STARHILL GLOBAL REIT

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018

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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 April 2018 to 30 June 2018 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 April 2018 to 30 June 2018 ("4Q FY17/18") as well as the 12 months period from 1 July 2017 to 30 June 2018 ("FY17/18"). The comparative figures are in relation to the period from 1 April 2017 to 30 June 2017 ("4Q FY16/17") as well as the 12 months period from 1 July 2016 to 30 June 2017 ("FY16/17").

During the quarter ended 30 June 2018, the Group completed the divestment of Nakameguro Place in Tokyo, Japan on 8 May 2018 at a sale price of JPY525.0 million.

As at 30 June 2018, 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 Adelaide and Perth, 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 Chengdu Xin Hong Property (formerly known as Renhe Spring Zongbei Departmental Store) in Chengdu, China (the "China Property") and 100% interest in two properties in Tokyo, Japan (the "Japan Properties") (collectively the "China and Japan Properties").

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018

	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %
Gross revenue	51,635	53,712	(3.9%)	208,814	216,364	(3.5%)
Net property income	40,048	41,398	(3.3%)	162,187	166,888	(2.8%)
Income available for distribution	25,349	26,390	(3.9%)	103,136	110,445	(6.6%)
Income to be distributed to Unitholders	23,775	25,738	(7.6%)	99,244	107,315	(7.5%)

	Group 01/04/18 to 30/06/18	Group 01/04/17 to 30/06/17	Increase / (Decrease)
	Cents per unit		%
Distribution per unit ("DPU")			
For the quarter from 1 April to 30 June [(1)]	1.09	1.18	(7.6%)
Annualised (based on the three months ended 30 June)	4.37	4.73	(7.6%)
For the 12 months ended 30 June	4.55	4.92	(7.5%)

Footnote:

(1) The computation of DPU for the quarter ended 30 June 2018 is based on total number of units entitled to the distributable income for the period from 1 April 2018 to 30 June 2018 of 2,181,204,435.

DISTRIBUTION DETAILS

Distribution period	1 April 2018 to 30 June 2018
Distribution amount to Unitholders	1.09 cents per unit
Books closure date	6 August 2018
Payment date	29 August 2018

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 (4Q FY17/18 vs 4Q FY16/17)

	Notes	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %	Trust 01/04/18 to 30/06/18 S$'000	Trust 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**51,635**	**53,712**	**(3.9%)**	**32,132**	**32,991**	**(2.6%)**
Maintenance and sinking fund contributions		(1,753)	(1,758)	(0.3%)	(1,731)	(1,731)	-
Property management fees	(b)	(1,359)	(1,196)	13.6%	(958)	(994)	(3.6%)
Property tax	(c)	(5,200)	(5,203)	(0.1%)	(3,113)	(3,208)	(3.0%)
Other property expenses	(d)	(3,275)	(4,157)	(21.2%)	(815)	(1,016)	(19.8%)
Property expenses		**(11,587)**	**(12,314)**	**(5.9%)**	**(6,617)**	**(6,949)**	**(4.8%)**
Net property income		**40,048**	**41,398**	**(3.3%)**	**25,515**	**26,042**	**(2.0%)**
Finance income	(e)	221	254	(13.0%)	32	95	(66.3%)
Interest income from subsidiaries		-	-	-	1,463	1,438	1.7%
Dividend income from subsidiaries		-	-	-	6,573	2,479	165.1%
Fair value adjustment on security deposits	(f)	(68)	252	NM	(14)	163	NM
Management fees	(g)	(3,999)	(4,010)	(0.3%)	(3,765)	(3,779)	(0.4%)
Trust expenses	(h)	(971)	(897)	8.2%	(667)	(580)	15.0%
Finance expenses	(i)	(9,273)	(9,549)	(2.9%)	(5,800)	(6,126)	(5.3%)
Non property expenses		**(14,090)**	**(13,950)**	**1.0%**	**(2,178)**	**(6,310)**	**(65.5%)**
Net income before tax		**25,958**	**27,448**	**(5.4%)**	**23,337**	**19,732**	**18.3%**
Change in fair value of derivative instruments	(j)	571	(418)	NM	579	(529)	NM
Foreign exchange gain/(loss)	(k)	32	820	(96.1%)	(107)	(4,230)	(97.5%)
Change in fair value of investment properties	(l)	(22,669)	(3,415)	563.8%	(1,496)	3,493	NM
Gain on divestment of investment property	(m)	1,147	770	49.0%	-	-	-
Impairment loss on investment in subsidiaries	(n)	-	-	-	(1,400)	-	NM
Total return for the period before tax and distribution		**5,039**	**25,205**	**(80.0%)**	**20,913**	**18,466**	**13.3%**
Income tax	(o)	(203)	(803)	(74.7%)	(223)	(240)	(7.1%)
Total return for the period after tax, before distribution		**4,836**	**24,402**	**(80.2%)**	**20,690**	**18,226**	**13.5%**
Non-tax deductible/(chargeable) items and other adjustments	(p)	20,513	1,988	931.8%	4,659	8,164	(42.9%)
Income available for distribution		**25,349**	**26,390**	**(3.9%)**	**25,349**	**26,390**	**(3.9%)**

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 weaker contributions from the office portfolio, lower revenue from Wisma Atria Property (Retail), Myer Centre Adelaide (Retail) and China Property. Approximately 38% (4Q FY16/17: 39%) of total gross revenue for the three months ended 30 June 2018 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 Japan Properties. The increase was mainly due to lower fees for Australia Properties in the comparative quarter, partially offset by lower fees for Singapore Properties during the current quarter.

(c) Property tax expenses were lower for the current quarter mainly due to lower property tax expenses for Singapore Properties, largely offset by higher property tax expenses for the overseas properties.

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

(e) Represents interest income from bank deposits and current accounts for the three months ended 30 June 2018.

(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.

(h) The increase in trust expenses for the Group was mainly due to higher expenses incurred by the Trust, Australia Properties and Malaysia Properties.

(i) Finance expenses were lower for the current quarter mainly due to lower interest costs incurred on the existing borrowings for the three months ended 30 June 2018, including lower interest margins following the refinancing of the S$ term loans in September 2017.

(j) Represents mainly the change in the fair value of interest rate swaps, as well as foreign exchange forward contracts for the three months ended 30 June 2018.

(k) Represents mainly the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts for the Group for the three months ended 30 June 2018.

(l) As at 30 June 2018, the Singapore Properties were revalued at S$2,147.0 million by Savills Valuation and Professional Services (S) Pte Ltd, the Australia Properties were revalued at A$513.0 million (S$516.9 million) by Savills Valuations Pty Ltd and Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, the Malaysia Properties were revalued at RM1,087.1 million (S$367.4 million) by Nawawi Tie Leung Property Consultants Sdn Bhd, the China Property was revalued at RMB145.0 million (S$29.8 million) by Cushman & Wakefield Limited and the Japan Properties were revalued at JPY4,640.0 million (S$57.2 million) by CBRE K.K., resulting in a net revaluation loss totaling S$22.7 million for the Group for the three months ended 30 June 2018.

(m) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018 (May 2017: Harajuku Secondo).

(n) Represents the impairment loss on the Trust's China investment 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 China Property in June 2018.

(p) See details in the distribution statement below.

Distribution Statement (4Q FY17/18 vs 4Q FY16/17)

	Notes	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %	Trust 01/04/18 to 30/06/18 S$'000	Trust 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**4,836**	**24,402**	**(80.2%)**	**20,690**	**18,226**	**13.5%**
Non-tax deductible/(chargeable) items and other adjustments:		20,513	1,988	931.8%	4,659	8,164	(42.9%)
Finance costs	(q)	131	197	(33.5%)	198	393	(49.6%)
Sinking fund contribution		452	452	-	452	452	-
Change in fair value of derivative instruments		(571)	418	NM	(579)	529	NM
Change in fair value of investment properties		22,669	3,415	563.8%	1,496	(3,493)	NM
Deferred income tax		(628)	40	NM	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	1,400	-	NM
Foreign exchange (gain)/loss		(60)	(1,009)	(94.1%)	101	4,108	(97.5%)
Fair value adjustment on security deposits		68	(252)	NM	14	(163)	NM
Other items	(r)	(1,548)	(1,273)	21.6%	508	738	(31.2%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	1,069	5,600	(80.9%)
Income available for distribution		**25,349**	**26,390**	**(3.9%)**	**25,349**	**26,390**	**(3.9%)**
Income to be distributed to Unitholders	(s)	**23,775**	**25,738**	**(7.6%)**	**23,775**	**25,738**	**(7.6%)**

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$1.6 million of income available for distribution for the three months ended 30 June 2018 has been retained for working capital requirements.

Statement of Total Return and Distribution (FY17/18 vs FY16/17)

	Notes	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %	Trust 01/07/17 to 30/06/18 S$'000	Trust 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**208,814**	**216,364**	**(3.5%)**	**129,736**	**134,480**	**(3.5%)**
Maintenance and sinking fund contributions		(7,018)	(7,043)	(0.4%)	(6,926)	(6,926)	-
Property management fees	(b)	(5,581)	(5,778)	(3.4%)	(3,873)	(4,060)	(4.6%)
Property tax	(c)	(20,255)	(20,713)	(2.2%)	(12,306)	(12,840)	(4.2%)
Other property expenses	(d)	(13,773)	(15,942)	(13.6%)	(3,644)	(3,692)	(1.3%)
Property expenses		**(46,627)**	**(49,476)**	**(5.8%)**	**(26,749)**	**(27,518)**	**(2.8%)**
Net property income		**162,187**	**166,888**	**(2.8%)**	**102,987**	**106,962**	**(3.7%)**
Finance income	(e)	900	1,089	(17.4%)	151	369	(59.1%)
Interest income from subsidiaries		-	-	-	6,022	5,806	3.7%
Dividend income from subsidiaries		-	-	-	17,557	22,771	(22.9%)
Fair value adjustment on security deposits	(f)	(330)	(20)	NM	(11)	(53)	(79.2%)
Management fees	(g)	(16,094)	(16,192)	(0.6%)	(15,167)	(15,256)	(0.6%)
Trust expenses	(h)	(3,793)	(3,542)	7.1%	(2,529)	(2,758)	(8.3%)
Finance expenses	(i)	(38,259)	(38,930)	(1.7%)	(24,223)	(25,056)	(3.3%)
Non property expenses		**(57,576)**	**(57,595)**	**(0.0%)**	**(18,200)**	**(14,177)**	**28.4%**
Net income before tax		**104,611**	**109,293**	**(4.3%)**	**84,787**	**92,785**	**(8.6%)**
Change in fair value of derivative instruments	(j)	4,467	1,425	213.5%	4,194	107	NM
Foreign exchange gain/(loss)	(k)	134	3,819	(96.5%)	(8,501)	(5,802)	46.5%
Change in fair value of investment properties	(l)	(22,669)	(16,321)	38.9%	(1,496)	3,493	NM
Gain on divestment of investment property	(m)	1,147	770	49.0%	-	-	-
Impairment loss on investment in subsidiaries	(n)	-	-	-	(1,400)	(9,000)	(84.4%)
Total return for the period before tax and distribution		**87,690**	**98,986**	**(11.4%)**	**77,584**	**81,583**	**(4.9%)**
Income tax	(o)	(3,446)	1,268	NM	(907)	(405)	124.0%
Total return for the period after tax, before distribution		**84,244**	**100,254**	**(16.0%)**	**76,677**	**81,178**	**(5.5%)**
Non-tax deductible/(chargeable) items and other adjustments	(p)	18,892	10,191	85.4%	26,459	29,267	(9.6%)
Income available for distribution		**103,136**	**110,445**	**(6.6%)**	**103,136**	**110,445**	**(6.6%)**

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 the one-off S$1.9 million pre-termination rental compensation for a retail lease at Wisma Atria Property recorded in the corresponding period which has been filled up, as well as weaker contributions from offices and Myer Centre Adelaide (Retail), as well as disruption of income from asset redevelopment works at Plaza Arcade in Perth. Excluding the one-off rental compensation, gross revenue for the Group would have decreased by 2.6%. Approximately 38% (FY16/17: 38%) of total gross revenue for the financial year ended 30 June 2018 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 Singapore Properties and no fee incurred for China Property, partially offset by higher fees for Myer Centre Adelaide during the current period.

(c) Property tax expenses were lower for the current period mainly due to lower property tax expenses including property tax refunds for Wisma Atria Property.

(d) Other property expenses were lower for the current period mainly due to lower operating expenses for China Property and Wisma Atria Property, partially offset by higher operating expenses for Ngee Ann City Property.

(e) Represents interest income from bank deposits and current accounts for the financial year ended 30 June 2018.

(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.

(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 for the Trust, as well as China and Japan Properties for the financial year ended 30 June 2018.

(i) The lower interest costs incurred on the existing borrowings for the financial year ended 30 June 2018 were partially offset by the write-off of remaining upfront borrowing costs following the early repayment of loans during the current period.

(j) Represents mainly the change in the fair value of interest rate swaps, as well as foreign exchange forward contracts for the financial year ended 30 June 2018.

(k) Represents mainly the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts for the Group for the financial year ended 30 June 2018.

(l) As at 30 June 2018, the Singapore Properties were revalued at S$2,147.0 million by Savills Valuation and Professional Services (S) Pte Ltd, the Australia Properties were revalued at A$513.0 million (S$516.9 million) by Savills Valuations Pty Ltd and Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, the Malaysia Properties were revalued at RM1,087.1 million (S$367.4 million) by Nawawi Tie Leung Property Consultants Sdn Bhd, the China Property was revalued at RMB145.0 million (S$29.8 million) by Cushman & Wakefield Limited and the Japan Properties were revalued at JPY4,640.0 million (S$57.2 million) by CBRE K.K., resulting in a net revaluation loss totaling S$22.7 million for the Group for the financial year ended 30 June 2018.

(m) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018 (May 2017: Harajuku Secondo).

(n) Represents the impairment loss on the Trust's China investment 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 lower deferred tax reversal arising from downward revaluation of the China Property, as well as higher withholding taxes for the Malaysia Properties and Australia Properties for the financial year ended 30 June 2018, including one-off payment of withholding taxes in Malaysia during the current period.

(p) See details in the distribution statement below.

Distribution Statement (FY17/18 vs FY16/17)

	Notes	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %	Trust 01/07/17 to 30/06/18 S$'000	Trust 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**84,244**	**100,254**	**(16.0%)**	**76,677**	**81,178**	**(5.5%)**
Non-tax deductible/(chargeable) items and other adjustments:		18,892	10,191	85.4%	26,459	29,267	(9.6%)
Finance costs	(q)	1,304	1,012	28.9%	1,857	2,244	-
Sinking fund contribution		1,808	1,808	-	1,808	1,808	-
Depreciation		-	141	(100.0%)	-	141	(100.0%)
Change in fair value of derivative instruments		(4,467)	(1,425)	213.5%	(4,194)	(107)	NM
Change in fair value of investment properties		22,669	16,321	38.9%	1,496	(3,493)	NM
Deferred income tax		(506)	(3,065)	(83.5%)	-	-	-
Impairment loss on investment in subsidiaries		-	-	-	1,400	9,000	(84.4%)
Foreign exchange (gain)/loss		(319)	(4,000)	(92.0%)	8,336	5,429	53.5%
Fair value adjustment on security deposits		330	20	NM	11	53	(79.2%)
Other items	(r)	(1,927)	(621)	210.3%	2,026	3,260	(37.9%)
Net overseas income not distributed to the Trust, net of amount received		-	-	-	13,719	10,932	25.5%
Income available for distribution		**103,136**	**110,445**	**(6.6%)**	**103,136**	**110,445**	**(6.6%)**
Income to be distributed to Unitholders	(s)	**99,244**	**107,315**	**(7.5%)**	**99,244**	**107,315**	**(7.5%)**

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$3.9 million of income available for distribution for the financial year ended 30 June 2018 has been retained for working capital requirements.

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

Balance Sheet as at 30 June 2018

	Notes	Group 30/06/18 S$'000	Group 30/06/17 S$'000	Trust 30/06/18 S$'000	Trust 30/06/17 S$'000
Non-current assets					
Investment properties	(a)	3,118,338	3,136,315	2,147,000	2,147,000
Plant and equipment		42	59	-	-
Interests in subsidiaries	(b)	-	-	590,224	608,852
Derivative financial instruments	(c)	1,964	41	1,964	41
		3,120,344	**3,136,415**	**2,739,188**	**2,755,893**
Current assets					
Derivative financial instruments	(c)	244	85	242	63
Trade and other receivables	(d)	4,191	6,341	2,929	2,110
Cash and cash equivalents	(e)	66,730	76,603	20,420	30,493
		71,165	**83,029**	**23,591**	**32,666**
Total assets		**3,191,509**	**3,219,444**	**2,762,779**	**2,788,559**
Non-current liabilities					
Trade and other payables	(f)	22,460	24,363	20,549	19,003
Derivative financial instruments	(c)	1,242	1,827	453	1,522
Deferred tax liabilities	(g)	6,336	6,748	-	-
Borrowings	(h)	1,066,931	728,386	801,954	547,522
		1,096,969	**761,324**	**822,956**	**568,047**
Current liabilities					
Trade and other payables	(f)	38,633	38,762	24,307	26,554
Derivative financial instruments	(c)	199	2,178	85	1,226
Income tax payable		2,014	1,942	-	-
Borrowings	(h)	63,398	405,892	-	252,771
		104,244	**448,774**	**24,392**	**280,551**
Total liabilities		**1,201,213**	**1,210,098**	**847,348**	**848,598**
Net assets		**1,990,296**	**2,009,346**	**1,915,431**	**1,939,961**
Represented by:					
Unitholders' funds		1,990,296	2,009,346	1,915,431	1,939,961
		1,990,296	**2,009,346**	**1,915,431**	**1,939,961**

Footnotes:

(a) Investment properties decreased mainly due to downward revaluation of Starhill Gallery, Myer Centre Adelaide and China Property, divestment of Nakameguro Place, as well as negative net movement in foreign currencies in relation to the overseas properties during the current period. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments during the current period. The Singapore Properties, Australia Properties, Malaysia Properties, China Property and Japan Properties were independently revalued on 30 June 2018, by Savills Valuation and Professional Services (S) Pte Ltd, Valuation Services (SA) Pty Ltd trading as Knight Frank Valuations, Savills Valuations Pty Ltd, Nawawi Tie Leung Property Consultants Sdn Bhd, Cushman & Wakefield Limited and CBRE K.K. respectively.

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

During the financial year ended 30 June 2018, the Trust subscribed for 5,202,000 new redeemable preference shares and 3,557,182 new units in the capital of wholly-owned subsidiary, SG REIT (WA) Pte Ltd and SG REIT (WA) Trust respectively for A$10.2 million, where the proceeds were largely used to part finance the asset redevelopment and capital expenditure in Australia.

(c) Derivative financial instruments as at 30 June 2018 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 fair value of the existing S$ and A$ interest rate swaps during the current period.

(d) The decrease in trade and other receivables was mainly due to decrease in rent arrears mainly for Australia Properties and decrease in other receivables for Malaysia Properties.

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

(f) The net decrease in trade and other payables was mainly due to lower payables for Australia Properties and Singapore Properties, as well as lower security deposits for the Group, partially offset by higher payables for Malaysia Properties.

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

(h) Borrowings include S$460 million term loans, JPY4.05 billion (S$49.9 million) term loan, S$295 million Singapore MTNs, JPY678 million (S$8.4 million) Japan bond, A$208 million (S$209.6 million) term loans and RM328.9 million (S$111.2 million) Malaysia MTN. The net decrease in total borrowings was mainly due to the net movement in foreign currencies, capitalisation of upfront borrowing costs, the prepayment of S$4.3 million (JPY350 million) of JPY term loan and S$1.5 million (JPY122 million) of Japan bond, as well as the net repayment of S$3 million of short-term revolving credit facilities ("RCF") during the current period, partially offset by the drawdown of S$200 million four-year unsecured term loan facility and S$260 million five-year unsecured term loan facility in September 2017 to largely refinance the outstanding S$450 million term loans ahead of their maturities in 2018. As at 30 June 2018, the A$63 million (S$63.5 million) term loan maturing in June 2019 was classified as current liabilities. Please refer to Note 1(b)(ii) for details of the borrowings.

As at 30 June 2018, the Group has available undrawn long-term committed RCF to cover the net current liabilities of the Trust and the Group.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/06/18 S$'000	Group 30/06/17 S$'000	Trust 30/06/18 S$'000	Trust 30/06/17 S$'000
Secured borrowings	(a)				
Amount repayable within one year		63,479	153,258	-	-
Amount repayable after one year		257,255	171,745	-	-
		320,734	**325,003**	**-**	**-**
Unsecured borrowings	(b)				
Amount repayable within one year		-	253,000	-	253,000
Amount repayable after one year		813,292	558,908	804,933	549,076
Total borrowings		**1,134,026**	**1,136,911**	**804,933**	**802,076**
Less: Unamortised loan acquisition expenses		(3,697)	(2,633)	(2,979)	(1,783)
Total borrowings		**1,130,329**	**1,134,278**	**801,954**	**800,293**

Footnotes:

(a) Secured

The Group has outstanding five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Second Senior MTN") issued 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 RM328.9 million (S$111.2 million) as at 30 June 2018. 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$209.6 million) as at 30 June 2018, comprising:

(i) A$63 million (S$63.5 million) (maturing in June 2019) loan 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. In July 2018, the Group has secured the refinancing of this A$63 million term loan with the same bank ahead of its maturity. The utilisation of the new five-year loan facility is expected to take place in July 2018, which will extend the maturity to July 2023; and

(ii) A$145 million (S$146.1 million) (maturing in November 2021) loan secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. SG REIT (SA) Sub-Trust2 is wholly owned by the Group.

(b) Unsecured

As at 30 June 2018, 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 30 June 2018, the Group has in place:

(i) four-year and five-year unsecured loan facilities with a club of seven banks at inception, comprising (a) term loan of S$200 million (maturing in September 2021), (b) term loan of S$260 million (maturing September 2022) and (c) S$240 million RCF (maturing in September 2022) including a S$50 million uncommitted tranche. There is no amount outstanding on this RCF as at 30 June 2018.

(ii) five-year unsecured term loan facilities of balance JPY4.05 billion (S$49.9 million) (maturing in July 2020) with two banks. In July 2018, the Group has prepaid JPY350 million of the above loan using the net proceeds from the divestment of Nakameguro Place in May 2018.

The Group has JPY678 million (S$8.4 million) of Japan bond outstanding as at 30 June 2018, maturing in August 2021 ("Series 3 Bonds"). The bondholders of Series 3 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

1(c) Consolidated cash flow statement (4Q FY17/18 vs 4Q FY16/17) and (FY17/18 vs FY16/17)

	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000
Operating activities				
Total return for the period before tax and distribution	5,039	25,205	87,690	98,986
Adjustments for:				
Finance income	(221)	(254)	(900)	(1,089)
Fair value adjustment on security deposits	68	(252)	330	20
Depreciation	3	3	12	361
Finance expenses	9,273	9,549	38,259	38,930
Gain on divestment of investment property	(1,147)	(770)	(1,147)	(770)
Plant and equipment written off	-	-	6	80
Change in fair value of derivative instruments	(571)	418	(4,467)	(1,425)
Foreign exchange gain	(32)	(820)	(134)	(3,819)
Change in fair value of investment properties	22,669	3,415	22,669	16,321
Operating income before working capital changes	35,081	36,494	142,318	147,595
Changes in working capital:				
Trade and other receivables	3,113	818	568	(2,500)
Trade and other payables	(1,294)	2,299	(2,541)	(1,556)
Income tax paid (1)	(782)	(802)	(4,433)	(2,395)
Cash generated from operating activities	**36,118**	**38,809**	**135,912**	**141,144**
Investing activities				
Net proceeds on divestment of investment property (2)	6,206	4,907	6,206	4,907
Capital expenditure on investment properties (3)	(3,738)	(6,820)	(13,702)	(9,018)
Purchase of plant and equipment	-	(30)	-	(53)
Interest received on deposits	218	305	890	1,090
Cash flows from/(used in) investing activities	**2,686**	**(1,638)**	**(6,606)**	**(3,074)**
Financing activities				
Borrowing costs paid	(9,676)	(9,722)	(39,094)	(36,115)
Proceeds from borrowings (4)	7,000	3,000	482,000	102,377
Repayment of borrowings (4)	(7,823)	-	(480,791)	(94,490)
Distributions paid to Unitholders	(23,775)	(25,738)	(101,207)	(109,715)
Cash flows used in financing activities	**(34,274)**	**(32,460)**	**(139,092)**	**(137,943)**
Net increase/(decrease) in cash and cash equivalents	**4,530**	**4,711**	**(9,786)**	**127**
Cash and cash equivalents at the beginning of the period	62,162	72,463	76,603	76,953
Effects of exchange rate differences on cash	38	(571)	(87)	(477)
Cash and cash equivalents at the end of the period	**66,730**	**76,603**	**66,730**	**76,603**

Footnotes:

(1) Includes higher withholding taxes for the Malaysia Properties paid during the current period.

(2) Net cashflows on divestment of Nakameguro Place (FY16/17: Harajuku Secondo in May 2017) represent the sale proceeds, net of directly attributable costs paid in May 2018.

(3) Includes mainly capital expenditure and asset redevelopment costs paid in relation to Plaza Arcade, Myer Centre Adelaide and Lot 10 Property during the current period.

(4) The movement during the financial year ended 30 June 2018 relates mainly to the drawdown of S$460 million term loans which was largely used to refinance the outstanding S$450 million term loans, as well as the drawdown of S$22 million RCF. The remaining repayment includes the prepayment of S$4.3 million (JPY350 million) of JPY term loan and S$1.5 million (JPY122 million) of Japan bond, as well as the repayment of S$25 million RCF during the current period.

1(d) (i) Statement of movements in Unitholders' Funds (4Q FY17/18 vs 4Q FY16/17)

	Notes	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Trust 01/04/18 to 30/06/18 S$'000	Trust 01/04/17 to 30/06/17 S$'000
Unitholders' funds at the beginning of the period		2,010,219	2,011,897	1,918,516	1,947,473
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	4,836	24,402	20,690	18,226
Increase in Unitholders' funds resulting from operations		**4,836**	**24,402**	**20,690**	**18,226**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(1,421)	3,835	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(69)	-	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		506	(5,050)	-	-
Net loss recognised directly in Unitholders' funds	(c)	**(984)**	**(1,215)**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(23,775)	(25,738)	(23,775)	(25,738)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(23,775)**	**(25,738)**	**(23,775)**	**(25,738)**
Unitholders' funds at the end of the period		**1,990,296**	**2,009,346**	**1,915,431**	**1,939,961**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the three months ended 30 June 2018 includes a loss in the fair value of investment properties of S$22.7 million (4Q FY16/17: S$3.4 million), a gain in the fair value of derivative instruments of S$0.6 million (4Q FY16/17: loss of S$0.4 million) and a net foreign exchange gain of S$32,000 (4Q FY16/17: S$0.8 million).

(b) As at 30 June 2018, the Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

(c) 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, and transfer of translation differences arising from hedge accounting.

1(d) (i) Statement of movements in Unitholders' Funds (FY17/18 vs FY16/17)

	Notes	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Trust 01/07/17 to 30/06/18 S$'000	Trust 01/07/16 to 30/06/17 S$'000
Unitholders' funds at the beginning of the period		2,009,346	2,017,551	1,939,961	1,968,498
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	84,244	100,254	76,677	81,178
Increase in Unitholders' funds resulting from operations		**84,244**	**100,254**	**76,677**	**81,178**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		2,002	10,877	-	-
Transfer of translation differences from total return arising from hedge accounting	(b)	(158)	-	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(3,931)	(9,621)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(c)	**(2,087)**	**1,256**	**-**	**-**
Unitholders' transactions					
Distributions to Unitholders		(101,207)	(109,715)	(101,207)	(109,715)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(101,207)**	**(109,715)**	**(101,207)**	**(109,715)**
Unitholders' funds at the end of the period		**1,990,296**	**2,009,346**	**1,915,431**	**1,939,961**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the Group for the financial year ended 30 June 2018 includes a loss in the fair value of investment properties of S$22.7 million (FY16/17: S$16.3 million), a gain in the fair value of derivative instruments of S$4.5 million (FY16/17: S$1.4 million) and a net foreign exchange gain of S$0.1 million (FY16/17: S$3.8 million).

(b) As at 30 June 2018, the Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

(c) 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, and transfer of translation differences arising from hedge accounting.

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

	Notes	Group and Trust 01/04/18 to 30/06/18 Units	Group and Trust 01/04/17 to 30/06/17 Units	Group and Trust 01/07/17 to 30/06/18 Units	Group and Trust 01/07/16 to 30/06/17 Units
Issued units at the beginning of the period		2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
Total issued units at the end of the period		**2,181,204,435**	**2,181,204,435**	**2,181,204,435**	**2,181,204,435**

Footnotes:

(a) The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the financial year ended 30 June 2018.

(b) Performance fees are calculated annually as at 30 June. There is no performance fee for the financial year ended 30 June 2018 as the performance of Starhill Global REIT’s trust index is approximately 72% below the benchmark index as at 30 June 2018.

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 30 June 2018 and 30 June 2017. 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 financial year ended 30 June 2017, except for the adoption of the new and revised Financial Reporting Standards which became effective for financial periods beginning on or after 1 July 2017.

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 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000
Total return for the period after tax, before distribution		4,836	24,402	84,244	100,254
EPU - Basic and Diluted					
Weighted average number of units	(a)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
Earnings per unit (cents)	(b)	0.22	1.12	3.86	4.60
DPU					
Number of units issued at end of period	(c)	2,181,204,435	2,181,204,435	2,181,204,435	2,181,204,435
DPU for the period based on the total number of units entitled to distribution (cents)		1.09	1.18	4.55	4.92

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 financial year ended 30 June 2018 are used and have been calculated on a time-weighted basis.

(b) The earnings per unit for the three months ended 30 June 2018 includes a loss in the fair value of investment properties of S$22.7 million (4Q FY16/17: S$3.4 million), a gain in the fair value of derivative instruments of S$0.6 million (4Q FY16/17: loss of S$0.4 million) and a net foreign exchange gain of S$32,000 (4Q FY16/17: S$0.8 million). The diluted EPU is the same as basic EPU.

The earnings per unit for the financial year ended 30 June 2018 includes a loss in the fair value of investment properties of S$22.7 million (FY16/17: S$16.3 million), a gain in the fair value of derivative instruments of S$4.5 million (FY16/17: S$1.4 million) and a net foreign exchange gain of S$0.1 million (FY16/17: S$3.8 million). The diluted EPU is the same as basic EPU.

(c) The computation of DPU for the three months ended 30 June 2018 and financial year ended 30 June 2018 are based on number of units in issue as at 30 June 2018 of 2,181,204,435.

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

	Note	Group 30/06/18	Group 30/06/17	Trust 30/06/18	Trust 30/06/17
NAV/NTA per unit (S$) based on:					
- units issued at the end of the period	(a)	0.91	0.92	0.88	0.89

Footnote:

(a) The number of units used for computation of NAV and NTA per unit is 2,181,204,435 which represents the number of units in issue as at 30 June 2018 and 30 June 2017.

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(4Q FY17/18 vs 4Q FY16/17) and (FY17/18 vs FY16/17)

	Group 01/04/18 to 30/06/18 S$'000	Group 01/04/17 to 30/06/17 S$'000	Increase / (Decrease) %	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %
Gross revenue	**51,635**	**53,712**	**(3.9%)**	**208,814**	**216,364**	**(3.5%)**
Property expenses	(11,587)	(12,314)	(5.9%)	(46,627)	(49,476)	(5.8%)
Net property income	**40,048**	**41,398**	**(3.3%)**	**162,187**	**166,888**	**(2.8%)**
Non property expenses	(14,090)	(13,950)	1.0%	(57,576)	(57,595)	(0.0%)
Net income before tax	**25,958**	**27,448**	**(5.4%)**	**104,611**	**109,293**	**(4.3%)**
Change in fair value of derivative instruments	571	(418)	NM	4,467	1,425	213.5%
Foreign exchange gain	32	820	(96.1%)	134	3,819	(96.5%)
Change in fair value of investment properties	(22,669)	(3,415)	563.8%	(22,669)	(16,321)	38.9%
Gain on divestment of investment property	1,147	770	49.0%	1,147	770	49.0%
Total return for the period before tax and distribution	**5,039**	**25,205**	**(80.0%)**	**87,690**	**98,986**	**(11.4%)**
Income tax	(203)	(803)	(74.7%)	(3,446)	1,268	NM
Total return for the period after tax, before distribution	**4,836**	**24,402**	**(80.2%)**	**84,244**	**100,254**	**(16.0%)**
Non-tax deductible/(chargeable) items and other adjustments	20,513	1,988	931.8%	18,892	10,191	85.4%
Income available for distribution	**25,349**	**26,390**	**(3.9%)**	**103,136**	**110,445**	**(6.6%)**
Income to be distributed to Unitholders	**23,775**	**25,738**	**(7.6%)**	**99,244**	**107,315**	**(7.5%)**

4Q FY17/18 vs 4Q FY16/17

Revenue for the Group in 4Q FY17/18 was S$51.6 million, representing a decrease of 3.9% over 4Q FY16/17. Net property income ("NPI") for the Group was S$40.0 million, representing a decrease of 3.3% over 4Q FY16/17. The decrease in gross revenue for the Group was mainly due to weaker contributions from the office portfolio, lower revenue from Wisma Atria Property (Retail), Myer Centre Adelaide (Retail) and China Property. The decrease in NPI for the Group was largely in line with the lower revenue, partially offset by lower expenses mainly for the China Property, Plaza Arcade and Wisma Atria Property (Retail).

Singapore Properties contributed 62.2% of total revenue, or S$32.1 million in 4Q FY17/18, 2.6% lower than in 4Q FY16/17. NPI for 4Q FY17/18 was S$25.5 million, 2.0% lower than in 4Q FY16/17, mainly due to weaker contributions from the office portfolio.

Australia Properties contributed 21.7% of total revenue, or S$11.2 million in 4Q FY17/18, 9.9% lower than in 4Q FY16/17. NPI for 4Q FY17/18 was S$6.8 million, 13.4% lower than in 4Q FY16/17 mainly due to lower revenue at Myer Centre Adelaide largely due to office vacancies and allowance for rent rebates, as well as depreciation of A$ against S$.

Malaysia Properties contributed 13.8% of total revenue, or S$7.1 million in 4Q FY17/18, 4.8% higher than in 4Q FY16/17. NPI for 4Q FY17/18 was S$6.9 million, 4.6% higher than in 4Q FY16/17, mainly due to appreciation of RM against S$.

China and Japan Properties contributed 2.3% of total revenue, or S$1.2 million in 4Q FY17/18, 21.0% lower than in 4Q FY16/17. NPI for 4Q FY17/18 was S$0.8 million, 8.0% lower than in 4Q FY16/17 mainly due to lower revenue, partially offset by lower expenses for China Property, following the conversion of the departmental store model to a single tenancy model.

Non property expenses were S$14.1 million in 4Q FY17/18, 1.0% higher than in 4Q FY16/17, mainly due to variance in fair value adjustment on security deposits, as well as higher trust expenses, partially offset by lower interest costs incurred on the existing borrowings.

The net gain on derivative instruments in 4Q FY17/18 represents mainly the change in the fair value of interest rate swaps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange gain in 4Q FY17/18 arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts. As at 30 June 2018, the Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

The change in fair value of investment properties of S$22.7 million represents the net revaluation loss on the Group's investment properties in 4Q FY17/18.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018 (May 2017: Harajuku Secondo).

The decrease in income tax for 4Q FY17/18 was mainly attributed to the deferred tax reversal arising from downward revaluation of China Property in June 2018.

Income available for distribution for 4Q FY17/18 was S$25.3 million, being 3.9% lower than the corresponding quarter. Income to be distributed to Unitholders was S$23.8 million, 7.6% lower than the corresponding quarter mainly due to lower NPI and higher distributable income retained. Approximately S$1.6 million of income available for distribution for the three months ended 30 June 2018 has been retained for working capital requirements.

FY17/18 vs FY16/17

Group revenue of S$208.8 million for the financial year ended 30 June 2018 was 3.5% lower than the S$216.4 million achieved in corresponding period. NPI for the Group was S$162.2 million, representing a decrease of 2.8% over the corresponding period, mainly due to the one-off S$1.9 million pre-termination rental compensation for a retail lease at Wisma Atria Property recorded in the corresponding period which has been filled up, weaker contributions from offices and Myer Centre Adelaide (Retail), as well as disruption of income from asset redevelopment works at Plaza Arcade in Perth, partially offset by lower expenses mainly for China Property and Wisma Atria Property (Retail). Excluding the one-off rental compensation recorded in FY16/17, gross revenue for the Group would have decreased by 2.6% and NPI for the Group would have decreased by 1.7%.

Singapore Properties contributed 62.1% of total revenue, or S$129.7 million in the current period, 3.5% lower than in corresponding period. NPI decreased by 3.7% to S$103.0 million for the financial year ended 30 June 2018, mainly due to the recognition of S$1.9 million pre-termination rental compensation for a retail lease at Wisma Atria Property in the corresponding period, as well as lower contributions from the Singapore offices. Excluding the one-off rental compensation recorded in FY16/17, gross revenue for the Singapore Properties would have decreased by 2.1% and NPI would have decreased by 2.0%.

Australia Properties contributed 22.3% of total revenue, or S$46.4 million in the current period, 5.6% lower than in corresponding period. NPI was S$28.7 million, 9.2% lower than in corresponding period, mainly due to Plaza Arcade redevelopment works, lower occupancies at Myer Centre Adelaide (Office), as well as allowance for rent arrears and rebates.

Malaysia Properties contributed 13.3% of total revenue, or S$27.9 million in the current period, 1.9% higher than in corresponding period. NPI was S$26.9 million, 1.9% higher than in corresponding period, mainly due to appreciation of RM against S$.

China and Japan Properties contributed 2.3% of total revenue, or S$4.8 million in the current period, 10.8% lower than in corresponding period. NPI was S$3.6 million, 86.6% higher than in corresponding period, mainly due to lower expenses for China Property, following the conversion of the departmental store model to a single tenancy model.

Non property expenses were S$57.6 million in the current period, as well as in the corresponding period. The lower finance expenses in the current period was largely offset by the variance in fair value adjustment on security deposits, higher trust expenses and lower interest income for the current period.

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

The net foreign exchange gain for the current period arose mainly from the foreign exchange differences on translation of foreign currency denominated transactions and monetary items, as well as realised foreign exchange differences from the settlement of forward contracts. As at 30 June 2018, the Group designated its JPY loan as a net investment hedge for its Japan operations which qualify for hedge accounting. Correspondingly, the fair value changes of the JPY loan were reclassified to the Group's foreign currency translation reserve, offsetting the translation differences arising from its Japan exposure.

The change in fair value of investment properties of S$22.7 million represents the net revaluation loss on the Group's investment properties during the current period.

The gain on divestment of investment property represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Nakameguro Place divested in May 2018 (May 2017: Harajuku Secondo).

The variance in income tax was mainly attributed to lower deferred tax reversal arising from downward revaluation of the China Property, as well as higher withholding taxes for the Malaysia Properties and Australia Properties, including one-off payment of withholding tax in Malaysia during the current period.

Income available for distribution for the financial year ended 30 June 2018 was S$103.1 million, being 6.6% lower than the corresponding period. Income to be distributed to Unitholders was S$99.2 million, 7.5% lower than the corresponding period mainly due to lower NPI including the effects of straight-line rental adjustments, higher withholding taxes and higher distributable income retained. Approximately S$3.9 million of income available for distribution for the financial year ended 30 June 2018 has been retained for working capital requirements.

Change in the fair value of investment properties

The Group's portfolio of 10 prime properties across five countries was independently revalued at S$3,118.3 million as at 30 June 2018 (June 2017: S$3,136.3 million). The decrease was mainly due to downward revaluation of Starhill Gallery, Myer Centre Adelaide and China Property, divestment of Nakameguro Place, as well as negative net movement in foreign currencies in relation to the overseas properties during the current period. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments during the current period. The geographic breakdown of the portfolio by asset value as at 30 June 2018 was as follows: Singapore 68.8%, Australia 16.6%, Malaysia 11.8%, Japan 1.8%, and China 1.0%.

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

While global economic growth will remain robust at 3.1% in 2018, global growth is expected to decelerate over the next two years as global slack dissipates, major central banks remove policy accommodation, and the recovery in commodity exporters matures[1].

Advance estimates showed that the Singapore economy grew by 3.8% year-on-year (y-o-y) in the second quarter of 2018, moderating from the 4.3% growth in 1Q 2018, as the manufacturing and the services producing industries grew slower than the previous quarter[2]. Retail sales (excluding motor vehicles) registered a y-o-y growth of 2.2% in May 2018[3]. International visitor arrivals rose 6.7% y-o-y to 6.18 million for the first four months of 2018[4]. While a more stable and sustainable rental growth is expected in the mid to long term, the retail sector continues to be challenged by tight labour market conditions and high occupancy costs[5].

For the office sector, fairly tight vacancy environment encouraged office landlords to continue to press for higher rents as they seek to benefit from the market upswing[5]. Grade A Core CBD office rents registered a quarterly increase of 4.1% in 2Q 2018[5].

For the twelve months to May 2018, retail sales for South Australia grew 3.3% y-o-y but remained flat for Western Australia[6]. Competition from international brands and online businesses contributed to higher rates of store rationalisation programs amongst retailers[7]. The Group has long term leases in Australia, with upmarket departmental store Myer Pty Ltd in Adelaide and David Jones Limited in Perth, contributing approximately 7.0% and 4.8% of its portfolio gross rents respectively as at 30 June 2018. In Perth, Plaza Arcade's anchor tenant UNIQLO is expected to open its doors by the third quarter of 2018, following the completion of its renovation works.

Consumer sentiment in Malaysia has improved with a zero-rated goods and services tax effective from 1 June 2018[8], but a sales and services tax will be reintroduced in September 2018[9]. Based on tax holiday and festive season results, Retail Group Malaysia (RGM) has projected 2018 retail sales to rise from 4.7% to 5.3%[8]. However, the retail market will remain subdued in view of the supply overhang.

Starhill Global REIT has a portfolio of 10 mid- to high-end properties located at prime areas in six Asia-Pacific cities. Its core assets are mainly based in Singapore, contributing 62.2% of total revenue for the three months ended 30 June 2018. Master leases and long-term leases with periodic rent reviews, including the master leases for the Malaysia Properties which expire in June 2019, contribute approximately 49% of the portfolio gross rent as at 30 June 2018.

The impact of the volatility in the foreign currencies, mainly Australian Dollar and Malaysian Ringgit, on its distributions has been partially mitigated by having foreign currency denominated borrowings as a natural hedge, and short-term foreign currency forward contracts.

Sources

1. World Bank, Global Economic Prospects, June 2018: The Turning of the Tide?
2. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 3.8 Per Cent in the Second Quarter of 2018, 13 July 2018
3. Singapore Department of Statistics, Retail Sales Index, Food and Beverage Services Index May 2018, 12 July 2018
4. Singapore Tourism Board, International Visitor Arrivals Statistics, 19 June 2018
5. CBRE Research, Singapore MarketView Q2 2018, 13 July 2018
6. Australian Bureau of Statistics, Retail Trade, Australia, May 2018
7. CBRE Research, Australia Retail MarketView Q1 2018, 17 April 2018
8. The Malaysian Reserve, Retail sales up by 30% during Raya period, 26 June 2018
9. The Edge Financial Daily, Government to reintroduce SST from Sept 1, 31 May 2018

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 April 2018 to 30 June 2018 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 April 2018 to 30 June 2018
	Cents
Taxable income component	0.9500
Tax-exempt income component	0.1400
Total	**1.0900**

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

(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 April 2017 to 30 June 2017 ("Unitholders' Distribution")

Distribution rate:

	Unitholders' Distribution
	For the period from 1 April 2017 to 30 June 2017
	Cents
Taxable income component	0.9200
Tax-exempt income component	0.2600
Total	**1.1800**

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

(c) Date payable: 29 August 2018

(d) Books Closure Date: 6 August 2018

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 SGX-ST Listing Manual.

14 Segmented revenue and results for business or geographical segments (of the Group) FY17/18

Operating Segments

	Wisma Atria Property (Singapore) FY17/18 S$'000	Ngee Ann City Property (Singapore) FY17/18 S$'000	Australia Properties (Australia) FY17/18 S$'000	Malaysia Properties (Malaysia) FY17/18 S$'000	Other Properties (China/Japan) FY17/18 S$'000	Total FY17/18 S$'000
External revenue	65,845	63,891	46,382	27,867	4,829	208,814
Depreciation	-	-	-	-	12	12
Reportable segment net property income	51,026	51,961	28,658	26,938	3,604	162,187
Other material non-cash items:						
Change in fair value of investment properties	(666)	(830)	(7,130)	(13,339)	(704)	(22,669)
Unallocated items:						
Finance income						900
Fair value adjustment on security deposits						(330)
Non-property expenses						(18,740)
Finance expenses						(38,259)
Change in fair value of derivative instruments						4,467
Foreign exchange gain						134
Total return for the year before tax						87,690
Income tax						(3,446)
Total return for the year						84,244
Reportable segment assets	997,895	1,150,443	519,246	367,702	87,272	3,122,558
Unallocated assets						68,951
Total assets						3,191,509
Reportable segment liabilities	(18,154)	(19,248)	(6,116)	(5,376)	(4,744)	(53,638)
Unallocated liabilities						(1,147,575)
Total liabilities						(1,201,213)
Other segmental information						
Capital expenditure	612	260	8,950	3,871	9	13,702
Non-current assets	997,000	1,150,000	516,898	367,385	87,097	3,118,380

Geographical segments:

As at 30 June 2018, the Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of Starhill Gallery and Lot 10 Property), and others (consisting of China Property in Chengdu and two Japan Properties in Tokyo). Accordingly, no geographical segmental analysis is separately presented.

14 Segmented revenue and results for business or geographical segments (of the Group) FY16/17

Operating Segments

	Wisma Atria Property (Singapore) FY16/17 S$'000	Ngee Ann City Property (Singapore) FY16/17 S$'000	Australia Properties (Australia) FY16/17 S$'000	Malaysia Properties (Malaysia) FY16/17 S$'000	Other Properties (China/Japan) FY16/17 S$'000	Total FY16/17 S$'000
External revenue	68,671	65,809	49,130	27,340	5,414	216,364
Depreciation	141	-	-	-	220	361
Reportable segment net property income	52,931	54,031	31,547	26,448	1,931	166,888
Other material non-cash items:						
Change in fair value of investment properties	(1,286)	4,779	1,392	(8,943)	(12,263)	(16,321)
Unallocated items:						
Finance income						1,089
Fair value adjustment on security deposits						(20)
Non-property expenses						(18,964)
Finance expenses						(38,930)
Change in fair value of derivative instruments						1,425
Foreign exchange gain						3,819
Total return for the year before tax						98,986
Income tax						1,268
Total return for the year						100,254
Reportable segment assets	998,117	1,150,482	544,010	358,122	91,951	3,142,682
Unallocated assets						76,762
Total assets						3,219,444
Reportable segment liabilities	(19,895)	(18,002)	(7,784)	(4,439)	(5,382)	(55,502)
Unallocated liabilities						(1,154,596)
Total liabilities						(1,210,098)
Other segmental information						
Capital expenditure	644	-	4,204	4,170	53	9,071
Non-current assets	997,000	1,150,000	540,101	357,469	91,804	3,136,374

Geographical segments:

As at 30 June 2017, the Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of Starhill Gallery and Lot 10 Property), and others (consisting of China Property in Chengdu and three Japan Properties in Tokyo). Accordingly, no geographical segmental analysis is separately presented.

15 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of actual performance.

16 Breakdown of sales

	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000	Increase / (Decrease) %
Gross revenue report for six months from 1 Jul to 31 Dec	105,437	109,326	(3.6%)
Total return after tax for six months from 1 Jul to 31 Dec	52,726	51,425	2.5%
Gross revenue report for six months from 1 Jan to 30 Jun	103,377	107,038	(3.4%)
Total return after tax for six months from 1 Jan to 30 Jun	31,518	48,829	(35.5%)

17 Breakdown of total distribution during the financial year ended 30 June 2018

	Group 01/07/17 to 30/06/18 S$'000	Group 01/07/16 to 30/06/17 S$'000
Unitholders' distribution		
Distribution of 1.18 cents (2016: 1.29 cents) per unit for the period 1 April to 30 June 2017	25,738	28,138
Distribution of 1.20 cents (2016: 1.30 cents) per unit for the period 1 July to 30 September 2017	26,174	28,356
Distribution of 1.17 cents (2016: 1.26 cents) per unit for the period 1 October to 31 December 2017	25,520	27,483
Distribution of 1.09 cents (2017: 1.18 cents) per unit for the period 1 January to 31 March 2018	23,775	25,738
	101,207	109,715

The amounts shown above are based on actual distribution paid to Unitholders for the respective periods.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial unitholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Manager confirms that there is no person occupying a managerial position in the Manager or in any principal subsidiaries of the Manager or Starhill Global REIT who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of Starhill Global REIT for the financial year ended 30 June 2018.

19 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 SGX-ST Listing Manual.

20 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 30 June 2018:

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.

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 July 2018