FY16/17 was S$54.1 million, representing a decrease of 2.8% over 2Q FY15/16. Net property income ("NPI") for the Group was S$41.4 million, representing a decrease of 5.4% over 2Q FY15/16 mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as China and Japan Properties, partially offset by stronger performance of Ngee Ann City Property (Retail) and Malaysia Properties.

Singapore Properties contributed 61.4% of total revenue, or S$33.2 million in 2Q FY16/17, 1.9% lower than in 2Q FY15/16. NPI for 2Q FY16/17 was S$26.4 million, 3.3% lower than in 2Q FY15/16, mainly due to lower occupancies for Singapore offices, lower average rents at Wisma Atria Property (Retail) and higher expenses for the Singapore Properties, partially offset by increase in base rent from the Toshin master lease at Ngee Ann City Property (Retail) from June 2016.

Australia Properties contributed 23.4% of total revenue, or S$12.7 million in 2Q FY16/17, 0.1% lower than in 2Q FY15/16. NPI for 2Q FY16/17 was S$8.3 million, 3.7% lower than in 2Q FY15/16, mainly due to higher expenses and overall decline in occupancies which was largely attributed to unfilled vacancies at Myer Centre Adelaide office and Plaza Arcade's lease terminations leading up to planned redevelopment works, partially offset by appreciation of A$.

Malaysia Properties contributed 12.7% of total revenue, or S$6.8 million in 2Q FY16/17, 8.7% higher than in 2Q FY15/16. NPI for 2Q FY16/17 was S$6.6 million, an increase of 9.3% from 2Q FY15/16, mainly due to extension of master leases at higher rental rates from June 2016.

China and Japan Properties contributed 2.5% of total revenue, or S$1.4 million in 2Q FY16/17, 51.5% lower than in 2Q FY15/16. NPI for 2Q FY16/17 was approximately S$0.1 million, 95.6% lower than in 2Q FY15/16, mainly in line with the mall repositioning and higher expenses at Renhe Spring Zongbei Property and depreciation of RMB, as well as loss of contribution from Roppongi Terzo which was divested in January 2016, partially offset by appreciation of JPY.

Non property expenses were S$15.3 million in 2Q FY16/17, 5.0% higher than in 2Q FY15/16, mainly due to higher borrowing costs.

The gain on derivative instruments for 2Q FY16/17 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 FY16/17 arose mainly from the unrealised foreign exchange gain on the translation of JPY term loan, and realised foreign exchange differences from the settlement of forward contracts.

The change in fair value of investment properties of S$12.9 million represents the revaluation loss on the Renhe Spring Zongbei Property in 2Q FY16/17.

The variance in income tax for 2Q FY16/17 was mainly attributed to the deferred tax reversal arising from downward revaluation of the Renhe Spring Zongbei Property.

Income available for distribution for 2Q FY16/17 was S$27.5 million, being 8.5% lower than the corresponding period. Income to be distributed to Unitholders was S$27.5 million, being 4.5% lower than the corresponding period.

YTD FY16/17 vs YTD FY15/16

Group revenue of S$109.3 million for the six months ended 31 December 2016 was 2.7% lower than S$112.4 million achieved in corresponding period. NPI for the Group was S$84.3 million, representing a decrease of 3.5% over the corresponding period, mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as Australia, China and Japan Properties, partially offset by stronger performance of Ngee Ann City Property (Retail) and Malaysia Properties.

Singapore Properties contributed 62.4% of total revenue, or S$68.2 million in the current period, 0.3% higher than in corresponding period. NPI increased by 0.5% to S$54.4 million for the six months ended 31 December 2016, mainly due to the increase in base rent from Toshin master lease at Ngee Ann City Property (Retail) from June 2016 as well as the recognition of S$1.9 million pre-termination rental compensation for a lease at Wisma Atria Property which has been filled up, partially offset by lower average rents at Wisma Atria Property (Retail), as well as lower occupancies of the Singapore Properties except for Ngee Ann City Property (Retail).

Australia Properties contributed 22.3% of total revenue, or S$24.4 million in the current period, 5.1% lower than in corresponding period. NPI was S$15.8 million, 8.5% lower than in corresponding period, mainly due to overall decline in occupancies which was largely attributed to unfilled vacancies at Myer Centre Adelaide office and Plaza Arcade's lease terminations leading up to planned redevelopment works.

Malaysia Properties contributed 12.7% of total revenue, or S$13.9 million in the current period, 8.2% higher than in the corresponding period. NPI was S$13.4 million, 8.7% higher than in corresponding period, mainly due to extension of master leases at higher rental rates from June 2016.

China and Japan Properties contributed 2.6% of total revenue, or S$2.9 million in the current period. NPI was S$0.7 million, 81.8% lower than in corresponding period, mainly in line with the mall repositioning at Renhe Spring Zongbei Property and depreciation of RMB, as well as loss of contribution from Roppongi Terzo which was divested in January 2016, partially offset by appreciation of JPY.

Non property expenses were S$29.5 million in the current period, 1.4% higher than in corresponding period, mainly due to higher borrowing costs.

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, as well as foreign exchange forward contracts.

The net foreign exchange gain in the current period arose mainly from the unrealised foreign exchange gain on the translation of JPY term loan, and realised foreign exchange differences from the settlement of forward contracts.

The change in fair value of investment properties of S$12.9 million represents the revaluation loss on Renhe Spring Zongbei Property during the current period.

The variance in income tax was mainly attributed to the deferred tax reversal arising from downward revaluation of the Renhe Spring Zongbei Property, as well as lower corporate tax provision for Renhe Spring Zongbei Property and withholding tax provision for Australia Properties.

Income available for distribution and income to be distributed to Unitholders for the six months ended 31 December 2016 were S$57.0 million and S$55.8 million respectively, being 5.2% and 2.7% lower than in 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 advance estimates, the Singapore economy grew slightly better than expected at 1.8% year-on-year ("y-o-y") in the fourth quarter of 2016[1]. Retail sentiment remains soft with the retail sales index (excluding motor vehicle sales) declining 2.1% y-o-y in November 2016[2]. On a positive note, for the eleven months to November 2016, international visitor arrivals rose 7.9% y-o-y to 14.9 million led largely by its top markets, China, India and Indonesia[3]. For the first half of 2016, tourism receipts grew 12% y-o-y and international visitor arrivals grew 13% y-o-y, largely on the back of higher expenditure in shopping, accommodation and food and beverage[4].

Low interest rates and a stable labour market continue to contribute to retail sentiments in Australia. For the twelve months to November 2016, retail sales in South Australia recorded a 3.8% y-o-y growth while Western Australia recorded a 0.7% y-o-y growth in seasonally-adjusted terms[5]. The pace of international retailer entrance and expansion remains strong in 1H 2016, and CBD retail is supported by growing populations, increased CBD workforce and international tourist arrivals[6]. In Adelaide, LUSH Cosmetics expanded and moved to a larger store in Myer Centre Adelaide, and Hennes & Mauritz (H&M) will be opening its first CBD store in Perth soon. However, vacancies are on a slight uptrend as some retailers consolidate, and in Perth, softer economic conditions impact consumer confidence[7].

In the third quarter of 2016, Malaysia's economy grew at a moderate pace of 4.3%, underpinned mainly by continued expansion in private sector spending and additional support from net exports[8]. However, during the quarter, the ringgit depreciated against most major and regional currencies, as a reflection of investor sentiments and external economic events[8]. Retail sales remained sluggish in the third quarter of 2016, and the projected retail sales growth for 2016 was revised downwards from 4% to 3.5%, as consumer spending remains impacted by rising costs, economic uncertainties and the retail market faces heightened competition from the completion of 3.36 million sq ft of new retail space in the second half of 2016[9].

Based on preliminary readings, China's GDP growth was maintained at 6.7% in 4Q 2016[10]. In Chengdu, retail sales growth moderated to 9.8% in the third quarter of 2016 compared to 10.7% for the third quarter of 2015[11]. Retail sales in Japan rose 1.7% in November 2016 from a year earlier following a moderate rebound in exports[12].

Outlook for the next 12 months

According to the World Bank, global growth in 2016 is estimated at 2.3% and is projected to inch up moderately to 2.7% in 2017, while economic uncertainties remained heightened[13].

In Singapore, the retail landscape remains challenging with Orchard Road rents softening 2.7% y-o-y in 4Q 2016[14]. Retailer sentiment was cautious given current manpower constraints and economic uncertainty. Demand from international retailers for prime locations along the shopping strip remains strong as new to market and established brands seek to expand into such limited spaces[14]. For the Singapore office market, fairly weak economic growth and cautious sentiment continue to be key challenges, while tenants were encouraged by lower rents and attractive lease terms for early renewals and relocations[14].

The asset redevelopment plans at Plaza Arcade is scheduled to commence in mid-2017 with expected completion by the first quarter of 2018. In China, the mall has ceased operations, and handover to the new long-term tenant remains on schedule for 3Q FY16/17. The asset redevelopment in Plaza Arcade and the mall repositioning in China will continue to impact the rental revenue until completion.

Starhill Global REIT's core assets are largely based in Singapore, which contributed approximately 61% of its revenue for the three months ended 31 December 2016. 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.

Almost half of Starhill Global REIT's portfolio is made up of master and long-term leases with periodic rent reviews, which has provided resilience through previous economic cycles. The Manager will continue to focus on optimising the performance of its portfolio while sourcing for attractive property assets.

Sources

1. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 1.8 Per Cent in the Fourth Quarter of 2016, 3 January 2017
2. Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 13 January 2017
3. Singapore Tourism Board, International Visitor Arrivals 2016, 11 January 2017
4. Singapore Tourism Board, Tourism Sector Performance for Q2 2016, 8 November 2016
5. Australia Bureau of Statistics
6. CBRE MarketView Australia Retail, Q3 2016
7. Colliers Research and Forecast Report, Retail, Australia, Second Half 2016
8. Bank Negara Malaysia, Economic and Financial Developments in Malaysia in Third Quarter of 2016, 11 November 2016
9. The Star, Malaysia's Property Market Still Resilient Despite Challenges, 3 January 2017
10. National Bureau Statistics of China
11. Chengdu Bureau of Statistics
12. Japan Today, Japan's Factory Output Rises in November, 29 December 2016
13. World Bank, Global Economic Prospects: Weak Investment in Uncertain Times, January 2017
14. CBRE MarketView Singapore, Q4 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 2016 to 31 December 2016 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 October 2016 to 31 December 2016
	Cents
Taxable income component	0.9700
Tax-exempt income component	0.1500
Capital component	0.1400
Total	**1.2600**

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).

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

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: 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.

(c) Date payable: 28 February 2017

(d) Books Closure Date: 6 February 2017

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 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

15. Certification pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders of Starhill Global REIT for the quarter ended 31 December 2016:

1. Starhill Global REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period after tax before distribution for the purpose of this certification). The excess is mainly a result of differences between, Financial Reporting Standards and income tax rules, applied to certain items reported in the statement of total return (see details in the distribution statement in section 1(a));

2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, Starhill Global REIT will be able to fulfil from its deposited property, its liabilities as and when they fall due.

Starhill Global REIT's distribution policy is to distribute at least 90% of its taxable income to its Unitholders, with the actual level of distribution to be determined at the discretion of the Manager.

16 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 2016 (comprising the balance sheets as at 31 December 2016, 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

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 2017