Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the First Quarter Ended 30 September 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 July 2016 to 30 September 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 July 2016 to 30 September 2016 ("1Q FY16/17") and the comparative figures are in relation to the period from 1 July 2015 to 30 September 2015 ("1Q FY15/16").

As at 30 September 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 FIRST QUARTER ENDED 30 SEPTEMBER 2016

	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %
Gross revenue	55,259	56,774	(2.7%)
Net property income	42,889	43,620	(1.7%)
Income available for distribution	29,453	30,045	(2.0%)
Income to be distributed to Unitholders	28,356	28,574	(0.8%)

	Group 01/07/16 to 30/09/16	Group 01/07/15 to 30/09/15	Increase / (Decrease)
	Cents per unit		%
Distribution per unit ("DPU")			
For the quarter from 1 July to 30 September [1]	1.30	1.31	(0.8%)
Annualised (based on the three months ended 30 September)	5.17	5.20	(0.6%)

Footnote:

(1) The computation of DPU for the quarter ended 30 September 2016 is based on total number of units entitled to the distributable income for the period from 1 July 2016 to 30 September 2016 of 2,181,204,435.

DISTRIBUTION DETAILS

Distribution period	1 July 2016 to 30 September 2016
Distribution amount to Unitholders	1.30 cents per unit
Books closure date	7 November 2016
Payment date	29 November 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 (1Q FY16/17 vs 1Q FY15/16)

	Notes	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %	Trust 01/07/16 to 30/09/16 S$'000	Trust 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**55,259**	**56,774**	**(2.7%)**	**35,001**	**34,120**	**2.6%**
Maintenance and sinking fund contributions		(1,764)	(1,773)	(0.5%)	(1,732)	(1,732)	-
Property management fees	(b)	(1,613)	(1,661)	(2.9%)	(1,055)	(1,033)	2.1%
Property tax	(c)	(5,234)	(5,062)	3.4%	(3,269)	(3,201)	2.1%
Other property expenses	(d)	(3,759)	(4,658)	(19.3%)	(887)	(1,274)	(30.4%)
Property expenses		**(12,370)**	**(13,154)**	**(6.0%)**	**(6,943)**	**(7,240)**	**(4.1%)**
Net property income		**42,889**	**43,620**	**(1.7%)**	**28,058**	**26,880**	**4.4%**
Finance income	(e)	254	192	32.3%	10	9	11.1%
Interest income from subsidiaries		-	-	-	1,434	1,402	2.3%
Dividend income from subsidiaries		-	-	-	15,949	4,762	234.9%
Fair value adjustment on security deposits	(f)	(16)	(194)	(91.8%)	43	(116)	NM
Management fees	(g)	(4,080)	(4,005)	1.9%	(3,840)	(3,759)	2.2%
Trust expenses	(h)	(858)	(882)	(2.7%)	(907)	(841)	7.8%
Finance expenses	(i)	(9,501)	(9,632)	(1.4%)	(5,975)	(6,078)	(1.7%)
Non property (expenses)/income		**(14,201)**	**(14,521)**	**(2.2%)**	**6,714**	**(4,621)**	**NM**
Net income before tax		**28,688**	**29,099**	**(1.4%)**	**34,772**	**22,259**	**56.2%**
Change in fair value of derivative instruments	(j)	(1,123)	3,165	NM	(861)	4,313	NM
Foreign exchange (loss)/gain	(k)	(2,133)	(5,154)	(58.6%)	3,261	(6,088)	NM
Total return for the period before tax and distribution		**25,432**	**27,110**	**(6.2%)**	**37,172**	**20,484**	**81.5%**
Income tax	(l)	(311)	(877)	(64.5%)	-	-	-
Total return for the period after tax, before distribution		**25,121**	**26,233**	**(4.2%)**	**37,172**	**20,484**	**81.5%**
Non-tax (chargeable)/deductible items and other adjustments	(m)	4,332	3,812	13.6%	(7,719)	9,561	NM
Income available for distribution		**29,453**	**30,045**	**(2.0%)**	**29,453**	**30,045**	**(2.0%)**

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 Australia, China and Japan Properties, partially offset by higher contributions from Singapore and Malaysia Properties. Approximately 37% (1Q FY15/16: 40%) of total gross revenue for the three months ended 30 September 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.

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

(e) Represents interest income from bank deposits and current accounts for the three months ended 30 September 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 Australia Properties, as well as China and Japan Properties, partially offset by higher expenses incurred by the Trust for the three months ended 30 September 2016.

(i) Finance expenses were lower for the current quarter mainly in line with lower interest costs incurred on the existing borrowings for the three months ended 30 September 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 30 September 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 30 September 2016.

(l) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease in income tax expense was mainly attributed to lower withholding tax provision for the Australia Properties as well as lower corporate tax and withholding tax provisions for Renhe Spring Zongbei Property.

(m) See details in the distribution statement below.

Distribution Statement (1Q FY16/17 vs 1Q FY15/16)

	Notes	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %	Trust 01/07/16 to 30/09/16 S$'000	Trust 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**25,121**	**26,233**	**(4.2%)**	**37,172**	**20,484**	**81.5%**
Non-tax (chargeable)/deductible items and other adjustments:		4,332	3,812	13.6%	(7,719)	9,561	NM
Finance costs	(n)	228	232	(1.7%)	514	538	(4.5%)
Sinking fund contribution		452	452	-	452	452	-
Depreciation		71	71	-	71	71	-
Change in fair value of derivative instruments		1,123	(3,165)	NM	861	(4,313)	NM
Deferred income tax		40	44	(9.1%)	-	-	-
Foreign exchange loss/(gain)		2,098	5,232	(59.9%)	(3,261)	6,088	NM
Fair value adjustment on security deposits		16	194	(91.8%)	(43)	116	NM
Other items	(o)	304	752	(59.6%)	541	753	(28.2%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	(6,854)	5,856	NM
Income available for distribution		**29,453**	**30,045**	**(2.0%)**	**29,453**	**30,045**	**(2.0%)**
Income to be distributed to Unitholders	(p)	**28,356**	**28,574**	**(0.8%)**	**28,356**	**28,574**	**(0.8%)**

Footnotes:

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

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

(p) Approximately S$1.1 million of income available for distribution for the three months ended 30 September 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 30 September 2016

	Notes	Group 30/09/16 S$'000	Group 30/06/16 S$'000	Trust 30/09/16 S$'000	Trust 30/06/16 S$'000
Non-current assets					
Investment properties	(a)	3,152,409	3,136,604	2,141,178	2,141,000
Plant and equipment		300	446	71	141
Interests in subsidiaries		-	-	650,637	651,509
Derivative financial instruments	(b)	214	332	214	330
Trade and other receivables	(c)	2,058	1,759	1,128	1,266
		3,154,981	**3,139,141**	**2,793,228**	**2,794,246**
Current assets					
Derivative financial instruments	(b)	89	140	89	140
Trade and other receivables	(c)	6,241	5,926	18,949	5,655
Cash and cash equivalents	(d)	79,276	76,953	14,512	11,740
		85,606	**83,019**	**33,550**	**17,535**
Total assets		**3,240,587**	**3,222,160**	**2,826,778**	**2,811,781**
Non-current liabilities					
Trade and other payables	(e)	23,894	24,999	18,807	19,782
Derivative financial instruments	(b)	5,868	4,747	3,107	2,393
Deferred tax liabilities	(f)	9,853	9,737	-	-
Borrowings	(g)	1,125,929	1,107,521	792,459	790,124
		1,165,544	**1,147,004**	**814,373**	**812,299**
Current liabilities					
Trade and other payables	(e)	39,472	39,544	25,645	25,962
Derivative financial instruments	(b)	228	22	228	22
Income tax payable		2,312	2,641	-	-
Borrowings	(g)	9,000	15,398	9,000	5,000
		51,012	**57,605**	**34,873**	**30,984**
Total liabilities		**1,216,556**	**1,204,609**	**849,246**	**843,283**
Net assets		**2,024,031**	**2,017,551**	**1,977,532**	**1,968,498**
Represented by:					
Unitholders' funds		2,024,031	2,017,551	1,977,532	1,968,498
		2,024,031	**2,017,551**	**1,977,532**	**1,968,498**

Footnotes:

(a) Investment properties increased mainly due to the net movement in foreign currencies in relation to overseas properties and capital expenditure incurred during the current period.

(b) Derivative financial instruments as at 30 September 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 decrease 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.

(c) The net increase in trade and other receivables was mainly due to higher prepayments and other receivables for Australia and Malaysia Properties, partially offset by decrease in net rent arrears for Australia and Singapore Properties.

(d) 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.

(e) 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, Singapore and Malaysia Properties.

(f) 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.

(g) Borrowings include S$500 million term loans, S$9 million revolving credit facilities ("RCF"), JPY5.2 billion (S$70.3 million) term loan, S$225 million Singapore MTNs, JPY0.8 billion (S$10.8 million) Japan bond (classified as current liability as at 30 June 2016), A$208 million (S$216.0 million) term loans and RM327.3 million (S$107.8 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings. The net increase in total borrowings was mainly due to the net drawdown of short-term RCF by S$4 million, as well as the net movement in foreign currencies.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/09/16 S$'000	Group 30/06/16 S$'000	Trust 30/09/16 S$'000	Trust 30/06/16 S$'000
Secured borrowings	(a)				
Amount repayable after one year		323,844	318,069	-	-
		323,844	**318,069**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		9,000	15,507	9,000	5,000
Amount repayable after one year		806,096	793,297	795,283	793,297
Total borrowings		**1,138,940**	**1,126,873**	**804,283**	**798,297**
Less: Unamortised loan acquisition expenses		(4,011)	(3,954)	(2,824)	(3,173)
Total borrowings		**1,134,929**	**1,122,919**	**801,459**	**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 RM327.3 million (S$107.8 million) as at 30 September 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$216.0 million) as at 30 September 2016, comprising:
(i) A$63 million (S$65.4 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$150.6 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 30 September 2016, 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.

In October 2016, the Group issued S$70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") under its S$2 billion Multicurrency MTN Programme and rated at "BBB+" by Standard & Poor's Rating Services. The Series 004 Notes will mature in October 2026 and will bear a fixed interest of 3.14% per annum payable semi-annually in arrear. The net proceeds will be used to refinance existing borrowings of the Group, meet capital expenditure requirements and/or for working capital purposes.

As at 30 September 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 S$250 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 30 September 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 JPY5.2 billion (S$70.3 million) (maturing in July 2020) with two banks.

As at 30 September 2016, the Group has drawn down S$9 million from its other unsecured RCF.

In August 2016, the Group issued new five-year Japan bond of JPY0.8 billion (S$10.8 million), maturing in August 2021 ("Series 3 Bonds"). The proceeds of issuance were used to redeem the Series 2 Bonds of JPY0.8 billion ahead of its maturity in November 2016. 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 (1Q FY16/17 vs 1Q FY15/16)

	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000
Operating activities		
Total return for the period before tax and distribution	25,432	27,110
Adjustments for:		
Finance income	(254)	(192)
Fair value adjustment on security deposits	16	194
Depreciation	148	161
Finance expenses	9,501	9,632
Change in fair value of derivative instruments	1,123	(3,165)
Foreign exchange loss	2,133	5,154
Operating income before working capital changes	38,099	38,894
Changes in working capital:		
Trade and other receivables	(618)	(1,639)
Trade and other payables	(1,521)	3,720
Income tax paid	(666)	(693)
Cash generated from operating activities	**35,294**	**40,282**
Investing activities		
Capital expenditure on investment properties	(1,511)	(956)
Purchase of plant and equipment	-	(1)
Interest received on deposits	257	203
Cash flows used in investing activities	**(1,254)**	**(754)**
Financing activities		
Borrowing costs paid	(9,094)	(10,489)
Proceeds from borrowings [(1)]	27,577	224,647
Repayment of borrowings [(1)]	(23,577)	(220,647)
Distributions paid to Unitholders	(28,138)	(28,138)
Cash flows used in financing activities	**(33,232)**	**(34,627)**
Net increase in cash and cash equivalents	**808**	**4,901**
Cash and cash equivalents at the beginning of the period	76,953	51,571
Effects of exchange rate differences on cash	1,515	34
Cash and cash equivalents at the end of the period	**79,276**	**56,506**

Footnote:

(1) The movement during the current period ended 30 September 2016 relates mainly to the drawdown of S$17 million RCF as well as JPY0.8 billion new Series 3 Bonds which was used to fully redeem the Series 2 Bonds of JPY0.8 billion in August 2016. The repayment includes the settlement of short-term RCF by S$13 million during the current period.

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

	Notes	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000	Trust 01/07/16 to 30/09/16 S$'000	Trust 01/07/15 to 30/09/15 S$'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)	25,121	26,233	37,172	20,484
Increase in Unitholders' funds resulting from operations		**25,121**	**26,233**	**37,172**	**20,484**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		4,103	(27,285)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		5,394	(934)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	(b)	**9,497**	**(28,219)**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(28,138)	(28,138)	(28,138)	(28,138)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(28,138)**	**(28,138)**	**(28,138)**	**(28,138)**
Unitholders' funds at the end of the period		**2,024,031**	**1,952,667**	**1,977,532**	**1,958,835**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 30 September 2016, includes a loss in the fair value of derivative instruments of S$1.1 million (1Q FY15/16: gain of S$3.2 million) and a net foreign exchange loss of S$2.1 million (1Q FY15/16: S$5.2 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 01/07/16 to 30/09/16 Units	Group and Trust 01/07/15 to 30/09/15 Units
Issued units at the beginning of the period		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**

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 30 September 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 30 September 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 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000
Total return for the period after tax, before distribution		25,121	26,233
EPU - Basic and Diluted			
Weighted average number of units	(a)	2,181,204,435	2,181,204,435
Earnings per unit (cents)	(b)	1.15	1.20
DPU			
Number of units issued at end of period	(c)	2,181,204,435	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		1.30	1.31

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 ended 30 September 2016 are used and have been calculated on a time-weighted basis.

(b) The earnings per unit for the three months ended 30 September 2016, includes a loss in the fair value of derivative instruments of S$1.1 million (1Q FY15/16: gain of S$3.2 million) and a net foreign exchange loss of S$2.1 million (1Q FY15/16: S$5.2 million).The diluted EPU is the same as basic EPU.

(c) The computation of DPU for the three months ended 30 September 2016 is based on number of units in issue as at 30 September 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 30/09/16	Group 30/06/16	Trust 30/09/16	Trust 30/06/16
NAV/NTA per unit (S$) based on:					
- units issued at the end of the period	(a)	0.93	0.92	0.91	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 30 September 2016 and 30 June 2016.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(1Q FY16/17 vs 1Q FY15/16)

	Group 01/07/16 to 30/09/16 S$'000	Group 01/07/15 to 30/09/15 S$'000	Increase / (Decrease) %
Gross revenue	**55,259**	**56,774**	**(2.7%)**
Property expenses	(12,370)	(13,154)	(6.0%)
Net property income	**42,889**	**43,620**	**(1.7%)**
Non property expenses	(14,201)	(14,521)	(2.2%)
Net income before tax	**28,688**	**29,099**	**(1.4%)**
Change in fair value of derivative instruments	(1,123)	3,165	NM
Foreign exchange loss	(2,133)	(5,154)	(58.6%)
Total return for the period before tax and distribution	**25,432**	**27,110**	(6.2%)
Income tax	(311)	(877)	(64.5%)
Total return for the period after tax, before distribution	**25,121**	**26,233**	**(4.2%)**
Non-tax deductible/(chargeable) items and other adjustments	4,332	3,812	13.6%
Income available for distribution	**29,453**	**30,045**	**(2.0%)**
Income to be distributed to Unitholders	**28,356**	**28,574**	**(0.8%)**

Revenue for the Group in 1Q FY16/17 was S$55.3 million, representing a decrease of 2.7% over 1Q FY15/16. Net property income ("NPI") for the Group was S$42.9 million, representing a decrease of 1.7% over 1Q FY15/16. The higher contributions from Singapore and Malaysia Properties mitigated the lower contributions from Australia, China and Japan Properties.

Singapore Properties contributed 63.4% of total revenue, or S$35.0 million in 1Q FY16/17, an increase of 2.6% from 1Q FY15/16. NPI for 1Q FY16/17 was S$28.1 million, 4.4% higher than in 1Q FY15/16, mainly due to the increase in the base rent from the Toshin master lease at Ngee Ann City Property 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.

Australia Properties contributed 21.2% of total revenue, or S$11.7 million in 1Q FY16/17, 10.0% lower than in 1Q FY15/16. NPI for 1Q FY16/17 was S$7.5 million, 13.2% lower than in 1Q FY15/16, 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 enhancement works.

Malaysia Properties contributed 12.7% of total revenue, or S$7.0 million in 1Q FY16/17, 7.7% higher than in 1Q FY15/16. NPI for 1Q FY16/17 was S$6.8 million, an increase of 8.1% from 1Q FY15/16, mainly due to extension of master leases at higher rental rates from June 2016.

China and Japan Properties contributed 2.7% of total revenue, or S$1.5 million in 1Q FY16/17, 51.5% lower than in 1Q FY15/16. NPI for 1Q FY16/17 was S$0.6 million, 68.7% lower than in 1Q FY15/16, mainly in line with the weaker performance of 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$14.2 million in 1Q FY16/17, 2.2% lower than in 1Q FY15/16, mainly due to lower borrowing costs and the change in fair value adjustment on security deposits.

The loss on derivative instruments for 1Q 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 loss in 1Q FY16/17 arose mainly from the unrealised foreign exchange loss on the translation of JPY term loan, and realised foreign exchange differences from the settlement of forward contracts.

The decrease in tax expense for 1Q FY16/17 was mainly attributed to lower withholding tax provision for the Australia Properties as well as lower corporate tax and withholding tax provisions for Renhe Spring Zongbei Property.

Income available for distribution for 1Q FY16/17 were S$29.5 million, being 2.0% lower than the corresponding period. Income to be distributed to Unitholders is S$28.4 million, being 0.8% lower 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 advance estimates, the Singapore economy grew 0.6% year-on-year ("y-o-y") in 3Q 2016[1]. Retail sentiment remains weak with the retail sales index (excluding motor vehicle sales) declining 6.5% y-o-y in August 2016[2]. On a positive note, for the eight months to August 2016, international visitor arrivals rose 10.3% y-o-y to 11.3 million led largely by its top markets, China, Indonesia and India[3]. For the first quarter of 2016, while international visitor arrivals rose 14% y-o-y, tourism receipts grew by 2% y-o-y as the fall in entertainment and gaming was mitigated by increased spend on shopping, accommodation and food and beverage[4].

The Australian retail sector continues to be supported by record low interest rates and lower unemployment. For the twelve months to August 2016, retail sales in South Australia recorded a 3.5% y-o-y growth while Western Australia recorded a 1.1% y-o-y growth in seasonally-adjusted terms[5]. For Perth, Hennes & Mauritz's (H&M) first CBD store is scheduled to open in November 2016, within the vicinity of Topshop and Zara along Murray Street Mall while British streetwear brand Superdry will open its first store in Perth at the ground floor of David Jones Building, owned by Starhill Global REIT, along Hay Street in the last quarter of 2016.

In the second quarter of 2016, Malaysia's economy grew at a moderate pace of 4.0%, supported by the resilient growth in the services, manufacturing and construction industries offsetting the decline in exports[6]. The Government's 2017 Budget estimated that the real growth for 2017 is expected to edge up moderately to between 4.0% and 5.0%[7]. Retail sales for the second quarter of 2016 recorded a 7.5% growth, below market expectations of 9.9%[8]. The retail outlook is expected to remain soft as Retail Group Malaysia projects retail sales growth rate in 2016 to remain at 3.5%, in view of an incoming supply of about 40 malls entering the Greater Kuala Lumpur market by 2020[9].

Based on preliminary readings, China's GDP growth was maintained at 6.7% in 3Q 2016[10]. In Chengdu, retail sales growth moderated to 9.7% in the first half of 2016 compared to 10.9% for the first half of 2015[11] as the ongoing anti-corruption and austerity drive continue to impact the high-end luxury market. Retail sales in Japan declined 2.1% in August 2016 from a year earlier as slow wage growth and weak prospects of recovery weigh on household spending[12].

Outlook for the next 12 months

According to the International Monetary Fund, the global economy is expected to expand 3.1% this year before recovering to 3.4% in 2017, following the United Kingdom's Brexit vote and weaker-than-expected growth in the United States, placing downward pressure on global interest rates[13]. For the East Asia region, growth is expected to remain resilient over the next three years as the World Bank slightly raised its 2016 economic growth forecast to 6.4%, while maintaining growth for 2017 at 6.2%[14]. Notwithstanding a more cautious market and muted economic outlook, Starhill Global REIT's balanced retail mall portfolio in good-to-prime locations across key cities in the Asia Pacific region supported by several long-term leases and master leases will provide income stability with growth potential for its Unitholders.

Starhill Global REIT's core assets are largely based in Singapore, which contributed approximately 63% of its revenue for the three months ended 30 September 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.

While Singapore's leasing climate remains challenging as weak performance and ongoing structural changes in the retail market continue to weigh on occupier demand, rents in prime Orchard Road declined at a slower pace[15]. With low international brand penetration rates in Australia relative to other developed nations, brand entry is expected to remain healthy[16], and Starhill Global REIT's city-centre locations should benefit from the entry of new international retailers.

A new anchor tenant has been secured for Plaza Arcade and approval from the local authorities has been obtained. Work is scheduled to commence in mid-2017 and arrangement for vacant possession of affected tenants is in progress. The asset redevelopment is expected to complete by the first quarter of 2018.

Chengdu's retail landscape continues to be challenged by new supply of 900,000 square metres in the second half of 2016[17]. Given the macro environment, Renhe Spring Zongbei Property has secured a new long-term tenancy incorporating a fixed rent lease structure so as to stabilise income. Existing tenants will be phased out progressively. Handover is expected in early 2017. The NPI contribution from China assuming the average rental under the new long-term tenancy on a stabilised basis is approximately 1% of the Group's NPI on a pro forma historical FY 2015/16 basis*. The asset redevelopment in Plaza Arcade and the tenant transition for the China mall will impact the rental revenue until completion.

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.

<u>Sources</u>

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2. Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 14 October 2016
3. Singapore Tourism Board, International Visitor Arrivals 2016, 21 October 2016
4. Singapore Tourism Board, Tourism Sector Performance for Q1 2016, 1 September 2016
5. Australia Bureau of Statistics
6. Bank Negara Malaysia, Economic and Financial Developments in Malaysia in Second Quarter of 2016, 12 August 2016
7. Bank Negara Malaysia, The 2017 Budget Speech, "Ensuring Unity and Economic Growth, Inclusive Prudent Spending, Wellbeing of the Rakyat", 21 October 2016
8. The Star, Retail Industry Rewards 7.5% Sales Growth in Q2, 30 August 2016
9. The Star, Retail Pick-up Expected in Q4, 1 October 2016
10. National Bureau Statistics of China
11. Chengdu Bureau of Statistics
12. Japan Today, Japan's August Retail Sales Dip Renews Pressure on Policymakers, 30 September 2016
13. International Monetary Fund, World Economic Outlook Update, Subdued Demand: Symptoms and Remedies October 2016,
14. World Bank, East Asia Pacific Economic Update, Reducing Vulnerabilities, October 2016
15. CBRE MarketView Singapore, 3Q 2016
16. CBRE Viewpoint, Pacific Retail – International Brands Driving Change, October 2016
17. Savills, Retail Sector Briefing, Chengdu, July 2016

*Assuming that the new long-term tenancy commenced on 1 July 2015. The pro forma financial effects are strictly for illustrative purposes.

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 July 2016 to 30 September 2016 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 July 2016 to 30 September 2016
	Cents
Taxable income component	1.0600
Tax-exempt income component	0.1400
Capital component	0.1000
Total	**1.3000**

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 July 2015 to 30 September 2015 (“Unitholders’ Distribution”)

Distribution rate:

	Unitholders’ Distribution
	For the period from 1 July 2015 to 30 September 2015
	Cents
Taxable income component	1.0000
Tax-exempt income component	0.1400
Capital component	0.1700
Total	**1.3100**

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.

(c) Date payable: 29 November 2016

(d) Books Closure Date: 7 November 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 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 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 30 September 2016 (comprising the balance sheets as at 30 September 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

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

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
28 October 2016