



**STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST  
FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE THIRD QUARTER ENDED 31 MARCH 2017**

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# Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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## INTRODUCTION

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 January 2017 to 31 March 2017 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 January 2017 to 31 March 2017 (“3Q FY16/17”) as well as the nine months period from 1 July 2016 to 31 March 2017 (“YTD FY16/17”). The comparative figures are in relation to the period from 1 January 2016 to 31 March 2016 (“3Q FY15/16”) as well as the nine months period from 1 July 2015 to 31 March 2016 (“YTD FY15/16”).

As at 31 March 2017, 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”).

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017

	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %
Gross revenue	53,326	53,635	(0.6%)
Net property income	41,221	41,589	(0.9%)
Income available for distribution	27,104	27,958	(3.1%)
Income to be distributed to Unitholders	25,738	27,483	(6.3%)

	Group 01/01/17 to 31/03/17	Group 01/01/16 to 31/03/16	Increase / (Decrease)
	Cents per unit		%
<b>Distribution per unit ("DPU")</b>			
For the quarter from 1 January to 31 March <sup>(1)</sup>	1.18	1.26	(6.3%)
Annualised (based on the three months ended 31 March)	4.79	5.07	(5.5%)

Footnote:

- <sup>(1)</sup> The computation of DPU for the quarter ended 31 March 2017 is based on total number of units entitled to the distributable income for the period from 1 January 2017 to 31 March 2017 of 2,181,204,435.

### DISTRIBUTION DETAILS

Distribution period	1 January 2017 to 31 March 2017
Distribution amount to Unitholders	1.18 cents per unit
Books closure date	8 May 2017
Payment date	30 May 2017

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

#### Statement of Total Return and Distribution (3Q FY16/17 vs 3Q FY15/16)

	Notes	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %	Trust 01/01/17 to 31/03/17 S\$'000	Trust 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	(a)	<b>53,326</b>	<b>53,635</b>	<b>(0.6%)</b>	<b>33,310</b>	<b>33,113</b>	<b>0.6%</b>
Maintenance and sinking fund contributions		(1,760)	(1,761)	(0.1%)	(1,732)	(1,732)	-
Property management fees	(b)	(1,471)	(1,567)	(6.1%)	(1,007)	(1,008)	(0.1%)
Property tax		(5,094)	(5,045)	1.0%	(3,197)	(3,182)	0.5%
Other property expenses	(c)	(3,780)	(3,673)	2.9%	(871)	(824)	5.7%
<b>Property expenses</b>		<b>(12,105)</b>	<b>(12,046)</b>	<b>0.5%</b>	<b>(6,807)</b>	<b>(6,746)</b>	<b>0.9%</b>
<b>Net property income</b>		<b>41,221</b>	<b>41,589</b>	<b>(0.9%)</b>	<b>26,503</b>	<b>26,367</b>	<b>0.5%</b>
Finance income	(d)	264	259	1.9%	100	14	614.3%
Interest income from subsidiaries		-	-	-	1,461	1,405	4.0%
Dividend income from subsidiaries		-	-	-	2,207	-	NM
Fair value adjustment on security deposits	(e)	(54)	(97)	(44.3%)	(2)	(37)	(94.6%)
Management fees	(f)	(3,977)	(3,921)	1.4%	(3,747)	(3,677)	1.9%
Trust expenses	(g)	(907)	(821)	10.5%	(560)	(816)	(31.4%)
Finance expenses	(h)	(9,484)	(10,043)	(5.6%)	(6,056)	(6,047)	0.1%
Loss on divestment of investment property	(i)	-	(87)	(100.0%)	-	-	-
<b>Non property expenses</b>		<b>(14,158)</b>	<b>(14,710)</b>	<b>(3.8%)</b>	<b>(6,597)</b>	<b>(9,158)</b>	<b>(28.0%)</b>
<b>Net income before tax</b>		<b>27,063</b>	<b>26,879</b>	<b>0.7%</b>	<b>19,906</b>	<b>17,209</b>	<b>15.7%</b>
Change in fair value of derivative instruments	(j)	(1,288)	(7,983)	(83.9%)	(1,094)	(8,067)	(86.4%)
Foreign exchange gain/(loss)	(k)	(583)	(1,531)	(61.9%)	303	(684)	NM
<b>Total return for the period before tax and distribution</b>		<b>25,192</b>	<b>17,365</b>	<b>45.1%</b>	<b>19,115</b>	<b>8,458</b>	<b>126.0%</b>
Income tax	(l)	(765)	(147)	420.4%	(165)	-	NM
<b>Total return for the period after tax, before distribution</b>		<b>24,427</b>	<b>17,218</b>	<b>41.9%</b>	<b>18,950</b>	<b>8,458</b>	<b>124.0%</b>
Non-tax (chargeable)/deductible items and other adjustments	(m)	2,677	10,740	(75.1%)	8,154	19,500	(58.2%)
<b>Income available for distribution</b>		<b>27,104</b>	<b>27,958</b>	<b>(3.1%)</b>	<b>27,104</b>	<b>27,958</b>	<b>(3.1%)</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 mainly due to lower contributions from Wisma Atria Property, Ngee Ann City Property (Office), Myer Centre Adelaide, as well as Renhe Spring Zongbei Property, partially offset by higher contributions from Ngee Ann City Property (Retail), David Jones Building and Malaysia Properties. Approximately 37% (3Q FY15/16: 38%) of total gross revenue for the three months ended 31 March 2017 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. The decrease was mainly due to lower fees for Renhe Spring Zongbei Property.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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- (c) Other property expenses were higher for the current quarter mainly due to higher operating expenses at Wisma Atria Property and David Jones Building.
- (d) Represents interest income from bank deposits and current accounts for the three months ended 31 March 2017. The increase was largely in line with the higher fixed deposits placed during the current quarter.
- (e) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
- (f) 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.
- (g) The increase in trust expenses for the Group was mainly due to higher expenses incurred by Australia Properties and Malaysia Properties, partially offset by lower expenses incurred by Singapore Properties for the three months ended 31 March 2017.
- (h) Finance expenses were lower for the current quarter mainly due to full amortisation of the remaining capitalised premium on the interest rate caps in 3Q FY15/16.
- (i) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Roppongi Terzo divested in January 2016. The directly attributable costs include S\$0.2 million which was classified as trust expenses at the Trust level in 3Q FY15/16.
- (j) Represents mainly the change in the fair value of interest rate swaps and caps, as well as foreign exchange forward contracts for the three months ended 31 March 2017.
- (k) Represents mainly the unrealised foreign exchange differences on translation of JPY term loan, as well as realised foreign exchange differences from the settlement of forward contracts for the three months ended 31 March 2017.
- (l) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributed to withholding tax provision for the Malaysia Properties for the three months ended 31 March 2017.
- (m) See details in the distribution statement below.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### Distribution Statement (3Q FY16/17 vs 3Q FY15/16)

	Notes	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %	Trust 01/01/17 to 31/03/17 S\$'000	Trust 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %
<b>Total return after tax, before distribution</b>		<b>24,427</b>	<b>17,218</b>	<b>41.9%</b>	<b>18,950</b>	<b>8,458</b>	<b>124.0%</b>
Non-tax (chargeable)/deductible items and other adjustments:		2,677	10,740	(75.1%)	8,154	19,500	(58.2%)
Finance costs	(n)	198	232	(14.7%)	393	535	(26.5%)
Sinking fund contribution		452	451	0.2%	452	451	0.2%
Depreciation		-	71	(100.0%)	-	71	(100.0%)
Change in fair value of derivative instruments		1,288	7,983	(83.9%)	1,094	8,067	(86.4%)
Deferred income tax		40	43	(7.0%)	-	-	-
Foreign exchange loss/(gain)		629	1,605	(60.8%)	(805)	684	NM
Fair value adjustment on security deposits		54	97	(44.3%)	2	37	(94.6%)
Other items	(o)	16	258	(93.8%)	800	1,047	(23.6%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	6,218	8,608	(27.8%)
<b>Income available for distribution</b>		<b>27,104</b>	<b>27,958</b>	<b>(3.1%)</b>	<b>27,104</b>	<b>27,958</b>	<b>(3.1%)</b>
<b>Income to be distributed to Unitholders</b>	(p)	<b>25,738</b>	<b>27,483</b>	<b>(6.3%)</b>	<b>25,738</b>	<b>27,483</b>	<b>(6.3%)</b>

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, reversal of gross profit from Japan divestment and other non-tax deductible/chargeable costs.
- (p) Approximately S\$1.4 million of income available for distribution for the three months ended 31 March 2017 has been retained for working capital requirements.

# Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

	Notes	Group	Group	Increase / (Decrease) %	Trust	Trust	Increase / (Decrease) %
		01/07/16 to 31/03/17 S\$'000	01/07/15 to 31/03/16 S\$'000		01/07/16 to 31/03/17 S\$'000	01/07/15 to 31/03/16 S\$'000	
<b>Gross revenue</b>	(a)	<b>162,652</b>	<b>166,033</b>	<b>(2.0%)</b>	<b>101,489</b>	<b>101,055</b>	<b>0.4%</b>
Maintenance and sinking fund contributions		(5,285)	(5,305)	(0.4%)	(5,195)	(5,195)	-
Property management fees	(b)	(4,582)	(4,712)	(2.8%)	(3,066)	(3,060)	0.2%
Property tax	(c)	(15,510)	(15,155)	2.3%	(9,632)	(9,551)	0.8%
Other property expenses	(d)	(11,785)	(11,930)	(1.2%)	(2,676)	(2,750)	(2.7%)
<b>Property expenses</b>		<b>(37,162)</b>	<b>(37,102)</b>	<b>0.2%</b>	<b>(20,569)</b>	<b>(20,556)</b>	<b>0.1%</b>
<b>Net property income</b>		<b>125,490</b>	<b>128,931</b>	<b>(2.7%)</b>	<b>80,920</b>	<b>80,499</b>	<b>0.5%</b>
Finance income	(e)	835	647	29.1%	274	37	640.5%
Interest income from subsidiaries		-	-	-	4,368	4,226	3.4%
Dividend income from subsidiaries		-	-	-	20,292	4,762	326.1%
Fair value adjustment on security deposits	(f)	(272)	(480)	(43.3%)	(216)	(290)	(25.5%)
Management fees	(g)	(12,182)	(11,929)	2.1%	(11,477)	(11,199)	2.5%
Trust expenses	(h)	(2,645)	(2,623)	0.8%	(2,178)	(2,390)	(8.9%)
Finance expenses	(i)	(29,381)	(29,319)	0.2%	(18,930)	(18,238)	3.8%
Loss on divestment of investment property	(j)	-	(87)	(100.0%)	-	-	-
<b>Non property expenses</b>		<b>(43,645)</b>	<b>(43,791)</b>	<b>(0.3%)</b>	<b>(7,867)</b>	<b>(23,092)</b>	<b>(65.9%)</b>
<b>Net income before tax</b>		<b>81,845</b>	<b>85,140</b>	<b>(3.9%)</b>	<b>73,053</b>	<b>57,407</b>	<b>27.3%</b>
Change in fair value of derivative instruments	(k)	1,843	(3,826)	NM	636	(3,601)	NM
Foreign exchange gain/(loss)	(l)	2,999	(5,746)	NM	(1,572)	(5,991)	(73.8%)
Change in fair value of investment properties	(m)	(12,906)	-	NM	-	-	-
Impairment loss on investment in subsidiaries	(n)	-	-	-	(9,000)	-	NM
<b>Total return for the period before tax and distribution</b>		<b>73,781</b>	<b>75,568</b>	<b>(2.4%)</b>	<b>63,117</b>	<b>47,815</b>	<b>32.0%</b>
Income tax	(o)	2,071	(1,884)	NM	(165)	-	NM
<b>Total return for the period after tax, before distribution</b>		<b>75,852</b>	<b>73,684</b>	<b>2.9%</b>	<b>62,952</b>	<b>47,815</b>	<b>31.7%</b>
Non-tax (chargeable)/deductible items and other adjustments	(p)	8,203	14,380	(43.0%)	21,103	40,249	(47.6%)
<b>Income available for distribution</b>		<b>84,055</b>	<b>88,064</b>	<b>(4.6%)</b>	<b>84,055</b>	<b>88,064</b>	<b>(4.6%)</b>

Footnotes:

- Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as Myer Centre Adelaide, Plaza Arcade, China and Japan Properties, partially offset by higher contributions from Ngee Ann City Property (Retail), Malaysia Properties and David Jones Building. Approximately 37% (YTD FY15/16: 39%) of total gross revenue for the nine months ended 31 March 2017 were contributed by the overseas properties.
- Property management fees comprise mainly 3.0% per annum of the gross revenue from Singapore Properties and fees paid to external property managers for Japan Properties, Renhe Spring Zongbei Property and Australia Properties. The decrease was mainly due to lower fees for Renhe Spring Zongbei Property.
- Property tax expenses were higher for the current period mainly due to higher property tax expenses for Myer Centre Adelaide and Ngee Ann City Property, partially offset by lower property tax expenses for Wisma Atria Property.
- Other property expenses were lower for the current period mainly due to lower operating expenses at Ngee Ann City Property, Renhe Spring Zongbei Property and Plaza Arcade. The decrease was partially offset by higher operating expenses incurred by David Jones Building and Japan Properties.
- Represents interest income from bank deposits and current accounts for the nine months ended 31 March 2017. The increase was largely in line with the higher fixed deposits placed during the current period.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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- (f) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
  - (g) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property. The increase was in line with the higher average value of the trust property during the current period.
  - (h) The increase in trust expenses for the Group was mainly due to higher expenses incurred by Australia Properties and Malaysia Properties, partially offset by lower expenses incurred by Singapore Properties as well as China and Japan Properties for the nine months ended 31 March 2017.
  - (i) Finance expenses were higher for the current period mainly in line with interest cost incurred on the 10-year S\$70 million Series 004 MTN issued in October 2016 and one-time write off of upfront borrowing costs following the repayment of loans during the nine months ended 31 March 2017, partially offset by full amortisation of the remaining capitalised premium on the interest rate caps in 3Q FY15/16.
  - (j) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Roppongi Terzo divested in January 2016. The directly attributable costs include S\$0.2 million which was classified as trust expenses at the Trust level in YTD FY15/16.
  - (k) Represents mainly the change in the fair value of interest rate swaps and caps, as well as foreign exchange forward contracts for the nine months ended 31 March 2017.
  - (l) Represents mainly the unrealised foreign exchange differences on translation of JPY term loan, as well as realised foreign exchange differences from the settlement of forward contracts for the nine months ended 31 March 2017.
  - (m) In December 2016, the Renhe Spring Zongbei Property was revalued at RMB158 million (S\$32.9 million) by Knight Frank Petty Limited, resulting in a revaluation loss of S\$12.9 million for the Group for the nine months ended 31 March 2017.
  - (n) Represents the impairment loss on the Trust's China investment recorded in December 2016 and determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.
  - (o) Income tax includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The variance was mainly attributed to the deferred tax reversal arising from downward revaluation of Renhe Spring Zongbei Property, as well as lower corporate tax provision for Renhe Spring Zongbei Property and withholding tax provision for Australia Properties, partially offset by withholding tax provision for the Malaysia Properties during the current period.
  - (p) See details in the distribution statement below.



## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

	Notes	Group 01/07/16 to 31/03/17 S\$'000	Group 01/07/15 to 31/03/16 S\$'000	Increase / (Decrease) %	Trust 01/07/16 to 31/03/17 S\$'000	Trust 01/07/15 to 31/03/16 S\$'000	Increase / (Decrease) %
<b>Total return after tax, before distribution</b>		<b>75,852</b>	<b>73,684</b>	<b>2.9%</b>	<b>62,952</b>	<b>47,815</b>	<b>31.7%</b>
Non-tax (chargeable)/deductible items and other adjustments:		8,203	14,380	(43.0%)	21,103	40,249	(47.6%)
Finance costs	(q)	815	696	17.1%	1,851	1,608	15.1%
Sinking fund contribution		1,356	1,356	-	1,356	1,356	-
Depreciation		141	212	(33.5%)	141	212	(33.5%)
Change in fair value of derivative instruments		(1,843)	3,826	NM	(636)	3,601	NM
Change in fair value of investment properties		12,906	-	NM	-	-	-
Deferred income tax		(3,105)	130	NM	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	9,000	-	NM
Foreign exchange (gain)/loss		(2,991)	6,128	NM	1,321	5,991	(78.0%)
Fair value adjustment on security deposits		272	480	(43.3%)	216	290	(25.5%)
Other items	(r)	652	1,552	(58.0%)	2,522	2,372	6.3%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	5,332	24,819	(78.5%)
<b>Income available for distribution</b>		<b>84,055</b>	<b>88,064</b>	<b>(4.6%)</b>	<b>84,055</b>	<b>88,064</b>	<b>(4.6%)</b>
<b>Total income to be distributed</b>	(s)	<b>81,577</b>	<b>84,849</b>	<b>(3.9%)</b>	<b>81,577</b>	<b>84,849</b>	<b>(3.9%)</b>

Footnotes:

- (q) Finance costs include mainly amortisation of upfront borrowing costs.
- (r) Other items include mainly trustee's fee, straight-line rental adjustments, commitment fees, reversal of gross profit from Japan divestment and other non-tax deductible/chargeable costs.
- (s) Approximately S\$2.5 million of income available for distribution for the nine months ended 31 March 2017 has been retained for working capital requirements.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

#### Balance Sheet as at 31 March 2017

	Notes	Group 31/03/17 S\$'000	Group 30/06/16 S\$'000	Trust 31/03/17 S\$'000	Trust 30/06/16 S\$'000
<b>Non-current assets</b>					
Investment properties	(a)	3,135,232	3,136,604	2,141,213	2,141,000
Plant and equipment		32	446	-	141
Interests in subsidiaries	(b)	-	-	615,932	651,509
Derivative financial instruments	(c)	137	332	137	330
Trade and other receivables	(d)	2,377	1,759	1,084	1,266
		<b>3,137,778</b>	<b>3,139,141</b>	<b>2,758,366</b>	<b>2,794,246</b>
<b>Current assets</b>					
Derivative financial instruments	(c)	71	140	71	140
Trade and other receivables	(d)	8,676	5,926	2,901	5,655
Cash and cash equivalents	(e)	72,463	76,953	30,593	11,740
		<b>81,210</b>	<b>83,019</b>	<b>33,565</b>	<b>17,535</b>
<b>Total assets</b>		<b>3,218,988</b>	<b>3,222,160</b>	<b>2,791,931</b>	<b>2,811,781</b>
<b>Non-current liabilities</b>					
Trade and other payables	(f)	22,525	24,999	17,277	19,782
Derivative financial instruments	(c)	3,190	4,747	1,852	2,393
Deferred tax liabilities	(g)	6,699	9,737	-	-
Borrowings	(h)	1,132,982	1,107,521	797,910	790,124
		<b>1,165,396</b>	<b>1,147,004</b>	<b>817,039</b>	<b>812,299</b>
<b>Current liabilities</b>					
Trade and other payables	(f)	39,322	39,544	27,058	25,962
Derivative financial instruments	(c)	361	22	361	22
Income tax payable	(i)	2,012	2,641	-	-
Borrowings	(h)	-	15,398	-	5,000
		<b>41,695</b>	<b>57,605</b>	<b>27,419</b>	<b>30,984</b>
<b>Total liabilities</b>		<b>1,207,091</b>	<b>1,204,609</b>	<b>844,458</b>	<b>843,283</b>
<b>Net assets</b>		<b>2,011,897</b>	<b>2,017,551</b>	<b>1,947,473</b>	<b>1,968,498</b>
<b>Represented by:</b>					
Unitholders' funds		2,011,897	2,017,551	1,947,473	1,968,498
		<b>2,011,897</b>	<b>2,017,551</b>	<b>1,947,473</b>	<b>1,968,498</b>

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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Footnotes:

- (a) Investment properties decreased mainly due to the downward revaluation of Renhe Spring Zongbei Property in December 2016, partially offset by the net strengthening of foreign currencies against the Singapore dollar in relation to overseas properties and capital expenditure incurred during the current period.
- (b) The decrease in the Trust's interests in subsidiaries was mainly due to impairment loss on the Trust's China investment in December 2016, capital redemptions and net movement in foreign currencies during the current period.
- (c) Derivative financial instruments as at 31 March 2017 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings and foreign exchange forward contracts. The net increase in derivative values was mainly due to the change in the fair value of existing S\$ and A\$ interest rate swaps during the current period.
- (d) The net increase in trade and other receivables was mainly due to higher prepayments, other receivables and net rent arrears for Australia Properties as well as higher other receivables for Malaysia Properties, partially offset by decrease in net rent arrears for Singapore Properties, outstanding receivables arising from member card and prepaid card sales of Renhe Spring Zongbei Property as well as straight-line rental adjustment.
- (e) The decrease in cash and cash equivalents was mainly due to payment of distributions and borrowing costs during the current period, partially offset by net movements in borrowings and cash generated from operations.
- (f) The net decrease in trade and other payables was mainly due to recognition of deferred pre-termination compensation previously received for a lease at Wisma Atria Property during the current period as well as settlement of payables for Singapore Properties, China and Japan Properties, partially offset by increase in payables for Australia Properties, security deposits for Renhe Spring Zongbei Property and interest payables for the Group borrowings.
- (g) Deferred tax liabilities are mainly in respect of Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value. The decrease in deferred tax liabilities was mainly due to the downward revaluation of the property in December 2016.
- (h) Borrowings include S\$450 million term loans, JPY4.4 billion (S\$55.0 million) term loan, S\$295 million Singapore MTNs, JPY0.8 billion (S\$10.0 million) Japan bond (classified as current liability as at 30 June 2016), A\$208 million (S\$222.5 million) term loans and RM327.8 million (S\$103.5 million) Malaysia MTN. The net increase in total borrowings was mainly due to the issuance of S\$70 million Series 004 MTN, partially offset by the net repayment of short-term revolving credit facilities ("RCF") of S\$5 million, S\$10.1 million (JPY0.8 billion) of JPY term loan and S\$50 million of term loan during the current period. Please refer to Section 1(b)(ii) for details of the borrowings.
- (i) The decrease in income tax payable was mainly due to lower corporate tax provision for Renhe Spring Zongbei Property and withholding tax provision for Australia Properties.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

Notes	Group	Group	Trust	Trust
	31/03/17	30/06/16	31/03/17	30/06/16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured borrowings</b>	(a)			
Amount repayable after one year	326,034	318,069	-	-
	<b>326,034</b>	<b>318,069</b>	-	-
<b>Unsecured borrowings</b>	(b)			
Amount repayable within one year	-	15,507	-	5,000
Amount repayable after one year	809,990	793,297	799,991	793,297
<b>Total borrowings</b>	<b>1,136,024</b>	<b>1,126,873</b>	<b>799,991</b>	<b>798,297</b>
Less: Unamortised loan acquisition expenses	(3,042)	(3,954)	(2,081)	(3,173)
<b>Total borrowings</b>	<b>1,132,982</b>	<b>1,122,919</b>	<b>797,910</b>	<b>795,124</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 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 RM327.8 million (S\$103.5 million) as at 31 March 2017. 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\$222.5 million) as at 31 March 2017, comprising:

- (i) A\$63 million (S\$67.4 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\$155.1 million) (maturing in May 2018) secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. SG REIT (SA) Sub-Trust2 is wholly owned by the Group.

#### (b) Unsecured

As at 31 March 2017, the Group has outstanding medium term notes of S\$295 million issued under its S\$2 billion Multicurrency MTN Programme and rated at "BBB+" by Standard & Poor's Rating Services, comprising:

- (i) S\$100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (maturing in February 2021) which bear a fixed rate interest of 3.50% per annum payable semi-annually in arrear;
- (ii) S\$125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrear; and
- (iii) S\$70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrear.

As at 31 March 2017, the Group has in place:

- (i) 5-year unsecured loan facilities with a club of eight banks at inception, comprising (a) term loan of balance S\$200 million (maturing in September 2018) and (b) S\$250 million RCF (maturing in September 2018) including a S\$50 million uncommitted tranche. There is no amount outstanding on this RCF as at 31 March 2017.
- (ii) 3-year unsecured term loan facilities of S\$250 million (maturing in June 2018) with four banks.
- (iii) 5-year unsecured term loan facilities of balance JPY4.4 billion (S\$55.0 million) (maturing in July 2020) with two banks.

The Group has JPY0.8 billion (S\$10.0 million) of Japan bond outstanding as at 31 March 2017, maturing in August 2021 ("Series 3 Bonds"). The bondholders of Series 3 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### 1(c) Consolidated cash flow statement (3Q FY16/17 vs 3Q FY15/16) and (YTD FY16/17 vs YTD FY15/16)

	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Group 01/07/16 to 31/03/17 S\$'000	Group 01/07/15 to 31/03/16 S\$'000
<b>Operating activities</b>				
Total return for the period before tax and distribution	25,192	17,365	73,781	75,568
<b>Adjustments for:</b>				
Finance income	(264)	(259)	(835)	(647)
Fair value adjustment on security deposits	54	97	272	480
Depreciation	61	154	358	473
Finance expenses	9,484	10,043	29,381	29,319
Loss on divestment of investment property	-	87	-	87
Plant and equipment written off	80	-	80	-
Change in fair value of derivative instruments	1,288	7,983	(1,843)	3,826
Foreign exchange (gain)/loss	583	1,531	(2,999)	5,746
Change in fair value of investment properties	-	-	12,906	-
Operating income before working capital changes	36,478	37,001	111,101	114,852
Changes in working capital:				
Trade and other receivables	(1,440)	1,780	(3,318)	281
Trade and other payables	(3,096)	(1,104)	(3,855)	4,186
Income tax paid	(719)	(328)	(1,593)	(1,325)
<b>Cash generated from operating activities</b>	<b>31,223</b>	<b>37,349</b>	<b>102,335</b>	<b>117,994</b>
<b>Investing activities</b>				
Net proceeds on divestment of investment property <sup>(1)</sup>	-	29,095	-	29,095
Capital expenditure on investment properties	(368)	(510)	(2,198)	(1,719)
Purchase of plant and equipment	(23)	(8)	(23)	(41)
Interest received on deposits	266	268	785	658
<b>Cash flows (used in)/from investing activities</b>	<b>(125)</b>	<b>28,845</b>	<b>(1,436)</b>	<b>27,993</b>
<b>Financing activities</b>				
Borrowing costs paid	(8,269)	(8,732)	(26,393)	(28,235)
Proceeds from borrowings <sup>(2)</sup>	1,800	9,500	99,377	238,647
Repayment of borrowings <sup>(2)</sup>	(1,800)	(28,301)	(94,490)	(253,448)
Distributions paid to Unitholders	(27,483)	(28,792)	(83,977)	(85,504)
<b>Cash flows used in financing activities</b>	<b>(35,752)</b>	<b>(56,325)</b>	<b>(105,483)</b>	<b>(128,540)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,654)</b>	<b>9,869</b>	<b>(4,584)</b>	<b>17,447</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>76,741</b>	<b>59,557</b>	<b>76,953</b>	<b>51,571</b>
Effects of exchange rate differences on cash	376	911	94	1,319
<b>Cash and cash equivalents at the end of the period</b>	<b>72,463</b>	<b>70,337</b>	<b>72,463</b>	<b>70,337</b>

Footnotes:

- (1) Net cash inflows on divestment of Roppongi Terzo represent the sale proceeds, net of directly attributable costs paid in January 2016.
- (2) The movement during the current period of nine months ended 31 March 2017 relates mainly to the issuance of S\$70 million Series 004 MTN in October 2016, drawdown of S\$18.8 million RCF as well as JPY0.8 billion Series 3 Bonds which was used to fully redeem the Series 2 Bonds of JPY0.8 billion in August 2016. The repayment includes mainly the repayment of S\$50 million and JPY0.8 billion (S\$10.1 million) term loans, as well as the full settlement of short-term RCF by S\$23.8 million during the current period.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### 1(d) (i) Statement of movements in Unitholders' Funds (3Q FY16/17 vs 3Q FY15/16)

	Notes	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Trust 01/01/17 to 31/03/17 S\$'000	Trust 01/01/16 to 31/03/16 S\$'000
<b>Unitholders' funds at the beginning of the period</b>		2,012,569	1,967,219	1,956,006	1,949,134
<b>Operations</b>					
Change in Unitholders' funds resulting from operations, before distributions	(a)	24,427	17,218	18,950	8,458
<b>Increase in Unitholders' funds resulting from operations</b>		<b>24,427</b>	<b>17,218</b>	<b>18,950</b>	<b>8,458</b>
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		1,498	9,377	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		886	847	-	-
<b>Net gain recognised directly in Unitholders' funds</b>	(b)	<b>2,384</b>	<b>10,224</b>	-	-
<b>Unitholders' transactions</b>					
Distributions to Unitholders		(27,483)	(28,792)	(27,483)	(28,792)
<b>Decrease in Unitholders' funds resulting from Unitholders' transactions</b>		<b>(27,483)</b>	<b>(28,792)</b>	<b>(27,483)</b>	<b>(28,792)</b>
<b>Unitholders' funds at the end of the period</b>		<b>2,011,897</b>	<b>1,965,869</b>	<b>1,947,473</b>	<b>1,928,800</b>

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 31 March 2017 includes a loss in the fair value of derivative instruments of S\$1.3 million (3Q FY15/16: S\$8.0 million) and a net foreign exchange loss of S\$0.6 million (3Q FY15/16: S\$1.5 million).
- (b) The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

	Notes	Group	Group	Trust	Trust
		01/07/16 to 31/03/17 S\$'000	01/07/15 to 31/03/16 S\$'000	01/07/16 to 31/03/17 S\$'000	01/07/15 to 31/03/16 S\$'000
<b>Unitholders' funds at the beginning of the period</b>		2,017,551	1,982,791	1,968,498	1,966,489
<b>Operations</b>					
Change in Unitholders' funds resulting from operations, before distributions	(a)	75,852	73,684	62,952	47,815
<b>Increase in Unitholders' funds resulting from operations</b>		<b>75,852</b>	<b>73,684</b>	<b>62,952</b>	<b>47,815</b>
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		7,042	(4,857)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(4,571)	(245)	-	-
<b>Net gain/(loss) recognised directly in Unitholders' funds</b>	(b)	<b>2,471</b>	<b>(5,102)</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>					
Distributions to Unitholders		(83,977)	(85,504)	(83,977)	(85,504)
<b>Decrease in Unitholders' funds resulting from Unitholders' transactions</b>		<b>(83,977)</b>	<b>(85,504)</b>	<b>(83,977)</b>	<b>(85,504)</b>
<b>Unitholders' funds at the end of the period</b>		<b>2,011,897</b>	<b>1,965,869</b>	<b>1,947,473</b>	<b>1,928,800</b>

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the Group for the nine months ended 31 March 2017 includes a loss in the fair value of investment properties of S\$12.9 million (YTD FY15/16: nil), a gain in the fair value of derivative instruments of S\$1.8 million (YTD FY15/16: loss of S\$3.8 million) and a net foreign exchange gain of S\$3.0 million (YTD FY15/16: loss of S\$5.7 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 Third Quarter Ended 31 March 2017

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

	Notes	Group and Trust 01/01/17 to 31/03/17 Units	Group and Trust 01/01/16 to 31/03/16 Units	Group and Trust 01/07/16 to 31/03/17 Units	Group and Trust 01/07/15 to 31/03/16 Units
<b>Issued units at the beginning of the period</b>		2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
<b>Total issued units at the end of the period</b>		<b>2,181,204,435</b>	<b>2,181,204,435</b>	<b>2,181,204,435</b>	<b>2,181,204,435</b>

Footnotes:

- (a) The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the 3 months ended 31 March 2017.
- (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 and subsidiary holdings 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 and subsidiary holdings as at 31 March 2017 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 and subsidiary holdings 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.



## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

	Notes	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Group 01/07/16 to 31/03/17 S\$'000	Group 01/07/15 to 31/03/16 S\$'000
Total return for the period after tax, before distribution		24,427	17,218	75,852	73,684
<b>EPU - Basic and Diluted</b>					
Weighted average number of units	(a)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Earnings per unit (cents)	(b)	1.12	0.79	3.48	3.38
<b>DPU</b>					
Number of units issued at end of period	(c)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		1.18	1.26	3.74	3.89

Footnotes:

- (a) For the purpose of computing the EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months and nine months ended 31 March 2017 are used and have been calculated on a time-weighted basis.
- (b) The earnings per unit for the three months ended 31 March 2017 includes a loss in the fair value of derivative instruments of S\$1.3 million (3Q FY15/16: S\$8.0 million) and a net foreign exchange loss of S\$0.6 million (3Q FY15/16: S\$1.5 million). The diluted EPU is the same as basic EPU.
- The earnings per unit for the nine months ended 31 March 2017 includes a loss in the fair value of investment properties of S\$12.9 million (YTD FY15/16: nil), a gain in the fair value of derivative instruments of S\$1.8 million (YTD FY15/16: loss of S\$3.8 million) and a net foreign exchange gain of S\$3.0 million (YTD FY15/16: loss of S\$5.7 million). The diluted EPU is the same as basic EPU.
- (c) The computation of DPU for the three months ended 31 March 2017 is based on number of units in issue as at 31 March 2017 of 2,181,204,435.

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

	Note	Group 31/03/17	Group 30/06/16	Trust 31/03/17	Trust 30/06/16
NAV/NTA per unit (S\$) based on:					
- units issued at the end of the period	(a)	0.92	0.92	0.89	0.90

Footnote:

- (a) The number of units used for computation of NAV and NTA per unit is 2,181,204,435 which represents the number of units in issue as at 31 March 2017 and 30 June 2016.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### 8 Review of the performance Consolidated Statement of Total Return and Distribution (3Q FY16/17 vs 3Q FY15/16) and (YTD FY16/17 vs YTD FY15/16)

	Group 01/01/17 to 31/03/17 S\$'000	Group 01/01/16 to 31/03/16 S\$'000	Increase / (Decrease) %	Group 01/07/16 to 31/03/17 S\$'000	Group 01/07/15 to 31/03/16 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	<b>53,326</b>	<b>53,635</b>	<b>(0.6%)</b>	<b>162,652</b>	<b>166,033</b>	<b>(2.0%)</b>
Property expenses	(12,105)	(12,046)	0.5%	(37,162)	(37,102)	0.2%
<b>Net property income</b>	<b>41,221</b>	<b>41,589</b>	<b>(0.9%)</b>	<b>125,490</b>	<b>128,931</b>	<b>(2.7%)</b>
Non property expenses	(14,158)	(14,710)	(3.8%)	(43,645)	(43,791)	(0.3%)
<b>Net income before tax</b>	<b>27,063</b>	<b>26,879</b>	<b>0.7%</b>	<b>81,845</b>	<b>85,140</b>	<b>(3.9%)</b>
Change in fair value of derivative instruments	(1,288)	(7,983)	(83.9%)	1,843	(3,826)	NM
Foreign exchange gain/(loss)	(583)	(1,531)	(61.9%)	2,999	(5,746)	NM
Change in fair value of investment properties	-	-	-	(12,906)	-	NM
<b>Total return for the period before tax and distribution</b>	<b>25,192</b>	<b>17,365</b>	<b>45.1%</b>	<b>73,781</b>	<b>75,568</b>	<b>(2.4%)</b>
Income tax	(765)	(147)	420.4%	2,071	(1,884)	NM
<b>Total return for the period after tax, before distribution</b>	<b>24,427</b>	<b>17,218</b>	<b>41.9%</b>	<b>75,852</b>	<b>73,684</b>	<b>2.9%</b>
Non-tax deductible/(chargeable) items and other adjustments	2,677	10,740	(75.1%)	8,203	14,380	(43.0%)
<b>Income available for distribution</b>	<b>27,104</b>	<b>27,958</b>	<b>(3.1%)</b>	<b>84,055</b>	<b>88,064</b>	<b>(4.6%)</b>
<b>Income to be distributed to Unitholders</b>	<b>25,738</b>	<b>27,483</b>	<b>(6.3%)</b>	<b>81,577</b>	<b>84,849</b>	<b>(3.9%)</b>

#### 3Q FY16/17 vs 3Q FY15/16

Revenue for the Group in 3Q FY16/17 was S\$53.3 million, representing a decrease of 0.6% over 3Q FY15/16. Net property income ("NPI") for the Group was S\$41.2 million, representing a decrease of 0.9% over 3Q FY15/16 mainly due to lower contributions from Wisma Atria Property, Ngee Ann City Property (Office), Myer Centre Adelaide and Renhe Spring Zongbei Property, partially offset by stronger performance of Ngee Ann City Property (Retail), Malaysia Properties and David Jones Building.

Singapore Properties contributed 62.5% of total revenue, or S\$33.3 million in 3Q FY16/17, 0.6% higher than in 3Q FY15/16. NPI for 3Q FY16/17 was S\$26.5 million, 0.5% higher than in 3Q FY15/16, mainly due to increase in base rent from the Toshin master lease at Ngee Ann City Property (Retail) from June 2016, partially offset by lower occupancies for Singapore offices and lower average rents at Wisma Atria Property (Retail).

Australia Properties contributed 23.0% of total revenue, or S\$12.3 million in 3Q FY16/17, 1.8% higher than in 3Q FY15/16 mainly due to appreciation of A\$ against S\$. NPI for 3Q FY16/17 was S\$7.9 million, 0.3% lower than in 3Q FY15/16.

Malaysia Properties contributed 12.5% of total revenue, or S\$6.7 million in 3Q FY16/17, 2.7% higher than in 3Q FY15/16. NPI for 3Q FY16/17 was S\$6.5 million, an increase of 3.2% from 3Q FY15/16, mainly due to extension of master leases at higher rental rates from June 2016, partially offset by depreciation of RM against S\$.

China and Japan Properties contributed 2.0% of total revenue, or S\$1.1 million in 3Q FY16/17, 45.7% lower than in 3Q FY15/16. NPI for 3Q FY16/17 was approximately S\$0.4 million, 65.6% lower than in 3Q FY15/16, mainly in line with the mall repositioning at Renhe Spring Zongbei Property. The mall has been handed over to the new long-term tenant and renovation works are expected to start in 4Q FY16/17.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

Non property expenses were S\$14.2 million in 3Q FY16/17, 3.8% lower than in 3Q FY15/16, mainly due to lower borrowing costs.

The loss on derivative instruments for 3Q 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 3Q 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 variance in income tax for 3Q FY16/17 was mainly attributed to withholding tax provision for the Malaysia Properties.

Income available for distribution for 3Q FY16/17 was S\$27.1 million, being 3.1% lower than the corresponding period. Income to be distributed to Unitholders was S\$25.7 million, being 6.3% lower than the corresponding period.

### **YTD FY16/17 vs YTD FY15/16**

Group revenue of S\$162.7 million for the nine months ended 31 March 2017 was 2.0% lower than S\$166.0 million achieved in corresponding period. NPI for the Group was S\$125.5 million, representing a decrease of 2.7% over the corresponding period, mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as Myer Centre Adelaide, Plaza Arcade, China and Japan Properties, partially offset by stronger performance of Ngee Ann City Property (Retail), Malaysia Properties and David Jones Building.

Singapore Properties contributed 62.5% of total revenue, or S\$101.5 million in the current period, 0.4% higher than in corresponding period. NPI increased by 0.5% to S\$80.9 million for the nine months ended 31 March 2017, mainly due to the increase in base rent from Toshin master lease at Ngee Ann City Property (Retail) from June 2016 as well as the recognition of S\$1.9 million pre-termination rental compensation for a lease at Wisma Atria Property which has been filled up, partially offset by lower occupancies for Singapore offices and lower average rents at Wisma Atria Property (Retail).

Australia Properties contributed 22.5% of total revenue, or S\$36.7 million in the current period, 2.9% lower than in corresponding period. NPI was S\$23.7 million, 5.9% lower than in corresponding period, mainly due to lower revenue at Myer Centre Adelaide partly due to vacancies and outgoing adjustments, as well as Plaza Arcade planned redevelopment works, partially offset by stronger performance of David Jones Building and appreciation of A\$ against S\$.

Malaysia Properties contributed 12.6% of total revenue, or S\$20.6 million in the current period, 6.4% higher than in the corresponding period. NPI was S\$19.9 million, 6.8% higher than in corresponding period, mainly due to extension of master leases at higher rental rates from June 2016, partially offset by depreciation of RM against S\$.

China and Japan Properties contributed 2.4% of total revenue, or S\$3.9 million in the current period. NPI was S\$1.0 million, 78.3% lower than in corresponding period, mainly in line with the mall repositioning at Renhe Spring Zongbei Property and depreciation of RMB against S\$, as well as loss of contribution from Roppongi Terzo which was divested in January 2016, partially offset by appreciation of JPY against S\$.

Non property expenses were S\$43.6 million in the current period, 0.3% lower than in corresponding period, mainly due to higher bank interest income earned during the current period and lower fair value adjustment on security deposits, partially offset by higher management fees.

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

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

The change in fair value of investment properties of S\$12.9 million represents the revaluation loss on Renhe Spring Zongbei Property in December 2016.

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

Income available for distribution and income to be distributed to Unitholders for the nine months ended 31 March 2017 were S\$84.1 million and S\$81.6 million respectively, being 4.6% and 3.9% lower than in corresponding period.

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

The Trust has not disclosed any forecast to the market.

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

Based on advance estimates, the Singapore economy grew by 2.5% year-on-year ("y-o-y") in the first quarter of 2017<sup>1</sup>, owing to the robust growth from manufacturing sector and improving outlook of the global economy. The projection for Singapore's growth in 2017 is maintained at 1.0% to 3.0%<sup>2</sup>. Retail sentiment remains soft amid cautious consumer spending as the retail sales index (excluding motor vehicle sales) declined 4.9% y-o-y in February 2017<sup>3</sup>, though this could be due to seasonal effects of Lunar New Year in January 2017 compared to February 2016. International visitor arrivals remain on the uptrend with a 7.7% y-o-y increase for year 2016, followed by a 4.8% y-o-y increase for the month of January 2017<sup>4</sup>. For the nine months to September 2016, tourism receipts rose 13% y-o-y<sup>5</sup>.

For the twelve months to January 2017, retail sales in South Australia recorded a 4.0% y-o-y growth while Western Australia recorded a 0.7% y-o-y growth in seasonally-adjusted terms<sup>6</sup>. Albeit in a lower growth environment, mid-range fashion brands are expected to increasingly contribute to brand entry over the next five years and with a focus on CBD locations<sup>7</sup>, given their broad target market. In March 2017, Hennes & Mauritz (H&M) opened its Perth city store in Perth<sup>8</sup>, while Daiso recently opened its first city store in Myer Centre Adelaide.

The Malaysian economy grew 4.5% in the fourth quarter of 2016<sup>9</sup>. During the quarter, the ringgit depreciated against most major and regional currencies but began to stabilise towards the end of the quarter<sup>9</sup>. For the 2016 calendar year, international tourist arrivals increased 4% to 26.8 million<sup>10</sup>. In the fourth quarter of 2016, retail sentiments remained sluggish with a 0.3% y-o-y growth, and Retail Group Malaysia revised its forecast annual sales growth downwards to 3.9% from the initial 5% forecast for 2017<sup>11</sup>. However, consumer spending is project to recover slowly in the second half of 2017 with the gradual strengthening of the ringgit<sup>12</sup>.

Based on preliminary readings, China's GDP growth was maintained at 6.9% in the first quarter of 2017<sup>13</sup>. For year 2016, retail sales in Chengdu grew 10.1% y-o-y<sup>14</sup>. In Japan, retail sentiments remain cautious as retail sales for February 2017 increased 0.1% y-o-y<sup>15</sup>, while investment interest is seen for quality core assets and stable yields are expected in 2017<sup>16</sup>.

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### Outlook for the next 12 months

According to IMF, global economic activity is picking up and world growth is expected to rise from 3.1% in 2016 to 3.5% in 2017<sup>17</sup>. Asia's growth is projected at 5.7% for 2017 and 2018<sup>18</sup> with support by higher external demand, rebounding global commodity prices and domestic reforms<sup>18</sup>.

In Singapore, while emerging Southeast Asia's rising middle class and household incomes continue to attract international retailers, consumer sentiment and spending remain subdued<sup>19</sup>. While Orchard Road prime rents inched down 2% y-o-y, albeit at a slower pace, the limited supply of prime space in Orchard Road malls will continue to provide support for rents in the area<sup>20</sup>. With tourist arrivals on the uptrend, increased spend in tax free shopping from Chinese globe shoppers paints an encouraging picture for Asia's luxury retail industry in 2017<sup>21</sup>. Singapore Tourism Board is also partnering with government agencies and private sector partners to revitalise the Orchard Road shopping belt with new connectivity and events<sup>22</sup>. For the Singapore office market, cautious sentiment and oversupply continue to pose challenges in the near-term with upcoming vacant space arising from relocation of tenants from older office stock<sup>20</sup>.

Construction works for the asset redevelopment at Plaza Arcade is expected to commence in 4Q FY16/17. The China mall has been handed over to the new long-term tenant and renovations for the property is underway. The asset redevelopment in Plaza Arcade and the mall repositioning in China will continue to impact the rental revenue until completion.

Starhill Global REIT's core assets are largely based in Singapore, which contributed approximately 63% of its revenue for the three months ended 31 March 2017. The impact of the volatility in the foreign currencies, mainly Malaysian Ringgit and Australian Dollar, on its distributions has been partially mitigated by having foreign currency denominated borrowings as a natural hedge, and short-term foreign currency forward contracts.

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

### Sources

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## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

### 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 January 2017 to 31 March 2017 ("Unitholders' Distribution")

Distribution rate:

	<b>Unitholders' Distribution</b>
	<b>For the period from 1 January 2017 to 31 March 2017</b>
	Cents
Taxable income component	0.9600
Tax-exempt income component	0.1500
Capital component	0.0700
<b>Total</b>	<b>1.1800</b>

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.

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### (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 January 2016 to 31 March 2016 ("Unitholders' Distribution")

Distribution rate:

	<b>Unitholders' Distribution</b>
	<b>For the period from 1 January 2016 to 31 March 2016</b>
	Cents
Taxable income component	0.9700
Capital component	0.2900
<b>Total</b>	<b>1.2600</b>

Par value of units:

Not applicable

Tax rate:

Taxable income component

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

Capital component

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

(c) **Date payable:**

30 May 2017

(d) **Books Closure Date:**

8 May 2017

## Financial Statements Announcement For The Third Quarter Ended 31 March 2017

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

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

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

The Manager hereby certifies that in relation to the distribution to the Unitholders of Starhill Global REIT for the quarter ended 31 March 2017:

1. Starhill Global REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period after tax before distribution for the purpose of this certification). The excess is mainly a result of differences between, Financial Reporting Standards and income tax rules, applied to certain items reported in the statement of total return (see details in the distribution statement in section 1(a));
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, Starhill Global REIT will be able to fulfil from its deposited property, its liabilities as and when they fall due.

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

### 16 Directors' confirmation

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 31 March 2017 (comprising the balance sheets as at 31 March 2017, 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



## **Financial Statements Announcement For The Third Quarter Ended 31 March 2017**

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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  
27 April 2017