



**Starhill Global Real Estate Investment Trust  
Financial Statements Announcement  
For the Second Quarter Ended 30 June 2014**

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 (amended and restated on 10 December 2007 and supplemented by a second Supplemental Deed dated 22 April 2010, a third Supplemental Deed dated 7 June 2010 and a fourth Supplemental Deed dated 17 March 2014) 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 April 2014 to 30 June 2014 have not been audited or reviewed by our auditors. In March 2014, Starhill Global REIT has changed its financial year end from 31 December to 30 June. Therefore, the current financial year will be a 18-month period from 1 January 2014 to 30 June 2015.

As at 30 June 2014, 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 Starhill Gallery and 137 strata parcels and two accessory parcels within Lot 10 shopping centre (“Lot 10 Property”) in Kuala Lumpur, Malaysia (collectively the “Malaysia Properties”);
- 100% interest in David Jones Building and Plaza Arcade in Perth, Australia (the “Australia Properties”);
- 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the “Renhe Spring Zongbei Property”); and
- 100% interest in five properties in Tokyo, Japan (the “Japan Properties”).

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %
Gross revenue	48,429	49,128	(1.4%)
Net property income	39,152	39,073	0.2%
Income available for distribution	28,231	26,747	5.5%
Income to be distributed to:			
- Unitholders	26,915	25,623	5.0%
- Convertible preferred units ("CPU") Holder	261	269	(3.0%)
Total income to be distributed	27,176	25,892	5.0%

	Group 01/04/14 to 30/06/14	Group 01/04/13 to 30/06/13	Increase / (Decrease) %
	Cents per unit/CPU		%
<b>Distribution per unit ("DPU")/per CPU</b>			
<u>Unitholders</u>			
For the quarter from 1 April to 30 June <sup>(1)</sup>	1.25	1.19	5.0%
Annualised (based on the three months ended 30 June)	5.01	4.77	5.0%
<u>CPU Holder</u>			
For the quarter from 1 April to 30 June <sup>(2)</sup>	1.28	1.32	(3.0%)
Annualised (based on the three months ended 30 June)	5.14	5.30	(3.0%)

Footnotes:

- <sup>(1)</sup> On 5 July 2013, 152,727,825 CPU were converted into 210,195,189 ordinary units ("Conversion Units"). The computation of DPU for the quarter ended 30 June 2013 was based on total number of units entitled to the distributable income for the period from 1 April 2013 to 30 June 2013 (including the Conversion Units) of 2,153,218,267.
- <sup>(2)</sup> The actual distribution to CPU Holder for the quarter ended 30 June 2014 is 1.2814 cents (quarter ended 30 June 2013: 1.3207 cents) per CPU.

### DISTRIBUTION DETAILS

Distribution period	1 April 2014 to 30 June 2014
Distribution amount to:	
Unitholders	1.25 cents per unit
CPU Holder	1.2814 cents per CPU
Books closure date	6 August 2014
Payment date	28 August 2014

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 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 2014 vs 2Q 2013)

	Notes	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %	Trust 01/04/14 to 30/06/14 S\$'000	Trust 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	(a)	<b>48,429</b>	<b>49,128</b>	<b>(1.4%)</b>	<b>32,427</b>	<b>31,312</b>	<b>3.6%</b>
Maintenance and sinking fund contributions	(b)	(1,773)	(1,651)	7.4%	(1,731)	(1,602)	8.1%
Property management fees	(c)	(1,187)	(1,186)	0.1%	(985)	(935)	5.3%
Property tax	(d)	(4,101)	(3,883)	5.6%	(3,063)	(2,991)	2.4%
Other property expenses	(e)	(2,216)	(3,335)	(33.6%)	(1,001)	(1,481)	(32.4%)
<b>Property expenses</b>		<b>(9,277)</b>	<b>(10,055)</b>	<b>(7.7%)</b>	<b>(6,780)</b>	<b>(7,009)</b>	<b>(3.3%)</b>
<b>Net property income</b>		<b>39,152</b>	<b>39,073</b>	<b>0.2%</b>	<b>25,647</b>	<b>24,303</b>	<b>5.5%</b>
Finance income	(f)	241	133	81.2%	68	6	NM
Dividend income from subsidiaries		-	-	-	9,300	5,664	64.2%
Fair value adjustment on security deposits	(g)	(84)	99	NM	(15)	162	NM
Management fees	(h)	(3,699)	(3,549)	4.2%	(3,427)	(3,262)	5.1%
Trust expenses	(i)	(737)	(835)	(11.7%)	(548)	(653)	(16.1%)
Finance expenses	(j)	(7,834)	(7,571)	3.5%	(3,250)	(2,695)	20.6%
<b>Non property (expenses)/income</b>		<b>(12,113)</b>	<b>(11,723)</b>	<b>3.3%</b>	<b>2,128</b>	<b>(778)</b>	<b>NM</b>
<b>Net income before tax</b>		<b>27,039</b>	<b>27,350</b>	<b>(1.1%)</b>	<b>27,775</b>	<b>23,525</b>	<b>18.1%</b>
Change in fair value of derivative instruments	(k)	(2,615)	5,309	NM	(2,374)	5,218	NM
Unrealised foreign exchange gain/(loss)	(l)	-	-	-	657	(3,638)	NM
<b>Total return for the period before tax and distribution</b>		<b>24,424</b>	<b>32,659</b>	<b>(25.2%)</b>	<b>26,058</b>	<b>25,105</b>	<b>3.8%</b>
Income tax expense	(m)	(778)	(1,069)	(27.2%)	-	-	-
<b>Total return for the period after tax, before distribution</b>		<b>23,646</b>	<b>31,590</b>	<b>(25.1%)</b>	<b>26,058</b>	<b>25,105</b>	<b>3.8%</b>
Non-tax deductible/(chargeable) items and other adjustments	(n)	4,585	(4,843)	NM	2,173	1,642	32.3%
<b>Income available for distribution</b>		<b>28,231</b>	<b>26,747</b>	<b>5.5%</b>	<b>28,231</b>	<b>26,747</b>	<b>5.5%</b>

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 largely attributed to weaker contribution from overseas properties, partially offset by stronger performance of Singapore Properties including the increase in the base rent for Toshin following the renewal of master lease from June 2013. Approximately 33% (2013: 36%) of total gross revenue for the three months ended 30 June 2014 were contributed by the overseas properties.
- (b) The increase in maintenance and sinking fund contributions for the current quarter is mainly attributed to Wisma Atria Property.
- (c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

- (d) Property tax expenses are higher for the current quarter mainly due to higher property taxes accrued for Malaysia Properties and Singapore Properties.
- (e) Other property expenses are lower for the current quarter mainly due lower operating expenses incurred by the Singapore Properties, Japan Properties and Renhe Spring Zongbei Property.
- (f) Represents interest income from bank deposits and current accounts for the three months ended 30 June 2014. The increase is largely in line with the higher fixed deposits placed during the current quarter.
- (g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
- (h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.
- (i) The decrease in trust expenses is mainly due to lower expenses incurred by Trust for the three months ended 30 June 2014.
- (j) Finance expenses are higher for the current quarter mainly due to interest costs accrued for the S\$100 million unsecured MTN which was issued in February 2014, partially offset by lower interest costs incurred on the A\$ term loan for the three months ended 30 June 2014.
- (k) Represents mainly the change in the fair value of interest rate swaps and caps for the three months ended 30 June 2014.
- (l) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the three months ended 30 June 2014.
- (m) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease in tax expense is largely in line with the lower net income of Renhe Spring Zongbei Property for the three months ended 30 June 2014.
- (n) See details in the distribution statement below.

### Distribution Statement (2Q 2014 vs 2Q 2013)

	Notes	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %	Trust 01/04/14 to 30/06/14 S\$'000	Trust 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %
<b>Total return after tax, before distribution</b>		<b>23,646</b>	<b>31,590</b>	<b>(25.1%)</b>	<b>26,058</b>	<b>25,105</b>	<b>3.8%</b>
Non-tax deductible/(chargeable) items:		4,585	(4,843)	NM	2,173	1,642	32.3%
Finance costs	(o)	291	420	(30.7%)	504	744	(32.3%)
Sinking fund contribution		452	387	16.8%	452	387	16.8%
Depreciation		59	-	NM	59	-	NM
Change in fair value of derivative instruments		2,615	(5,309)	NM	2,374	(5,218)	NM
Deferred income tax		34	54	(37.0%)	-	-	-
Unrealised foreign exchange (gain)/loss		-	-	-	(657)	3,638	NM
Fair value adjustment on security deposits		84	(99)	NM	15	(162)	NM
Other items	(p)	1,050	(296)	NM	807	206	291.7%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	(1,381)	2,047	NM
<b>Income available for distribution</b>		<b>28,231</b>	<b>26,747</b>	<b>5.5%</b>	<b>28,231</b>	<b>26,747</b>	<b>5.5%</b>
<b>Income to be distributed to:</b>							
- Unitholders	(q)	26,915	25,623	5.0%	26,915	25,623	5.0%
- CPU Holder	(r)	261	269	(3.0%)	261	269	(3.0%)
<b>Total income to be distributed</b>		<b>27,176</b>	<b>25,892</b>	<b>5.0%</b>	<b>27,176</b>	<b>25,892</b>	<b>5.0%</b>

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

Footnotes:

- (o) Finance costs include mainly amortisation of upfront borrowing costs.
- (p) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs. The variance is largely attributed to straight-line rental adjustments for the Singapore and Malaysia Properties.
- (q) Approximately S\$1.1 million of income available for distribution for the three months ended 30 June 2014 has been retained for working capital requirements.
- (r) Subject to the sole discretion of the Manager, the CPU Holder is entitled to a discretionary, non-cumulative variable S\$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU.

### Statement of Total Return and Distribution (YTD Jun 2014 vs YTD Jun 2013)

	Notes	Group 01/01/14 to 30/06/14 S\$'000	Group 01/01/13 to 30/06/13 S\$'000	Increase / (Decrease) %	Trust 01/01/14 to 30/06/14 S\$'000	Trust 01/01/13 to 30/06/13 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	(a)	<b>97,637</b>	<b>102,762</b>	<b>(5.0%)</b>	<b>65,355</b>	<b>67,606</b>	<b>(3.3%)</b>
Maintenance and sinking fund contributions	(b)	(3,552)	(3,308)	7.4%	(3,463)	(3,204)	8.1%
Property management fees	(c)	(2,406)	(2,576)	(6.6%)	(1,971)	(2,025)	(2.7%)
Property tax	(d)	(8,202)	(8,112)	1.1%	(6,126)	(6,417)	(4.5%)
Other property expenses	(e)	(5,215)	(7,755)	(32.8%)	(2,306)	(3,872)	(40.4%)
<b>Property expenses</b>		<b>(19,375)</b>	<b>(21,751)</b>	<b>(10.9%)</b>	<b>(13,866)</b>	<b>(15,518)</b>	<b>(10.6%)</b>
<b>Net property income</b>		<b>78,262</b>	<b>81,011</b>	<b>(3.4%)</b>	<b>51,489</b>	<b>52,088</b>	<b>(1.1%)</b>
Finance income	(f)	438	254	72.4%	122	10	NM
Dividend income from subsidiaries		-	-	-	9,300	8,423	10.4%
Fair value adjustment on security deposits	(g)	(112)	194	NM	17	319	(94.7%)
Management fees	(h)	(7,361)	(7,056)	4.3%	(6,814)	(6,480)	5.2%
Trust expenses	(i)	(1,443)	(1,498)	(3.7%)	(1,124)	(1,165)	(3.5%)
Finance expenses	(j)	(15,190)	(15,151)	0.3%	(6,129)	(5,752)	6.6%
Gain/(Loss) on divestment of investment property	(k)	364	(300)	NM	-	-	-
<b>Non property expenses</b>		<b>(23,304)</b>	<b>(23,557)</b>	<b>(1.1%)</b>	<b>(4,628)</b>	<b>(4,645)</b>	<b>(0.4%)</b>
<b>Net income before tax</b>		<b>54,958</b>	<b>57,454</b>	<b>(4.3%)</b>	<b>46,861</b>	<b>47,443</b>	<b>(1.2%)</b>
Change in fair value of derivative instruments	(l)	(2,624)	6,171	NM	(2,307)	5,986	NM
Unrealised foreign exchange gain/(loss)	(m)	-	-	-	2,914	(2,153)	NM
<b>Total return for the period before tax and distribution</b>		<b>52,334</b>	<b>63,625</b>	<b>(17.7%)</b>	<b>47,468</b>	<b>51,276</b>	<b>(7.4%)</b>
Income tax expense	(n)	(1,518)	(2,140)	(29.1%)	-	-	-
<b>Total return for the period after tax, before distribution</b>		<b>50,816</b>	<b>61,485</b>	<b>(17.4%)</b>	<b>47,468</b>	<b>51,276</b>	<b>(7.4%)</b>
Non-tax deductible/(chargeable) items and other adjustments	(o)	5,300	(4,944)	NM	8,648	5,265	64.3%
<b>Income available for distribution</b>		<b>56,116</b>	<b>56,541</b>	<b>(0.8%)</b>	<b>56,116</b>	<b>56,541</b>	<b>(0.8%)</b>

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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### 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 largely attributed to the one-time receipt of the accumulated rental arrears in 1Q 2013 from the master tenant Toshin at Ngee Ann City Property for period June 2011 to December 2012, as well as weaker contribution from overseas properties. The decrease was partially offset by stronger performance of Singapore Properties including the increase in the base rent for Toshin following the renewal of master lease from June 2013, and full period contribution from Plaza Arcade. Approximately 33% (2013: 34%) of total gross revenue for the six months ended 30 June 2014 were contributed by the overseas properties.
- (b) The increase in maintenance and sinking fund contributions for the six months ended 30 June 2014 is mainly attributed to Wisma Atria Property.
- (c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property.
- (d) Property tax expenses are higher for the current period mainly due to higher property taxes accrued for Malaysia Properties and full period of expenses from Plaza Arcade, partially offset by lower property tax expenses for the Singapore Properties.
- (e) Other property expenses are lower for the current period mainly due to lower leasing and upkeep expenses for the Singapore Properties and lower operating expenses incurred by the Japan Properties and Renhe Spring Zongbei Property, partially offset by full period of expenses from Plaza Arcade.
- (f) Represents interest income from bank deposits and current accounts for the six months ended 30 June 2014. The increase is largely in line with the higher fixed deposits placed during the current period.
- (g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
- (h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.
- (i) The decrease in trust expenses is mainly due to lower expenses incurred by Trust for the six months ended 30 June 2014.
- (j) Finance expenses are marginally higher for the current period mainly due to interest costs accrued for the S\$100 million unsecured MTN, partially offset by lower interest costs incurred on the Trust's borrowings and A\$ term loan for the six months ended 30 June 2014.
- (k) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Holon L (2013: Roppongi Primo) divested during the current period.
- (l) Represents mainly the change in the fair value of interest rate swaps and caps for the six months ended 30 June 2014.
- (m) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the six months ended 30 June 2014.
- (n) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease in tax expense is largely in line with the lower net income of Renhe Spring Zongbei Property for the six months ended 30 June 2014.
- (o) See details in the distribution statement below.

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### Distribution Statement (YTD Jun 2014 vs YTD Jun 2013)

	Notes	Group 01/01/14 to 30/06/14 S\$'000	Group 01/01/13 to 30/06/13 S\$'000	Increase / (Decrease) %	Trust 01/01/14 to 30/06/14 S\$'000	Trust 01/01/13 to 30/06/13 S\$'000	Increase / (Decrease) %
<b>Total return after tax, before distribution</b>		<b>50,816</b>	<b>61,485</b>	<b>(17.4%)</b>	<b>47,468</b>	<b>51,276</b>	<b>(7.4%)</b>
Non-tax deductible/(chargeable) items:		5,300	(4,944)	NM	8,648	5,265	64.3%
Finance costs	(p)	581	839	(30.8%)	1,004	1,488	(32.5%)
Sinking fund contribution		904	774	16.8%	904	774	16.8%
Depreciation		117	-	NM	117	-	NM
Change in fair value of derivative instruments		2,624	(6,171)	NM	2,307	(5,986)	NM
Deferred income tax		75	107	(29.9%)	-	-	-
Unrealised foreign exchange (gain)/loss		-	-	-	(2,914)	2,153	NM
Fair value adjustment on security deposits		112	(194)	NM	(17)	(319)	(94.7%)
Other items	(q)	887	(299)	NM	1,129	991	13.9%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	6,118	6,164	(0.7%)
<b>Income available for distribution</b>		<b>56,116</b>	<b>56,541</b>	<b>(0.8%)</b>	<b>56,116</b>	<b>56,541</b>	<b>(0.8%)</b>
<b>Income to be distributed to:</b>							
- Unitholders	(r)	53,615	52,242	2.6%	53,615	52,242	2.6%
- CPU Holder(s)	(s)	517	2,531	(79.6%)	517	2,531	(79.6%)
<b>Total income to be distributed</b>		<b>54,132</b>	<b>54,773</b>	<b>(1.2%)</b>	<b>54,132</b>	<b>54,773</b>	<b>(1.2%)</b>

Footnotes:

- (p) Finance costs include mainly amortisation of upfront borrowing costs.
- (q) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs. The variance is largely attributed to straight-line rental adjustments for the Singapore and Malaysia Properties.
- (r) Approximately S\$2.0 million of income available for distribution for the six months ended 30 June 2014 has been retained for working capital requirements.
- (s) Subject to the sole discretion of the Manager, the CPU Holder(s) are entitled to a discretionary, non-cumulative variable S\$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU. Income to be distributed to CPU Holder(s) for the six months ended 30 June 2014 decreased by 79.6% to S\$0.5 million following the CPU conversion into 210,195,189 ordinary units on 5 July 2013.

**Financial Statements Announcement  
For The Second Quarter Ended 30 June 2014**

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

**Balance Sheet as at 30 June 2014**

	Notes	Group 30/06/14 S\$'000	Group 31/12/13 S\$'000	Trust 30/06/14 S\$'000	Trust 31/12/13 S\$'000
<b>Non-current assets</b>					
Investment properties	(a)	2,853,641	2,854,443	2,035,500	2,035,500
Plant and equipment	(b)	1,561	1,234	583	-
Interests in subsidiaries		-	-	573,058	573,748
Intangible asset	(c)	10,388	10,517	-	-
Derivative financial instruments	(d)	985	2,647	700	2,389
Trade and other receivables	(e)	5,127	6,053	3,097	3,533
		<b>2,871,702</b>	<b>2,874,894</b>	<b>2,612,938</b>	<b>2,615,170</b>
<b>Current assets</b>					
Derivative financial instruments	(d)	-	29	-	29
Trade and other receivables	(e)	6,122	10,192	10,824	12,514
Cash and cash equivalents	(f)	84,963	58,038	31,704	14,359
		<b>91,085</b>	<b>68,259</b>	<b>42,528</b>	<b>26,902</b>
<b>Total assets</b>		<b>2,962,787</b>	<b>2,943,153</b>	<b>2,655,466</b>	<b>2,642,072</b>
<b>Non-current liabilities</b>					
Trade and other payables		23,407	23,379	18,062	18,067
Derivative financial instruments	(d)	704	-	704	-
Deferred tax liabilities	(h)	17,951	18,552	-	-
Borrowings	(i)	734,883	792,330	646,344	577,634
		<b>776,945</b>	<b>834,261</b>	<b>665,110</b>	<b>595,701</b>
<b>Current liabilities</b>					
Trade and other payables	(g)	41,434	43,040	28,216	25,596
Derivative financial instruments	(d)	33	-	33	-
Income tax payable		2,040	2,136	-	-
Borrowings	(i)	129,133	53,572	-	52,433
		<b>172,640</b>	<b>98,748</b>	<b>28,249</b>	<b>78,029</b>
<b>Total liabilities</b>		<b>949,585</b>	<b>933,009</b>	<b>693,359</b>	<b>673,730</b>
<b>Net assets</b>		<b>2,013,202</b>	<b>2,010,144</b>	<b>1,962,107</b>	<b>1,968,342</b>
<b>Represented by:</b>					
Unitholders' funds		1,992,822	1,989,764	1,941,727	1,947,962
Convertible preferred units (CPU)	(j)	20,380	20,380	20,380	20,380
		<b>2,013,202</b>	<b>2,010,144</b>	<b>1,962,107</b>	<b>1,968,342</b>



## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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Footnotes:

- (a) Investment properties decreased largely due to the divestment of Holon L, partially offset by the net movement in foreign currencies in relation to overseas properties during the current period.
- (b) The increase in plant and equipment is mainly attributed to Wisma Atria Property, partially offset by depreciation of plant and equipment during the current period.
- (c) Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns Renhe Spring Zongbei Property through its wholly owned subsidiary.
- (d) Derivative financial instruments as at 30 June 2014 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings. The net decrease in derivative assets is mainly due to loss in the fair value of existing interest rate swaps during the current period.
- (e) The decrease in trade and other receivables is mainly due to decrease in outstanding receivables arising from member card sales of Renhe Spring Zongbei Property and receivables for Australia Properties, as well as decrease in straight-line rental adjustments for Malaysia and Singapore Properties.
- (f) The increase in cash and cash equivalents is mainly due to the balance proceeds from the MTN issued in February 2014 and receipt of net proceeds on divestment of Holon L, partially offset by repayment of JPY borrowings, as well as payment of distributions and borrowing costs during the current period.
- (g) The decrease in current portion of trade and other payables is mainly due to settlement of payables for Renhe Spring Zongbei Property, Singapore Properties and Australia Properties, partially offset by increase in rent received in advance for Ngee Ann City Property and interest costs accrued for the S\$100 million unsecured MTN as at 30 June 2014.
- (h) Deferred tax liabilities are mainly in respect of Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value.
- (i) Borrowings include S\$350 million term loans, JPY6.3 billion (S\$77.6 million) term loan, S\$224 million Singapore MTN, JPY1.2 billion (S\$15.4 million) Japan bond, RMB5.6 million (S\$1.1 million) loan payable to a third party in China, A\$63 million (S\$74.0 million) term loan and RM330 million (S\$128.3 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings.

The net increase in total borrowings is mainly due to the issuance of S\$100 million unsecured seven-year Singapore MTN and the net movement in foreign currencies, partially offset by the net repayment of S\$77.5 million of the revolving credit facilities and S\$11.1 million of JPY borrowings during the current period. The increase in the current portion of borrowings is due to RM330 million MTN due in June 2015, which has been classified as current liabilities as at 30 June 2014.

- (j) Represents the value of the remaining 20,334,750 CPU issued at a price of S\$1.00 per CPU, net of direct capitalised costs.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/06/14 S\$'000	Group 31/12/13 S\$'000	Trust 30/06/14 S\$'000	Trust 31/12/13 S\$'000
<b>Secured borrowings</b>	(a)				
Amount repayable within one year		128,304	-	-	-
Amount repayable after one year		73,953	198,431	-	-
		<b>202,257</b>	<b>198,431</b>	-	-
<b>Unsecured borrowings</b>	(b)				
Amount repayable within one year		1,137	53,639	-	52,500
Amount repayable after one year		666,969	600,790	651,578	583,308
<b>Total borrowings</b>		<b>870,363</b>	<b>852,860</b>	<b>651,578</b>	<b>635,808</b>
Less: Unamortised loan acquisition expenses		(6,347)	(6,958)	(5,234)	(5,741)
<b>Total borrowings</b>		<b>864,016</b>	<b>845,902</b>	<b>646,344</b>	<b>630,067</b>

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 (S\$128.3 million) of Malaysia MTN to partially fund the acquisition of the Malaysia Properties. The Malaysia MTN have an expected maturity date of 5 years and legal maturity date of 6.5 years from the issuance date, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

The Group has a term loan of A\$63 million (S\$74.0 million) secured by a fixed and floating charge over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. During the current quarter, the Group has extended the maturity date of the A\$63 million term loan by two more years to June 2019. SG REIT (WA) Trust is wholly owned by the Group.

(b) Unsecured

As at 30 June 2014, the Group has in place 3-year and 5-year unsecured loan facilities with a club of eight banks at inception, comprising:

- (i) outstanding term loans of JPY6.3 billion (S\$77.6 million) and S\$100 million (maturing in September 2016);
- (ii) outstanding term loan of S\$250 million (maturing in September 2018); and
- (iii) S\$250 million revolving credit facilities ("RCF") (maturing in September 2018) including an S\$50 million uncommitted tranche. There is no amount outstanding on the RCF as at 30 June 2014.

The Group issued S\$124 million unsecured five-year Singapore MTN comprised in Series 001 (the "Series 001 Notes") in July 2010 (maturing in July 2015) under its S\$2 billion Multicurrency MTN Programme. The Series 001 Notes bear a fixed rate interest of 3.405% per annum payable semi-annually in arrear and have a rating of "BBB+" by Standard & Poor's Rating Services.

The Group issued S\$100 million unsecured seven-year Singapore MTN comprised in Series 002 (the "Series 002 Notes") (maturing in February 2021) under its S\$2 billion Multicurrency MTN Programme. The Series 002 Notes bear a fixed rate interest of 3.5% per annum payable semi-annually in arrear and have a rating of "BBB+" by Standard & Poor's Rating Services.

The Group has JPY1.2 billion (S\$15.4 million) of Japan bond outstanding as at 30 June 2014, maturing in November 2016 ("Series 2 Bonds"). The bondholders of Series 2 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

The Group has a loan of RMB40.0 million from a third party, which was assumed as part of the acquisition of Renhe Spring Zongbei Property in 2007. The loan is interest-free and repayable in equal and annual instalments, of which six annual instalments of approximately RMB5.7 million each have been repaid as at 30 June 2014. The carrying amount of RMB5.6 million (S\$1.1 million) represents the discounted value of the RMB5.7 million (S\$1.2 million) loan. The final instalment is due in August 2014.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 1(c) Consolidated cash flow statement (2Q 2014 vs 2Q 2013) and (YTD Jun 2014 vs YTD Jun 2013)

	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Group 01/01/14 to 30/06/14 S\$'000	Group 01/01/13 to 30/06/13 S\$'000
<b>Operating activities</b>				
Total return for the period before tax and distribution	24,424	32,659	52,334	63,625
<b>Adjustments for</b>				
Finance income	(241)	(133)	(438)	(254)
Fair value adjustment on security deposits	84	(99)	112	(194)
Depreciation	165	122	335	243
Finance expenses	7,834	7,571	15,190	15,151
(Gain)/loss on divestment of investment property	-	-	(364)	300
Change in fair value of derivative instruments	2,615	(5,309)	2,624	(6,171)
Operating income before working capital changes	34,881	34,811	69,793	72,700
Changes in working capital:				
Trade and other receivables	2,012	1,709	4,989	1,590
Trade and other payables	4,293	(116)	(2,408)	5,562
Income tax paid	(1,141)	(951)	(1,721)	(1,310)
<b>Cash generated from operating activities</b>	<b>40,045</b>	<b>35,453</b>	<b>70,653</b>	<b>78,542</b>
<b>Investing activities</b>				
Net cash outflows on purchase of investment property	-	-	-	(65,221)
Net proceeds on divestment of investment property <sup>(1)</sup>	-	-	12,428	9,068
Capital expenditure on investment properties	(123)	(1,075)	(452)	(2,465)
Purchase of plant and equipment	(2)	(5)	(705)	(15)
Interest received on deposits	253	130	447	251
<b>Cash flows from/(used in) investing activities</b>	<b>128</b>	<b>(950)</b>	<b>11,718</b>	<b>(58,382)</b>
<b>Financing activities</b>				
Borrowing costs paid	(6,778)	(5,805)	(13,636)	(15,072)
Proceeds from borrowings <sup>(2)</sup>	-	600	110,250	40,100
Repayment of borrowings <sup>(2)</sup>	(11,116)	-	(98,866)	(8,578)
Distributions paid to CPU Holder(s)	(256)	(2,262)	(518)	(4,560)
Distributions paid to Unitholders	(26,700)	(26,619)	(53,185)	(48,575)
<b>Cash flows used in financing activities</b>	<b>(44,850)</b>	<b>(34,086)</b>	<b>(55,955)</b>	<b>(36,685)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,677)</b>	<b>417</b>	<b>26,416</b>	<b>(16,525)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>89,341</b>	<b>62,181</b>	<b>58,038</b>	<b>79,376</b>
Effects of exchange rate differences on cash	299	(533)	509	(786)
<b>Cash and cash equivalents at the end of the period</b>	<b>84,963</b>	<b>62,065</b>	<b>84,963</b>	<b>62,065</b>

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

Footnotes:

- (1) Net cash inflows on divestment of Holon L represent the sale proceeds, net of directly attributable costs paid in March 2014.
- (2) The increase is mainly due to the issuance of S\$100 million Series 002 Notes in February 2014, as well as the net repayment of S\$77.5 million revolving credit facilities and JPY0.9 billion (S\$11.1 million) borrowings during the current period.

### 1(d) (i) Statement of movements in Unitholders' Funds (2Q 2014 vs 2Q 2013)

	Notes	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Trust 01/04/14 to 30/06/14 S\$'000	Trust 01/04/13 to 30/06/13 S\$'000
<b>Unitholders' funds at the beginning of the period</b>		1,992,911	1,724,352	1,942,625	1,671,574
<b>Operations</b>					
Change in Unitholders' funds resulting from operations, before distributions	(a)	23,646	31,590	26,058	25,105
<b>Increase in Unitholders' funds resulting from operations</b>		<b>23,646</b>	<b>31,590</b>	<b>26,058</b>	<b>25,105</b>
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		2,564	(8,037)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		657	(3,638)	-	-
<b>Net gain/(loss) recognised directly in Unitholders' funds</b>	(b)	<b>3,221</b>	<b>(11,675)</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>					
Distributions to CPU Holder(s)		(256)	(2,262)	(256)	(2,262)
Distributions to Unitholders		(26,700)	(26,619)	(26,700)	(26,619)
<b>Decrease in Unitholders' funds resulting from Unitholders' transactions</b>		<b>(26,956)</b>	<b>(28,881)</b>	<b>(26,956)</b>	<b>(28,881)</b>
<b>Unitholders' funds at the end of the period</b>		<b>1,992,822</b>	<b>1,715,386</b>	<b>1,941,727</b>	<b>1,667,798</b>

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the three months ended 30 June 2014, includes a loss in the fair value of derivative instruments of S\$2.6 million (2013: gain of S\$5.3 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.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 1(d) (i) Statement of movements in Unitholders' Funds (YTD Jun 2014 vs YTD Jun 2013)

	Notes	Group 01/01/14 to 30/06/14 S\$'000	Group 01/01/13 to 30/06/13 S\$'000	Trust 01/01/14 to 30/06/14 S\$'000	Trust 01/01/13 to 30/06/13 S\$'000
<b>Unitholders' funds at the beginning of the period</b>		1,989,764	1,708,618	1,947,962	1,669,657
<b>Operations</b>					
Change in Unitholders' funds resulting from operations, before distributions	(a)	50,816	61,485	47,468	51,276
<b>Increase in Unitholders' funds resulting from operations</b>		<b>50,816</b>	<b>61,485</b>	<b>47,468</b>	<b>51,276</b>
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		3,031	571	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		2,914	(2,153)	-	-
<b>Net gain/(loss) recognised directly in Unitholders' funds</b>	(b)	<b>5,945</b>	<b>(1,582)</b>	-	-
<b>Unitholders' transactions</b>					
Distributions to CPU Holder(s)		(518)	(4,560)	(518)	(4,560)
Distributions to Unitholders		(53,185)	(48,575)	(53,185)	(48,575)
<b>Decrease in Unitholders' funds resulting from Unitholders' transactions</b>		<b>(53,703)</b>	<b>(53,135)</b>	<b>(53,703)</b>	<b>(53,135)</b>
<b>Unitholders' funds at the end of the period</b>		<b>1,992,822</b>	<b>1,715,386</b>	<b>1,941,727</b>	<b>1,667,798</b>

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the six months ended 30 June 2014, includes a loss in the fair value of derivative instruments of S\$2.6 million (2013: gain of S\$6.2 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.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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

	Notes	Group and Trust 01/04/14 to 30/06/14 Units	Group and Trust 01/04/13 to 30/06/13 Units	Group and Trust 01/01/14 to 30/06/14 Units	Group and Trust 01/01/13 to 30/06/13 Units
<b>Issued units at the beginning of the period</b>		2,153,218,267	1,943,023,078	2,153,218,267	1,943,023,078
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
<b>Total issued units at the end of the period</b>		<b>2,153,218,267</b>	<b>1,943,023,078</b>	<b>2,153,218,267</b>	<b>1,943,023,078</b>
<b>Number of units after conversion of CPU on 5 July 2013</b>	(c)	<b>2,153,218,267</b>	<b>2,153,218,267</b>	<b>2,153,218,267</b>	<b>2,153,218,267</b>
<b>Number of units that may be issued on conversion of CPU outstanding</b>	(d)	<b>27,986,168</b>	<b>27,986,168</b>	<b>27,986,168</b>	<b>27,986,168</b>

Footnotes:

- The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the six months ended 30 June 2014.
- Performance fees are calculated for each six-month period ending 30 June and 31 December. There is no performance fee for the six-month period ended 30 June 2014, as the performance is below the benchmark index.
- On 5 July 2013, 152,727,825 CPU were converted into 210,195,189 ordinary units at the conversion price of S\$0.7266 per unit.
- Post CPU conversion on 5 July 2013, there are 20,334,750 CPU outstanding. The CPU Holder has the right to convert the outstanding CPU into units from 28 June 2013 at a conversion price of S\$0.7266 per unit. Any CPU remaining in existence after seven years from the date of issuance of the CPU (28 June 2010) shall be mandatorily converted into units at the conversion price.

### 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 June 2014 and 31 December 2013. 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.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 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 year ended 31 December 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial periods beginning on or after 1 January 2014.

### 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 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000
Total return for the period after tax, before distribution		23,646	31,590
Income to be distributed to CPU Holder		(261)	(269)
Earnings attributable to Unitholders		23,385	31,321
<b>EPU</b>			
<b><u>Basic EPU</u></b>			
Weighted average number of units	(a)	2,153,218,267	1,943,023,078
Earnings per unit (cents)	(b)	1.09	1.61
<b><u>Diluted EPU</u></b>			
Weighted average number of units	(c)	2,181,204,435	2,181,204,436
Earnings per unit on a fully diluted basis (cents)		1.08	1.45
<b>DPU</b>			
Number of units issued at end of period	(d)	2,153,218,267	2,153,218,267
DPU for the period based on the total number of units entitled to distribution (cents)		1.25	1.19

Footnotes:

- For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months ended 30 June 2014 are used and have been calculated on a time-weighted basis.
- The earnings per unit for the three months ended 30 June 2014, includes a loss in the fair value of derivative instruments of S\$2.6 million (2013: gain of S\$5.3 million).
- For the purpose of computing the diluted EPU, the weighted average number of units in issue is adjusted to take into account the full conversion of the CPU outstanding at the period end into 27,986,168 (2013: 238,181,358) ordinary units at the conversion price of S\$0.7266 per unit.
- The computation of DPU for the quarter ended 30 June 2014 is based on total number of units in issue as at 30 June 2014 of 2,153,218,267 (2013: 2,153,218,267 units, which include the conversion of the CPU into 210,195,189 ordinary units on 5 July 2013).

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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

Notes	Group	Group	Trust	Trust
	30/06/14	31/12/13	30/06/14	31/12/13
Net asset value per unit (S\$) based on:				
- units issued at the end of the period (a)	0.93	0.93	0.91	0.91
- units issued at the end of the period, assuming full conversion of CPU outstanding (b)	0.92	0.92	0.90	0.90

Footnotes:

- (a) The number of units used for computation of NAV per unit is 2,153,218,267 which represents the number of units in issue as at 30 June 2014.
- (b) For illustrative purposes, the NAV per unit as at 30 June 2014 assumed full conversion of the 20,334,750 CPU outstanding into 27,986,168 ordinary units as at end of the period.

### 8 Review of the performance

#### Consolidated Statement of Total Return and Distribution (2Q 2014 vs 2Q 2013) and (YTD Jun 2014 vs YTD Jun 2013)

	Group 01/04/14 to 30/06/14 S\$'000	Group 01/04/13 to 30/06/13 S\$'000	Increase / (Decrease) %	Group 01/01/14 to 30/06/14 S\$'000	Group 01/01/13 to 30/06/13 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	<b>48,429</b>	<b>49,128</b>	<b>(1.4%)</b>	<b>97,637</b>	<b>102,762</b>	<b>(5.0%)</b>
Property expenses	(9,277)	(10,055)	(7.7%)	(19,375)	(21,751)	(10.9%)
<b>Net property income</b>	<b>39,152</b>	<b>39,073</b>	<b>0.2%</b>	<b>78,262</b>	<b>81,011</b>	<b>(3.4%)</b>
Non property expenses	(12,113)	(11,723)	3.3%	(23,304)	(23,557)	(1.1%)
<b>Net income before tax</b>	<b>27,039</b>	<b>27,350</b>	<b>(1.1%)</b>	<b>54,958</b>	<b>57,454</b>	<b>(4.3%)</b>
Change in fair value of derivative instruments	(2,615)	5,309	NM	(2,624)	6,171	NM
<b>Total return for the period before tax and distribution</b>	<b>24,424</b>	<b>32,659</b>	<b>(25.2%)</b>	<b>52,334</b>	<b>63,625</b>	<b>(17.7%)</b>
Income tax expense	(778)	(1,069)	(27.2%)	(1,518)	(2,140)	(29.1%)
<b>Total return for the period after tax, before distribution</b>	<b>23,646</b>	<b>31,590</b>	<b>(25.1%)</b>	<b>50,816</b>	<b>61,485</b>	<b>(17.4%)</b>
Non-tax deductible/(chargeable) items and other adjustments	4,585	(4,843)	NM	5,300	(4,944)	NM
<b>Income available for distribution</b>	<b>28,231</b>	<b>26,747</b>	<b>5.5%</b>	<b>56,116</b>	<b>56,541</b>	<b>(0.8%)</b>
<b>Income to be distributed to:</b>						
- Unitholders	26,915	25,623	5.0%	53,615	52,242	2.6%
- CPU Holder(s)	261	269	(3.0%)	517	2,531	(79.6%)
<b>Total income to be distributed</b>	<b>27,176</b>	<b>25,892</b>	<b>5.0%</b>	<b>54,132</b>	<b>54,773</b>	<b>(1.2%)</b>



## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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### 2Q 2014 vs 2Q 2013

Revenue for the Group in 2Q 2014 was S\$48.4 million, 1.4% lower than that achieved in 2Q 2013 mainly due to lower contribution from overseas properties, partially offset by stronger performance of Singapore Properties. Net property income ("NPI") for the Group was higher at S\$39.2 million, representing a marginal increase of 0.2% over 2Q 2013.

Singapore Properties contributed 67.0% of total revenue, or S\$32.4 million in 2Q 2014, 3.6% higher than in 2Q 2013. NPI for 2Q 2014 was S\$25.6 million, 5.5% higher than in 2Q 2013. The stronger performance of Singapore Properties is largely attributed to the positive rental reversion from the renewal of Toshin master lease in June 2013, as well as other new and renewed leases during the current quarter.

Malaysia Properties contributed 15.3% of total revenue, or S\$7.4 million in 2Q 2014. NPI for 2Q 2014 was S\$7.0 million, 6.2% lower than in 2Q 2013, mainly due to depreciation of RM and higher property taxes accrued for the current quarter.

Australia Properties contributed 10.2% of total revenue, or S\$4.9 million in 2Q 2014. NPI for 2Q 2014 was S\$3.9 million, 3.3% lower than in 2Q 2013.

Renhe Spring Zongbei Property in Chengdu, China contributed 5.1% of total revenue, or S\$2.5 million in 2Q 2014, 31.3% lower than in 2Q 2013. NPI for 2Q 2014 was S\$1.5 million, 35.7% lower than in 2Q 2013, mainly due to lower revenue amidst contraction of the high-end and luxury retail segment resulting from government austerity drive and increased competition from new and upcoming retail developments in the city.

Japan Properties contributed 2.4% of total revenue, or S\$1.2 million in 2Q 2014, 16.7% lower than in 2Q 2013. NPI for 2Q 2014 was S\$1.0 million, 21.1% higher than in 2Q 2013, mainly due to reversal of rental arrears provision for the current quarter, partially offset by depreciation of JPY and loss of contribution from divested property.

Non property expenses were S\$12.1 million in 2Q 2014, 3.3% higher than in 2Q 2013, mainly due to higher borrowing costs and management fees, as well as fair value adjustment on security deposits for the current quarter.

The loss on derivative instruments for 2Q 2014 represents mainly the change in the fair value of interest rate swaps and caps entered into for the Singapore borrowings for the current quarter.

The decrease in tax expense in 2Q 2014 is largely in line with the lower net income of Renhe Spring Zongbei Property for the current quarter.

Income available for distribution and income to be distributed to CPU Holder and Unitholders for 2Q 2014 were S\$28.2 million and S\$27.2 million respectively, being 5.5% and 5.0% higher than the corresponding period.

### YTD Jun 2014 vs YTD Jun 2013

Group revenue of S\$97.6 million for the six months ended 30 June 2014 was 5.0% lower than S\$102.8 million achieved in corresponding period, mainly due to one-time receipt of accumulated rental arrears in 1Q 2013 from the master tenant Toshin at Ngee Ann City Property for period June 2011 to December 2012, as well as lower contribution from overseas properties. The decrease is partially offset by stronger performance of Singapore Properties and full period contribution from Plaza Arcade. NPI for the Group decreased by 3.4% to S\$78.3 million for the six months ended 30 June 2014.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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Singapore Properties contributed 66.9% of total revenue, or S\$65.4 million in the current period, 3.3% lower than in corresponding period. NPI decreased marginally by 1.1% to S\$51.5 million for the six months ended June 2014, primarily due to one-time receipt of accumulated rental arrears from Toshin net of expenses in 1Q 2013, partially offset by stronger performance of Singapore Properties including a positive rental reversion from the renewal of Toshin master lease in June 2013.

Malaysia Properties contributed 15.2% of total revenue, or S\$14.8 million in the current period. NPI for the current period was S\$14.0 million, 6.1% lower than in corresponding period, mainly due to depreciation of RM and higher property taxes accrued for the current period.

Australia Properties contributed 10.0% of total revenue, or S\$9.8 million in the current period, 5.8% higher than in corresponding period. NPI for the current period was S\$7.6 million, marginally higher than in corresponding period, mainly due to full period contribution from Plaza Arcade, partially offset by depreciation of A\$.

Renhe Spring Zongbei Property in Chengdu, China contributed 5.4% of total revenue, or S\$5.3 million in the current period, 30.4% lower than in corresponding period. NPI for the current period was S\$3.2 million, 35.0% lower than in corresponding period, largely due to lower revenue amidst contraction of the high-end and luxury retail segment resulting from government austerity drive and increased competition from new and upcoming retail developments in the city.

Japan Properties contributed 2.5% of total revenue, or S\$2.4 million in the current period, 16.4% lower than in corresponding period. NPI for the current period was S\$2.0 million, 15.5% higher than in corresponding period, mainly due to reversal of rental arrears provision for the current period, partially offset by depreciation of JPY and loss of contribution from divested properties.

Non property expenses were S\$23.3 million for the six months ended 30 June 2014, 1.1% lower than in corresponding period.

The loss 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 Singapore borrowings.

The decrease in tax expense is largely in line with the lower net income of Renhe Spring Zongbei Property for the current period.

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the six months ended 30 June 2014 were S\$56.1 million and S\$54.1 million respectively, being 0.8% and 1.2% lower than the corresponding period.

### **9 Variance between forecast and the actual results**

The Trust has not disclosed any forecast to the market.

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

Based on advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 2.1% year-on-year (“y-o-y”) in 2Q 2014 and contracted 0.8% compared to the previous quarter on a seasonally adjusted and annualised basis<sup>1</sup>. The slowdown was mainly attributed to the manufacturing sector, which contracted by 19.4% on a quarter-on-quarter basis<sup>1</sup>.

Retail sales index in Singapore (excluding motor vehicle sales) were flat (+0.1%) y-o-y in May 2014<sup>2</sup>. Tourist arrivals contracted by 4.3% and 6.2% for the months of April and May 2014 respectively over the corresponding period last year<sup>3</sup> partly due to recent regional events<sup>4</sup>.

The Malaysian economy achieved a real GDP growth of 6.2% y-o-y in 1Q 2014<sup>5</sup>, driven by domestic demand<sup>6</sup>. The Malaysian retail industry is expected to expand by 6% for the entire 2014<sup>7</sup> despite the impending introduction of the Goods and Services Tax in April 2015.

The Australian economy moderated as the Federal Budget has affected consumer sentiments, with seasonally-adjusted national retail sales seeing a 0.5% decline in May 2014 compared to the previous month<sup>8</sup>. Retail sales in Western Australia also contracted albeit at a proportionately lower 0.3% over the same period<sup>8</sup>.

In China, economic growth held steady at 7.5% in 2Q 2014 (7.7% in 1Q 2014)<sup>9</sup> after the central government introduced a series of easing measures to boost growth. However, consumer confidence remained fragile with June 2014’s retail sales growth of 12.4% versus 13.3% last year<sup>9</sup>. Between January and June 2014, nationwide retail sales grew 12.1%<sup>9</sup>, moderating from the 13.1% growth achieved for FY 2013. In Chengdu, retail sales between January and May 2014 increased by 12.9% y-o-y against 13.1% growth in FY 2013<sup>10</sup>, in tandem with the growth in retail space supply from 3.3 million square metres in 1Q 2013 to 4.4 million square metres in 1Q 2014<sup>11</sup>.

#### **Outlook for the next 12 months**

IMF projects global growth to strengthen from 3.0% in 2013 to 3.4% in 2014<sup>12</sup>. The Asian Development Bank said that Asia is well-poised to achieve growth rates of 6.2% in 2014 and 6.4% in 2015<sup>13</sup>. Growth in Southeast Asia has been depressed by events in 1H 2014 but is expected to stage a recovery to 5.3% for full year 2014<sup>13</sup>. Against this backdrop, Starhill Global REIT’s balanced retail mall portfolio in good-to-prime locations including several long-term leases and master leases across key cities in Asia Pacific will provide income stability with growth potential for its Unitholders.

Though tight labour conditions continue to limit the expansion plans of existing retailers in Singapore, demand from new-to-market retailers for prime retail spaces on Orchard Road remains healthy<sup>14</sup>. The high-end luxury retail segments in China continue to be impacted by weakened consumer sentiments and austerity measures<sup>15</sup>. Chengdu’s retail landscape is intensified with its large pipeline of new supply over the next few years in the main shopping district.

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.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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### Sources

1. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 2.1 Per Cent in the Second Quarter of 2014, 14 July 2014
2. Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 13 June 2014
3. Singapore Tourism Board, Tourist Arrivals Statistics website
4. \$1-million drive to woo Chinese tourists back to Singapore, The Straits Times, 24 June 2014
5. Department of Statistics, Malaysia
6. Executive Briefing, Scotiabank, July 2014
7. Malaysia's Q2 retail growth seen slower, The Star, 29 April 2014
8. Australia Bureau of Statistics
9. National Bureau Statistics of China
10. Chengdu Bureau of Statistics
11. CBRE, Chengdu Property Market Overview, 1Q 2014
12. International Monetary Fund, World Economic Outlook Update, July 2014
13. Asian Development Outlook Supplement: Stable Growth Outlook for Developing Asia, July 2014
14. CBRE, Asia Pacific Retail Trends, 1Q 2014
15. Tough times for luxury retail in China, CNBC, 19 June 2014

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### 11 Distributions

#### (a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: (1) Distribution to Unitholders for the period from 1 April 2014 to 30 June 2014 (“Unitholders’ Distribution”)  
(2) Distribution to CPU Holder for the period from 1 April 2014 to 30 June 2014 (“CPU Distribution”)

Distribution rate:

	Unitholders’ Distribution	CPU Distribution
	For the period from 1 April 2014 to 30 June 2014	For the period from 1 April 2014 to 30 June 2014
	Cents	Cents
Taxable income component	0.9900	1.0149
Tax-exempt income component	0.1800	0.1845
Capital component	0.0800	0.0820
<b>Total</b>	<b>1.2500</b>	<b>1.2814</b>

Par value of units: Not applicable

Tax rate: Taxable income component

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

Tax-exempt income component

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

Capital component

The capital component of the distribution represents a return of capital to CPU Holder and Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For CPU Holder and 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.

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

### (b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period:

Yes

Name of distribution:

- (1) Distribution to Unitholders for the period from 1 April 2013 to 30 June 2013 (“Unitholders’ Distribution”)  
(2) Distribution to CPU Holder for the period from 1 April 2013 to 30 June 2013 (“CPU Distribution”)

Distribution rate:

	Unitholders’ Distribution	CPU Distribution
	For the period from 1 April 2013 to 30 June 2013	For the period from 1 April 2013 to 31 June 2013
	Cents	Cents
Taxable income component	0.9200	1.0210
Tax-exempt income component	0.2300	0.2553
Capital component	0.0400	0.0444
<b>Total</b>	<b>1.1900</b>	<b>1.3207</b>

Par value of units:

Not applicable

Tax rate:

Taxable income component

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

Tax-exempt income component

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

Capital component

The capital component of the distribution represents a return of capital to CPU Holder and Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For CPU Holder and 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 August 2014

(d) Books Closure Date:

6 August 2014

## Financial Statements Announcement For The Second Quarter Ended 30 June 2014

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

Not applicable

**13 General mandate for interested person transactions**

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

**14 Directors' confirmation**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 30 June 2014 (comprising the balance sheets as at 30 June 2014, 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  
Executive 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 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  
29 July 2014