



STARHILL GLOBAL REIT MTN PTE. LTD.

(formerly known as MMP REIT MTN Pte. Ltd.)
(Incorporated in the Republic of Singapore on 25 May 2007)
(Company Registration No. 200709287W)

S\$2,000,000,000

Multicurrency Medium Term Note Programme

Unconditionally and irrevocably guaranteed by

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

**(in its capacity as trustee of Starhill Global Real Estate Investment Trust
(formerly known as Macquarie MEAG Prime Real Estate Investment Trust))**

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "Notes") to be issued from time to time by Starhill Global REIT MTN Pte. Ltd. (formerly known as MMP REIT MTN Pte. Ltd.) ("SGRMPL") or other Issuers (as defined herein) pursuant to the S\$2,000,000,000 Multicurrency Medium Term Note Programme (the "MTN Programme") may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust (formerly known as Macquarie MEAG Prime Real Estate Investment Trust) ("Starhill Global REIT")) (the "Guarantor" or the "Starhill Global REIT Trustee").

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the MTN Programme and application will be made to the SGX-ST for permission to deal in and the quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, Starhill Global REIT, their respective Subsidiaries (as defined herein), their respective associated companies (if any), the MTN Programme or such Notes.

THE NOTES AND THE GUARANTEE (AS DEFINED HEREIN) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER).

CONTENTS

	Page
NOTICE	2
FORWARD-LOOKING STATEMENTS	6
DEFINITIONS	7
CORPORATE INFORMATION	15
SUMMARY OF THE MTN PROGRAMME.....	17
TERMS AND CONDITIONS OF THE NOTES.....	22
THE ISSUER.....	50
STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST.....	52
INVESTMENT CONSIDERATIONS	77
USE OF PROCEEDS	94
CLEARING AND SETTLEMENT.....	95
TAXATION.....	97
SUBSCRIPTION, PURCHASE AND DISTRIBUTION	101
 APPENDICES	
I : General and Other Information.....	103
II : Audited Accounts of Starhill Global REIT MTN Pte. Ltd. for the Financial Year ended 31 December 2009	107
III : Audited Consolidated Accounts of Starhill Global REIT and its Subsidiaries for the Financial Year ended 31 December 2009	125
IV : Unaudited Financial Statements Announcement of Starhill Global REIT and its Subsidiaries for the quarter ended 31 March 2010.....	179

NOTICE

Citicorp Investment Bank (Singapore) Limited (the “**Arranger**”) has been authorised by SGRMPL to arrange the MTN Programme described herein. Under the MTN Programme, each Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of Notes issued by each Issuer will be unconditionally and irrevocably guaranteed by the Guarantor.

This Information Memorandum contains information with regard to SGRMPL, the Guarantor, the Starhill Global REIT Manager (as defined herein), Starhill Global REIT and its Subsidiaries, the Notes and the Guarantee. SGRMPL, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the issue and offering of the Notes and the giving of the Guarantee, that the information contained herein is true and accurate in all material respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the issue and offer of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect. The Guarantor, having made all reasonable enquiries, confirms that this Information Memorandum constitutes true and accurate disclosure of all material facts about itself, the Starhill Global REIT Manager, Starhill Global REIT and the assets of Starhill Global REIT and there are no other facts the omission of which in the context of the issue and offer of the Notes would or might make any such information misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the MTN Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a temporary global note or a permanent global note which will be deposited on the issue date with either CDP (as defined herein) or a common depositary on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Relevant Issuer (as defined herein) and the relevant Dealer (as defined herein). Interests in a temporary global note will be exchangeable, in whole or in part, for interests in a permanent global note or definitive notes (as indicated in the applicable Pricing Supplement (as defined herein)). Subject to compliance with all relevant laws, regulations and directives, the Notes shall have maturities of not less than one month and not more than 10 years or such other tenor as may be agreed between the Relevant Issuer and the relevant Dealer and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Relevant Issuer and the relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement issued in relation to each series or tranche of Notes (the “**Redemption Amount**”). Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Principal Trust Deed referred to below) shall be S\$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be notified by the Issuers and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation

must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of any of the Issuers, Starhill Global REIT or any of their respective Subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes and the Guarantee have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the MTN Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of any of the Issuers, Starhill Global REIT, the Starhill Global REIT Manager, the Starhill Global REIT Trustee or any of their respective Subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

None of the Issuers, the Guarantor, the Arranger, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of any of the Issuers, Starhill Global REIT or their respective Subsidiaries or associated companies (if any). Further, neither the Arranger nor the Dealers gives any representation or warranty as to any of the Issuers, Starhill Global REIT, the Starhill Global REIT Manager, their respective Subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274,

275 and 276 or any other provision of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of any of the Issuers, Starhill Global REIT and their respective Subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of any of the Issuers, Starhill Global REIT and their respective Subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports or audited accounts (consolidated in the case of Starhill Global REIT) or quarterly financial statements (consolidated in the case of Starhill Global REIT) of the Issuers and Starhill Global REIT and (2) any supplement or amendment to this Information Memorandum issued by the Issuer(s). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by any of the Issuers pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of any of the Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by any of the Issuers pursuant to the Programme Agreement.

Standard & Poor's (as defined herein) and/or any other rating agencies (as may be specified in the relevant Pricing Supplement) have had no role in relation to the preparation of any information or offering document. A rating is not a recommendation to buy, sell or hold securities, in as much as it does not comment as to the market price or suitability of a particular investor, does not address the likelihood

or timing of prepayment, if any, or the receipt of default interest and may be subject to revision or withdrawal at any time by the assigning rating organisation.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" in this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of any of the Issuers and/or Starhill Global REIT (including the financial forecasts, profit projections, statements as to the expansion plans of any of the Issuers and/or Starhill Global REIT, expected growth of any of the Issuers or Starhill Global REIT and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of any of the Issuers and/or Starhill Global REIT to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail under the section “Investment Considerations”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of any of the Issuers or Starhill Global REIT to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuers, the Guarantor, the Starhill Global REIT Manager, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuers or Starhill Global REIT will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by any of the Issuers shall under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of any of the Issuers, the Guarantor, Starhill Global REIT, the Starhill Global REIT Manager or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum.

Further, the Issuers, the Guarantor, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

ABS Junior MTNs	:	Junior medium-term notes to be issued by the ABS SPV pursuant to the ABS MTN Programme, including the First ABS Junior MTNs.
ABS MTN Programme	:	The 65-year, asset-backed medium term note programme of up to RM1.25 billion (approximately S\$535.0 million) under which the First ABS Junior MTNs and the First ABS Senior MTNs will be issued by the ABS SPV.
ABS MTNs	:	Medium term notes comprising the ABS Senior MTNs and the ABS Junior MTNs to be issued by the ABS SPV under the ABS MTN Programme.
ABS NRPS	:	Non-redeemable preference shares of RM0.01 each in the ABS SPV, including the First ABS NRPS.
ABS Senior MTNs	:	Senior medium-term notes to be issued by the ABS SPV pursuant to the ABS MTN Programme, including the First ABS Senior MTNs.
ABS SPV	:	Ara Bintang Berhad, a special purpose vehicle incorporated in Malaysia under the ABS Structure.
ABS Structure	:	The structure of the proposed asset-backed securitisation exercise to be used for the acquisition of the Malaysian Properties, which involves the acquisition of the Malaysian Properties by the ABS SPV and the issuance of the ABS MTNs by the ABS SPV to finance the acquisition of the Malaysian Properties.
Agency Agreement	:	The Agency Agreement dated 8 January 2008 made between (1) SGRMPL, and acceded to by Specified Issuers (as defined in the Principal Trust Deed) from time to time by the execution of a Deed of Accession, as issuers, (2) the Guarantor, as guarantor, (3) Citicorp Investment Bank (Singapore) Limited, as issuing and paying agent and agent bank, and (4) British and Malayan Trustees Limited, as trustee, as amended, modified or supplemented from time to time.
Agent Bank	:	Citicorp Investment Bank (Singapore) Limited.
Aggregate Leverage	:	Refers to the ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property.
Arranger	:	Citicorp Investment Bank (Singapore) Limited.
Bursa Malaysia	:	Bursa Malaysia Securities Berhad.
Business Day	:	A day (other than Saturday or Sunday) on which commercial banks are open for business in Singapore.
CDP or Depository	:	The Central Depository (Pte) Limited.

CIS Code	:	The Code on Collective Investment Schemes issued by MAS, as amended or modified from time to time.
Companies Act	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
Coupons	:	The interest coupons appertaining to an interest bearing definitive Note.
CPU Issue	:	The issuance of a principal amount of the S\$ equivalent of RM405.0 million (approximately S\$173.3 million) of CPUs at S\$1.00 each to the Vendor Group to part finance the subscription of the First ABS Junior MTNs.
CPUs	:	Convertible preferred units of S\$1.00 each in Starhill Global REIT which are proposed to be issued by Starhill Global REIT to part finance the acquisition of the Malaysian Properties under the ABS Structure.
Daikanyama Property	:	A three-storey (including one basement level) retail building located at 31-11 Ebisu-Nishi 1 Chome, Shibuya-ku, Tokyo, Japan, known as “Daikanyama”.
David Jones Property	:	A shopping centre comprising a four-level retail building located at 622-646 Hay Street Mall, Perth, Australia.
Dealers	:	Persons appointed as dealers under the MTN Programme.
Deed of Accession	:	A deed of accession substantially in the form set out in Schedule 8 to the Principal Trust Deed between a Specified Issuer, the Guarantor, the Dealers, the Issuing and Paying Agent, the Agent Bank and the Trustee, pursuant to which the relevant Specified Issuer agrees to become bound by each of the Issue Documents (as defined therein) as an Issuer therein in respect of any Notes issued by it.
Deed of Covenant	:	(In the case of SGRMPL) the Deed of Covenant of SGRMPL or, in the case of a Specified Issuer, such other deed of covenant as may be referred to in the Deed of Accession to which it is a party, as amended, varied or supplemented from time to time.
Deed of Covenant of SGRMPL	:	The deed of covenant dated 8 January 2008 executed by SGRMPL by way of deed poll in relation to the Notes (which are represented by Global Notes and which are deposited with the Depository), as amended, varied or supplemented from time to time.
Deposited Property	:	The gross assets of Starhill Global REIT including all its authorised investments held or deemed to be held under the Starhill Global REIT Trust Deed.
Depository Services Agreement	:	(In the case of SGRMPL) the Depository Services Agreement of SGRMPL or, in the case of a Specified Issuer, such other depository services agreement as may be referred to in the Deed of Accession to which it is a party, as amended, varied or supplemented from time to time.

Depository Services Agreement of SGRMPL	:	The master depository services agreement dated 8 January 2008 made between (1) SGRMPL, as issuer, and (2) the Depository, as depository, as amended, varied or supplemented from time to time.
Directors	:	The directors (including alternate directors, if any) of SGRMPL as at the date of this Information Memorandum.
Ebisu Fort Property	:	A seven-storey (including two basement levels) office/retail building with basement car parking located at 24-1 Ebisu 1 Chome, Shibuya-ku, Tokyo, Japan, known as “Ebisu Fort”.
Existing Properties	:	The Singapore Properties, the Japanese Properties, the Renhe Spring Zongbei Property and the David Jones Property.
Extraordinary Resolution	:	A resolution passed at a meeting duly convened and held in accordance with the Principal Trust Deed by a majority of at least 75 per cent. of the votes cast.
First ABS Junior MTNs	:	RM705.0 million ABS Junior MTNs to be issued by the ABS SPV as part of the ABS Structure.
First ABS NRPS	:	100,000 ABS NRPS to be subscribed by Starhill Global REIT (through the SG SPV).
First ABS Senior MTNs	:	RM330.0 million ABS Senior MTNs to be issued by the ABS SPV as part of the ABS Structure.
FY	:	Financial year ended or ending 31 December.
GDP	:	Gross domestic product.
Global Note	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
Group	:	Starhill Global REIT and its Subsidiaries.
Guarantee	:	The guarantee of the Guarantor contained in the Principal Trust Deed.
Guarantor or Starhill Global REIT Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT.
Harajyuku Secondo Property	:	A three-storey (including one basement level) retail building located at 19-1 Jingumae 1 Chome, Shibuya-ku, Tokyo, Japan, known as “Harajyuku Secondo”.
Holon L Property	:	A three-storey retail building located at 46-7 Kita Aoyama 3 Chome, Minato-ku, Tokyo, Japan, known as “Holon L”.
Issue Date	:	In respect of any Note, the date specified in the relevant Supplemental Trust Deed being the date of issue and purchase of such Note and means, in the case of any Note in the form of a Global Note or definitive Note, the same date as the date of issue of the Global Note which initially represented such Note.

Issuers	:	Starhill Global REIT MTN Pte. Ltd. (formerly known as MMP REIT MTN Pte. Ltd.) and, from and after the execution and delivery of each Deed of Accession, the relevant Specified Issuer and “ Issuer ” means any of them.
Issuing and Paying Agent	:	Citicorp Investment Bank (Singapore) Limited.
ITA	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
Japanese Properties	:	The Daikanyama Property, the Ebisu Fort Property, the Harajyuku Secondo Property, the Holon L Property, the Nakameguro Property, the Roppongi Primo Property and the Roppongi Terzo Property.
Latest Practicable Date	:	31 May 2010.
Lot 10 Property	:	137 strata parcels with two accessory parcels which consist of retail, office, storage and other spaces, within a shopping complex known as “Lot 10 Shopping Centre” which consists of an eight-level building with a basement and a lower ground floor, together with a seven-level annex building with a lower ground floor and bearing postal address 50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia and held under leasehold master title Pajakan Negeri No. 11008 Lot No. 1247, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan together with the assets appurtenant thereto.
Malaysian Properties	:	Starhill Gallery and the Lot 10 Property.
MAS	:	The Monetary Authority of Singapore.
MCST	:	Management Corporation Strata Title.
MRT	:	Mass rapid transit.
MTN Programme	:	The S\$2,000,000,000 Multicurrency Medium Term Note Programme of the Issuers.
Nakameguro Property	:	A four-storey (including one basement level) retail building located at 152-7 Aobadai 1 Chome, Meguro-ku, Tokyo, Japan, known as “Nakameguro”.
Ngee Ann City	:	The building known as “Ngee Ann City” which is constructed on Lot 1206C TS 21 at 391/391B Orchard Road, Singapore 238873/238874, comprising a commercial complex with 18 levels of office space in the twin office tower blocks (“ Tower A ” and “ Tower B ”) and a seven-storey podium with three basement levels comprising retail and car parking space.
Ngee Ann City Property or NAC	:	The 27.23% strata title interest (comprising four strata lots) in Ngee Ann City.
NLA	:	Net lettable area.
Notes	:	The notes to be issued by any of the Issuers under the MTN Programme.

Permanent Global Note	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche.
Principal Trust Deed	:	The Principal Trust Deed dated 8 January 2008 made between (1) SGRMPL, and acceded to by Specified Issuers from time to time by the execution of a Deed of Accession, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, modified or supplemented from time to time.
Programme Agreement	:	The Programme Agreement dated 8 January 2008 made between (1) SGRMPL, and acceded to by Specified Issuers from time to time by the execution of a Deed of Accession, as issuers, (2) the Guarantor, as guarantor, and (3) Citicorp Investment Bank (Singapore) Limited, as arranger and dealer, as amended, modified or supplemented from time to time.
Properties	:	The Existing Properties and, upon completion of the Proposed Acquisitions, the Malaysian Properties.
Property Funds Guidelines	:	The guidelines for real estate investment trusts issued by the MAS as Appendix 2 to the CIS Code.
Property Manager	:	YTL Starhill Global Property Management Pte. Ltd., appointed by the Starhill Global REIT Trustee as property manager of the Singapore Properties.
Proposed Acquisitions	:	The proposed acquisitions of the freehold interest in Starhill Gallery and a leasehold interest expiring 29 July 2076 in the Lot 10 Property from the Vendor.
Relevant Issuer	:	In relation to any Series or Tranche, the Issuer who has concluded an agreement with the relevant Dealer(s) to issue, or which has issued, the Notes of such Series or Tranche.
Renhe Spring Zongbei Property	:	The retail component of a mixed-use commercial development comprising a four-storey plus mezzanine level retail component and a 26-storey (including three basement levels of car parking) office block which is constructed on Section 4, No. 19 Renminnan Road, Chengdu, Sichuan Province, the People's Republic of China, and which is operating as the "Renhe Spring Department Store (Zongbei branch)".
Rights Issue	:	The issue of 963,724,106 rights Units at an issue price of S\$0.35 per rights Unit on 18 August 2009 pursuant to a rights issue by Starhill Global REIT on a fully underwritten and renounceable basis.
Roppongi Primo Property	:	An eight-storey (including one basement level) office/retail building located at 212-16 Roppongi 7 Chome, Minato-ku, Tokyo, Japan, known as "Roppongi Primo".

Roppongi Terzo Property	:	A five-storey (including one basement level) retail building located at 101-1 Roppongi 7 Chome, Minato-ku, Tokyo, Japan, known as “Roppongi Terzo”.
Securities Act	:	Securities Act of 1933 of the United States, as amended.
Series	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
SFA	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
SG SPV	:	SG REIT (M) Pte. Ltd., a Singapore-incorporated special purpose vehicle wholly-owned by the Starhill Global REIT Trustee.
SG SPV Subscription Agreement	:	The conditional subscription agreement dated 16 April 2010 entered into between, among others, the SG SPV as subscriber and the ABS SPV as issuer of the First ABS Junior MTNs and the First ABS NRPS.
SGRMPL	:	Starhill Global REIT MTN Pte. Ltd. (formerly known as MMP REIT MTN Pte. Ltd.).
SGX-ST	:	Singapore Exchange Securities Trading Limited.
Shares	:	Ordinary shares in the capital of SGRMPL.
Singapore Properties	:	The Ngee Ann City Property and the Wisma Atria Property.
Standard & Poor’s	:	Standard & Poor’s Group, a division of The McGraw-Hill Companies, Inc.
Starhill Gallery	:	A shopping centre comprising part of a seven-level building with five basements and a 12-level annex building with three basements, and bearing postal address 181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia and erected on part of the freehold land held under Geran No. 28678, Lot No. 1267, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan, together with the assets appurtenant thereto.
Starhill Global REIT	:	Starhill Global Real Estate Investment Trust (formerly known as Macquarie MEAG Prime Real Estate Investment Trust), a real estate investment trust listed on the Main Board of the SGX-ST.
Starhill Global REIT Manager	:	YTL Starhill Global REIT Management Limited, in its capacity as manager of Starhill Global REIT.

Starhill Global REIT Trust Deed	:	The trust deed dated 8 August 2005 made between (1) the Starhill Global REIT Manager, as manager, and (2) the Starhill Global REIT Trustee, as trustee, as supplemented by a first supplemental deed dated 20 April 2006, as amended and restated by an amended and restated deed dated 8 August 2007 and as further amended and restated by a second amended and restated deed dated 10 December 2007 and as supplemented by a second supplemental deed dated 22 April 2010 and a third supplemental deed dated 7 June 2010, in each case, made between the same parties, and as amended, restated, varied and/or supplemented from time to time.
Starhill REIT	:	Starhill Real Estate Investment Trust, a real estate investment trust listed on the Main Market of Bursa Malaysia.
Subsidiary	:	<p>(a) in relation to Starhill Global REIT, any company, corporation, trust, fund, or other entity (whether or not a body corporate):</p> <ul style="list-style-type: none"> (i) which is controlled, directly or indirectly, by Starhill Global REIT; or (ii) more than half of the issued share capital of which is beneficially owned, directly or indirectly, by Starhill Global REIT (whether through the Guarantor as trustee for Starhill Global REIT or otherwise); or (iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, <p>and, for these purposes, a company or corporation shall be treated as being controlled by Starhill Global REIT if Starhill Global REIT (whether through the Guarantor as trustee for Starhill Global REIT or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and</p> <p>(b) (in any other case) any company which is for the time being a subsidiary within the meaning of Section 5 of the Companies Act.</p>
Supplemental Trust Deed	:	In relation to the Notes of any Series, the supplemental trust deed dated the Issue Date of the Notes of such Series between the Relevant Issuer and the Trustee, each substantially in the form set out in Schedule 6 to the Principal Trust Deed.
Temporary Global Note	:	A Global Note representing Notes of one or more Tranches of the same Series on issue.
Toshin	:	Toshin Development Singapore Pte. Ltd.
Tranche	:	Notes which are identical in all respects (including as to listing).
Trustee	:	British and Malayan Trustees Limited.

Unit	:	A unit representing an undivided interest in Starhill Global REIT.
United States or U.S.	:	United States of America.
Unitholder	:	The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term “ Unitholder ” shall, in relation to the Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units.
Vendor	:	Mayban Trustees Berhad, as trustee of Starhill REIT.
Vendor Group	:	The Vendor (acting on behalf of Starhill REIT) and/or one or more subsidiaries of Starhill REIT.
WA Management Corporation	:	MCST Plan No. 1471.
Wisma Atria	:	The building known as “Wisma Atria” which is constructed on Lot 824K TS21 at 435 Orchard Road, Singapore 238877, comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office tower block.
Wisma Atria Property or WA	:	The 74.23% strata title interest (comprising 257 strata lots) in Wisma Atria.
YTL	:	YTL Corporation Berhad.
1Q	:	Financial quarter ending or ended 31 March.
A\$:	Australian dollars, the lawful currency of Australia.
JPY	:	Japanese yen, the lawful currency of Japan.
RM	:	Malaysian ringgit, the lawful currency of Malaysia.
RMB	:	Renminbi, the lawful currency of the People’s Republic of China.
S\$ or Singapore dollars and cents	:	Singapore dollars and cents respectively, the lawful currency of Singapore.
psf pm	:	Per square foot per month.
sq ft	:	Square feet.
%	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Starhill Global REIT MTN Pte. Ltd.

Board of Directors	:	Ms Cheong Peng Kwet Yew Mr Chong Thoong Shin
Company Secretary	:	Ms Jeanette Lim
Registered Office	:	391B Orchard Road #21-08 Ngee Ann City Tower B Singapore 238874
Auditors	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT)

Registered Office	:	21 Collyer Quay #14-01 HSBC Building Singapore 049320
Auditors for Starhill Global REIT	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

YTL Starhill Global REIT Management Limited (in its capacity as manager of Starhill Global REIT)

Board of Directors	:	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping (Executive Chairman) Mr Ho Sing (Chief Executive Officer and Executive Director) Dato' Yeoh Seok Kian (Non-Executive Director) Mr Keith Tay Ah Kee (Lead Independent Non-Executive Director) Dr Hong Hai (Independent Non-Executive Director) Mr Michael Hwang (Independent Non-Executive Director) Ms Tan Peck Mun Kemmy (Non-Executive Alternate Director to Dato' Yeoh Seok Kian)
Joint Company Secretaries	:	Ms Jeanette Lim Mr Abdul Jabbar bin Karam Din Ms Chan Hooi Tze
Registered Office	:	391B Orchard Road #21-08 Ngee Ann City Tower B Singapore 238874

Arranger of the MTN Programme	:	Citicorp Investment Bank (Singapore) Limited 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190
Legal Advisers to the Arranger and the Trustee	:	WongPartnership LLP One George Street #20-01 Singapore 049145
Legal Advisers to SGRMPL	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Guarantor	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Issuing and Paying Agent and Agent Bank	:	Citicorp Investment Bank (Singapore) Limited 3 Changi Business Park Crescent #03-00 Changi Business Park Singapore 486026
Trustee for the holders of the Notes	:	British and Malayan Trustees Limited 1 Coleman Street #08-01 The Adelphi Singapore 179803

SUMMARY OF THE MTN PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant amendment or supplement to this Information Memorandum), the Programme Agreement, the Principal Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	Starhill Global REIT MTN Pte. Ltd. (formerly known as MMP REIT MTN Pte. Ltd.).
Guarantor	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT).
Arranger	Citicorp Investment Bank (Singapore) Limited.
Dealer	Citicorp Investment Bank (Singapore) Limited and/or such other Dealers as may be appointed by the Relevant Issuer in accordance with the Programme Agreement.
Issuing and Paying Agent and Agent Bank	Citicorp Investment Bank (Singapore) Limited.
Description	S\$2,000,000,000 Multicurrency Medium Term Note Programme.
Programme Size	The maximum aggregate principal amount of the Notes outstanding at any time shall be S\$2,000,000,000 (or its equivalent in other currencies), or such higher amount as may be notified by the Issuers and the Guarantor.
Currency	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Relevant Issuer(s) and the relevant Dealer(s).
Method of Issue	Notes may be issued from time to time under the MTN Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	Notes may be issued at par or at a discount, or premium, to par.
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of not less than one month and not more than 10 years or such other tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s).
Mandatory Redemption	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Relevant Issuer(s) and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	<p>Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.</p> <p>Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s).</p>
Variable Rate Notes	Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Hybrid Notes denominated in Singapore dollars), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Relevant Issuer and the relevant Dealer(s).
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Relevant Issuer(s) and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant Issue Date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent

Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein.

Custody of the Notes

Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

Status of the Notes and the Guarantee

The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Relevant Issuer.

The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Redemption and Purchase

If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Relevant Issuer (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the holders of the Notes.

Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any interest payment date in relation to the Notes on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their redemption amount stated in the relevant Pricing Supplement or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Relevant Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore (or, if the Relevant Issuer is not incorporated in Singapore, such other jurisdiction in which such Issuer is resident for the purposes of taxation) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other

date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Relevant Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. For further details, please see the section “Terms and Conditions of the Notes”.

Other Covenants

Each of the Issuers and the Guarantor has covenanted with the Trustee that so long as any of the Notes remains outstanding, in the event that a Supplemental Trust Deed is executed in relation to the Notes of a Series, it will comply with the other covenants set out in such Supplemental Trust Deed.

Financial Covenants

The Guarantor has covenanted with the Trustee that so long as any of the Notes remains outstanding:

- (a) the Consolidated Total Assets (as defined in the Principal Trust Deed) of Starhill Global REIT shall not be less than S\$800,000,000;
- (b) the ratio of Consolidated Total Debt (as defined in the Principal Trust Deed) to Consolidated Total Assets of Starhill Global REIT shall not exceed 0.6 times; and
- (c) the ratio of the EBITDA (as defined in the Principal Trust Deed) to Interest Expense (as defined in the Principal Trust Deed) of Starhill Global REIT shall be at least 1.5 times.

Events of Default

See Condition 9 of the Notes.

Taxation

All payments in respect of the Notes and the Coupons by the Relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore (or, if the Relevant Issuer is not incorporated in Singapore, such other jurisdiction in which the Relevant Issuer is resident for the purposes of taxation) or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required. For further details, please see the section “Taxation”.

Listing

Each Series of the Notes may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained or may be unlisted.

Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section “Subscription, Purchase and Distribution”. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	The MTN Programme and any Notes issued under the MTN Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Principal Trust Deed (as amended and supplemented, the “**Principal Trust Deed**”) dated 8 January 2008 made between (1) MMP REIT MTN Pte. Ltd. (“**MMPPL**”) and acceded to by Specified Issuers from time to time by the execution of a Deed of Accession (each an “**Issuer**”, and together the “**Issuers**”), (2) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Macquarie MEAG Prime Real Estate Investment Trust (“**MMP REIT**”)) (the “**Guarantor**” or the “**MMP REIT Trustee**”) and (3) British and Malayan Trustees Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Principal Trust Deed), as trustee for the Noteholders (as defined below) (the Principal Trust Deed as amended and supplemented from time to time and (if applicable) as supplemented by the relevant supplemental trust deed (the “**Supplemental Trust Deed**”) made between the parties to the Principal Trust Deed, the “**Trust Deed**”), and (where applicable) the Notes are issued with the benefit of deed of covenant (as amended and supplemented, the “**Deed of Covenant**”) dated [8 January 2008/[●]¹], relating to the Notes executed by [MMPPL/[Specified Issuer]²]. The Issuers and the Guarantor have entered into an Agency Agreement (as amended and supplemented, the “**Agency Agreement**”) dated 8 January 2008 made between (1) MMPPL and acceded to by Specified Issuers from time to time by the execution of a Deed of Accession, (2) the Guarantor (in its capacity as trustee of MMP REIT), (3) Citicorp Investment Bank (Singapore) Limited, as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”) and agent bank (in such capacity, the “**Agent Bank**”), and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes (the “**Couponholders**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Principal Trust Deed, the Supplemental Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

¹ Insert date of relevant Deed of Covenant.

² Delete and/or insert name of Specified Issuer, as appropriate.

- (iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

- (i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, all other agents of such Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the relevant Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, all other agents of such Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or of the Depository.
- (iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status and Guarantee

(a) Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of such Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by the relevant Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee and the Trust Deed are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

3. Financial Covenants

In the Trust Deed, the Guarantor has further covenanted that so long as any Notes remain outstanding:

- (a) the Consolidated Total Assets (as defined in the Trust Deed) of MMP REIT shall not be less than S\$800,000,000;
- (b) the ratio of Consolidated Total Debt (as defined in the Trust Deed) to Consolidated Total Assets of MMP REIT shall not exceed 0.6 times; and
- (c) the ratio of the EBITDA (as defined in the Trust Deed) to Interest Expense (as defined in the Trust Deed) of MMP REIT shall be at least 1.5 times.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or

refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each date ("**Interest Payment Date**"). Such Interest Payment Date is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Interest — Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate

Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the **“Rate of Interest”**.

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
- (B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof), the Agent Bank will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears under the caption “SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M.” and the row headed “SIBOR SGD” on the Reuters Screen SIBP Page (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
- (C) if no such rate appears on Reuters SIBP Page (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters SIBP Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;
- (D) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the

relevant Interest Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations; and

- (E) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Notes which are Swap Rate Notes:

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to four decimal places) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

- SIBOR = the rate which appears under the caption “SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M.” and the row headed “SIBOR USD” on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
- Spot Rate = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” and the column headed “SPOSPOT” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
- Premium or Discount = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
- T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

- (C) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (B) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\begin{aligned} \text{Swap Rate} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Swap Rate} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR	=	the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned; and

- (D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Agent Bank) and as adjusted by the Spread (if any), or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and
- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,
- and as adjusted by the Spread (if any);
- (B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates

appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

- (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.
- (iii) On the last day of each Interest Period, the relevant Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(c) Rate of Interest — Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the **“Agreed Yield”** and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the **“Rate of Interest”**.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the relevant Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between such Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of such Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between such Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an **“Agreed Rate”**) and, in the event of such Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the relevant Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such

Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

- (iii) The relevant Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
 - (1) notify the Guarantor, the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the **"Fall Back Rate"**) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to **"Rate of Interest"** shall mean **"Fall Back Rate"**.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(d) Definitions

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means:

- (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore; and
- (ii) (in the case of Notes denominated in a currency other than Singapore dollars), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“Interest Commencement Date” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“Interest Determination Date” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“Reference Banks” means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the relevant Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre; and

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Monitor Money Rates Service (“Reuters”)) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information

service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each date ("**Interest Payment Date**"). Such Interest Payment Date is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any

Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period (i) the Interest Payment Date shall be brought forward to the immediately preceding business day and (ii) each subsequent Interest Payment Date shall be the last business day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period shall have fallen.

- (ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an **"Interest Period"**.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.
- (iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the **"Interest Amounts"**) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying

Agent, the Trustee, the relevant Issuer and the Guarantor and (in the case of Floating Rate Notes) to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth business day thereafter. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The relevant Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the relevant Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the relevant Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the such Issuer accordingly. To exercise such option, the relevant Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and

Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(c) Purchase at the Option of Noteholders

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the relevant Issuer at their Redemption Amount on any Interest Payment Date and such Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.
- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the relevant Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and such Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the relevant Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited, the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the relevant Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the relevant Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

(f) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the relevant Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore (or, if the relevant Issuer is not incorporated in Singapore, such other jurisdiction in which such Issuer is resident for the purposes of taxation) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the relevant Issuer or, as the case may be, the Guarantor, stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor, has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The relevant Issuer, the Guarantor or any of the Subsidiaries of MMP REIT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the relevant Issuer, the Guarantor or any of the Subsidiaries of MMP REIT may be surrendered by the purchaser through the relevant Issuer to the Issuing and Paying Agent for cancellation or may at the option of the relevant Issuer be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) Redemption upon Termination of MMP REIT

In the event that MMP REIT is terminated in accordance with the provisions of the MMP REIT Trust Deed (as defined in the Trust Deed), the relevant Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of MMP REIT.

The relevant Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of MMP REIT.

(j) Cancellation

All Notes purchased by or on behalf of the relevant Issuer, the Guarantor or any of the Subsidiaries of MMP REIT may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the relevant Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The relevant Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that they will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuers, the Guarantor, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuers, the Guarantor, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuers, the Guarantor, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

- (i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against

surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the relevant Issuer may require.
- (iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the relevant Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the relevant Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the relevant Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore (or, if the

relevant Issuer is not incorporated in Singapore, such other jurisdiction in which such Issuer is resident for the purposes of taxation) or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore (or, if the relevant Issuer is not incorporated in Singapore, such other jurisdiction in which such Issuer is resident for the purposes of taxation) otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events (“**Events of Default**”) occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the relevant Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the relevant Issuer or the Guarantor does not pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) or (in the case of Zero Coupon Notes) the Early Redemption Amounts on, any Notes of any Series when due and such default continues for three business days or the relevant Issuer or the Guarantor does not pay the interest on any Notes of any Series when due and such default continues for five business days;

- (b) the relevant Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the relevant Issuer or the Guarantor referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given by the Trustee to the relevant Issuer or, as the case may be, the Guarantor;
- (c) any representation, warranty or statement by the relevant Issuer or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if in the opinion of the Trustee, the event resulting in that default is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given by the Trustee to the relevant Issuer or, as the case may be, the Guarantor;
- (d)
 - (i) any other present or future indebtedness of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any event of default or the like (however described) or is not paid when due; or
 - (ii) the relevant Issuer, MMP REIT or any of the Principal Subsidiaries fails to pay when properly called upon to do so any present or future guarantee of indebtedness for borrowed moneys.

However, no Event of Default will occur under paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S\$15,000,000 or its equivalent (as determined by the Trustee);

- (e) the relevant Issuer, MMP REIT or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;
- (g) any security on or over the whole or any material part of the assets of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries becomes enforceable; or
- (h) (i) a notice has been given by the Guarantor or the MMP REIT Manager under the MMP REIT Trust Deed for the termination of MMP REIT or (ii) an order is made, any resolution is passed, any meeting is convened or any originating summons is presented for the winding-up or termination of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries (except (1) for an originating summons of a frivolous or vexatious nature which is dismissed, struck out, restrained or stayed within 30 days of the presentation of such originating summons, (2) as required by law, for the purpose of and followed by a

reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee before that event happens and (3) (in the case of a Principal Subsidiary only) for a voluntary liquidation of such Principal Subsidiary not involving insolvency) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries or over the whole or any substantial part of the assets of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries (except for (in the case of a Principal Subsidiary only) a voluntary liquidation of such Principal Subsidiary not involving insolvency);

- (i) the relevant Issuer, MMP REIT or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any material part of its property or assets (in each case, other than (i) for the purposes of a reconstruction, amalgamation, reorganisation, merger, consolidation on terms approved by the Trustee before that event happens or (ii) for the purposes of a voluntary liquidation not involving insolvency);
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the relevant Issuer, MMP REIT or any of the Principal Subsidiaries;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.7 of the Principal Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable) and, if in the opinion of the Trustee, that default is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given by the Trustee to the relevant Issuer or, as the case may be, the Guarantor;
- (l) it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Issue Documents to which it is a party or any of the Notes;
- (m) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the relevant Issuer or the Guarantor not) to be the legal and valid obligations of the relevant Issuer or the Guarantor, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding (other than those of a vexatious or frivolous nature or those which are contested in good faith) is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the relevant Issuer or the Guarantor under any of the Issue Documents to which it is a party or any of the Notes or (ii) which has or could have a material adverse effect on the relevant Issuer or on MMP REIT;
- (o) if (i)(1) the MMP REIT Trustee resigns or is removed; (2) an order is made for the winding up of the MMP REIT Trustee (other than the amalgamation, reconstruction or reorganisation of the MMP REIT Trustee), a receiver, judicial manager, administrator, agent or similar officer of the MMP REIT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the MMP REIT Trustee which prevents or restricts the ability of the Guarantor to perform its obligations under any of the Issue Documents to which

it is a party or any of the Notes and (ii) the replacement or substitute trustee of MMP REIT is not appointed in accordance with the terms of the MMP REIT Trust Deed;

- (p) the MMP REIT Manager is removed pursuant to the terms of the MMP REIT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the MMP REIT Trust Deed;
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (i) or (j);
- (r) the relevant Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore;
- (s) for any reason (i) the MMP REIT Trustee ceases to own the whole of the issued share capital for the time being of the relevant Issuer or (ii) the units in MMP REIT cease to be listed on the SGX-ST or on any other stock exchange listed in Schedule 7 to the Principal Trust Deed and, if in the opinion of the Trustee that cessation is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days of its occurrence; or
- (t) the MMP REIT Trustee loses its right to be indemnified out of the assets of MMP REIT in respect of all liabilities, claims, demands and actions under or in connection with any of the Issue Documents or the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 21 days of its occurrence.

In these Conditions:

- (1) **“Principal Subsidiaries”** means any Subsidiary of MMP REIT whose total assets, as shown by the accounts of such Subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or MMP REIT (the **“transferee”**) then:
 - (aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is MMP REIT) shall thereupon become a Principal Subsidiary; and
 - (bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is MMP REIT) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary or the date of issue of a report by the Auditors described below (whichever is earlier), based upon which such audited consolidated accounts or, as the case may be, Auditor’s report have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts or, as the case may be, Auditor’s report. A report by the Auditors which, for the avoidance of doubt, the Issuer shall have the option but not the obligation to obtain for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

- (2) **“Subsidiary”** has the meaning ascribed to it in the Trust Deed.

10. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the relevant Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the relevant Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuers for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Note or Coupon) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the relevant Issuer, the Guarantor or any of the Subsidiaries of MMP REIT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the relevant Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the relevant Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18. Acknowledgement

The Trustee acknowledges that the Guarantor has entered into the Trust Deed only in its capacity as trustee of MMP REIT (and not in the Guarantor's personal capacity) and all references to the "**Guarantor**" in the Trust Deed shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Guarantor has assumed all obligations under the Trust Deed and the Notes only in its capacity as trustee of MMP REIT (and not in its personal capacity) and any liability of or indemnity given by the Guarantor under the Trust Deed and the Notes is limited to the assets of MMP REIT over which the Guarantor has recourse and shall not extend to any personal, or other assets of the Guarantor, or any assets held by the Guarantor as trustee of any trust (other than for MMP REIT). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee under law or equity whether in connection with any negligence, fraud or breach of trust of the Guarantor or otherwise.

19. Governing Law and Jurisdiction

The Trust Deed shall be governed by, and construed in accordance with, the laws of Singapore.

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed ("**Proceedings**") may be brought in such courts. Each of the relevant Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of the Trustee, the Noteholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Each of the relevant Issuer and the Guarantor irrevocably agrees that, should the Trustee take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. Each of the relevant Issuer and the Guarantor irrevocably agrees that the assets of the Issuer and MMP REIT are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed.

THE ISSUER

STARHILL GLOBAL REIT MTN PTE. LTD.

(formerly known as MMP REIT MTN Pte. Ltd.)

History and Business

SGRMPL was incorporated under the Companies Act on 25 May 2007. It is a wholly-owned Subsidiary of the Guarantor. SGRMPL changed its name from MMP REIT MTN Pte. Ltd. to Starhill Global REIT MTN Pte. Ltd. with effect from 27 February 2009.

Its principal activities are the provision of financial and treasury services for and on behalf of Starhill Global REIT. Since its incorporation, SGRMPL has not engaged in any material activities other than the establishment of the MTN Programme, the proposed issue of the Notes under the MTN Programme and the authorisation of documents and agreements referred to in this Information Memorandum to which it is or will be a party.

Registered Office

The registered address of SGRMPL as at the date of this Information Memorandum is 391B Orchard Road, #21-08 Ngee Ann City Tower B, Singapore 238874.

Shareholding and Capital

As at the date of this Information Memorandum, the issued share capital of SGRMPL is two ordinary shares of S\$1 each. All of the issued share capital of SGRMPL is owned by the Guarantor.

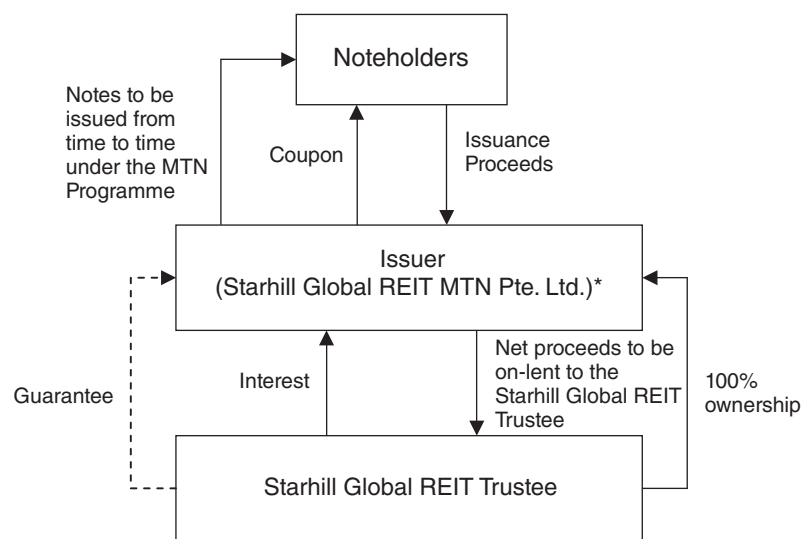
As at the date of this Information Memorandum, SGRMPL has no borrowings, indebtedness in the nature of borrowings, loan capital outstanding or created but unissued (including term loans), guarantees or material contingent liabilities.

Directors

As at the date of this Information Memorandum, the Directors are:

Name	Business Address
Ms Cheong Peng Kwet Yew	391B Orchard Road #21-08 Ngee Ann City Tower B Singapore 238874
Mr Chong Thoong Shin	391B Orchard Road #21-08 Ngee Ann City Tower B Singapore 238874

Issuance Structure under the MTN Programme



- * Under the MTN Programme, certain companies which are wholly-owned Subsidiaries of the Guarantor may also issue Notes subject to certain conditions having been fulfilled.

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

(formerly known as Macquarie MEAG Prime Real Estate Investment Trust)

1. HISTORY AND BACKGROUND

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Main Board of the SGX-ST on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 11 properties in Singapore, Australia, China and Japan, valued at about S\$2.1 billion as at 31 March 2010.

These properties include a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City in Singapore, full ownership of a retail property in Chengdu, China, seven properties in the prime areas of Tokyo, Japan and the David Jones Property in Perth, Australia. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio, through proactive leasing efforts and asset enhancements.

As announced by the Starhill Global REIT Manager on 4 June 2010, the Unitholders have approved the proposed acquisitions of Starhill Gallery and the Lot 10 Property. Details of the Proposed Acquisitions are set out in the section “The Proposed Acquisitions” below.

Starhill Global REIT was assigned a “BBB” corporate rating with a stable outlook by Standard & Poor’s in October 2009. The Property Funds Guidelines provide that the aggregate leverage of a real estate investment trust may exceed 35.0 per cent. of its deposited property so long as it obtains and discloses a credit rating from Fitch Inc., Moody’s Investors Service or Standard & Poor’s (subject to a cap of 60.0 per cent. of its deposited property). As at 31 March 2010, the gearing of Starhill Global REIT is 29.3 per cent.

Starhill Global REIT’s market capitalisation as at the Latest Practicable Date is S\$1,054.6 million.

2. INVESTMENT AND STRATEGY

The Starhill Global REIT Manager intends to implement the investment strategy of Starhill Global REIT in accordance with the following guidelines:

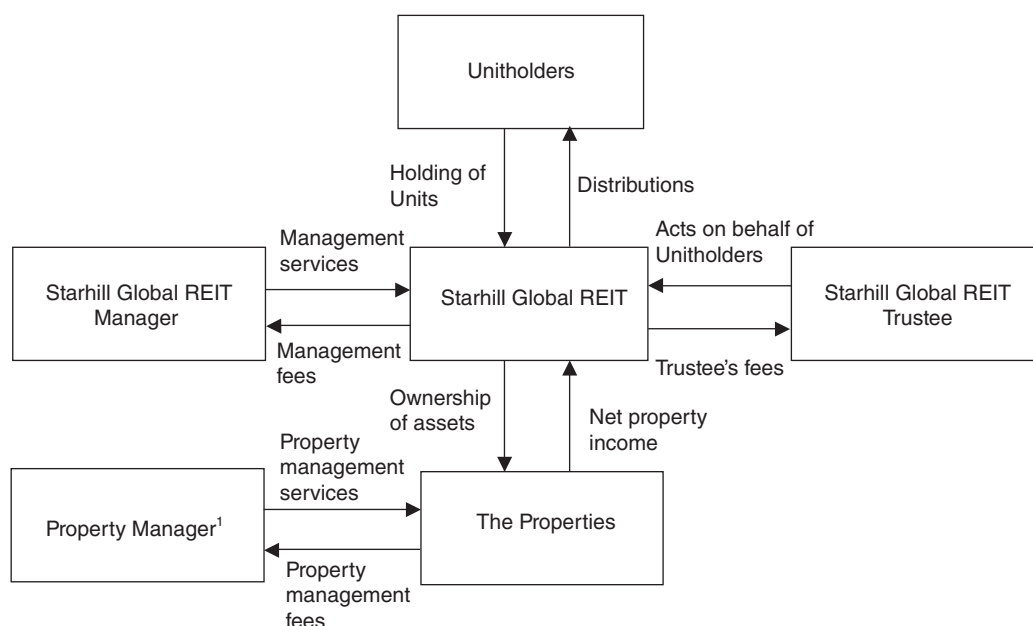
- Investment portfolio primarily comprising prime real estate used mainly for retail and/or office purposes (including investments in real estate-related assets and/or other related value-enhancing assets or instruments);
- Investments will be made in Singapore and overseas markets depending on investment opportunities and conditions; and
- Investments will generally be for the long-term.

The key objectives of the Starhill Global REIT Manager are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in net asset value per Unit in order to provide Unitholders with a competitive rate of return for their investment. Plans for achieving these objectives include:

- Actively managing Starhill Global REIT’s property portfolio to maximise returns;
- Selectively acquiring properties that meet the Starhill Global REIT Manager’s investment criteria; and
- Employing appropriate debt and equity financing strategies and strategies that enhance Unitholders’ value.

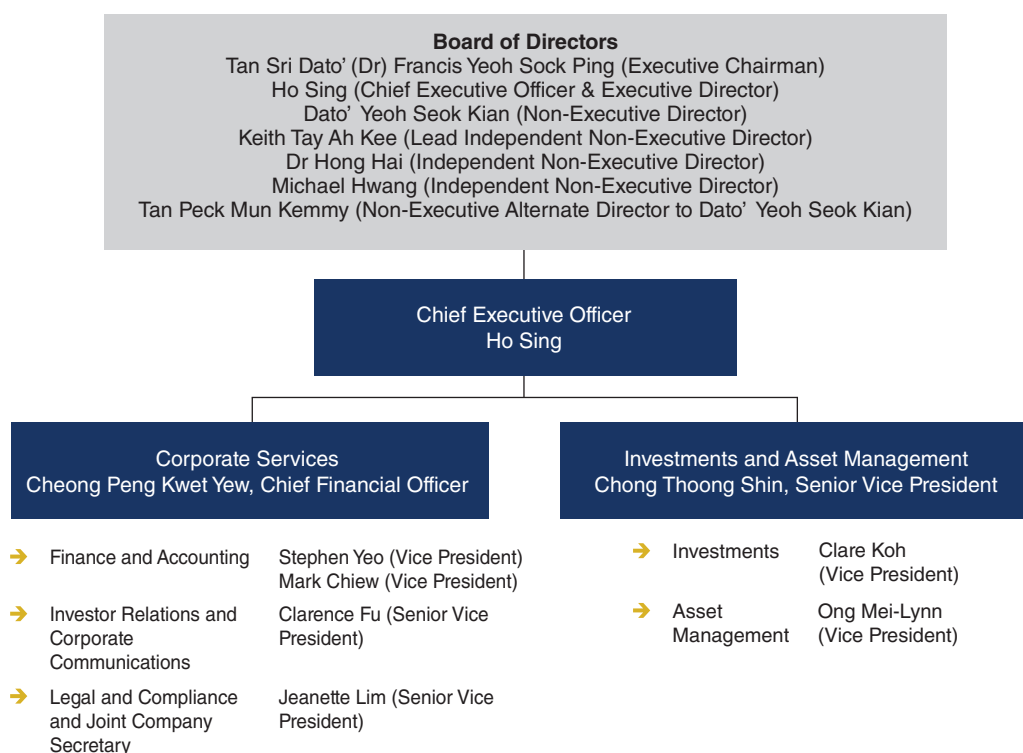
3. STRUCTURE OF STARHILL GLOBAL REIT

The following is the structure of Starhill Global REIT as at the date of this Information Memorandum:



Note 1: The Property Manager manages the Singapore Properties. Savills Japan K.K. is the property manager for the Japanese Properties, Chengdu Renhe Spring Department Store Co., Ltd is the property manager for the Renhe Spring Zongbei Property and Jones Lang LaSalle is the property manager for the David Jones Property.

4. MANAGEMENT OF THE STARHILL GLOBAL REIT MANAGER



Executive Chairman — Tan Sri Dato' (Dr) Francis Yeoh Sock Ping

Tan Sri Francis was appointed as the Executive Chairman on 31 December 2008. He works with the board of directors of the Starhill Global REIT Manager, including the Chief Executive Officer, to determine the overall business, investment and operational strategies of Starhill Global REIT. Together with the Chief Executive Officer, Tan Sri Francis works closely with other members of the Starhill Global REIT Manager and the Property Manager to ensure the business, investment and operational strategies of Starhill Global REIT are carried out as planned.

Tan Sri Francis was appointed as an Executive Director of YTL in 1984 and has been the Managing Director of YTL since 1988. Under his stewardship, YTL has grown from a single listed entity into a force comprising six listed entities: YTL, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill REIT. Tan Sri Francis is presently Managing Director of YTL, YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia and is the Executive Chairman and Managing Director of YTL e-Solutions Berhad, listed on the ACE Market of Bursa Malaysia. Tan Sri Francis also sits on the boards of several public companies such as YTL Industries Berhad and YTL Foundation in Malaysia, and utility companies including Wessex Water Limited and Wessex Water Services Limited in the United Kingdom and PowerSeraya Limited in Singapore. In addition, he is a director and the Chief Executive Officer of Pintar Projek Sdn. Bhd., the manager of Starhill REIT.

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. He also received a prestigious professional accolade when he was made a fellow of the Institute of Civil Engineers in London in 2008.

Chief Executive Officer — Mr Ho Sing

Mr Ho was appointed Chief Executive Officer on 20 April 2010. He assists the board of directors of the Starhill Global REIT Manager in the formulation of business, investment and operational strategies for Starhill Global REIT and the implementation of these strategies, including overseeing investment and asset management strategies.

Mr Ho comes with 15 years' experience in key positions in various industries ranging from real estate, engineering, medical, infrastructure and investment holdings. Prior to this appointment, Mr Ho held senior positions at GuocoLand Limited and Sembcorp Industries Ltd.

Mr Ho holds a Bachelor of Science in Aerospace Engineering degree from the University of Texas, Austin, United States.

Chief Financial Officer — Ms Cheong Peng Kwet Yew

Ms Cheong oversees the Finance and Accounting, Legal and Compliance as well as the Investor Relations and Corporate Communications functions. Ms Cheong has more than 15 years of experience in financial advisory, mergers and acquisitions and fundraising, including six years in the real estate sector. Prior to joining the Starhill Global REIT Manager, she was a vice president in MEAG Pacific Star Asia Pte Ltd from May 2003 to June 2005 and was involved in the evaluation, structuring, funding and execution of real estate acquisitions in Asia. Ms Cheong has had nine years of investment banking and corporate finance experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore.

Ms Cheong graduated with First Class Honours from Warwick University in the United Kingdom with a Bachelor of Science in Management Science in 1994. She is also a Chartered Financial Analyst (CFA Institute).

Senior Vice President, Asset Management and Investments — Mr Chong Thoong Shin

Mr Chong oversees the Asset Management and Investments functions. Mr Chong has more than 10 years of investment and management experience globally in Singapore, Hong Kong and Paris. Prior to joining the Starhill Global REIT Manager, Mr Chong held senior positions with Itochu Singapore, Asia Pacific Breweries, Moët Hennessy Louis Vuitton (LVMH) and the Singapore Economic Development Board (“EDB”). Mr Chong was an Assistant General Manager in Itochu and was involved in all aspects of real estate investments, from deal sourcing and due diligence to completion. He also developed strategic relationships with real estate funds and developers in the South East Asian market. From 2001 to 2004, he was Centre Director of the EDB’s Paris office in France.

Under the Singapore EDB Scholarship, Mr Chong graduated in 1998 with a Master of Information Networking from Carnegie Mellon University and an Engineering degree from a French Grande Ecole in Paris, France. In 2004, he obtained a Master in Financial Management and Control from business school École Supérieure des Sciences Économique et Commerciales in Paris, France.

Senior Vice President, Investor Relations and Corporate Communications — Mr Clarence Fu

Mr Fu is responsible for strategic communications with Unitholders, potential investors, analysts and media. He has over 11 years of investor relations and corporate communications experience with companies listed on the SGX-ST, the National Association of Securities Dealers Automated Quotations (NASDAQ) and the New York Stock Exchange. Mr Fu previously held senior investor relations and research positions at Raffles Education Corporation, Frasers Centrepoint Trust and Chartered Semiconductor Manufacturing Ltd.

Mr Fu holds a Master of Business Administration degree from Macquarie University, Australia, and a Bachelor of Engineering degree (Honours) in Electrical and Computer Engineering from Stevens Institute of Technology, United States.

Senior Vice President, Legal and Compliance and Joint Company Secretary — Ms Jeanette Lim

Ms Lim is responsible for legal, compliance and company secretarial matters of the Starhill Global REIT Manager and Starhill Global REIT. Her legal career has spanned public and private practice as well as in-house legal counsel roles. Ms Lim first joined the legal service with stints at the Attorney-General’s Chambers and the then Registry of Companies and Businesses and subsequently practised as a corporate lawyer with a top local law firm before moving on to provide in-house legal advice within multinational corporations and a local real estate investment trust.

Her broad experience includes corporate commercial matters relating to real estate services, cross-border acquisitions and divestments as well as the setting up of private funds and joint ventures. Prior to joining the Starhill Global REIT Manager, Ms Lim was Legal Manager with a local conglomerate.

Ms Lim holds a Bachelor of Law (Honours) Degree from the National University of Singapore.

Vice President, Finance and Accounting — Mr Stephen Yeo

Mr Yeo is responsible for assisting the Chief Financial Officer in the finance matters of Starhill Global REIT including financial reporting, taxation, treasury and capital management. He has 10 years of experience in audit, accounting, statutory reporting, compliance and tax in Singapore and the People’s Republic of China. From 2000 to 2006, Mr Stephen Yeo was an auditor with Deloitte

& Touche. Prior to joining the Starhill Global REIT Manager, he was the financial controller of Sunshine Holding Limited, a real estate developer based in the People's Republic of China and listed on the Main Board of the SGX-ST.

Mr Yeo holds a Bachelor of Accountancy from Nanyang Technological University in Singapore. He is also a non-practising member of the Institute of Certified Public Accountants of Singapore.

Vice President, Finance and Accounting — Mr Mark Chiew

Mr Chiew is responsible for the financial accounting and taxation matters of Starhill Global REIT. He has approximately 10 years of experience in audit, accounting, tax and SGX-ST reporting in Singapore. Mr Chiew was an auditor with KPMG Singapore and Arthur Andersen Malaysia from 2000 to 2007. Prior to joining the Starhill Global REIT Manager, he worked as the finance manager of Macquarie International Infrastructure Fund Limited, a Bermudian mutual fund company listed on the SGX-ST.

Mr Chiew graduated from the University of Western Australia with a Bachelor of Commerce, majoring in Accounting and Finance. He is also a Certified Practising Accountant of CPA Australia.

Vice President, Investments — Ms Clare Koh

Ms Koh is responsible for the sourcing, evaluation, structuring and execution of real estate acquisitions for Starhill Global REIT. She was in the team overseeing the initial public offering of Starhill Global REIT in 2005. Ms Koh has 10 years of experience in corporate finance, advisory and mergers and acquisitions work, including five years in the real estate sector. Prior to joining the Starhill Global REIT Manager, she was with the investments team in MEAG Pacific Star Asia Pte Ltd and spent four years with HSBC investment bank where she was involved in the execution of regional mergers and acquisitions and advisory transactions. From 1998 to 2000, she was with Singapore Power and involved in risk management, corporate finance and key account management.

Ms Koh holds a Bachelor of Commerce from the University of Western Australia.

Vice President, Asset Management — Ms Ong Mei-Lynn

Ms Ong assists the Senior Vice President, Asset Management in the development and implementation of strategic plans for all assets. She has five years of asset management and six years of leasing experience in office, retail, industrial and residential assets. She was previously an asset manager of office and retail assets at One Raffles Quay and logistics assets under Mapletree Logistics Trust. Ms Ong was formerly a general manager of the leasing team at One Marina Property Services overseeing a portfolio of office, retail, industrial and residential assets. She also held leasing roles at United Engineers Limited overseeing their property portfolio of commercial assets and at Knight Frank where she dealt with residential property sales and leases.

Ms Ong holds a Master of Business Administration from Imperial College, London and graduated with a Bachelor of Arts from the National University of Singapore in 1998.

5. COMPETITIVE STRENGTHS

A. Properties strategically located in prime areas of Singapore, Tokyo, Chengdu and Perth

Starhill Global REIT's initial property portfolio consisted of strata interests in two landmark properties in Singapore, Ngee Ann City and Wisma Atria, located along Orchard Road, the heart

of Singapore's premier shopping and tourist precinct. Starhill Global REIT's property portfolio has since grown to include the Japanese Properties, the Renhe Spring Zongbei Property in Chengdu, China and the David Jones Property in Perth, Australia.

The Existing Properties are strategically located in prime areas in each of Singapore, Tokyo, Chengdu and Perth and are easily accessible via public transport. The two key properties, Wisma Atria and Ngee Ann City are located next to the Orchard MRT station and are well-served by a network of major roads. These two Singapore Properties enjoy a high flow of pedestrians from the Orchard Road street level, the Orchard MRT station, the linkway between Wisma Atria and Ngee Ann City and the underpass from the opposite side of Orchard Road to Ngee Ann City. In addition, the Singapore Properties are well situated to draw on the catchment of tourists and business travellers from hotels located on or within walking distance of Orchard Road, such as the Four Seasons Hotel, the Hilton Hotel, the Grand Hyatt, the Meritus Mandarin and the Marriott Hotel. The Japanese Properties are located in the prime Tokyo areas of Omotesando, Roppongi, Harajuku, Meguro and Ebisu. In addition, all seven of the Japanese Properties are located in close proximity to public transport, about five minutes' walk from the nearest subway station. The Renhe Spring Zongbei Property is strategically located at the junction of two major arterial roads in an upmarket residential area of Chengdu. It will be linked to Chengdu's new metro system by an adjacent station which is currently under construction with an estimated completion by the end of 2010. The David Jones Property is located in the epicentre of the bustling Murray Street and Hay Street in Perth's central business district, just a few minutes' walk from the Perth Central train station.

The Existing Properties enjoy strong and steady rental cash flows from a diversified mix of retail and office tenants in the four countries. As at 31 March 2010, the Wisma Atria Property has 127 tenants and the Ngee Ann City Property has 47 tenants. The top 10 tenants of the Starhill Global REIT portfolio contributed approximately 43.5% of the total portfolio gross rent for the month of March 2010. Except for Toshin, which accounted for 24.1% of the portfolio's gross rent, no other tenant accounted for more than 6.9% of the portfolio gross rent for the month of March 2010.

The Japanese Properties, the Renhe Spring Zongbei Property and the David Jones Property complement Starhill Global REIT's Singapore portfolio and provide geographical diversification.

Please refer to the section "Key Portfolio Statistics and Details" below for a more detailed description of the Existing Properties and their competitive strengths.

B. Strong brand recognition and positioning amongst retail tenants

Wisma Atria and Ngee Ann City are two of the most prominent and well-known shopping centres located in the Orchard Road shopping belt and enjoy high recognition among Singaporeans and tourists. Together, they offer 1,177 feet of Orchard Road street frontage. Ngee Ann City was named one of the "Top 10 Malls in the World" by Forbes Magazine in August 2008¹. Takashimaya Shopping Centre (the retail podium of Ngee Ann City) won the Singapore Tourism Board's "Best Shopping Experience" award for six consecutive years from 1999 to 2004. Wisma Atria was awarded Super Brand status for the Shopping Centre category in the Super Brands Singapore Awards 2004 to 2006. Wisma Atria was also the only Singapore finalist in the prestigious international 2006 MAXI Awards by the New York-based International Council of Shopping Centers. The strong tenant mix of these two properties underpins their status as choice locations in Singapore for retail outlets. The Renhe Spring Zongbei Property is positioned as a mid-to-high end departmental store operating under the Renhe Spring brand name. It has a strong

¹ Source: Forbes Magazine, August 2008. Forbes Magazine has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

membership base of approximately 30,000 members. David Jones Limited, colloquially known as DJ, is an upmarket Australian-listed operator of premium departmental stores and is a key tenant of the David Jones Property.

C. Strong and steady cashflow

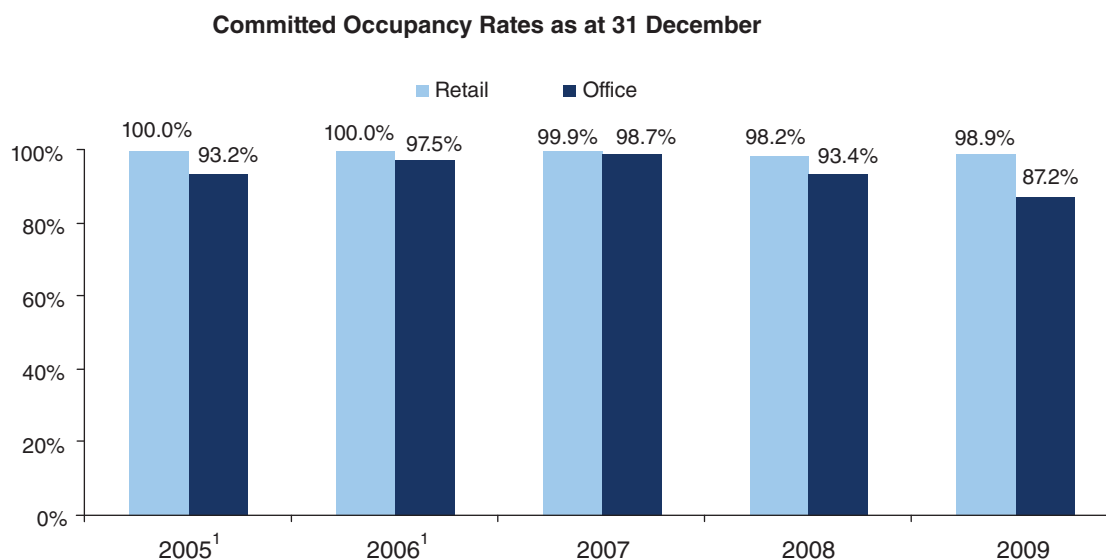
The earnings of the Existing Properties are underpinned by current lease arrangements. The weighted average lease term to expiry (by NLA) of the Existing Properties (excluding the Renhe Spring Zongbei Property)² was 7.8 years as at 31 March 2010 and provides Starhill Global REIT with certainty and stability in the level of future income.

The Existing Properties have a large base of 305 retail and office tenants as at 31 March 2010. These tenants span a wide variety of business sectors, providing Starhill Global REIT with earnings diversification.

In the Ngee Ann City Property, Toshin is the master tenant occupying the retail areas from basement two to level four, accounting for 86.7% of the monthly gross rental income of the Ngee Ann City Property retail component in March 2010. The master lease with Toshin expires in June 2013, with an option to renew for a further term of 12 years. The Renhe Spring Zongbei Property enjoys a net profit after tax guarantee from Chengdu Renhe Spring Department Store Co., Ltd until 26 August 2011. The David Jones Department Store contributes about 74% of the monthly gross rental income of the David Jones Property in March 2010, and the tenancy is subject to a rent review every three years up to the expiry of the lease in October 2032.

D. High occupancy rates

The Existing Properties have enjoyed consistently high occupancy rates for both retail and office space in the last five years.



Note 1: Relates only to the Singapore Properties.

² The Renhe Spring Zongbei Property operates as a department store with many short-term concessionaire leases of 3 to 12 months.

E. Managed by an experienced and professional management team

The Starhill Global REIT Manager and the Property Manager are staffed by experienced professionals. Key staff members have in-depth experience and expertise in real estate investment, asset management and property management.

The Starhill Global REIT Manager has an established track record of delivering stable distributions to investors. For the period 1 January 2010 to 31 March 2010, Starhill Global REIT's distribution per Unit increased to 0.95 cents, from 0.71 cents achieved for the corresponding period in 2006 (adjusted for the effects of the Rights Issue). This represents a compounded annual growth rate of 7.4% over the period.

F. Sponsorship from YTL

Starhill Global REIT has a strong sponsor in YTL, one of the largest diversified companies listed on Bursa Malaysia. Together with five of its listed entities, YTL has a combined market capitalisation of more than US\$10.0 billion (as at 31 May 2010) with business interests in property development, construction, real estate investment trusts, hotels and resorts, utilities and technology.

Demonstrating its commitment and support, YTL has increased its ownership in Starhill Global REIT from an initial stake of approximately 26% to over 29%. Further, YTL has increased its indirect shareholding in YTL Starhill Global REIT Management Holdings Pte. Ltd. ("YSGRMH") from 50% to 75%. YSGRMH owns 100% of the shares of the Starhill Global REIT Manager and the Property Manager. Upon acquisition of the remaining 25% shareholding in YSGRMH (which is expected to take place in April 2012), YTL will have full ownership of the Starhill Global REIT Manager and the Property Manager.

YTL has provided Starhill Global REIT with a potential pipeline of two quality assets, namely Starhill Gallery and the Lot 10 Property. Upon completion of the Proposed Acquisitions, Starhill Global REIT will be able to establish a strong foothold in Malaysia's retail sector. Starhill Global REIT will also leverage on YTL's network of relationships for future acquisition opportunities and have access to its network of retailers.

G. Corporate rating

Starhill Global REIT was assigned a corporate rating of "BBB" with stable outlook by Standard & Poor's in October 2009. Standard & Poor's has also assigned a "BBB-" rating to the MTN Programme in May 2010.

6. FINANCIAL REVIEW FOR THE QUARTERS ENDED 31 MARCH 2010 AND 31 MARCH 2009 AND YEARS ENDED 31 DECEMBER 2009 and 31 DECEMBER 2008

Starhill Global REIT

Consolidated Statements of Total Return for the quarter/year ended:

Group	Unaudited		Audited	
	1Q 2010 S\$'000	1Q 2009 S\$'000	FY 2009 S\$'000	FY 2008 S\$'000
Gross revenue	37,622	34,325	134,621	127,042
Maintenance and sinking fund contributions	(1,478)	(1,467)	(5,979)	(5,677)
Property management fees	(1,161)	(1,178)	(4,482)	(4,200)
Property tax	(3,081)	(1,780)	(6,198)	(10,378)
Other property expenses	(2,764)	(2,847)	(11,013)	(10,903)
Property expenses	(8,484)	(7,272)	(27,672)	(31,158)
Net property income	29,138	27,053	106,949	95,884
Finance income	267	9	431	87
Fair value adjustment on security deposits	(28)	(179)	(666)	(28)
Management fees	(2,960)	(2,671)	(10,961)	(11,404)
Performance fees	—	—	—	—
Trust expenses	(877)	(843)	(4,907)	(3,421)
Finance expenses	(6,834)	(5,893)	(23,690)	(22,146)
Net income before tax	18,706	17,476	67,156	58,972
Change in fair value of unrealised derivative instruments	2,259	(2,332)	(8)	(34,431)
Change in fair value of investment properties	—	—	(108,757)	(160,884)
Total return for the period/year before tax and distribution	20,965	15,144	(41,609)	(136,343)
Income tax expense	(774)	(648)	(4,622)	(935)
Total return for the period/year after tax, before distribution	20,191	14,496	(46,231)	(137,278)
Non-tax deductible/(chargeable) items	(1,461)	4,583	121,713	206,705
Income available for distribution	18,730	19,079	75,482	69,427
Distribution per Unit (cents)	0.95	0.93	3.80	3.58

FY 2009 vs FY 2008

Gross revenue for FY 2009 was S\$134.6 million, representing an increase of S\$7.6 million or 6.0% from FY 2008. This was mainly due to higher gross revenue from the Singapore Properties net of property tax rebate granted to tenants, higher rates achieved for retail and office renewals and new leases in Singapore, the rent review of the master lease in the Ngee Ann City Property, as well as higher revenue from the Renhe Spring Zongbei Property. Revenue from overseas properties accounted for approximately 18.9% (compared to 18.1% for FY 2008) of total gross revenue for FY 2009.

Property operating expenses for FY 2009 were S\$27.7 million, a decrease of S\$3.5 million or 11.2% from FY 2008. This was mainly due to a decrease in property tax expense as tax rebates were granted by the Singapore government and lower annual values of the Singapore Properties, which were offset by higher commissions and property management fees paid for new and renewal leases which were transacted at higher rentals.

Finance expense for FY 2009 was S\$23.7 million, an increase of S\$1.5 million or 7.0% from FY 2008. This was mainly due to the increase in interest margins and refinancing costs.

The change in fair value of derivative financial instruments represented mainly the unrealised loss on fair value of the foreign currency option denominated in RMB which was entered into in relation to the acquisition of the Renhe Spring Zongbei Property, offset by an unrealised gain on the fair value of the cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties.

The change in fair value of investment properties of S\$108.8 million was due to revaluation losses of S\$83.0 million on the Singapore Properties and S\$32.3 million on the Japanese Properties and a revaluation gain of S\$6.5 million on the Renhe Spring Zongbei Property. The Singapore Properties were revalued at S\$1,714.2 million by Savills (Singapore) Pte Ltd as at 31 December 2009 and the Japanese Properties and the Renhe Spring Zongbei Property were revalued at S\$183.0 million and S\$84.5 million respectively by Real Link K.K. and DTZ Debenham Tie Leung Limited as at 31 December 2009.

As at 31 December 2009, total assets were S\$2,312.3 million, an increase of 6.9% against 31 December 2008 mainly due to the net proceeds received from the Rights Issue offset by a revaluation loss from investment properties.

1Q 2010 vs 1Q 2009

Gross revenue for 1Q 2010 was S\$37.6 million, representing an increase of S\$3.3 million or 9.6% from 1Q 2009. This was mainly due to the revenue contributed by the newly acquired David Jones Property, offset by the decrease in revenue from the Japanese Properties due to higher vacancies. In addition, gross revenue in 1Q 2009 was net of property tax rebates passed on to tenants. Revenue from overseas properties accounted for approximately 24.5% (compared to 19.8% for 1Q 2009) of total gross revenue for the three months ended 31 March 2010.

Property operating expenses for 1Q 2010 were S\$8.5 million, an increase of S\$1.2 million or 16.7% from 1Q 2009. This was mainly due to higher property taxes on the expiry of property tax rebates granted by the Singapore government on the Singapore Properties for FY 2009.

Finance expense for 1Q 2010 was S\$6.8 million, an increase of S\$0.9 million or 16.0% from 1Q 2009. This was mainly due to the interest incurred on the term loan taken up in connection with the acquisition of the David Jones Property in January 2010.

The change in fair value of derivative financial instruments represented mainly the gain in fair value of the cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised gain on the cross currency swaps was offset by a decrease in value of the Japanese Properties due to a weakening in foreign currency exchange rates for 1Q 2010.

As at 31 March 2010, the total assets were S\$2,397.4 million, an increase of 3.7% against 31 December 2009 mainly due to the acquisition of the David Jones Property in January 2010.

Starhill Global REIT

Consolidated Balance Sheets as at 31 March 2010, 31 December 2009 and 31 December 2008

Group	Unaudited	Audited	
	31 March 2010 S\$'000	31 December 2009 S\$'000	31 December 2008 S\$'000
Non-current assets			
Investment properties	2,135,455	1,981,786	2,103,278
Plant and equipment	795	638	670
Intangible asset	11,633	11,678	12,613
Derivative financial instruments	1,110	448	8,602
Trade and other receivables	1,860	16,488	1,744
	2,150,853	2,011,038	2,126,907
Current assets			
Derivative financial instruments	—	—	112
Trade and other receivables	11,385	3,370	3,647
Cash and cash equivalents	235,193	297,937	32,704
	246,578	301,307	36,463
Total assets	2,397,431	2,312,345	2,163,370
Non-current liabilities			
Trade and other payables	16,530	16,411	21,785
Derivative financial instruments	38,193	41,685	24,482
Deferred tax liabilities	18,507	18,440	16,585
Borrowings	129,871	50,133	648,996
	203,101	126,669	711,848
Current liabilities			
Trade and other payables	37,082	29,161	25,348
Derivative financial instruments	—	—	24,985
Income tax payable	490	573	656
Borrowings	570,098	569,414	16,995
	607,670	599,148	67,984
Total liabilities	810,771	725,817	779,832
Net assets	1,586,660	1,586,528	1,383,538
Represented by:			
Unitholders' funds	1,586,660	1,586,528	1,383,538
Net asset value per Unit (S\$)	0.82	0.82	0.89³

³ The comparative net asset value per Unit has been restated to adjust for the effects of the net proceeds from the Rights Issue and includes the new rights Units issued pursuant to the Rights Issue.

7. KEY PORTFOLIO STATISTICS AND DETAILS

PROPERTY DESCRIPTIONS

The Wisma Atria Property

Starhill Global REIT's stake in Wisma Atria (the Wisma Atria Property) comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria.

Wisma Atria has, since 1986, established a strong following among locals and tourists alike as one of the downtown malls of choice for fashion options. Wisma Atria is strategically located along one of the most popular stretches of Singapore's Orchard Road, between ION Orchard and Ngee Ann City. It comprises a retail podium block with four levels and one basement, three levels of car park space and an office tower with 13 levels of office space.

Wisma Atria is well situated to draw on the catchment of tourists and business travellers from hotels located on or within walking distance of Orchard Road such as the Four Seasons Hotel, the Hilton Hotel, the Grand Hyatt, the Meritus Mandarin and the Marriott Hotel. In addition to high pedestrian traffic along Orchard Road, the Wisma Atria Property also enjoys a high flow of shoppers, especially from its basement which is directly linked to the Orchard MRT Station and Ngee Ann City. Together, Wisma Atria and Ngee Ann City offer 1,177 feet of Orchard Road street frontage. In 2009, total shopper traffic at Wisma Atria stood at 22.2 million, 41.1% higher than that in 2008⁴. This is mainly due to the reopening of the basement linkway to the Orchard MRT Station after a temporary closure of two-and-a-half years.

Wisma Atria has remained one of the most popular malls on Orchard Road for the past two decades, targeting stylish and contemporary female shoppers. Tenants in Wisma Atria include international high-street brands such as Forever21, Gap, French Connection, Bebe, Miss Selfridge and Bread & Butter as well as food and beverage outlets such as Sakae Sushi, TCC, IndoChine, Din Tai Fung, Starbucks, Haagen-Dazs and Food Republic.

As at 31 March 2010, the Wisma Atria Property had a diversified base of 96 retail tenants and 31 office tenants. These tenants encompass a variety of sectors, providing earnings diversification. The fashion, shoes and accessories, and jewellery and watches trade sectors are the three key contributors to Wisma Atria Property's retail gross rental income for March 2010.

The Ngee Ann City Property

Starhill Global REIT's stake in Ngee Ann City (the Ngee Ann City Property) comprises four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City.

Ngee Ann City's imposing architecture and its wide Orchard Road frontage makes it one of the most prominent landmarks along Orchard Road. The building comprises a podium block with five levels and two basement levels of retail space and three levels of car parking space. Its twin office towers have 18 levels of office space each. Its retail outlets and restaurants are popular with locals as well as tourists and business travellers from the many hotels located in the vicinity. Easily accessible by a network of major roads and boasting ample parking lots, Ngee Ann City is also popular with shoppers who drive. An underground pedestrian walkway linking Basement 1 of Ngee Ann City to Wisma Atria and an underpass from the opposite side of Orchard Road to Ngee Ann City sustain a constant pedestrian flow to the property.

⁴ Source: Wisma Atria Electronic Traffic Counting System. The WA Management Corporation has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

With its depth of offerings across all retail trade sectors, Ngee Ann City appeals to the affluent shopper with its wide range of luxury retailers such as Louis Vuitton, Chanel, Cartier, Tiffany & Co. and Burberry; the young and upwardly mobile with trendy retail stores such as Guess, Zara, Shanghai Tang and Massimo Dutti; and the family crowd with tenants such as Takashimaya Department Store and Books Kinokuniya. Ngee Ann City was named one of the “Top 10 Malls in the World” by Forbes Magazine in August 2008⁵.

Events such as the Singapore Fashion Festival, the Singapore Lion Dance Championship, the Singapore Jewel Festival and festive events held in the open concourse outside Ngee Ann City are annual crowd-pullers.

The Ngee Ann City Property has a diversified portfolio of tenants. As at 31 March 2010, the Ngee Ann City Property had 17 retail tenants, including Toshin as a master tenant and 16 tenants on Level 5 of the retail podium, and 30 office tenants in the Tower B office block. The master lease with Toshin provides for a review of the prevailing rental rate every three years and the last review was completed in June 2008. The master lease expires in June 2013 with an option to renew for a further term of 12 years.

The Japanese Properties

The Japanese Properties comprise seven contemporarily designed commercial buildings located in the prime Tokyo areas of Omotesando, Roppongi, Harajyuku, Meguro and Ebisu and within five minutes' walk from the nearest subway station. As at 31 March 2010, three of the seven properties are fully occupied:

Property Name	Holon L Property	Harajyuku Secondo Property	Roppongi Terzo Property	Roppongi Primo Property	Nakameguro Property	Daikanyama Property	Ebisu Fort Property
Location	Aoyama (Shibuya district), a high-end shopping district	Harajyuku (Shibuya district), a trendy shopping district for youths	Roppongi (Minato district), an entertainment district with large scale developments such as Tokyo Midtown and Roppongi Hills	Roppongi (Minato district), an entertainment district with large scale developments such as Tokyo Midtown and Roppongi Hills	Meguro district, an upcoming commercial district	Daikanyama (Shibuya district), an upcoming shopping district	Ebisu (Shibuya district). Located opposite Yebisu Garden Place, a large scale mixed use commercial development where Westin Hotel is located
Description	Three-storey building for retail use	Three-storey building for retail use	Five-storey building for food and beverage and entertainment use	Eight-storey building for office and retail use	Four-storey building for retail use	Three-storey building for retail and food and beverage use	Seven-storey building for retail use
Proximity to public transport	Five minutes' walk from Omotesando subway station	Five minutes' walk from Harajyuku subway station	Five minutes' walk from Roppongi subway station	Five minutes' walk from Roppongi subway station	Five minutes' walk from Nakameguro subway station	Five minutes' walk from Daikanyama subway station	Five minutes' walk from Ebisu subway station
Occupancy	31.9%	62.1%	100%	100%	100%	88.5%	93.0%
Completion Date	August 2004	September 2005	September 2005	October 2004	September 2005	January 2005	September 2007

⁵ Source: Forbes Magazine, August 2008. Forbes Magazine has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

The buildings house mainly standalone boutiques and services serving niche clientele in the prime areas of Tokyo.

Savills Japan K. K. is the property manager for the Japanese Properties.

The Renhe Spring Zongbei Property

The Renhe Spring Zongbei Property is located in Chengdu, Sichuan, one of the most populous provinces in China. Chengdu's year-on-year GDP growth for 2009 was 14.7%⁶, higher than Shanghai's GDP growth of 8.2%⁷ in the same year. Chengdu has a population of 11.1 million as of 2007⁸ and is an important economic centre in China serving as a transport and communications hub for south-west China.

Located close to consulates in Chengdu in a high-end commercial and high income area, the Renhe Spring Zongbei Property is positioned as a mid-to-high end department store operating under the Renhe Spring brand name. Tenants include luxury brands such as Prada, Hugo Boss, Montblanc, Vertu, Givenchy, Dunhill, Bally, Rolex, Chopard as well as popular international brands such as Miss Sixty, Calvin Klein and Armani Jeans⁹. The Renhe Spring Zongbei Property has an NLA of about 57,814 sq ft⁹ and comprises four levels of retail premises plus a mezzanine floor, and is served by basement and road level open-air car parking. A new metro line is being constructed in Chengdu, and the Ni Jia Qiao station, which is expected to be completed by end 2010, will be located directly in front of the property.

The property manager of the Renhe Spring Zongbei Property, Chengdu Renhe Spring Department Store Co., Ltd, manages three luxury malls (including the Renhe Spring Zongbei Property) in Chengdu under the Renhe Spring brand name. Renhe Spring has a strong membership base of approximately 30,000 members. In 2009, over 50% of sales transacted by the retail tenants of the Renhe Spring Zongbei Property were generated by repeat business from its members.

The property has enjoyed full occupancy since its opening in 2005, with gross sales hitting year-on-year growth of 21.9% in 2009.

⁶ Source: Chengdu Municipal Government. The Chengdu Municipal Government has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

⁷ Source: Shanghai Municipal Statistics Bureau. The Shanghai Municipal Statistics Bureau has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

⁸ Source: Chengdu Statistics Bureau. The Chengdu Statistics Bureau has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

⁹ As at 31 December 2009.

The David Jones Property

The David Jones Property, acquired by Starhill Global REIT on 20 January 2010, sits on a freehold site of approximately 6,640 sq m (71,473 sq ft) in the epicentre of the bustling Murray Street and Hay Street in Perth's central business district. Located a few minutes' walk from the Perth Central train station, the property was redeveloped in 2002 and comprises a four-level retail shopping complex, featuring a David Jones department store and six specialty tenants, with a total gross lettable area of about 24,076 sq m (259,154 sq ft). As at 31 March 2010, the property enjoyed 100% occupancy.

David Jones Limited, colloquially known as DJ, is an up-market Australian-listed operator of some 37 premium department stores across the country. DJ was founded in 1838 by David Jones, a Welsh immigrant. DJ contributed about 74% of the monthly gross rental income of the David Jones Property in March 2010 and its long term lease, which expires in 2032, is subject to a rent review every three years. The six specialty tenants in the David Jones Property are established local brands including The Merchant Tea & Coffee Co, Jeanswest, Pandora, Zu, Colorado and Betts.

SUMMARY OF SELECTED INFORMATION ON THE STARHILL GLOBAL REIT PORTFOLIO AS AT 31 MARCH 2010

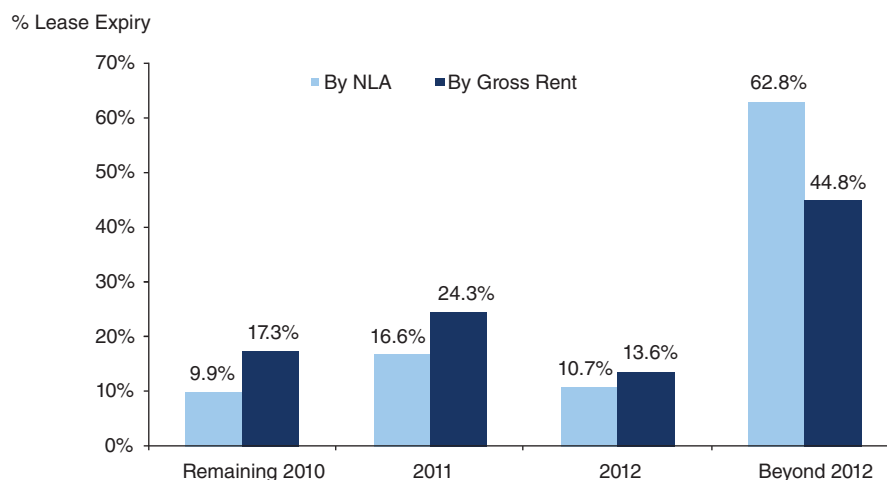
	The Wisma Atria Property	The Ngee Ann City Property	Roppongi Primo ⁽¹⁾	Holon L ⁽¹⁾	Daikanyama ⁽¹⁾	Harajyuku Secondo ⁽¹⁾	Roppongi Terzo ⁽¹⁾	Nakameguro ⁽¹⁾	Ebisu Fort ⁽¹⁾	The Renhe Spring Zongbei Property ⁽²⁾	The David Jones Property ⁽³⁾
NLA (sq ft)	Retail: 128,665 Office: 98,889	Retail: 255,021 Office: 140,134	5,069	4,865	8,087	2,249	14,453	3,526	19,136	100,854 (gross lettable area)	259,154 (gross lettable area)
Number of Tenants	127	47	6	1	4	1	1	4	6	101	7
Title/Leasehold Estate Expiry	Remaining leasehold estate of 51 years expiring on 31 March 2061	Remaining leasehold estate of 62 years expiring on 31 March 2072	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Remaining leasehold estate of 25.75 years expiring on 27 December 2035	Freehold
Purchase Price on Acquisition (S\$ million)	663.0	640.0	13.8 ⁽⁴⁾	20.4 ⁽⁴⁾	22.8 ⁽⁴⁾	6.1 ⁽⁴⁾	38.9 ⁽⁴⁾	7.1 ⁽⁴⁾	71.3 ⁽⁴⁾	70.6 ⁽⁵⁾	145.7 ⁽⁶⁾
Valuation (S\$ million) ⁽⁷⁾	811.8	902.4	15.2 ⁽⁸⁾	19.2 ⁽⁸⁾	20.9 ⁽⁸⁾	6.6 ⁽⁸⁾	42.6 ⁽⁸⁾	8.3 ⁽⁸⁾	68.0 ⁽⁸⁾	84.3 ⁽⁹⁾	156.1 ⁽¹⁰⁾
1Q 2010 Gross Revenue (S\$ million)	14.4	14.0	0.2	0.1	0.2	0.1	0.7	0.2	0.9	4.2	2.7
Committed Occupancy	Retail: 99.3% Office: 82.0%	Retail: 100.0% Office: 95.6%	100.0%	31.9%	88.5%	62.1%	100.0%	100.0%	93.0%	100.0%	100.0%

Notes:

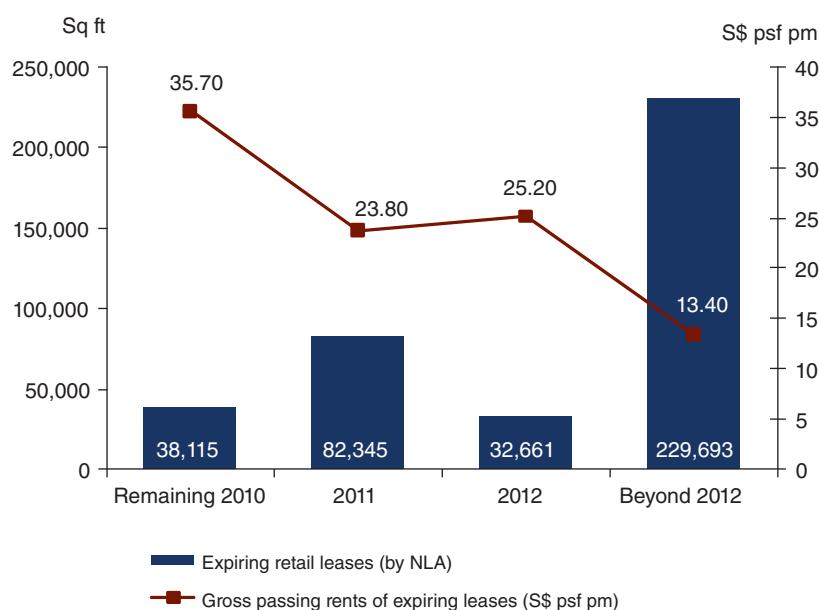
- (1) Roppongi Primo, Holon L, Daikanyama, Harajyuku Secondo, Roppongi Terzo and Nakameguro were acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007.
- (2) The Renhe Spring Zongbei Property was acquired on 28 August 2007.
- (3) The David Jones Property was acquired on 20 January 2010.
- (4) Based on the exchange rate of JPY79.97: S\$1 at acquisition.
- (5) Based on the exchange rate of RMB4.96: S\$1 at acquisition.
- (6) Based on the exchange rate of A\$0.79: S\$1 at acquisition.
- (7) Independent valuations as at 31 December 2009 by Savills (Singapore) Pte Ltd, Real Link K.K. and DTZ Debenham Tie Leung Limited, in Singapore, Japan and China respectively.
- (8) Based on the exchange rate of JPY66.61: S\$1 at 31 March 2010.
- (9) Based on the exchange rate of RMB4.87: S\$1 at 31 March 2010.
- (10) Represents purchase price of A\$114.5 million plus acquisition costs translated based on the exchange rate of A\$0.78: S\$1 at 31 March 2010. A valuation of A\$114.5 million was obtained from Urbis Valuations Pty Ltd as at 1 October 2009.

LEASE EXPIRY PROFILE OF STARHILL GLOBAL REIT PORTFOLIO¹⁰ (as at 31 March 2010)

The graph below illustrates the committed lease expiry profile of retail and office leases in the Wisma Atria Property, the Ngee Ann City Property, the Japanese Properties and the David Jones Property by NLA and monthly gross rental income.



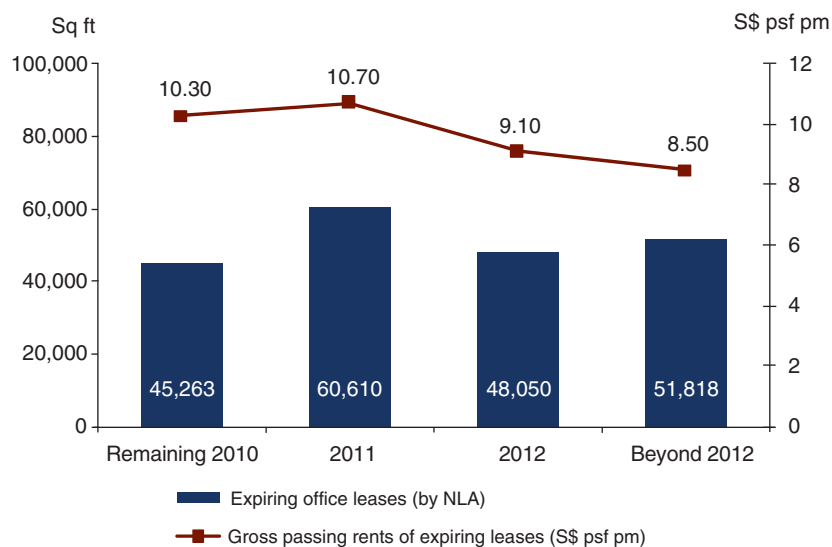
SINGAPORE PORTFOLIO RETAIL LEASE EXPIRY AND AVERAGE GROSS PASSING RENTS¹¹



¹⁰ The Renhe Spring Zongbei Property has been excluded as it is operated as a department store with short-term concessionaire leases of 3 to 12 months.

¹¹ Average gross passing rent rounded to the nearest 10 cents.

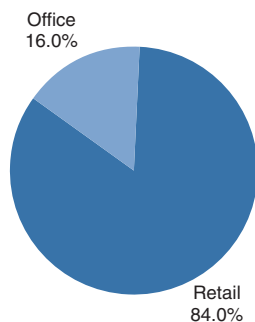
SINGAPORE PORTFOLIO OFFICE LEASE EXPIRY AND AVERAGE GROSS PASSING RENTS¹²



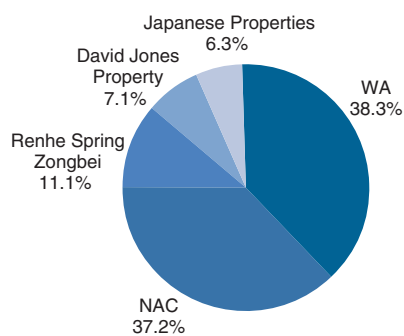
PROFILE OF STARHILL GLOBAL REIT PORTFOLIO BY GROSS REVENUE

For 1Q 2010, the Singapore Properties accounted for 75.5% of the total portfolio gross revenue, the Renhe Spring Zongbei Property accounted for 11.1%, the David Jones Property accounted for 7.1% and the Japanese Properties accounted for 6.3% of total portfolio gross revenue.

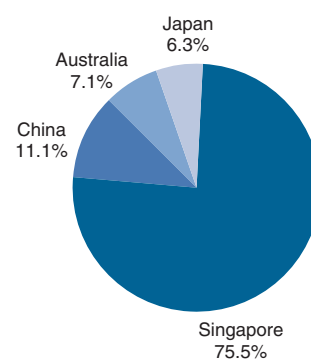
**Gross Revenue
by Retail and Office
(1Q 2010)**



**Gross Revenue
by Property
(1Q 2010)**



**Gross Revenue
by Country
(1Q 2010)**



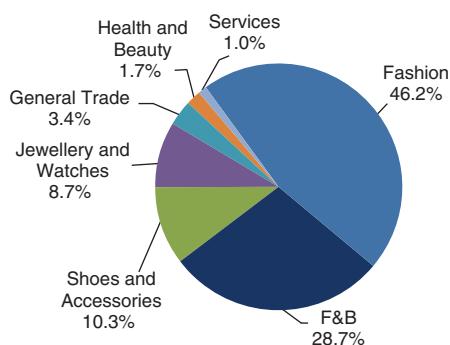
¹² Average gross passing rent rounded to the nearest 10 cents.

TRADE SECTOR ANALYSIS OF STARHILL GLOBAL REIT PORTFOLIO

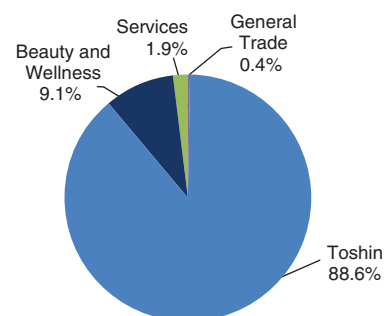
(a) Retail Portfolio

The charts below provide a breakdown by NLA of the different trade sectors represented in the Wisma Atria Property, the Ngee Ann City Property¹³, the Japanese Properties, the Renhe Spring Zongbei Property and the David Jones Property for the month of March 2010.

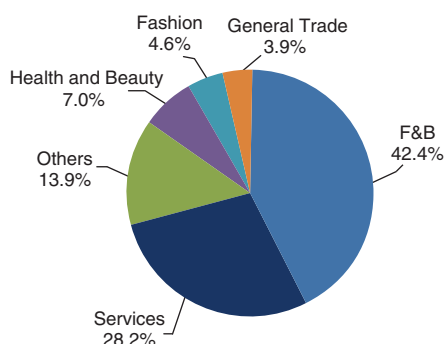
Wisma Atria Property



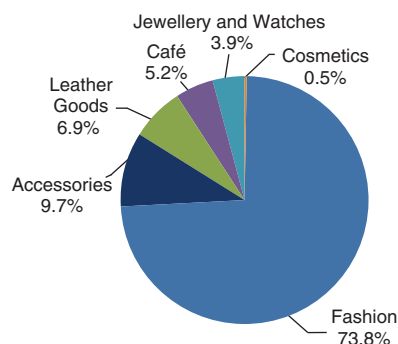
Ngee Ann City Property



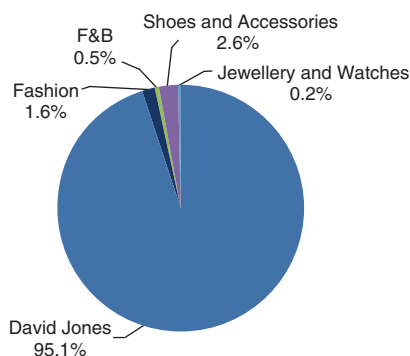
Japanese Properties



Renhe Spring Zongbei Property



David Jones Property

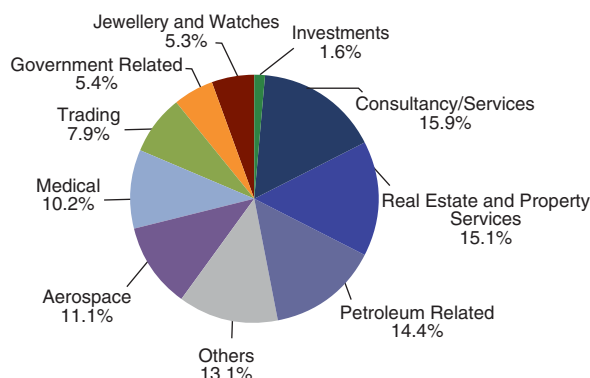


¹³ Toshin is the master tenant occupying the retail areas from basement two to level four of the Ngee Ann City Property. The master lease with Toshin allows for subletting, and Toshin subleases space to luxury retailers such as Louis Vuitton, Chanel and Burberry, as well as retail stores such as Guess, Zara and Books Kinokuniya. The relevant trade sub-sectors include the fashion, shoes and accessories, and jewellery and watches trade sub-sectors.

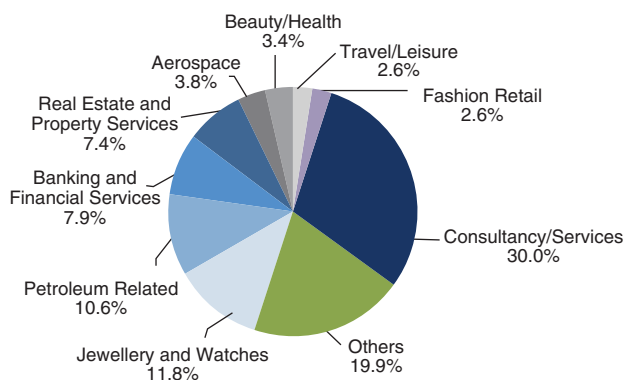
(b) Office Portfolio

The chart below provides a breakdown by NLA of the different trade sectors represented in the Wisma Atria Property and the Ngee Ann City Property for the month of March 2010.

WA Office Trade Mix — By % NLA



NAC Office Trade Mix — By % NLA



TOP TEN TENANTS OF THE STARHILL GLOBAL REIT PORTFOLIO (as at 31 March 2010)

The table below is a list of the top 10 tenants in the Starhill Global REIT portfolio by monthly gross rental income (excluding turnover rent) for the month of March 2010. Of these, the master tenant Toshin accounted for 24.1% of the portfolio gross rental income.

Tenant Name	Property	Leased Area (sq ft)	Lease Expiry	% of Portfolio Gross Rent ¹⁴
Toshin Development Singapore Pte. Ltd.	NAC	225,969	June 2013	24.1
David Jones Limited	David Jones Property	246,528	October 2032	6.9
Bread Talk Group	WA	27,104	September 2011, September 2012, October 2012	2.3
Nike Singapore Pte Ltd	WA	8,288	November 2011	2.1
FJ Benjamin Group	WA	9,505	November 2011, September 2012	1.5

¹⁴ Includes all rental income from the Renhe Spring Zongbei Property.

Tenant Name	Property	Leased Area (sq ft)	Lease Expiry	% of Portfolio Gross Rent¹⁴
Feria Tokyo	Roppongi Terzo	14,451	August 2013	1.5
Aspial-Lee Hwa Group	WA	4,015	August 2010, September 2011, October 2011, November 2012	1.4
RSH (Singapore) Pte Ltd	WA	4,061	October 2010, March 2012, June 2012	1.3
Wing Tai Retail Pte Ltd	WA	4,908	May 2010 ¹⁵ , June 2010, October 2010, November 2010	1.2
Fashion Retail Pte Ltd	WA	4,112	September 2011	1.2
Top 10 Tenants				43.5

8. THE PROPOSED ACQUISITIONS

As announced by the Starhill Global REIT Manager on 4 June 2010, the Unitholders have approved the Proposed Acquisitions. Under the ABS Structure, the ABS SPV will finance the purchase consideration of RM1,030.0 million (approximately S\$440.8 million)¹⁶ for its acquisition of the Malaysian Properties through the issuance of the First ABS Senior MTNs¹⁷ to sophisticated investors¹⁸ for cash and the First ABS Junior MTNs to the SG SPV. The SG SPV will in turn fully finance the subscription of the First ABS Junior MTNs through:

- (i) a cash payment of RM300.0 million (approximately S\$128.4 million); and
- (ii) the CPU Issue¹⁹.

In addition, the SG SPV will also subscribe for the First ABS NRPS. The subscription of the First ABS NRPS of RM1,000 (approximately S\$428) will be fully financed in cash.

The First ABS Junior MTNs and the First ABS NRPS will enable Starhill Global REIT to enjoy the upside in terms of income generated from the Malaysian Properties pursuant to:

- (i) variable interest income on the First ABS Junior MTNs; and
- (ii) the dividend payments on the First ABS NRPS.

In addition, the First ABS NRPS will also allow Starhill Global REIT to enjoy any capital gains arising from any future disposal of the Malaysian Properties.

¹⁵ The tenant has extended this lease to July 2010.

¹⁶ Based on the exchange rate of RM1.00:S\$0.428 (the “**Exchange Rate**”). Unless otherwise stated, all conversions of RM amounts into S\$ in this Information Memorandum shall be based on the Exchange Rate.

¹⁷ The First ABS Senior MTNs shall have an Expected Maturity Date of 5 years and a Legal Maturity Date of 6.5 years from the date of issue. In this Information Memorandum, “**Expected Maturity Date**” means the date earmarked for the ABS SPV to fully repay the ABS MTNs before the Legal Maturity Date and “**Legal Maturity Date**” means the final maturity date on which the ABS MTNs must be fully repaid.

¹⁸ As permitted under the Capital Markets and Services Act, 2007 of Malaysia.

¹⁹ The ABS SPV will nominate/direct that the CPUs be issued in favour of the Vendor Group.

For the first three years, the annual coupon of the First ABS Junior MTNs is expected to be approximately 7.1%. Other salient features of the ABS Junior MTNs include the following:

- (i) the First ABS Junior MTNs shall have an issue size of RM705.0 million (or approximately S\$301.7 million);
- (ii) the First ABS Junior MTNs are not rated and are not tradable or transferable;
- (iii) the First ABS Junior MTNs shall have an Expected Maturity Date of 5 years and a Legal Maturity Date of 6.5 years from the date of issue;
- (iv) the ABS Junior MTNs will be secured by, among others, an interest over the Malaysian Properties;
- (v) the ABS Junior MTNs will rank *pari passu* among themselves within each class of the ABS Junior MTNs but subordinated to the ABS Senior MTNs;
- (vi) the ABS Junior MTNs will be redeemed by the ABS SPV on its Legal Maturity Date unless refinanced via the issuance of new ABS MTNs on its Expected Maturity Date. The ABS Junior MTNs shall be mandatorily redeemed upon disposal of the Malaysian Properties pursuant to the exercise of a call option²⁰ or otherwise;
- (vii) the coupon on the ABS Junior MTNs shall be based on a variable rate to be determined on each coupon payment date and capped at 12.0% per annum for the First ABS Junior MTNs; and
- (viii) the holders of the ABS Junior MTNs shall, together with the holders of the ABS Senior MTNs, have the right to vote in relation to some key operational issues.

The CPUs shall have the following key characteristics:

- (i) the CPUs will be classified as equity and not borrowings;
- (ii) the CPUs will be subordinated to the debt obligations of Starhill Global REIT but senior to Units;
- (iii) each CPU shall entitle a holder of CPUs ("**CPU Holder**") to a variable distribution of S\$ equivalent of RM0.1320²¹ per annum or an implied distribution of 5.65%²¹ per annum;
- (iv) the CPUs will be mandatorily converted in seven years and have distributions which are discretionary and non-cumulative;

²⁰ Pursuant to a call option agreement dated 6 May 2010 between, among others, the Starhill Global REIT Trustee and the ABS SPV, the ABS SPV has granted the Starhill Global REIT Trustee a call option to acquire the Malaysian Properties on the Expected Maturity Date of the First ABS Senior MTNs or upon the occurrence of certain trigger events or a declaration of an event of default under the ABS MTN Programme.

²¹ Based on the CPU issuance size of S\$173.3 million, the Exchange Rate and assuming that the annual variable distribution which may be declared by the Starhill Global REIT Manager in respect of the CPUs and which is payable to CPU Holders (the "**CPU Distribution**") is paid in full. The CPU Distributions are considered variable in S\$ as the amount of RM0.1320 assumes that the CPU Distributions are declared in full and the amount of CPU Distribution payable in S\$ will be determined based on the Bank Negara Malaysia Interbank Foreign Exchange Mid Rate over a period of 20 business days in Malaysia (being a day other than Saturday, Sunday or public holiday on which banks in Kuala Lumpur are open for business) immediately prior to the end of the CPU Distribution Period (including the last day of the CPU Distribution Period). Furthermore, it should be noted that the amount RM0.1320 may be subject to change as such amount is dependent on the number of CPUs actually issued. In this Information Memorandum, "**CPU Distribution Period**" means each period, identical to the distribution periods in respect of the Units, for which the CPU Holder's right to receive a CPU Distribution accrues.

- (v) the CPUs will not be convertible before a restriction period of three years from the date of issuance of the CPUs;
- (vi) the CPUs will be convertible at a 30.0% premium to the volume-weighted average price of the Units over the last five Market Days²² immediately prior to (and including) the date of issuance of the CPUs; and
- (vii) the Starhill Global REIT Manager has the right to redeem the CPUs at par after a restriction period of three years.

In the event that a conversion notice is issued by a CPU Holder and a redemption notice is issued by the Starhill Global REIT Manager in relation to the CPUs at the same time, the conversion notice shall prevail over the redemption notice.

Barring any unforeseen circumstances, the Proposed Acquisitions will be completed by the third quarter of 2010, subject to, *inter alia*, the terms and conditions of the sale and purchase agreements relating to the Malaysian Properties and the SG SPV Subscription Agreement.

Information on the Malaysian Properties

Starhill Gallery

Starhill Gallery is positioned as a lifestyle destination with seven levels, each level offering a different and unique experience. Targeting affluent tourists and high-end shoppers, the luxury mall counts Louis Vuitton, Audemars Piguet, Bottega Veneta, Boucheron, Chopard, Van Cleef & Arpels, Hublot, Bedat & Co, and Richard Mille amongst its major tenants. Its annual “*A Journey Through Time*” exhibition is a major event for watch aficionados around the world. Starhill Gallery was recently featured in the New York Times as one of “*The 31 Places to Go in 2010*”²³.

Location	:	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
Title	:	Freehold
NLA	:	298,013 sq ft (Retail 287,427 sq ft, Office 10,586 sq ft)
Tenants	:	114 (Retail); 5 (Office) as at 31 December 2009
Occupancy	:	97% as at 31 December 2009
Car Park Lots	:	673
Valuation ²⁴	:	RM629.0 million (Rahim & Co.) RM590.0 million (Knight Frank)
Purchase Price	:	RM629.0 million (approximately S\$269.2 million)
Net Property Income ²⁵	:	RM38.9 million

²² “Market Days” refers to days on which the SGX-ST is open for trading in securities.

²³ Source: New York Times, 10 January 2010. The New York Times has not provided its consent, for the purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information and is therefore not liable for such information under Sections 253 and 254 (read with Section 302) of the SFA. While the Issuer has taken reasonable action to ensure that the information has been reproduced in its proper form and context, and that it has been extracted fairly and accurately, neither the Issuer, the Guarantor nor any other party has conducted an independent review of, nor verified the accuracy of, such information.

²⁴ Based on Rahim & Co.’s valuation report dated 26 February 2010 and Knight Frank’s valuation report dated 1 March 2010.

²⁵ For the financial year ended 30 June 2009 of Starhill REIT. Excludes the income from 490 of the existing car park bays to be retained by Starhill REIT for the J.W. Marriott Hotel Kuala Lumpur.

Lot 10 Property

The Lot 10 Property was recently repositioned to appeal to young urbanites amidst a unique 'Forest in the City' concept which features landscaped gardens and extensive greenery. The basement has been revamped into Lot 10 Hutong, a heritage gourmet village, and new tenants include the Debenhams flagship store, Apple, National Geographic and Celebrity Fitness.

Location	:	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Title	:	99-year leasehold expiring on 29 July 2076
NLA	:	256,811 sq ft (Retail: 230,767 sq ft, Office: 26,044 sq ft)
Tenants	:	84 (Retail); 4 (Office) as at 31 December 2009
Occupancy	:	96% as at 31 December 2009
Car Park Lots	:	529
Valuation ²⁶	:	RM401.0 million (Rahim & Co.) RM410.0 million (Knight Frank)
Purchase Price	:	RM401.0 million (approximately S\$171.6 million)
Net Property Income ²⁷	:	RM23.5 million

Competitive strengths of the Malaysian Properties

Landmark assets with strategic location

The Malaysian Properties are landmark assets located in Bukit Bintang, the vibrant epicentre of retail tourism and entertainment, in Kuala Lumpur's "Golden Triangle". The Malaysian Properties are strategically located in established shopping belts with a high level of shopper traffic, attracting quality tenants whose brands have a strong following in the marketplace. In addition, Starhill Gallery is a freehold property which will lengthen Starhill Global REIT's underlying land lease tenures. Upon completion of the Proposed Acquisitions, Pintar Projek Sdn. Bhd., the manager of Starhill REIT, will be appointed as asset manager of the Malaysian Properties.

There are synergistic benefits that can be derived by Starhill Global REIT in terms of retail management and tenant mix, given the considerable overlaps in the positioning and branding of Starhill Gallery and the Lot 10 Property with Starhill Global REIT's existing portfolio of properties.

High occupancy rates and high quality tenant

The Malaysian Properties enjoy high occupancy rates due to the strong demand for high quality space in prime retail properties in the Kuala Lumpur city centre. As at 31 December 2009, occupancy rates at Starhill Gallery and the Lot 10 Property were 97% and 96% respectively.

Both malls have a high quality tenant base with excellent brand recognition. Tenants range from high profile, international brands to prominent local retailers. Notable tenants in Starhill Gallery include Louis Vuitton, Audemars Piguet, Bottega Veneta, Boucheron, Chopard, and Van Cleef & Arpels. Starhill Gallery also features the first standalone watch boutiques in Asia for several brands, including Hublot, Bedat & Co and Richard Mille. The Lot 10 Property features Lot 10 Hutong, a heritage gourmet village, and new tenants which include the Debenhams flagship store, Apple, National Geographic and Celebrity Fitness.

²⁶ Based on Rahim & Co.'s valuation report dated 26 February 2010 and Knight Frank's valuation report dated 1 March 2010.

²⁷ For the financial year ended 30 June 2009 of Starhill REIT.

Strong foothold in Malaysia's retail sector

The Proposed Acquisitions will provide Starhill Global REIT with a strong foothold in Malaysia's retail sector. Malaysia's retail sector is expected to continue to grow with improving economic conditions and the continued liberalisation of key sectors, making Malaysia more attractive to foreign investors. A vibrant tourism industry and the ongoing "Visit Malaysia" campaign continues to ensure a healthy level of visitor arrivals to Malaysia which increased by 7.2% to 23.6 million visitors in 2009.

Stable cash flow with organic growth

The Malaysian Properties will be leased to Katagreen Development Sdn Bhd ("**Katagreen**"), an indirect wholly-owned subsidiary of YTL, for a fixed tenancy term of 3+3+3²⁸ years commencing on the date of completion of the Proposed Acquisitions.

These master tenancies are beneficial to Starhill Global REIT as they incorporate step-up features (under which the annual rental of the Malaysian Properties for the first, second and third term is equivalent to 7.0%, 7.5% and 8.0% respectively of the aggregate purchase consideration of RM1,030.0 million of the Malaysian Properties) and provide stability in rental income over the next six to nine years. The payment obligations of Katagreen under such master tenancies will be guaranteed by YTL.

Diversification of existing portfolio

The Proposed Acquisitions will provide geographical diversification and reduce the concentration risk in Starhill Global REIT's current portfolio of assets. The geographical dependency on Singapore would be reduced from 80.3% to 66.5% in terms of asset value as at 31 March 2010.

²⁸ The initial tenancy term of three years will be automatically renewed for the second three-year term and each of the ABS SPV and Katagreen will have a put and call option respectively to extend the tenancy for a third three-year term upon the expiry of the second term.

INVESTMENT CONSIDERATIONS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the investment considerations set out below. The investment considerations set out below do not purport to be complete or comprehensive of all the investment considerations that may be involved in the businesses of any of the Issuers, Starhill Global REIT or the Group or any decision to purchase, own or dispose of the Notes. Additional investment considerations which any of the Issuers or the Guarantor are currently unaware of may also impair its businesses, financial condition, performance or prospects. If any of the following investment considerations develop into actual events, the business, results of operations and financial condition of any of the Issuers, Starhill Global REIT or the Group could be materially and adversely affected. In such cases, the ability of any of the Issuers or the Guarantor to comply with their respective obligations under the Principal Trust Deed, the Supplemental Trust Deeds (if any) and the Notes may be adversely affected.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all the information that a prospective investor in or existing holder of the Notes may require in investigating any of the Issuers, Starhill Global REIT or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the MTN Programme. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme or the Notes (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, any of the Dealers or the Arranger that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes. Each person receiving this Information Memorandum acknowledges that such person has not relied on any of the Issuers, the Guarantor, their respective Subsidiaries or associated companies (if any), any of the Dealers or the Arranger or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of any of the Issuers, the Guarantor, Starhill Global REIT and their respective Subsidiaries and associated companies (if any), the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

Risks associated with Starhill Global REIT's business

Uncertainties and instability in global market conditions could adversely affect the business, financial condition and results of operations of Starhill Global REIT

The recent global financial crisis continues to affect credit availability, business activity, stock prices and consumer spending. Global markets may continue to experience volatility and liquidity disruptions. Such events could adversely affect Starhill Global REIT, including:

- a negative impact on the ability of the tenants of Starhill Global REIT to pay their rents in a timely manner or continuing their leases, thus reducing Starhill Global REIT's cash flow;

- reduced demand for office and retail space which may lead to lower rental, thus reducing Starhill Global REIT's cash flow;
- an increase in counterparty risk including those counterparties in hedging arrangements; and
- an increased likelihood that one or more of Starhill Global REIT's banking syndicate or insurers may not be able to honour their commitments to Starhill Global REIT.

The Properties may be revalued downwards

General property prices in Singapore and overseas have generally fallen since end 2008. The Existing Properties were revalued downwards on 31 December 2008 and 15 June 2009 and there can be no assurance that Starhill Global REIT will not be required to make further downward revaluations of the Existing Properties or downward revaluations of the Malaysian Properties in the future. The Existing Properties were valued at S\$2,208.6 million at 31 December 2007, S\$2,103.3 million at 31 December 2008, S\$1,954.6 million at 15 June 2009 and S\$1,981.8 million at 31 December 2009. Any fall in the gross revenue or net property income earned from the Properties may result in a downward revaluation of the Properties. Further downward revaluations could negatively impact the Group's gearing, which in turn could trigger a default under certain loan covenants and/or impact Starhill Global REIT's ability to refinance its existing borrowings or its ability to secure additional borrowings.

In addition, Starhill Global REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the Properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on Starhill Global REIT's financial results in the financial years where there is a significant decrease in the valuation of the Properties which will result in revaluation losses that will be charged to its statements of total return.

The amount the Group may borrow is limited, which may affect the operations of Starhill Global REIT and the borrowing limit may be exceeded if there is a downward revaluation of assets

The Property Funds Guidelines provide that the aggregate leverage of a real estate investment trust may reach a maximum of 60.0% of the value of its deposited property provided that a credit rating of that real estate investment trust from Fitch, Inc., Moody's Investors Service or Standard & Poor's is obtained and disclosed to the public. In addition, such credit rating should be maintained and disclosed so long as the aggregate leverage of the real estate investment trust exceeds 35.0% of the value of its deposited property. The Group's Aggregate Leverage is 29.3% as at 31 March 2010 and the Proposed Acquisitions will increase the Group's Aggregate Leverage to approximately 31.0%. Starhill Global REIT was assigned a corporate rating of "BBB" by Standard & Poor's in October 2009, and is currently permitted to borrow up to a maximum of 60.0% of the value of its Deposited Property. However, a decline in the value of the Deposited Property may affect the Group's ability to borrow further.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to the Properties;
- an inability to fund acquisitions of properties; and
- cash flow shortages which may have an adverse impact on Starhill Global REIT's ability to make distributions.

A downward revaluation of any of the Properties or Starhill Global REIT's investments may result in Starhill Global REIT exceeding the aggregate leverage limit of 60.0% under the Property Funds Guidelines. Whilst such an event would not constitute a breach of the Property Funds Guidelines, Starhill Global REIT would not be able to incur further indebtedness during the period that its Aggregate

Leverage is in excess of 60.0%. In such circumstances, while Starhill Global REIT may not be required to dispose of its assets to reduce its indebtedness, the inability to incur further indebtedness may constrain its operational flexibility.

The Group may have a higher level of gearing than certain other types of unit trusts and may experience limited availability of funds and face risks associated with debt financing and refinancing

The Group may require additional financing to fund working capital requirements, to support the future growth of its business including acquisitions, asset enhancement and capital expenditure and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to Starhill Global REIT. Factors that could affect the Group's ability to procure financing include the cyclical nature of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. The recent sub-prime mortgage financial crisis also had an adverse impact on availability and cost of funding and hence may also hinder the Group's ability to obtain additional financing. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. The Group's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments.

The Group has at the Latest Practicable Date a total of approximately S\$570.0 million of borrowings due for refinancing in September 2010 and it will be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings, particularly in light of current uncertainty and instability in global market conditions. In addition, the Group may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations or financial condition. Such covenants may also restrict Starhill Global REIT's ability to acquire properties or undertake other capital expenditure and asset enhancements or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which may adversely affect Starhill Global REIT's cash flow and could adversely affect the Group's business, financial condition and results of operation.

There is no assurance that the current rating given to Starhill Global REIT will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future

In October 2009, Standard & Poor's assigned a "BBB" corporate rating with a stable outlook to Starhill Global REIT. This rating is based on the views of Standard & Poor's only. Future events could have a negative impact on the rating of Starhill Global REIT and prospective investors should be aware that there is no assurance that the rating given will continue or that the rating would not be reviewed, downgraded, suspended or withdrawn as a result of future events or judgment on the part of Standard & Poor's. Any rating changes that could occur may have a negative impact on the market value of the Notes. A downgrade, suspension or withdrawal of the rating may lead to Starhill Global REIT being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates and/or an event of default for some of Starhill Global REIT's existing borrowings.

Starhill Global REIT may be adversely affected by the illiquidity of real estate investments

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the ability of Starhill Global REIT to manage its portfolio in response to changes in economic or other conditions. This could have an adverse effect on Starhill Global REIT's financial condition and results of operations, with a consequential adverse effect on Starhill Global REIT's ability to make expected returns. Moreover, Starhill Global REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquidity of its real estate investments.

In addition, if Starhill Global REIT defaults in its payment obligations towards its secured creditors, mortgagees of any of the affected properties could foreclose or require a forced sale of any of the affected properties with a consequent loss of income and asset value to Starhill Global REIT. The amount to be received upon a foreclosure sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of Starhill Global REIT's properties is illiquid and there can be no assurance that any of Starhill Global REIT's properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale will be sufficient for Starhill Global REIT to meet its obligations pursuant to its borrowings.

Starhill Global REIT is subject to the laws and regulations and risks relating to the conduct of its businesses in other countries

Starhill Global REIT invests in real estate in Singapore and overseas. Therefore, the business of Starhill Global REIT will be subject to changes in economic conditions as well as regulatory controls, applicable tax rules, property and property-related market conditions locally, regionally and globally.

Real estate laws differ from country to country and Starhill Global REIT's business in these countries may not always enjoy the same level of legal rights or protection that it is afforded in Singapore. Furthermore, more stringent or onerous real estate laws may be adopted in the future in the countries where Starhill Global REIT operates its business, and that may restrict Starhill Global REIT's ability to operate its business.

Starhill Global REIT may in future expand its businesses in other countries (including, without limitation, the countries it already operates in, being as at the date of this Information Memorandum, Japan, China, Australia and, upon completion of the Proposed Acquisitions, Malaysia). The risk profile of Starhill Global REIT will therefore encompass the risks involved in each of the countries or businesses that Starhill Global REIT operates. The businesses, financial condition, performance or prospects of Starhill Global REIT may be adversely affected by any of such risks. Adverse economic and/or property and property-related developments locally, regionally and/or globally may also have a material adverse effect on the businesses, financial condition, performance or prospects of Starhill Global REIT.

The Group is subject to interest rate and foreign exchange rate fluctuations

As at the Latest Practicable Date, the Group has a total debt of approximately S\$697.2 million. As a result, its operations or financial condition could potentially be adversely affected by interest rate fluctuations.

As part of its active capital management strategies, the Group has entered into hedging transactions to partially mitigate the risk of such interest rate fluctuations. As at the Latest Practicable Date, approximately 96.4% of its total debt was fixed (including hedging). However, its hedging policy may not adequately cover the Group's exposure to interest rate fluctuations.

The Group has investments in Japan, China, Australia and, upon completion of the Proposed Acquisitions, Malaysia, and may invest in other countries outside Singapore. As a result, it is exposed to movements in foreign exchange rates. The foreign assets and income derived from the foreign assets are denominated in foreign currencies and therefore fluctuations in the foreign exchange rates may affect the value of the Singapore dollar equivalent amounts.

The Group's reporting currency is Singapore dollars. Any significant fluctuation in the exchange rates between JPY, RMB, A\$ and/or RM and the Singapore dollar may have an adverse impact on the Group's results of operations and the value of the Group's gross revenue, when translated or converted into Singapore dollars.

Although the Group engages in certain hedging activities to mitigate currency exchange rate exposure, the Group may not fully hedge its foreign exchange exposure and the impact of future exchange rate fluctuations between the foreign currencies and the Singapore dollar on the Group's income and net assets cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

Hedging activities may not have the desired beneficial impact on the results of operations or financial condition of Starhill Global REIT and may result in it having to settle losses, for example, in the event that the duration of the hedge does not match the duration of the underlying exposure. The hedging activities may not completely insulate Starhill Global REIT from the risks associated with changes in interest rates and exchange rates.

The value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the net asset value of Starhill Global REIT.

The Starhill Global REIT Manager may change Starhill Global REIT's investment strategy

Starhill Global REIT's policies with respect to certain activities, including investments and acquisitions, are determined by the Starhill Global REIT Manager, subject to applicable laws and regulations. The Starhill Global REIT Manager has stated its intention to invest primarily in prime real estate used for retail and/or office purposes, both in Singapore and overseas. The Starhill Global REIT Trust Deed grants the Starhill Global REIT Manager wide powers to invest in other types of assets, including any real estate and real estate-related assets in Singapore and other jurisdictions. There is no assurance that the investment strategy of Starhill Global REIT will not be changed in the future.

The Starhill Global REIT Manager may not be able to implement its investment strategy

There can be no assurance that the Starhill Global REIT Manager will be able to implement its investment strategy successfully or that it will be able to expand Starhill Global REIT's portfolio at all, or at any specified rate or to any specified size. The Starhill Global REIT Manager may not be able to make investments or acquisitions on favourable terms or within a desired time frame.

Starhill Global REIT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all. Even if Starhill Global REIT were able to successfully make additional property investments, there can be no assurance that Starhill Global REIT will achieve its intended return on such investments. Since the amount of debt that Starhill Global REIT can incur to finance acquisitions is limited by the Property Funds Guidelines, such acquisitions will largely be dependent on Starhill Global REIT's ability to raise equity capital. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including commercial property development companies, private investment funds

and other real estate investment trusts whose investment policy is also to invest in properties used for retail and/or office purposes. There can be no assurance that Starhill Global REIT will be able to compete effectively against such entities.

The Starhill Global REIT Manager may not be able to implement its asset enhancement strategy

One of the Starhill Global REIT Manager's strategies for growth is to increase yields and total returns through the addition and/or optimisation of retail space at the relevant property. Any asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to the outcome of any of such asset enhancement initiatives being materially different from the original projections or plans. There can be no assurance that the Starhill Global REIT Manager will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiative will enhance the value of the relevant property. In addition, any proposed asset enhancement initiatives are subject to Starhill Global REIT obtaining the approvals of the relevant authorities and fellow subsidiary proprietors where relevant. Furthermore, the Starhill Global REIT Manager may not be able to carry out the proposed asset enhancement initiative within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiative may be reduced or lost. Even if the asset enhancement initiative is successfully carried out, there can be no assurance that Starhill Global REIT will achieve its intended return or benefit from such asset enhancement initiative.

Starhill Global REIT depends on certain key personnel and the loss of any key personnel may adversely affect its financial condition and results of operations

Starhill Global REIT's success depends, in part, upon the continued service and performance of members of the senior management team of the Starhill Global REIT Manager and certain key senior personnel. These key personnel may leave the Starhill Global REIT Manager in the future and compete with the Starhill Global REIT Manager and Starhill Global REIT. The loss of any of these key individuals, or of one or more of the Starhill Global REIT Manager's other key employees, could have a material adverse effect on Starhill Global REIT's financial condition and results of operations.

Future performance of the Group depends largely on the Starhill Global REIT Manager's and the Group's ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's businesses, financial condition and results of operations.

Starhill Global REIT may be involved in legal and other proceedings from time to time

Starhill Global REIT may be involved from time to time in disputes with various parties such as tenants, owners of neighbouring properties, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers, service providers and other partners involved in the occupancy, asset enhancement, operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause Starhill Global REIT to suffer additional costs and disruptions to its operations. In addition, Starhill Global REIT may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses and/or delay the construction or completion of its projects.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of Starhill Global REIT

The outbreak of infectious diseases such as Influenza A (H1N1-2009), avian influenza or Severe Acute Respiratory Syndrome in Asia and elsewhere, together with any resulting restrictions on travel and/or

imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact the revenues and results of Starhill Global REIT. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could have an adverse effect on the business, financial condition and results of operations of Starhill Global REIT.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of Starhill Global REIT

Terrorist activities, acts of violence or war and adverse political developments could materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of Starhill Global REIT. Such events and their consequences are unpredictable and could have an adverse effect on its businesses, financial condition and results of operations.

Risks associated with the operation of the properties held by Starhill Global REIT

The Properties may face competition from other properties

There is keen competition for tenants between the Properties and other existing and new retail and office properties. Whenever competing properties in the vicinity of the Properties are developed or substantially upgraded and refurbished, the attractiveness of the Properties to prospective tenants may be affected.

Factors that affect the ability of a commercial property to attract or retain tenants include the attractiveness of the building and its surrounding areas to prospective tenants and their customers or clients, the quality of the building's existing tenants and its positioning. The income from, and market value of, the Properties will be largely dependent on the ability of the Properties to compete against other commercial properties in the relevant localities in attracting and retaining tenants. Historical operating results and market values of the Properties may not be indicative of future operating results.

A substantial portion of the Group's revenue is derived from rental associated with retail properties

The Group derives a substantial portion of its revenue from retail properties. For 1Q 2010, approximately 84.0% of the Group's revenue was derived from its retail properties. Such concentration on the retail sector may entail a higher level of risk as compared to some other real estate investment trusts which may have properties spread across a variety of sectors or which may have a more diverse range of investments. A substantial portion of the Group's earnings depends on the continued strength of the retail sectors in Singapore, Japan, China, Australia and, upon completion of the Proposed Acquisitions, Malaysia and the other countries in which it may operate, which in turn are affected by general economic and business conditions.

The global economic crisis has put pressure on rentals and values of office properties in Singapore and around the world, and this may have a negative impact on the occupancy, rental rates and value of the Properties

The recent global economic crisis has disrupted business activities of numerous businesses in Singapore and throughout the world. This could result in a decrease in office occupancies as tenants downsize operations and/or become increasingly cost conscious. In the case of Starhill Global REIT's office portfolio, this could be further exacerbated by an influx of new office space and an increase in available office space in surrounding precincts even as occupancy levels decrease due to uncertainties

in the economic climate. Any reduction in occupancy could result in a decrease in gross revenue or net property income earned by the Group and this may in turn result in a downward revaluation of the Properties.

Ngee Ann City and Wisma Atria are located in Singapore and are therefore exposed to the economic and real estate conditions in Singapore (including increased competition in the real estate market)

Ngee Ann City and Wisma Atria are situated in Singapore, which exposes Starhill Global REIT to the risk of any prolonged downturn in economic and real estate conditions in Singapore. A significant portion of the Group's gross revenue and results of operations depend, to a large extent, on the performance of the Singapore economy. The value of the Singapore Properties and the rental revenue collected may also be adversely affected by a number of local real estate conditions, such as the attractiveness of competing commercial properties if there is an oversupply of commercial space. There are many existing commercial properties in the vicinity of the Singapore Properties. Furthermore, newly completed commercial properties along Orchard Road, such as ION Orchard, 313@Somerset, Mandarin Gallery and Orchard Central as well as the newly-opened integrated resorts' retail component, compete with the Singapore Properties in attracting tenants. In addition, any decrease in the arrival of tourists and business travellers to Singapore will reduce shopper traffic at the Singapore Properties, which may adversely affect the demand for and the rental rates of retail space in the Singapore Properties.

Starhill Global REIT may be required to contribute towards the capital expenditure incurred in respect of common property

Each of Ngee Ann City and Wisma Atria is a subdivided development comprising the strata lots held by Starhill Global REIT and the other subsidiary proprietors and the common property. In accordance with regulations, the subsidiary proprietors of each of Ngee Ann City and Wisma Atria contribute monthly to the respective management corporation sinking funds. A sinking fund is intended to cover capital expenditure incurred in respect of common property in a strata-titled development. Without a sufficient amount of sinking fund contributions to account, if capital expenditure is required to be incurred, Starhill Global REIT, as one of the subsidiary proprietors of each of the Singapore Properties, will be required to contribute towards the capital expenditure in proportion to its respective share value of the total share value of the strata lots comprised in each of the Singapore Properties.

Some of the other Properties may also form part of a subdivided development and Starhill Global REIT may similarly be required to contribute towards its proportionate share of capital expenditure incurred in respect of the common property of such Properties.

Risk associated with non-majority interests under certain circumstances

Wisma Atria is a subdivided development comprising the Wisma Atria Property, the strata lots held by Isetan (Singapore) Limited ("**Isetan**") and the common property. All the subsidiary proprietors of Wisma Atria, who constitute the WA Management Corporation, jointly own the common property in Wisma Atria as tenants-in-common in proportion to the share values attributable to their respective strata lots. Starhill Global REIT owns 74.23% of the total share value of strata lots comprising Wisma Atria and cannot therefore deal with the common property in Wisma Atria as if Wisma Atria were entirely owned by it.

There is no assurance that resolutions other than ordinary resolutions concerning the common property of Wisma Atria can be passed, as Starhill Global REIT owns only 74.23% of the total share value of strata lots comprising Wisma Atria. Isetan may vote against such resolutions and hence prevent such resolutions from being passed. For example, if resolutions relating to enhancement works involving the common property of Wisma Atria are not passed, such enhancement works cannot be carried out by

the WA Management Corporation. This may result in the loss of retailers, tenants and shopper traffic which may adversely affect the operating results of Starhill Global REIT.

Ngee Ann City is a subdivided development comprising the Ngee Ann City Property, the other Ngee Ann City strata lots not held by Starhill Global REIT and the common property. All the subsidiary proprietors of Ngee Ann City, who constitute the MCST Plan No. 2929 (the “**NAC Management Corporation**”), jointly own the common property in Ngee Ann City as tenants-in-common in proportion to the share values attributable to their respective strata lots. Starhill Global REIT owns 27.23% of the total share value of strata lots comprising Ngee Ann City and cannot therefore deal with the common property in Ngee Ann City as if Ngee Ann City were entirely owned by it. Ngee Ann Development Private Limited owns the balance 72.77% of the total value of strata lots comprising Ngee Ann City. There is no assurance that resolutions concerning the common property of Ngee Ann City can be passed, as Starhill Global REIT owns only 27.23% of the total share value of strata lots comprising Ngee Ann City. For example, if resolutions relating to enhancement works involving the common property of Ngee Ann City are not passed, such enhancement works cannot be carried out by the NAC Management Corporation. This may result in the loss of retailers, tenants and shopper traffic which would adversely affect the operating results of Starhill Global REIT.

Some of the other Properties may also form part of a subdivided development. There is no assurance that Starhill Global REIT will be able to deal with the common property of these Properties and carry out enhancement works involving such Properties. This may result in the loss of retailers, tenants and shopper traffic at these Properties which would adversely affect the operating results of Starhill Global REIT.

Ngee Ann Kongsı may, as lessor, terminate either of the land leases for the Singapore Properties upon a breach of such land lease

Ngee Ann Kongsı is the lessor of the land leases for Ngee Ann City and Wisma Atria. The title to the land on which Ngee Ann City is constructed is comprised in a leasehold term of 69 years four months 12 days commencing from 20 November 2002, and the title to the land on which Wisma Atria is constructed is comprised in a 99-year leasehold estate commencing from 1 April 1962. Some of Starhill Global REIT’s covenants (as one of the lessees) under the land lease for Wisma Atria include payment of yearly rental and repair and keeping in tenantable repair all buildings at any time erected on the premises and all drains, sewers and conveniences. Starhill Global REIT has also covenanted (as one of the lessees) with Ngee Ann Kongsı under the land lease for the Ngee Ann City to, *inter alia*, pay the yearly rent, all taxes, rates, assessments, property tax, impositions and outgoings and is prohibited from erecting or putting up any building, structure or erection whatsoever otherwise than in accordance with plans, elevations and specifications approved by all relevant competent authorities and all laws and regulations for the time being in force. The lessor is entitled to terminate the land lease for each of the Singapore Properties and repossess the Singapore Properties in the event that Starhill Global REIT, as a lessee, fails to observe or perform the terms and conditions of each land lease. If the land lease for a Singapore Property is terminated, that Singapore Property together with the building erected upon it would have to be given up to the lessor and this would consequently affect the amount of cash flow available to Starhill Global REIT from the revenue stream generated by the Singapore Properties.

Other properties of Starhill Global REIT are located outside of Singapore and this exposes Starhill Global REIT to economic and real estate market conditions in such other countries

While Ngee Ann City and Wisma Atria are located in Singapore, Starhill Global REIT has acquired properties in Japan, China, Australia and, upon completion of the Proposed Acquisitions, Malaysia. Future acquisitions may also be located outside Singapore. This exposes Starhill Global REIT to economic and real estate market conditions and changes in fiscal policies in such other countries.

The principal investment strategy of Starhill Global REIT is to invest in, among other things, a diversified portfolio of income-producing real estate which is used for office and retail purposes in Singapore and overseas.

Starhill Global REIT is exposed to property market conditions in Japan, China and Australia and may be exposed to property market conditions in other countries (including Malaysia) in the future. Many social, economic, political and other factors may affect the development of the property market. These overseas property markets may sometimes be volatile and may experience oversupply and property price fluctuations. The governments of such foreign countries may take steps to prevent and curtail any overheating of their economies and property markets. Such policies may result in changes in market conditions, including price instability and imbalance of supply and demand, which may materially and adversely affect the business and financial conditions and the results of operations of Starhill Global REIT. There is also no assurance that there will not be any over-development in the property sector in the areas where the Properties are located and other parts of Japan, China, Australia and/or Malaysia (upon completion of the Proposed Acquisitions). Any future over-development in the property sector in the areas where the Properties are located and other parts of Japan, China, Australia and/or Malaysia (upon completion of the Proposed Acquisitions) may result in an oversupply of properties and a fall in property prices as well as rental rates, which could adversely affect the business and financial conditions and the results of operations of Starhill Global REIT.

In addition, the income and gains derived from investment in properties in such other countries may be subject to various types of taxes in Singapore and these foreign countries, including income tax, withholding tax, capital gains tax and any other taxes that may be imposed. For example, the Singapore Minister for Finance made an announcement on 22 February 2010 in the Singapore Budget 2010 that he was introducing a sunset clause (currently not yet promulgated into law) such that the tax exemptions already granted, or to be granted, under Section 13(12) of the ITA would be valid only until 31 March 2015 (the “**Sunset Clause**”). Thus, Starhill Global REIT and its wholly-owned Subsidiaries incorporated in Singapore (as relevant) would need to receive in Singapore on or before 31 March 2015 the foreign dividend and interest income which have been exempted from Singapore tax under Section 13(12) of the ITA. If such foreign dividend and interest income are received after 31 March 2015 and the Sunset Clause is in effect, the dividend and interest income would be taxable in Singapore to Starhill Global REIT or its wholly-owned Subsidiaries incorporated in Singapore (as relevant) at the corporate tax rate prevailing at the time. All these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these properties.

Any change in the arrangement of the Renhe Spring Zongbei Property presently being operated as a department store could result in a change in the valuation of the Renhe Spring Zongbei Property and the total valuation of the Properties

The Renhe Spring Zongbei Property is presently being operated as a department store under the Renhe Spring brand name which is owned by a third party. Any change in this operating arrangement could result in an adverse change in the financial condition of Starhill Global REIT and the value of its portfolio may be negatively affected.

The loss of tenants may adversely affect the business, financial condition and results of operations of Starhill Global REIT

Starhill Global REIT's financial condition, results of operations, ability to lease properties and/or make distributions and the value of its property portfolio may be adversely affected by the bankruptcy and/or insolvency of tenants or downturn in the business of tenants, including the decision by such tenants not to renew their leases or terminate their leases before they expire.

The loss of anchor tenants could directly and indirectly reduce the future cash flows of Starhill Global REIT

Starhill Global REIT's ability to market its properties and the value of such properties could be adversely affected by the loss of an anchor tenant in the event that such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business, including the decision by any such tenant not to renew its lease.

Space that has been vacated by an anchor tenant can reduce the demand for and the value of the property and other properties because of the loss of the departed anchor tenant's customer drawing power. In addition, as some of Starhill Global REIT's anchor tenants may be related to each other, the risk of such loss is concentrated and could affect some or all of the Properties if it should occur. Any of these events could materially and adversely affect Starhill Global REIT's business, financial condition or results of operation.

In addition, the retail podium of Ngee Ann City Property (with the exception of Level 5) is leased to Toshin and 95.1% of the NLA of the David Jones Property is leased to David Jones Limited. Starhill Global REIT may enter into master tenancies in respect of the other properties that it owns or will own in the future. The risk of a loss of a master lessee in the event that such master lessee files for bankruptcy or insolvency or experiences a downturn in its business, including the decision by any such master lessee not to renew or to pre-terminate its lease could materially and adversely affect Starhill Global REIT's business, financial condition and results of operation.

The Singapore Properties are in the same general location, which may result in a higher level of risk compared to some other REITs that have properties spread over diverse locations

The Singapore Properties are both located on Orchard Road. Such investment in properties in the same locality may pose a higher level of risk for Starhill Global REIT as compared to some other real estate investment trusts that have properties spread out in diverse locations in Singapore. In the event that Orchard Road loses its prominence as a shopping district in Singapore, shopper traffic at the Singapore Properties will be reduced. This will adversely affect the demand for and rental rates of retail space in the Singapore Properties. Any other circumstance which adversely affects the operations or business of a commercial property or its attractiveness to tenants may affect both the Singapore Properties because of their common location along Orchard Road.

A concentration of investments in a portfolio of commercial properties in the same locality will cause Starhill Global REIT to be susceptible to a downturn in the micro-property market in such locality, particularly where there is a decline in the rental rates or the capital value of commercial properties in the micro-property market.

Ngee Ann City and Wisma Atria or a part of them may be subject to compulsory acquisition by the Singapore government

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore government the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

The compensation to be awarded pursuant to any such compulsory acquisition would be based on either:

- (i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Government Gazette); or
- (ii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire, where such declaration is made after six months of the notification.

Accordingly, if the market value of a property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the acquired property will be less than its market value and this would have an adverse effect on the assets of Starhill Global REIT.

Starhill Global REIT may suffer an uninsured loss

Starhill Global REIT maintains insurance policies in line with general business practices in the real estate and commercial properties industries in the countries in which the Properties are located, with practical and adequate policy specifications and insured limits. Risks insured against include property damage, terrorism and public liability. There are, however, certain types of losses (such as from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, Starhill Global REIT could be required to pay compensation, suffer a loss on the relevant property, or face a loss of anticipated future revenue from that property. Starhill Global REIT would also remain liable for any debt that is with recourse to Starhill Global REIT and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the business, results of operations and financial condition of Starhill Global REIT. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for Starhill Global REIT will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The insurance policies for the common property of the Singapore Properties are controlled by the respective MCSTs. As such, Starhill Global REIT does not have control over the manner in which claims are made by the respective MCSTs on such insurance policies.

The gross revenue earned from, and the value of, the Properties may be adversely affected by a number of factors

The gross revenue earned from, and the value of, the Properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates could reduce Starhill Global REIT's gross revenue and its ability to recover certain operating costs through service charges;
- the inability of the property managers of the Properties to collect rent from tenants on a timely basis or at all;
- tenants requesting rental rebates due to the impact of economic downturns;
- tenants requesting waiver of interest on late payment of rent;

- events affecting the Properties which could result in the inability of the relevant tenants to operate in such Properties and thereby resulting in the inability of such tenants to make timely payments of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant Property;
- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, office and retail space, changes in market rental rates and operating expenses for the Properties);
- increased competition from existing and new retail and office properties in surrounding areas;
- the Starhill Global REIT Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- competition for tenants from other similar properties which may affect rental income or occupancy levels at the Properties;
- asset enhancement works carried out at the Properties which may cause disruption to the operations, cash flows and business of the existing tenants and/or adversely affect the ability of the Properties to retain existing tenants or attract new tenants during that period;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to condemnation and redevelopment; and
- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Starhill Global REIT Manager.

The Properties may be subject to increases in property expenses

Starhill Global REIT's ability to make payments on the Notes could be adversely affected if property expenses, such as maintenance charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include any:

- increase in the amount of maintenance and sinking fund contributions payable on the Properties;
- increase in agent commission expenses for procuring new tenants;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in sub-contracted service costs;

- increase in the rate of inflation;
- increase in insurance premiums; and
- increase in costs relating to adjustment of the tenant mix.

Starhill Global REIT is exposed to general risks associated with reliance on third-party contractors to provide various services

Starhill Global REIT engages or will engage third-party contractors to provide various services in connection with any commercial developments it may have and with the day-to-day operation of the Properties and physical asset enhancement works, including construction, building and property fitting-out works, alterations and additions, interior decoration and installation of air-conditioning units and lifts. Starhill Global REIT is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and Starhill Global REIT may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to Starhill Global REIT. Starhill Global REIT also engages external property managers to provide property management services in respect of the Japanese Properties, the Renhe Spring Zongbei Property and the David Jones Property and an external asset manager to provide local asset management services in respect of the Japanese Properties. There can also be no assurance that the services rendered by such third parties will be satisfactory or match Starhill Global REIT's targeted quality levels. All of these factors could adversely affect Starhill Global REIT's businesses, financial condition and results of operations.

Major natural catastrophes, including earthquakes, should they occur, may materially disrupt and adversely affect the business and operations of the Properties

Natural disasters such as earthquakes may affect the operations of the Properties, in particular, those located in regions prone to such environmental conditions. These events may cause substantial structural and physical damage to the Properties potentially resulting in the need to incur expenses associated with the repair of any potential damage caused.

In addition to the above, such events may result in a material decline in demand for the Properties. This could materially impact the market value of the Properties as well as their ability to attract attractive rental rates.

Risks associated with investment in the Notes

Limited liquidity of the Notes issued under the MTN Programme

There can be no assurance regarding the future development of the market for the Notes issued under the MTN Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes.

Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of the Notes will not be adversely affected by the issue in the market of such additional Notes.

Fluctuation of market value of Notes issued under the MTN Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of any of the Issuers, Starhill Global REIT and/or their respective Subsidiaries and/or

associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, any of the Issuers, Starhill Global REIT and/or their respective Subsidiaries and/or associated companies (if any) generally. Adverse economic developments in Singapore as well as countries in which any of the Issuers, Starhill Global REIT and/or their respective Subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of any of the Issuers, Starhill Global REIT and/or their respective Subsidiaries and/or associated companies (if any).

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Group may not fully hedge the currency risks associated with Notes denominated in foreign currencies

The majority of the Group's revenue is generally denominated in Singapore dollars and the majority of the Group's operating expenses are generally incurred in Singapore dollars as well. As Notes issued under the MTN Programme can be denominated in currencies other than Singapore dollars, the Group may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Group may be able to fully hedge the currency risks associated with such Notes denominated in foreign currencies.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the quantum of actual returns.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Notes may be issued at a substantial discount or premium

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when an Issuer may elect to redeem Notes issued by it, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. Such Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Rating of the MTN Programme and Notes

The ratings assigned by Standard & Poor's to the MTN Programme are based on the views of Standard & Poor's only. Notes issued under the Programme Agreement may also be assigned a credit rating based on the views of the relevant rating agency. Future events may have a negative impact on the rating of the MTN Programme and/or such Notes and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings would not be reviewed, revised, suspended or withdrawn as a result of future events, unavailability of information or if, in the judgment of the relevant rating agency, circumstances so warrant. Such rating changes may have a negative impact on the market value of the Notes.

Singapore Taxation

The Notes to be issued during the period from the date of this Information Memorandum to 31 December 2013 are intended to be "qualifying debt securities" for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the "Taxation" section of this Information Memorandum. However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time.

The Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**") has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain qualifications and conditions, income tax exemption is granted on interest, discount income, "prepayment fee", "redemption premium" and "break cost" (as such terms are defined in the ITA) derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:—

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

With respect to any Notes issued with an original maturity of at least 10 years and which are “qualifying debt securities”, there is no assurance that holders of such Notes would enjoy any tax exemption under the QDS Plus Scheme as it is currently unclear how the above requirements would be applicable in the context of certain events occurring within 10 years from the date of issue of such Notes.

Enforcement of Guarantee

Noteholders should note that the Guarantee is issued by the Starhill Global REIT Trustee and not Starhill Global REIT, as the latter is not a legal entity. Noteholders should note that under the terms of the Guarantee, Noteholders shall only have recourse to the assets of Starhill Global REIT and not HSBC Institutional Trust Services (Singapore) Limited (“**HSBCITS**”) personally nor any other asset held by HSBCITS as trustee of any trust other than Starhill Global REIT. Furthermore, Noteholders do not have direct access to the assets of Starhill Global REIT but may only have recourse to such assets through the Starhill Global REIT Trustee and if necessary seek to subrogate the Starhill Global REIT Trustee’s right of indemnity out of the assets of Starhill Global REIT, and accordingly, any claim to such assets is derivative in nature. A Noteholder’s right of subrogation could be limited by the Starhill Global REIT Trustee’s right of indemnity under the Starhill Global REIT Trust Deed. Noteholders should also note that such right of indemnity of the Starhill Global REIT Trustee may be lost by virtue of fraud, gross negligence or wilful default of the Starhill Global REIT Trustee or breach of any provisions of the Starhill Global REIT Trust Deed or breach of trust by the Starhill Global REIT Trustee.

In this regard, the Principal Trust Deed, the Supplemental Trust Deeds, the Programme Agreement, the Agency Agreement and the Notes (the “**Relevant Documents**”) provide that any liability of or indemnity given by the Guarantor under the Relevant Documents is limited to the assets of Starhill Global REIT over which the Guarantor has recourse and shall not extend to any personal, or other assets of HSBCITS, or any assets held by HSBCITS as trustee of any trust other than Starhill Global REIT. They also provide that the foregoing shall not restrict or prejudice the rights or remedies of any of the other parties to the Relevant Documents under law or equity whether in connection with any negligence, fraud or breach of trust of the Guarantor or otherwise.

USE OF PROCEEDS

The Relevant Issuer will on-lend the net proceeds arising from the issue of Notes under the MTN Programme (after deducting issue expenses) to the Starhill Global REIT Trustee. The proceeds of such loans will be used by the Starhill Global REIT Trustee to finance/refinance or partially finance/refinance the acquisition by Starhill Global REIT of all such properties, assets and other permitted investments in which the Starhill Global REIT Trustee is authorised from time to time to invest under the terms of the Starhill Global REIT Trust Deed, to on-lend to any trust, fund or entity in which the Starhill Global REIT Trustee has an interest, to finance/refinance any asset enhancement works initiated by the Starhill Global REIT Trustee or such trust fund or entity, to finance share buybacks, to finance the working capital purposes for Starhill Global REIT and/or for other purpose(s) as deemed fit by the Starhill Global REIT Trustee.

CLEARING AND SETTLEMENT

Clearance and Settlement Through Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions from around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a direct or indirect custodial relationship with a Euroclear or Clearstream, Luxembourg participant.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Issuing and Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned Subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for

themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations or conclusions set out below. The following is a summary of the material Singapore tax consequences to a holder of the Notes. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders and prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Arranger and any other persons involved in the MTN Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the “ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17% with effect from year of assessment 2010. The applicable rate for non-resident individuals is 20%. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) any interest from debt securities derived on or after 1 January 2004;

- (b) any discount from debt securities derived on or after 1 January 2004 from debt securities which mature within one year from the date of issue of those securities;
- (c) any discount from debt securities derived on or after 17 February 2006; and
- (d) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the MTN Programme as a whole is arranged by Citicorp Investment Bank (Singapore) Limited, which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes issued as debt securities during the period from the date of this Information Memorandum to 31 December 2013 ("**Relevant Notes**") would be "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income, prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operations through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10%; and
- (iii) subject to:
 - (aa) the Relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose Qualifying Income derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (bb) the Relevant Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Relevant Issuer.

However, notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (B) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income derived by:
 - (i) any related party of the Relevant Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Relevant Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Relevant Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

The Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”) has also been introduced as an enhancement to the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the Relevant Issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the

Comptroller and MAS), income tax exemption is granted on Qualifying Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:–

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income from such Relevant Notes derived by:

- (i) any related party of the Relevant Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standards 39 (“**FRS 39**”) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 treatment for Singapore income tax purposes”.

3. Adoption of FRS 39 treatment for Singapore income tax purposes

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications arising from the adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). Section 34A of the ITA was enacted in 2007 to give legislative effect to the FRS 39 Circular.

Section 34A of the ITA and the FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Relevant Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Relevant Issuer pursuant to the Programme Agreement.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the MTN Programme may be used in connection with an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer agrees that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes the Information Memorandum, any other offering document or any Pricing Supplement and neither the Relevant Issuer nor any other Dealer shall have responsibility therefor.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each Dealer has agreed that it will not offer, sell or deliver any Notes within the United States, except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Hong Kong

Each Dealer has represented, warranted and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer acknowledges that this Information Memorandum has not been registered as a prospectus with MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Cheong Peng Kwet Yew	Director
Chong Thoong Shin	Director

2. No Director is or was involved in any of the following events:

- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
- (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
- (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

3. As at the date of this Information Memorandum, no option to subscribe for shares in, or debentures of, SGRMPL has been granted to, or was exercised by, any Director.
4. No Director is interested, directly or indirectly, in the promotion of any assets acquired or disposed of by or leased to, SGRMPL or any of its Subsidiaries, within the two years preceding the date of this Information Memorandum, or in any proposal for such acquisition, disposal or lease as aforesaid.
5. As at the date of this Information Memorandum, SGRMPL is a wholly-owned Subsidiary of the Starhill Global REIT Trustee.

SHARE CAPITAL

6. (a) As at the date of this Information Memorandum, there is only one class of ordinary shares in SGRMPL. The rights and privileges attached to the Shares are stated in the Articles of Association of SGRMPL.
- (b) As at the date of this Information Memorandum, there is only one class of Units in Starhill Global REIT. The rights and privileges attached to the Units of Starhill Global REIT are stated in the Starhill Global REIT Trust Deed¹.

¹ On 4 June 2010, the Starhill Global REIT Manager announced that the Unitholders have approved supplementing the Starhill Global REIT Trust Deed by, *inter alia*, authorising the Starhill Global REIT Manager to issue preferred units in Starhill Global REIT (the “**Preferred Units**”) and setting out the general terms and conditions of an offer and issue of the Preferred Units and the CPUs. In addition, the Starhill Global REIT Manager also announced that the Unitholders have approved the issuance of the CPUs to the Vendor Group to part finance the subscription of the First ABS Junior MTNs.

7. Save as disclosed below, no shares in, or debentures of, SGRMPL or Units have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

- (a) Management fees paid to the Starhill Global REIT Manager in Units:

Issuance Date	Number of Units
31 July 2008	1,410,412
30 October 2008	2,711,568
30 January 2009	2,870,243
28 April 2009	2,920,252
30 July 2009	2,636,981
29 October 2009	2,332,851
28 January 2010	2,695,380

- (b) Units issued pursuant to the Rights Issue:

Issuance Date	Number of Units
18 August 2009	963,724,106

In addition, the number of Units and CPUs to be issued upon the completion of the Proposed Acquisitions are as follows:

- (i) Acquisition fees to be paid to the Starhill Global REIT Manager in Units:

Estimated Issuance Date	Number of Units
By third quarter of 2010	7,156,493 ²

Pursuant to the Starhill Global REIT Trust Deed and in connection with the Proposed Acquisitions, the Starhill Global REIT Manager will receive Units as payment of its acquisition fee of RM10.3 million (or approximately S\$4.4 million) (being 1.0% of the purchase consideration in respect of the Malaysian Properties).

- (ii) CPUs:

Estimated Issuance Date	Number of CPUs
By third quarter of 2010	173,340,000 ³

Upon the completion of the Proposed Acquisitions, the CPUs will be issued to the Vendor Group as part of the purchase consideration in respect of the Malaysian Properties. The principal amount of the CPU Issue is RM405.0 million (approximately S\$173.3 million).

² Based on the estimated number of Units to be issued. The actual number of Units to be issued will be determined based on the applicable exchange rate and the price of the Units at the completion of the Proposed Acquisitions.

³ Based on the estimated number of CPUs to be issued. The actual number of CPUs to be issued will be determined based on the applicable exchange rate at the completion of the Proposed Acquisitions.

8. The issued share capital of SGRMPL as at the date of this Information Memorandum is as follows:

Share Designation	Issued Share Capital (Number)	Issued Share Capital (S\$)
Ordinary Shares	2	2

9. The Units in issue of Starhill Global REIT as at the Latest Practicable Date are 1,935,113,424. As noted in paragraph 7 above, the Starhill Global REIT Manager will receive 7,156,493⁴ Units as acquisition fee for the Proposed Acquisitions and 173,340,000⁵ CPUs will be issued to the Vendor and/or its subsidiaries for the benefit of Starhill REIT at the completion of the Proposed Acquisitions.

BORROWINGS

10. The borrowings of the Group are as disclosed in Appendices III and IV to this Information Memorandum.

CHANGES IN ACCOUNTING POLICIES

11. There are no significant changes in the accounting policies of Starhill Global REIT since its audited financial accounts for the year ended 31 December 2009.

LITIGATION

12. There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against SGRMPL, the Guarantor, Starhill Global REIT or any of their respective Subsidiaries the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of SGRMPL or Starhill Global REIT.

MATERIAL ADVERSE CHANGE

13. There has been no material adverse change in the financial condition or business of SGRMPL since 31 December 2009, or the financial condition or business of Starhill Global REIT or the Group since 31 March 2010.

CONSENTS

14. The Arranger of the MTN Programme, the Legal Advisers to the Arranger and the Trustee, the Legal Advisers to the Issuer, the Legal Advisers to the Guarantor, the Trustee, the Issuing and Paying Agent and Agent Bank and the Auditors have given and have not withdrawn their respective written consents to the issue of this Information Memorandum with the references herein to their names and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

⁴ Based on the estimated number of Units to be issued. The actual number of Units to be issued will be determined based on the applicable exchange rate and the price of the Units at the completion of the Proposed Acquisitions.

⁵ Based on the number of CPUs to be issued. The actual number of CPUs to be issued will be determined based on the applicable exchange rate at the completion of the Proposed Acquisitions.

DOCUMENTS AVAILABLE FOR INSPECTION

15. Copies of the following documents may be inspected at 391B Orchard Road, #21-08 Ngee Ann City Tower B, Singapore 238874 during normal business hours for a period of six months from the date of this Information Memorandum:
- (a) the Memorandum and Articles of Association of SGRMPL;
 - (b) the Principal Trust Deed and any Supplemental Trust Deeds;
 - (c) the audited accounts of the Issuer for the financial year ended 31 December 2009;
 - (d) the audited consolidated accounts of Starhill Global REIT and its Subsidiaries for the financial year ended 31 December 2009; and
 - (e) the unaudited financial statements announcement of Starhill Global REIT and its Subsidiaries for the quarter ended 31 March 2010.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

16. The functions, rights and obligations of the Trustee are set out in the Principal Trust Deed and the relevant Supplemental Trust Deed (if any).

**AUDITED ACCOUNTS OF STARHILL GLOBAL REIT MTN PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

The information in this Appendix II has been reproduced from the audited financial statements of Starhill Global REIT MTN Pte. Ltd. for the financial year ended 31 December 2009 and has not been specifically prepared for inclusion in this Information Memorandum.



Starhill Global REIT MTN Pte. Ltd.
Registration Number: 200709287W

Annual Report
Year ended 31 December 2009

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Directors' Report

We are pleased to submit this annual report to the member of the Company, together with the audited financial statements for the financial year ended 31 December 2009.

Directors

The directors in office at the date of this report are as follows:

Cheong Peng Kwet Yew (Appointed on 28 October 2009)
 Chong Thoong Shin (Appointed on 30 March 2010)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company's holding entity are as follows:

<u>Name of directors and entities in which interests are held</u>	<u>Number of units registered in name of director</u>		<u>Number of units in which directors are deemed to have an interest</u>	
	Holding at the beginning of the financial year/date of appointment	Holding at the end of the financial year	Holding at the beginning of the financial year/date of appointment	Holding at the end of the financial year
<u>Starhill Global Real Estate Investment Trust</u>				
Cheong Peng Kwet Yew	240,000	240,000	240,000	240,000

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except as disclosed in this report, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related entity with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

Signed by the Board of Directors



Cheong Peng Kwet Yew
Director



Chong Thoong Shin
Director

17 May 2010

Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS11 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the results and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Signed by the Board of Directors



Cheong Peng Kwet Yew
Director



Chong Thoong Shin
Director

17 May 2010



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Independent auditor's report

Member of the Company
Starhill Global REIT MTN Pte. Ltd.

We have audited the financial statements of Starhill Global REIT MTN Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2009, the statement of comprehensive income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages FS1 to FS11.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

- a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- b) selecting and applying appropriate accounting policies; and
- c) making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and the results and changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

17 May 2010

Balance sheet
As at 31 December 2009

	Note	2009 \$	2008 \$
Current asset			
Amount due from holding entity	3	2,502	4,302
Total asset		<u>2,502</u>	<u>4,302</u>
Equity			
Share capital	4	2	2
Accumulated profit		-	-
Total equity		<u>2</u>	<u>2</u>
Current liability			
Other payables		2,500	4,300
Total liability		<u>2,500</u>	<u>4,300</u>
Total equity and liability		<u>2,502</u>	<u>4,302</u>

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 December 2009

	Note	2009 \$	2008 \$
Profit before income tax	5	-	-
Income tax expense		-	-
Profit and total comprehensive income for the year		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2009

	Share capital \$	Accumulated profit \$	Total \$
At 1 January 2008	2	-	2
Total comprehensive income for the year	-	-	-
At 31 December 2008	<u>2</u>	<u>-</u>	<u>2</u>
At 1 January 2009	2	-	2
Total comprehensive income for the year	-	-	-
At 31 December 2009	<u>2</u>	<u>-</u>	<u>2</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 May 2010.

1 Domicile and activities

Starhill Global REIT MTN Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore and has its registered office at 391B Orchard Road, #21-08 Ngee Ann City Tower B, Singapore 238874.

The Company is a special purpose vehicle, whose main objective is to issue notes under medium term note programme ("MTN Programme") for and on behalf of Starhill Global Real Estate Investment Trust ("Starhill Global REIT") and to lend the net proceeds from the issuance of such notes to Starhill Global REIT. At the date of this report, there are no notes issued under the MTN Programme.

The holding entity is Starhill Global REIT, a trust listed on the Singapore Exchange Securities Trading Limited.

2 Summary of significant accounting policies

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(e) *Adoption of changes in accounting policies*

Starting as of 1 January 2009, the Company has adopted the revised FRS 1 *Presentation of Financial Statements (2008)*. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses the adoption of changes in accounting policies.

2.2 Financial instruments

(i) Non-derivative financial assets

The Company's non-derivative financial assets comprise amount due from holding entity.

The Company initially recognises receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit and loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loan and receivables

Loan and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loan and receivables comprise amount due from holding entity (see Note 3).

(ii) Non-derivative financial liabilities

The Company's non-derivative financial liabilities comprise other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company initially recognises other payables on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.4 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.5 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 Amount due from holding entity

The non-trade amount due from holding entity is unsecured, interest free and repayable on demand.

4 Share capital

	2009	2008
	Number of	Number of
	shares	shares
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

5 Profit before income tax

The Company's administrative expenses of \$5,593 (2008: \$7,300) are reimbursable by the holding entity, Starhill Global REIT.

6 Cash flow statement

The Company did not prepare a cash flow statement as there were no cash receipts and all expenses were paid by the holding entity.

7 Financial instrument

Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are credit and liquidity risks. The management of these risks are discussed below:

Credit risk

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet. The Company is exposed to credit risk arising from the amount due from its holding entity, which is considered to meet the appropriate credit criteria and are of high credit standing.

Liquidity risk

The Company's liquidity risk is monitored by the holding entity, Starhill Global REIT at group level. The Company's administrative expenses incurred are reimbursable by the holding entity and the holding entity monitors and maintains a level of cash and cash equivalents deemed adequate by its management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Foreign currency risk

The Company is not subject to significant exposure to foreign currency risk.

Interest rate risk

The Company is not subject to significant exposure to interest rate risk.

Fair value

Accounting classification and fair values

The table below provides reconciliation of the financial assets and liabilities held by the Company to the categories of financial instruments, as defined by FRS 39 *Financial Instruments: Recognition and Measurement*.

	Carrying amount \$	Loans and receivables \$	At amortised cost \$
2009			
<u>Financial assets</u>			
Current			
Amount due from holding entity	2,502	2,502	-
<u>Financial liabilities</u>			
Current			
Other payables	2,500	-	2,500

	Carrying amount \$	Loans and receivables \$	At amortised cost \$
2008			
<u>Financial assets</u>			
Current			
Amount due from holding entity	4,302	4,302	-
	<hr/>	<hr/>	<hr/>
<u>Financial liabilities</u>			
Current			
Other payables	4,300	-	4,300
	<hr/>	<hr/>	<hr/>

Estimation of fair values

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

8 Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, the related party transactions disclosed in the financial statements were carried out in the normal course of business on terms agreed between the parties.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel of the Company during the financial years ended 31 December 2009 and 31 December 2008 are employees of related companies. The Company is not charged for the services rendered by these key management personnel.

9 New accounting standards and interpretations not yet adopted

The Company has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but will only become effective for the Company's financial statements for the year ending 31 December 2010, except for the amendments to FRS 32, amendments to FRS 102 and certain improvement to FRSs 2009, which only become effective for the year ending 31 December 2011:

- Amendment to FRS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 102 *Share-based Payment – Group cash-settled share-based payment transactions*
- FRS 103 (revised) *Business Combinations* and FRS 27 (revised) *Separate and Consolidated Financial Statements*
- Improvements to FRSs 2009
- INT FRS 117 *Distributions of Non-cash Assets to Owners*

The initial application of these standards (including their consequential amendments) and interpretations is not expected to have any material impact on the Company's financial statements. The Company has not considered the impact of accounting standards issued after the balance sheet date.

**AUDITED CONSOLIDATED ACCOUNTS OF
STARHILL GLOBAL REIT AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

The information in this Appendix III has been reproduced from the audited financial statements of Starhill Global REIT and its Subsidiaries for the financial year ended 31 December 2009 and has not been specifically prepared for inclusion in this Information Memorandum.

Financial Statements

CONTENTS

49	Report of the Trustee
50	Statement by the Manager
51	Independent Auditors' Report
52	Balance Sheets
53	Statements of Total Return
54	Distribution Statements
55	Statements of Movements in Unitholders' Funds
56	Investment Properties Portfolio Statement
57	Consolidated Cash Flow Statement
59	Notes to the Financial Statements

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Starhill Global Real Estate Investment Trust (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes (the "CIS Code") and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of YTL Pacific Star REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2005 (last amended and restated on 10 December 2007) between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year covered by these financial statements, set out on pages 52 to 97, comprising the balance sheets, statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and of the Trust, the investment properties portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory notes, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations, and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited



Johannes van Verre
Director

Singapore
1 March 2010

Statement by the Manager

In the opinion of the directors of YTL Pacific Star REIT Management Limited (the “Manager”), the accompanying financial statements set out on pages 52 to 97, comprising the balance sheets, statements of total return, distribution statements and statements of movements in unitholders’ funds of the Group and of the Trust, the investment properties portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position of Starhill Global Real Estate Investment Trust (the “Trust”) and its subsidiaries (the “Group”) and of the Trust as at 31 December 2009, the total return, distributable income and movements in unitholders’ funds of the Group and the Trust, and the cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
YTL Pacific Star REIT Management Limited



Tan Sri Dato' (Dr) Francis Yeoh
Chairman

Singapore
1 March 2010

Independent Auditors' Report

To the unitholders of Starhill Global Real Estate Investment Trust
(a trust constituted on 8 August 2005 under the laws of the Republic of Singapore)

We have audited the accompanying financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Trust, the investment properties portfolio statement of the Group as at 31 December 2009, the statements of total return, distribution statements and statements of movements in unitholders' funds of the Group and the Trust and the cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 97.

The Manager's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 December 2009, the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flows of the Group for the year then ended in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.



Public Accountants and
Certified Public Accountants

Singapore
1 March 2010

Balance Sheets

As at 31 December 2009

		GROUP		TRUST	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current assets					
Investment properties	4	1,981,786	2,103,278	1,714,230	1,796,700
Plant and equipment	5	638	670	390	593
Interests in subsidiaries	6	–	–	226,341	252,223
Intangible asset	7	11,678	12,613	–	–
Derivative financial instruments	8	448	8,602	448	8,602
Trade and other receivables	9	16,488	1,744	16,488	1,744
		2,011,038	2,126,907	1,957,897	2,059,862
Current assets					
Derivative financial instruments	8	–	112	–	112
Trade and other receivables	9	3,370	3,647	3,212	3,183
Cash and cash equivalents	10	297,937	32,704	270,319	4,131
		301,307	36,463	273,531	7,426
Total assets		2,312,345	2,163,370	2,231,428	2,067,288
Non-current liabilities					
Trade and other payables	11	16,411	21,785	15,293	18,417
Derivative financial instruments	8	41,685	24,482	41,696	24,610
Deferred tax liabilities	12	18,440	16,585	–	–
Borrowings	13	50,133	648,996	–	595,778
		126,669	711,848	56,989	638,805
Current liabilities					
Trade and other payables	11	29,161	25,348	16,782	14,410
Derivative financial instruments	8	–	24,985	–	24,985
Income tax payable		573	656	–	–
Borrowings	13	569,414	16,995	568,239	16,067
		599,148	67,984	585,021	55,462
Total liabilities		725,817	779,832	642,010	694,267
Net assets		1,586,528	1,383,538	1,589,418	1,373,021
Represented by:					
Unitholders' funds		1,586,528	1,383,538	1,589,418	1,373,021
Units in issue ('000)	14	1,935,335	960,680	1,935,335	960,680
Net asset value per unit (\$) (pre-rights issue)		NA	1.44	NA	1.43
Net asset value per unit (\$) (post-rights issue)		0.82	0.89⁽¹⁾	0.82	0.88⁽¹⁾

Notes:

⁽¹⁾ The comparative net asset value per unit has been restated to adjust for the effects of the net proceeds from the rights issue and include the rights units.

The accompanying notes form an integral part of these financial statements.

Statements of Total Return

Year ended 31 December 2009

		GROUP		TRUST	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Gross revenue	15	134,621	127,042	109,213	104,052
Property operating expenses	16	(27,672)	(31,158)	(20,292)	(25,124)
Net property income		106,949	95,884	88,921	78,928
Finance income	20	431	87	422	60
Dividend income from subsidiary	17	–	–	6,112	2,068
Fair value adjustment on security deposits		(666)	(28)	(346)	83
Management fees	18	(10,961)	(11,404)	(10,787)	(11,201)
Performance fees	18	–	–	–	–
Trust expenses	19	(4,907)	(3,421)	(3,630)	(3,004)
Finance expense	20	(23,690)	(22,146)	(18,096)	(16,958)
		67,156	58,972	62,596	49,976
Change in fair value of unrealised derivative instruments		(8)	(34,431)	(102)	(34,191)
Unrealised foreign exchange (loss)/gain		–	–	(8,190)	34,373
Change in fair value of investment properties	4	(108,757)	(160,884)	(83,006)	(137,457)
Impairment loss on interests in subsidiaries	6	–	–	(16,000)	–
Total return for the year before tax and distribution		(41,609)	(136,343)	(44,702)	(87,299)
Income tax expense	21	(4,622)	(935)	–	–
Total return for the year after tax, before distribution		(46,231)	(137,278)	(44,702)	(87,299)
Non-tax deductible/(chargeable) items		121,713	206,705	120,184	156,726
Income available for distribution		75,482	69,427	75,482	69,427
Earnings per unit (cents)	22	(3.06)	(11.25) ⁽¹⁾	(2.96)	(7.16) ⁽¹⁾

Notes:

⁽¹⁾ The comparative earnings per unit has been restated to adjust for the effects of the rights issue.

The accompanying notes form an integral part of these financial statements.

Distribution Statements

Year ended 31 December 2009

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Income available for distribution to unitholders at the beginning of the year	18,827	16,245	18,827	16,245
Total return after tax, before distribution	(46,231)	(137,278)	(44,702)	(87,299)
Net tax adjustments (Note A below)	121,713	206,705	120,184	156,726
Income available for distribution	94,309	85,672	94,309	85,672
Distributions to unitholders:				
Distribution of 1.85 cents (2007: 1.68 cents) per unit for the period 1 October to 31 December	(17,775)	(16,004)	(17,775)	(16,004)
Distribution of 1.87 cents (2008: 1.76 cents) per unit for the period 1 January to 31 March	(18,022)	(16,787)	(18,022)	(16,787)
Distribution of 1.90 cents (2008: 1.78 cents) per unit for the period 1 April to 30 June	(18,361)	(17,003)	(18,361)	(17,003)
Distribution of 0.95 cents (post-rights issue) (2008: 1.78 cents) per unit for the period 1 July to 30 September	(18,358)	(17,051)	(18,358)	(17,051)
	(72,516)	(66,845)	(72,516)	(66,845)
Income available for distribution to unitholders at the end of the year	21,793	18,827	21,793	18,827
Note A – Net tax adjustments				
Non-tax deductible/(chargeable) items:				
Management fees paid/payable in units	5,579	5,843	5,579	5,843
Finance costs	1,403	2,289	3,217	3,116
Sinking fund contribution	1,198	1,165	1,198	1,165
Depreciation	203	1,562	203	1,562
Change in fair value of unrealised derivative instruments	8	34,431	102	34,191
Unrealised foreign exchange loss/(gain)	–	–	8,190	(34,373)
Change in fair value of investment properties	108,757	160,884	83,006	137,457
Deferred tax	2,325	(1,261)	–	–
Impairment loss on interests in subsidiaries	–	–	16,000	–
Other items	2,240	1,792	4,260	2,695
Net overseas income not distributed to the Trust, net of amount received	–	–	(1,571)	5,070
Net tax adjustments	121,713	206,705	120,184	156,726

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds

Year ended 31 December 2009

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Unitholders' funds at the beginning of the year	1,383,538	1,537,167	1,373,021	1,521,322
Operations				
Change in unitholders' funds resulting from operations, before distributions	(46,231)	(137,278)	(44,702)	(87,299)
Decrease in unitholders' funds resulting from operations	(46,231)	(137,278)	(44,702)	(87,299)
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	(3,688)	10,278	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	(8,190)	34,373	–	–
Net (loss)/gain recognised directly in unitholders' funds	(11,878)	44,651	–	–
Unitholders' transactions				
Creation of units:				
– Management fees paid in units	4,078	4,397	4,078	4,397
– Management fees payable in units	1,501	1,446	1,501	1,446
– Rights issue	337,303	–	337,303	–
Rights issue expenses	(9,267)	–	(9,267)	–
Distributions to unitholders	(72,516)	(66,845)	(72,516)	(66,845)
Increase/(decrease) in unitholders' funds resulting from unitholders' transactions	261,099	(61,002)	261,099	(61,002)
Unitholders' funds at the end of the year	1,586,528	1,383,538	1,589,418	1,373,021

The accompanying notes form an integral part of these financial statements.

Investment Properties Portfolio Statement

As at 31 December 2009

GROUP

Description of property	Tenure	Term of lease	Location	Existing use	Occupancy rate 31/12/2009 %	At valuation		Percentage of total unitholders' funds	
						31/12/2009 \$'000	31/12/2008 \$'000	31/12/2009 %	31/12/2008 %
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	435 Orchard Road, Singapore 238877	Retail / Office	100.0 / 77.5	811,830 ⁽³⁾	849,800	51.2	61.4
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years, 4 months expiring on 31 March 2072	391/391B Orchard Road, Singapore 238874	Retail / Office	100.0 / 94.0	902,400 ⁽³⁾	946,900	56.9	68.5
Ebisu Fort Property⁽¹⁾	Freehold	Not applicable	24-1 Ebisu-Minami, 1 Chome, Shibuya-ku, Tokyo, Japan	Retail / Office	93.0	68,885 ⁽⁴⁾	94,949	4.3	6.9
Roppongi Primo Property⁽¹⁾	Freehold	Not applicable	212-16 Roppongi, 7 Chome, Minato-ku, Tokyo, Japan	Retail / Office	100.0	15,345 ⁽⁴⁾	17,046	1.0	1.2
Roppongi Terzo Property⁽¹⁾	Freehold	Not applicable	101-1 Roppongi, 7 Chome, Minato-ku, Tokyo, Japan	F&B / Entertainment	100.0	43,148 ⁽⁴⁾	48,590	2.7	3.5
Holon L Property⁽¹⁾	Freehold	Not applicable	46-7 Kita Aoyama, 3 Chome, Minato-ku, Tokyo, Japan	Retail	33.1	19,447 ⁽⁴⁾	24,534	1.2	1.8
Harajyuku Secondo Property⁽¹⁾	Freehold	Not applicable	19-1 Jingumae, 1 Chome, Shibuya-ku, Tokyo, Japan	Retail	100.0	6,670 ⁽⁴⁾	7,360	0.4	0.5
Daikanyama Property⁽¹⁾	Freehold	Not applicable	31-11, Ebisu-Nishi, 1 Chome, Shibuya-ku, Tokyo, Japan	Retail / F&B	88.5	21,118 ⁽⁴⁾	25,490	1.3	1.8
Nakameguro Property⁽¹⁾	Freehold	Not applicable	152-7 Aobadai, 1 Chome, Meguro-ku, Tokyo, Japan	Retail	100.0	8,402 ⁽⁴⁾	8,443	0.5	0.6
Renhe Spring Zongbei Property⁽²⁾	Leasehold	Leasehold estate of 40 years expiring on 27 December 2035	No 19, Renminnan Road, Chengdu, China	Retail	100.0	84,541 ⁽⁵⁾	80,166	5.3	5.8
Investment properties at valuation						1,981,786	2,103,278	124.8	152.0
Net liabilities (excluding unitholders' funds)						(395,258)	(719,740)	(24.8)	(52.0)
Unitholders' funds						1,586,528	1,383,538	100.0	100.0

Notes:

⁽¹⁾ The Japan Properties comprise seven properties. Six of these properties (Roppongi Primo Property, Roppongi Terzo Property, Holon L Property, Harajyuku Secondo Property, Daikanyama Property and Nakameguro Property) were acquired on 30 May 2007, whilst the seventh property, Ebisu Fort Property, was acquired on 26 September 2007.

⁽²⁾ The Renhe Spring Zongbei Property was acquired on 28 August 2007.

⁽³⁾ Based on the valuation performed by Savills (Singapore) Pte Ltd as at 31 December 2009.

⁽⁴⁾ Based on the valuation performed by Real Link K.K. as at 31 December 2009 and translated at the exchange rate of JPY65.82:\$1.00 (2008: JPY62.77:\$1.00).

⁽⁵⁾ Based on the valuation performed by DTZ Debenham Tie Leung Limited as at 31 December 2009 and translated at the exchange rate of RMB4.86:\$1.00 (2008: RMB4.74:\$1.00).

The Manager believes that the above independent valuers have appropriate professional qualifications and recent experience in the location and category of the Group's investment properties being valued.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2009

	GROUP	
	2009	2008
	\$'000	\$'000
Cash flow from operating activities		
Total return for the year before tax and distribution	(41,609)	(136,343)
Adjustments for:		
Finance income	(431)	(87)
Fair value adjustment on security deposits	666	28
Depreciation	220	1,606
Management fees paid/payable in units	5,579	5,843
Finance expense	23,690	22,146
Change in fair value of unrealised derivative instruments	8	34,431
Change in fair value of investment properties	108,757	160,884
Operating income before working capital changes	96,880	88,508
Trade and other receivables	428	4,087
Trade and other payables	(2,224)	2,332
Cash generated from operating activities	95,084	94,927
Income tax paid	(2,076)	(1,956)
Net cash from operating activities	93,008	92,971
Cash flows from investing activities		
Deposit paid for the acquisition of a property	(14,805)	–
Net cash outflows on acquisition of subsidiary ⁽¹⁾	(9)	–
Retention sum paid ⁽²⁾	–	(13,700)
Purchase of plant and equipment	(201)	(11)
Capital expenditure on investment properties	(536)	(1,977)
Interest received on deposits	342	108
Net cash used in investing activities	(15,209)	(15,580)
Cash flows from financing activities		
Rights issue proceeds	337,303	–
Rights issue expenses	(9,267)	–
Borrowing costs paid	(20,230)	(22,776)
Proceeds from borrowings	56,199	289,286
Repayment of borrowings	(103,435)	(289,416)
Distributions paid to unitholders	(72,516)	(66,845)
Net cash from financing activities	188,054	(89,751)
Net increase/(decrease) in cash and cash equivalents	265,853	(12,360)
Cash and cash equivalents at 1 January	32,704	42,686
Effects of exchange rate differences on cash	(620)	2,378
Cash and cash equivalents at 31 December	297,937	32,704

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

Notes:

- ⁽¹⁾ On 23 October 2009, the Group acquired a 100% equity interest in Starhill Global ML K.K. for a purchase consideration of \$11,000, paid in cash. The net cash outflow on the acquisition of subsidiary (net of cash and net assets acquired) is approximately \$9,000, which represents the legal and transaction costs expensed to the statement of total return.
- ⁽²⁾ Represents the settlement of retention sum payable during the year ended 31 December 2008, which forms part of the consideration for the investment properties retained under the sale and purchase agreement in respect of the Wisma Atria Property.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 1 March 2010.

1. GENERAL

Starhill Global Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2005 and any amendments or modifications thereof between YTL Pacific Star REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore ("Trust Deed"). On 8 August 2005, the Trust was declared an authorised unit trust scheme under the Trustees Act, Chapter 337.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 September 2005 and was included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

The principal activity of the Trust 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 and to achieve long-term growth in the net asset value per unit.

The Trust has entered into several service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property Manager's Fee and Leasing Commission

YTL Pacific Star Property Management Pte Ltd (the "Property Manager") is entitled to receive a fee of 3.0% per annum of gross revenue of the Wisma Atria Property and Ngee Ann City Property ("Singapore Properties") (excluding GST) for the provision of property management, lease management as well as marketing and marketing co-ordination services. The Property Manager's fee is to be paid on a monthly basis in arrears.

The Property Manager is also entitled to receive leasing commission at the rates set out below when it secures a tenant or a tenancy renewal:

- (a) one month's base rental for securing a tenancy of three years or more;
- (b) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;
- (c) one third of one month's base rental for securing a tenancy of one year or more but less than two years;
- (d) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;
- (e) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and
- (f) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.

Property management fees of 1.8% to 5.0% per annum of gross revenue of the Japan Properties and 0.8% per annum of gross sales of the Renhe Spring Zongbei Property in China, were paid to third parties on a monthly basis in arrears.

(b) Management Fees

Under the Trust Deed, the Manager is entitled to receive a base fee and a performance fee as follows:

1. GENERAL (cont'd)

i. *Base Fee*

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders.

The Value of Trust Property means:

- (a) the value of all authorised investments of the Group other than real estate related assets;
- (b) the value of real estate related assets of any entity held by the Group if such holding is less than 30.0% of the equity of such entity; and
- (c) where the Group invests in 30.0% or more of a real estate related asset of any entity, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, the Group's proportionate interest in the value of the underlying real estate of the entity issuing the equity which comprises the real estate related asset.

The Manager has opted to receive, for the years ended 31 December 2009 and 31 December 2008, 60.0% of the Base Fee in respect of the Singapore Properties in the form of units with the balance in cash. For the overseas properties, the Manager has opted to receive, for the years ended 31 December 2009 and 31 December 2008, 100.0% of the Base Fee in cash.

The Manager may opt to receive the Base Fee in respect of its properties in cash or units or a combination of cash and units (as it may determine). The Manager had elected to receive 100% of the Manager's Base Fee in cash for the year ending 31 December 2010, with effect from 1 January 2010.

The portion of the Base Fee payable in cash shall be payable monthly in arrears and the portion of the Base Fee payable in the form of units shall be payable quarterly in arrears. If a trigger event occurs, resulting in the Manager being removed, the Manager is entitled to be paid the Base Fee up to the day on which the trigger event occurs.

ii. *Performance Fee*

The Manager is entitled to a performance fee ("Performance Fee") where the accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units (expressed as the "Trust Index") in any six-month period ending 30 June or 31 December ("Half-Year") exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index.

The Performance Fee is calculated in two tiers as follows:

- a Tier 1 Performance Fee equal to 5.0% of the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust; and
- a Tier 2 Performance Fee which is applicable only where the accumulated return of the Trust Index is in excess of 2.0% per annum (1.0% for each Half-Year) above the accumulated return of the benchmark index. This tier of the fee is calculated at 15.0% of the amount by which the accumulated return of the Trust Index is in excess of 2.0% per annum above the accumulated return of the benchmark index, multiplied by the equity market capitalisation of the Trust.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the accumulated return of the Trust Index exceeds the accumulated return of the benchmark index shall be referred to as outperformance.

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable six monthly in arrears. If a trigger event occurs in any Half-Year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether structured in cash or in the form of units) to which it might otherwise have been entitled for that Half-Year in cash, which shall be calculated, as if the end of the Half-Year was the date of occurrence of the trigger event, in accordance with Clause 15.1.4 of the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

The management fees (Base Fee and Performance Fee, including any accrued Performance Fee which has been carried forward from previous financial years but excluding any acquisition fee or divestment fee) to be paid to the Manager in respect of a financial year, whether in cash or in units or a combination of cash and units, is capped at an amount equivalent to 0.8% per annum of the Value of the Trust Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future Half-Years. If, at the end of a Half-Year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that Half-Year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the benchmark index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

(c) Acquisition and Divestment Fees

The Manager is entitled to receive an acquisition fee of 1.0% of the value of the real estate acquired. For any acquisition made by the Group in Singapore, any payment to third party agents or brokers in connection with the acquisition shall be borne by the Manager, and not additionally out of the Group. For any acquisition made by the Group outside Singapore, any payment to third party agents or brokers shall be borne by the Group, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.

The Manager is entitled to receive a divestment fee of 0.5% of the value of the real estate divested. For any divestment made by the Group in Singapore, any payment to third party agents or brokers in connection with the divestment shall be borne by the Manager, and not additionally out of the Group. For any divestment made outside Singapore, the Manager shall charge a divestment fee of 0.5% of the sale price. The Manager also receives acquisition fees and divestment fees in instances other than an acquisition and divestment of real estate.

(d) Trustee's Fee

Under the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the deposited property (subject to a minimum of \$8,000 per month excluding out of pocket expenses and GST) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of unitholders. The Trustee's fee is payable out of the deposited property of the Group on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is charged on a scaled basis of up to 0.03% per annum of the value of the deposited property (subject to a minimum of \$8,000 per month excluding out of pocket expenses and GST).

The Trustee's fee is subject to annual review between the Trustee and the Manager.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below. These financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 6 – Impairment on interests in subsidiaries
- Note 7 – Assumptions of recoverable amount relating to goodwill impairment
- Notes 8 and 24 – Valuation of financial instruments

Starting as of 1 January 2009 on adoption of new/revised FRSs, the Group and Trust have changed their accounting policies in the following areas:

- Presentation of financial statements
- Determination and presentation of operating segments

Presentation of financial statements

The unitholders' funds of the Group and the Trust were previously classified as a financial liability. The reclassification was made in accordance with the Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*, which require instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments, provided certain conditions are met. The units in issue meet the conditions for classification as equity instruments. Consequently, the adoption has resulted in the unitholders' funds of the Group and the Trust being classified as equity.

This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group's and the Trust's statement of total return or statement of movements in unitholders' funds.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in the following increase/(decrease) as presented in the balance sheets as at 31 December 2008:

	GROUP	TRUST
	2008	2008
	\$'000	\$'000
Net assets attributable to unitholders	(1,383,538)	(1,373,021)
Unitholders' funds	1,383,538	1,373,021

Determination and presentation of operating segments

As of 1 January 2009, the Group determines and presents operating segments based on the information that is provided internally to the senior management of the Manager ("the Senior Management"), who are the Group's Chief Operating Decision Maker ("CODM"). This change in accounting policy is due to the adoption of FRS 108 *Operating Segments*. Previously operating segments were determined and presented in accordance with FRS 14 *Segment Reporting*. The adoption of FRS 108 *Operating Segments* only impacts presentation and disclosure aspects, and does not impact on earnings per unit. Comparative segment information has been re-presented in conformity with the transitional requirements of this standard. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including transactions with the Group's other components. An operating segment's operating results are reviewed regularly by the Senior Management to make decisions on resource allocation and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Senior Management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, trust expenses, finance expense and income tax expense.

Segment assets and liabilities include terms directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group and the Trust to all periods in these financial statements, and have been applied consistently by Group entities, except for the adoption of the new and revised FRS which became effective for the financial year beginning on or after 1 January 2009, as explained in Note 2.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the statement of total return in the period of the acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group and include entities that are created to accomplish a narrow and well defined objective such as the execution of a specific transaction where the substance of the relationship is that the Group controls the entity. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the financial statements of the Group.

Accounting for subsidiaries by the Trust

Interests in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below).

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in unitholders' funds. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the statement of total return.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to the foreign currency translation reserve in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in foreign currency translation reserve is transferred to the statement of total return as an adjustment to the profit or loss arising on disposal.

(c) Plant and equipment

Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

Depreciation

Depreciation on plant and equipment is recognised in the statement of total return on a straight-line basis over their estimated useful lives of 2 to 8 years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(d) Investment properties

Investment properties are stated at initial cost on acquisition, and at valuation thereafter. Valuation is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the Property Fund Guidelines issued by Monetary Authority of Singapore ("MAS"); and
- at least once every 12 months.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net revaluation surplus or deficit in the value of the investment properties.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The investment properties are subject to continued maintenance and regularly revalued on the basis set out above.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Intangible asset

Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries.

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible asset. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in the statement of total return.

(f) Financial instruments

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures arising from operating, financing and investing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred.

Subsequent to initial recognition, derivatives are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of total return. However, if derivatives qualify for hedge accounting, subsequent to initial recognition, changes in fair value therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in unitholders' funds. The amount recognised in unitholders' funds is removed and included in the statement of total return in the same period as the hedged cash flows affect total return under the same line item in the statement of total return as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in unitholders' funds remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in unitholders' funds is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in unitholders' funds is transferred to the statement of total return in the same period that the hedged item affects total return.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the statement of total return. The hedged item also is stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the statement of total return with an adjustment to the carrying amount of the hedged item.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings, and trade and other payables. Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire, are discharged or cancelled.

(g) Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a tenant, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a tenant or issuer will enter bankruptcy. In addition, for an investment, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. For goodwill, the recoverable amount is estimated at each reporting date, and, as and when indicators of impairment are identified.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(h) Employee benefits

Short-term employee benefit obligations, including contributions to defined contribution pension plans, if any, are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

(j) Finance income and finance expense

Finance income comprises interest income on funds invested and derivative financial instruments. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings and derivative financial instruments. All borrowing costs are recognised in the statement of total return using the effective interest method.

(k) Expenses

(i) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, and the property management fees and leasing commission which is based on the applicable formula stipulated in Note 1(a).

(ii) Management fees

Management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

(iii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is based on the applicable formula stipulated in Note 1(d).

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to a business combination, or items directly related to unitholders' funds, in which case it is recognised in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore ("IRAS") has issued a Tax Ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the Tax Ruling, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to unitholders that are made out of the taxable income of the Trust. However, where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax. Also, where the beneficial owners are foreign non-individual unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made during the period from the date of constitution to 17 February 2010. Subsequent to the year ended 31 December 2009, the concessionary period has been extended up to 31 March 2015 as announced in the 2010 Singapore Budget.

A qualifying unitholder is a unitholder who is:

- (a) a Singapore-incorporated company which is a tax resident in Singapore;

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (b) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); and
- (c) a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from the Trust.

A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and

- (a) which does not have a permanent establishment in Singapore; or
- (b) which carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

The Trust is exempt from Singapore income tax under Section 13(12) of the Income Tax Act on the following income:

- (a) dividends; and
- (b) interest on shareholder's loans

payable by its subsidiaries out of underlying rental income derived from the investment properties in Japan and China. This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The Trust's distribution policy is to at least distribute 90% of its taxable income for the year ended 31 December 2009 (2008: 90%). For any remaining amount of taxable income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as retained taxable income). In the event where a distribution is subsequently made out of such retained taxable income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

The above Tax Ruling does not apply to gains from sale of real properties, if considered to be trading gains derived from a trade or business carried on by the Trust. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

(m) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. INVESTMENT PROPERTIES

	GROUP	TRUST
	\$'000	\$'000
At 1 January 2008	2,208,574	1,932,350
Additions	1,977	1,807
Change in fair value of investment properties	(160,884)	(137,457)
Translation differences	53,611	–
At 31 December 2008	2,103,278	1,796,700
Additions	536	536
Change in fair value of investment properties	(108,757)	(83,006)
Translation differences	(13,271)	–
At 31 December 2009	1,981,786	1,714,230

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at balance sheet date.

The valuers have considered the capitalisation approach and/or discounted cash flows in arriving at the open market value as at the balance sheet date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates, the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

The Singapore Properties with a carrying value totalling approximately \$1,714.2 million (2008: \$1,796.7 million) are mortgaged to secure credit facilities for the Trust (Note 13).

5. PLANT AND EQUIPMENT

	GROUP	TRUST
	\$'000	\$'000
Cost:		
At 1 January 2008	4,092	3,980
Additions	11	–
Disposals	(10)	–
Translation differences	10	–
At 31 December 2008	4,103	3,980
Additions	201	–
Disposals/write-off	(2,996)	(2,964)
Translation differences	2	–
At 31 December 2009	1,310	1,016
Accumulated depreciation:		
At 1 January 2008	(1,833)	(1,825)
Depreciation charge	(1,606)	(1,562)
Disposals	10	–
Translation differences	(4)	–
At 31 December 2008	(3,433)	(3,387)
Depreciation charge	(220)	(203)
Disposals/write-off	2,979	2,964
Translation differences	2	–
At 31 December 2009	(672)	(626)
Carrying amount:		
At 31 December 2008	670	593
At 31 December 2009	638	390

6. INTERESTS IN SUBSIDIARIES

	TRUST	
	2009	2008
	\$'000	\$'000
Equity investments at cost	54,656	54,656
Advances to subsidiaries ⁽¹⁾	187,685	197,567
	242,341	252,223
Less: allowance for impairment loss	(16,000)	–
	226,341	252,223

⁽¹⁾ Advances to subsidiaries are unsecured and stated at cost less impairment loss. The advances form part of the Trust's interests in subsidiaries as settlement of these amounts are neither planned nor likely to occur in the foreseeable future.

The drop in valuation of the Japan Properties had caused the Manager to reassess the recoverable amount of its interests in subsidiaries in relation to the Group's investment in Japan. The recoverable amount of the cash generating unit was estimated based on its value in use, and using the discounted cash flow method. This involves the estimation and projection of an income stream over a period at a rental growth rate indicative of market, and discounting the income stream with an internal rate of return. The recoverable amount was estimated to be lower than the carrying amount of the Group's interest in these subsidiaries, and an impairment loss of \$16.0 million (2008: nil) was recognised for the year ended 31 December 2009.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group	
		2009 %	2008 %
Starhill Global REIT Japan SPC One Pte Ltd ⁽²⁾	Singapore	100	100
Starhill Global REIT Japan SPC Two Pte Ltd ⁽²⁾	Singapore	100	100
Starhill Global REIT MTN Pte Ltd ⁽²⁾	Singapore	100	100
SG REIT (M) Pte Ltd ⁽⁶⁾	Singapore	100	–
SG REIT (WA) Pte Ltd ⁽⁶⁾	Singapore	100	–
Starhill Global REIT One TMK ⁽³⁾ (formerly known as MMP REIT One TMK)	Japan	100	100
Starhill Global ML K.K. ⁽⁴⁾	Japan	100	–
Starhill Global REIT Spring Ltd ⁽⁴⁾	British Virgin Islands	100	100
Top Sure Investment Limited ⁽⁵⁾	Hong Kong	100	100
Renhe Spring Department Store Co., Ltd ⁽³⁾	China	100	100

⁽²⁾ Audited by KPMG LLP

⁽³⁾ Audited by other member firms of KPMG International

⁽⁴⁾ Not required to be audited by the laws of the country of incorporation

⁽⁵⁾ Audited by other auditors

⁽⁶⁾ Not audited as at 31 December 2009, as they were newly incorporated in the current year

7. INTANGIBLE ASSET

The intangible asset represents goodwill on acquisition of Top Sure Investment Limited (“Top Sure”) in August 2007. Top Sure owns, through its wholly owned subsidiary, a retail property in Chengdu, China.

For the purpose of impairment testing, goodwill is allocated to the Group’s operations in China which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of the China cash-generating unit was based on its fair value less costs to sell. In determining the fair value, the Manager had used the valuation of the investment property (Note 4) determined by independent professional valuers. The movement during the year was due to the retranslation of goodwill at the exchange rate at the reporting date.

8. DERIVATIVE FINANCIAL INSTRUMENTS

Group	2009		2008	
	Contract notional amount \$’000	Fair value \$’000	Contract notional amount \$’000	Fair value \$’000
Non-current assets				
Foreign exchange option	63,000	448	63,000	8,602
	63,000	448	63,000	8,602
Current assets				
Foreign exchange forwards	–	–	5,271	112
	–	–	5,271	112
	63,000	448	68,271	8,714

8. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Group	2009		2008	
	Contract notional amount \$'000	Fair value \$'000	Contract notional amount \$'000	Fair value \$'000
Non-current liabilities				
Cross currency swaps ⁽¹⁾ and foreign exchange forwards	167,656	38,754	85,656	21,677
Interest rate swaps and cap	292,098	2,931	294,386	2,805
	459,754	41,685	380,042	24,482
Current liabilities				
Cross currency swaps ⁽¹⁾ and foreign exchange forwards	–	–	83,378	24,985
	–	–	83,378	24,985
	459,754	41,685	463,420	49,467
Trust				
Non-current assets				
Foreign exchange option	63,000	448	63,000	8,602
	63,000	448	63,000	8,602
Current assets				
Foreign exchange forwards	–	–	5,271	112
	–	–	5,271	112
	63,000	448	68,271	8,714
Non-current liabilities				
Cross currency swaps ⁽¹⁾ and foreign exchange forwards	167,656	38,754	85,656	21,677
Interest rate swaps and cap	245,000	2,942	245,000	2,933
	412,656	41,696	330,656	24,610
Current liabilities				
Cross currency swaps ⁽¹⁾ and foreign exchange forwards	–	–	83,378	24,985
	–	–	83,378	24,985
	412,656	41,696	414,034	49,595

⁽¹⁾ The Group had rolled over a cross currency swap with a notional amount of \$82.0 million at historical rates during the year ended 31 December 2009, extending the maturity for two more years to November 2011, so as to continue to hedge the currency exposure in relation to its Japan Properties.

The net fair value of the derivative financial instruments represents 2.6% (2008: 2.9%) of the Group's unitholders funds as at 31 December 2009.

The Group and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 13.

9. TRADE AND OTHER RECEIVABLES

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current				
Deposit paid for acquisition of an investment property	14,805	–	14,805	–
Deposits	154	154	154	154
Lease incentives	1,529	1,590	1,529	1,590
	16,488	1,744	16,488	1,744
Current				
Trade receivables	560	1,164	455	1,095
Other receivables	890	1,187	1,125	856
Deposits	67	67	67	67
Prepayments	682	343	394	279
Lease incentives	1,171	886	1,171	886
	3,370	3,647	3,212	3,183
	19,858	5,391	19,700	4,927

Concentration of credit risk relating to trade receivables is limited due to the Group's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's investment properties. As at 31 December 2009, the Group has security deposits received in cash of approximately \$23.4 million (2008: \$25.9 million) (Note 11).

The maximum exposure to credit risk for the loans and receivables at the reporting date by geographic region was:

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Singapore	681	1,115	1,801	2,172
China	765	1,388	–	–
Japan	225	69	–	–
Australia	14,805	–	14,805	–
	16,476	2,572	16,606	2,172

9. TRADE AND OTHER RECEIVABLES (cont'd)

Impairment losses

The ageing of trade receivables at the reporting date is:

	Impairment		Impairment	
	Gross	losses	Gross	losses
	2009	2009	2008	2008
Group	\$'000	\$'000	\$'000	\$'000
Not past due	378	–	–	–
Past due 0 – 30 days	160	(52)	818	–
Past due 31 – 120 days	35	(35)	332	(13)
More than 120 days	252	(178)	27	–
	825	(265)	1,177	(13)
Trust				
Not past due	378	–	–	–
Past due 0 – 30 days	55	(52)	749	–
Past due 31 – 120 days	35	(35)	332	(13)
More than 120 days	252	(178)	27	–
	720	(265)	1,108	(13)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
At 1 January	(13)	–	(13)	–
Impairment loss recognised	(252)	(13)	(252)	(13)
At 31 December	(265)	(13)	(265)	(13)

Security deposits of approximately \$11.6 million and \$11.4 million (2008: \$11.7 million and \$11.5 million) are held as collateral against the Group's and the Trust's past due receivables as at 31 December 2009.

The Manager believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behaviours and the security deposits held.

The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the Manager believes that, apart from the above, no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

10. CASH AND CASH EQUIVALENTS

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash at bank and in hand	108,440	29,592	84,319	4,131
Fixed deposits with a financial institution	189,497	3,112	186,000	–
	297,937	32,704	270,319	4,131

The weighted average effective interest rates per annum relating to fixed deposits with a financial institution at the balance sheet date for the Group and the Trust are 0.5% (2008: 3.3%) and 0.5% (2008: nil) respectively. Interest rates reprice at intervals of one to three months (2008: three months).

The Trust issued 963,724,106 new units pursuant to the rights issue in August 2009 and received total gross proceeds of \$337.3 million in consideration. Approximately \$75.1 million has been utilised by the Group and Trust as at 31 December 2009, as follows:

	GROUP AND TRUST 2009 \$'000
Gross proceeds from rights issue	337,303
Rights issue expenses	(9,267)
Other related costs	(160)
Net proceeds	327,876
Repayment of revolving credit facilities	(50,900)
Deposit paid for acquisition of an investment property	(14,805)
Balance of net proceeds included in cash and cash equivalents	262,171⁽¹⁾

⁽¹⁾ Subsequent to the year ended 31 December 2009, the Group and Trust have further utilised from the rights issue proceeds approximately \$64.6 million in relation to the balance of the purchase consideration (including acquisition costs and excluding borrowings) pursuant to the completion of the acquisition of the David Jones Building in Perth, Australia in January 2010.

11. TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Non-current				
Trade payables	46	96	46	96
Deferred income	340	575	340	575
Security deposits ⁽¹⁾	16,025	20,985	14,907	17,617
Other payables	–	129	–	129
	16,411	21,785	15,293	18,417
Current				
Trade payables	10,321	9,930	671	1,544
Accrued expenses	4,526	2,530	4,164	2,272
Amounts due to:				
– the Manager (non-trade) ⁽²⁾	459	465	459	465
– the Property Manager (non-trade) ⁽²⁾	609	871	609	871
– the Trustee (non-trade) ⁽²⁾	62	87	62	87
Interest payable	787	999	727	902
Deferred income	656	356	656	356
Security deposits ⁽¹⁾	7,355	4,903	6,062	3,878
Other payables	4,386	5,207	3,372	4,035
	29,161	25,348	16,782	14,410
	45,572	47,133	32,075	32,827

The Group and the Trust's exposure to currency and liquidity risk related to trade and other payables is disclosed in Notes 13 and 24.

⁽¹⁾ Security deposits represent cash deposits received in advance from tenants to secure leases of the Group's investment properties. The weighted average lease term expiry by net lettable area for the Group and the Trust is approximately 2.2 years and 2.1 years respectively as at 31 December 2009 (2008: 2.8 years and 2.6 years respectively).

⁽²⁾ The amounts due to the Manager, Property Manager and Trustee are unsecured, interest free and repayable on demand.

12. DEFERRED TAX LIABILITIES

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities ⁽¹⁾	18,440	16,585	–	–

⁽¹⁾ The deferred tax liability is mainly in respect of the Renhe Spring Zongbei Property in China, and has been estimated on the basis of an asset sale at the current book value. The amount will not be payable if the investment property were sold through a sale of shares in the holding company in Hong Kong.

Movements in deferred tax liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January \$'000	Recognised in statement of total return (Note 21) \$'000	Translation differences \$'000	At 31 December \$'000
2009				
Group				
Deferred tax liabilities				
Investment properties	16,279	2,410	(466)	18,223
Borrowings	306	(85)	(4)	217
Total	16,585	2,325	(470)	18,440
2008				
Group				
Deferred tax liabilities				
Plant and equipment	108	(96)	(12)	–
Investment properties	16,126	(1,084)	1,237	16,279
Borrowings	364	(81)	23	306
Total	16,598	(1,261)	1,248	16,585

13. BORROWINGS

The contractual terms of the Group's and the Trust's borrowings, which are measured at amortised cost are disclosed below. The Group's and the Trust's exposure to interest rate, currency and liquidity risk, is disclosed in Note 24.

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Secured borrowings	–	600,000	–	600,000
Unsecured borrowings	50,797	54,256	–	–
Unamortised loan acquisition expenses	(664)	(5,260)	–	(4,222)
	50,133	648,996	–	595,778
Current liabilities				
Secured borrowings	570,000	–	570,000	–
Unsecured borrowings	1,175	16,995	–	16,067
Unamortised loan acquisition expenses	(1,761)	–	(1,761)	–
	569,414	16,995	568,239	16,067
Total borrowings (net of borrowing costs)	619,547	665,991	568,239	611,845

13. BORROWINGS (cont'd)

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings are as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	2009 Face value \$'000	2009 Carrying amount \$'000
Group					
Term loan facility ⁽¹⁾	SGD	3.18	2010	380,000	380,000
Term loan facility ⁽²⁾	SGD	2.03 – 2.59	2010	190,000	190,000
Japan bond ⁽⁴⁾	JPY	1.11 – 1.70	2012	47,098	47,098
Chinese loan ⁽⁵⁾	RMB	–	2014	5,877 ⁽⁵⁾	4,874
				622,975	621,972
Trust					
Term loan facility ⁽¹⁾	SGD	3.18	2010	380,000	380,000
Term loan facility ⁽²⁾	SGD	2.03 – 2.59	2010	190,000	190,000
				570,000	570,000

	Currency	Nominal interest rate per annum %	Year of maturity	2008 Face value \$'000	2008 Carrying amount \$'000
Group					
Term loan facility ⁽¹⁾	SGD	3.18	2010	380,000	380,000
Term loan facility ⁽²⁾	SGD	2.59 – 2.75	2010	190,000	190,000
Revolving credit facility ⁽²⁾	SGD	2.59 – 2.75	2010	30,000	30,000
Revolving credit facility ⁽³⁾	SGD	1.32 – 3.56	2009	16,067	16,067
Japan bond ⁽⁴⁾	JPY	1.68 – 1.71	2012	49,386	49,386
Chinese loan ⁽⁵⁾	RMB	–	2014	7,233 ⁽⁵⁾	5,798
				672,686	671,251
Trust					
Term loan facility ⁽¹⁾	SGD	3.18	2010	380,000	380,000
Term loan facility ⁽²⁾	SGD	2.59 – 2.75	2010	190,000	190,000
Revolving credit facility ⁽²⁾	SGD	2.59 – 2.75	2010	30,000	30,000
Revolving credit facility ⁽³⁾	SGD	1.32 – 3.56	2009	16,067	16,067
				616,067	616,067

⁽¹⁾ The \$380 million term loan facility (2008: \$380 million), with a tenure of five years (maturing in September 2010), was granted by a special purpose company, Orion Prime Ltd ("Orion Prime"), and was funded from proceeds received from a Euro note issuance programme in 2005. The \$380 million term loan has a fixed rate interest of 3.18% per annum up to its maturity and is secured on the following:

- (i) A first legal mortgage on the Trust's Singapore Properties;
- (ii) A first fixed charge over the Trust's rental collection, current and fixed deposit accounts;
- (iii) A first assignment of the Trust's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore Properties; and

- (iv) A first fixed and floating charge over the assets of the Trust in relation to the Singapore Properties, agreements and collateral, as required by the financial institution granting the facilities.
- (2) The facility comprises a two-year \$190 million term loan facility (maturing in September 2010) and a two-year \$30 million revolving credit facility ("RCF") (repayable in September 2010) granted by three banks. As at 31 December 2009, the RCF was fully repaid. The interest rate on \$162 million of the term loan has been fixed at a weighted average rate of 2.97% (2008: 2.95%) per annum, using a combination of interest rate swaps and cross currency swaps, and the interest rate on the remaining portion has not been hedged. The facility is secured on the following:
- (i) A second legal mortgage on the Trust's Singapore Properties;
 - (ii) A second fixed charge over the Trust's rental collection, current and fixed deposit accounts;
 - (iii) A second assignment of the Trust's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore Properties; and
 - (iv) A second fixed and floating charge over the assets of the Trust in relation to the Singapore Properties, agreements and collateral, as required by the financial institution granting the facilities.
- (3) The Group has an unsecured RCF available up to \$35 million (repayable on 31 March 2010) used for working capital. As at 31 December 2009, the RCF was fully repaid (2008: \$16.1 million drawn down).
- (4) The JPY3.1 billion (approximately \$47.1 million) (2008: JPY3.1 billion or \$49.4 million equivalent) five-year Japan bond was used to part finance the acquisition of the Japan Properties and has been hedged via an interest rate cap (capped at 1.2% per annum) until May 2012, the final maturity of the Japan bond. Whilst no security has been pledged, the bondholders have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the Japan bond prior to other creditors out of the assets of the issuer (Starhill Global REIT One TMK).
- (5) The carrying amount of \$4.9 million (2008: \$5.8 million) represents the discounted value of a RMB28.6 million (approximately \$5.9 million) (2008: RMB34.3 million or \$7.2 million equivalent) loan payable to a third party and was assumed as part of the acquisition of the Renhe Spring Zongbei Property in China in August 2007. The amount is interest-free and repayable in equal and annual instalments, with the final instalment being due in August 2014. RMB5.7 million (approximately \$1.3 million), representing the second instalment, was repaid during the year ended 31 December 2009.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Cash flows Within 1 to 5 years \$'000	After 5 years \$'000
2009					
Non-derivative financial liabilities					
Term loan facility	380,000	(389,038)	(389,038)	–	–
Term loan facility	190,000	(193,089)	(193,089)	–	–
Japan bond	47,098	(48,400)	(521)	(47,879)	–
Chinese loan	4,874	(5,877)	(1,175)	(4,702)	–
Trade and other payables	45,572	(47,065)	(29,575)	(17,424)	(66)
	667,544	(683,469)	(613,398)	(70,005)	(66)
Derivative financial liabilities					
Cross currency swaps and foreign exchange forwards					
– inflow	–	175,805	8,905	166,900	–
– outflow	38,754	(211,193)	(9,167)	(202,026)	–
Interest rate swaps and cap					
– inflow	–	2,472	664	1,808	–
– outflow	2,931	(9,677)	(2,496)	(7,181)	–
	41,685	(42,593)	(2,094)	(40,499)	–
	709,229	(726,062)	(615,492)	(110,504)	(66)

13. BORROWINGS (cont'd)

Group	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Cash flows Within 1 to 5 years \$'000	After 5 years \$'000
2008					
Non-derivative financial liabilities					
Term loan facility	380,000	(401,155)	(12,084)	(389,071)	–
Term loan facility	190,000	(198,816)	(4,920)	(193,896)	–
Revolving credit facility	30,000	(31,392)	(777)	(30,615)	–
Revolving credit facility	16,067	(16,137)	(16,137)	–	–
Japan bond	49,386	(52,319)	(838)	(51,481)	–
Chinese loan	5,798	(7,233)	(1,206)	(4,821)	(1,206)
Trade and other payables	47,133	(49,305)	(25,680)	(22,509)	(1,116)
	718,384	(756,357)	(61,642)	(692,393)	(2,322)
Derivative financial liabilities					
Cross currency swaps and foreign exchange forwards					
– inflow	–	179,512	87,114	92,398	–
– outflow	46,662	(223,345)	(111,615)	(111,730)	–
Interest rate swaps and cap					
– inflow	–	6,550	1,387	5,163	–
– outflow	2,805	(12,140)	(2,489)	(9,651)	–
	49,467	(49,423)	(25,603)	(23,820)	–
	767,851	(805,780)	(87,245)	(716,213)	(2,322)
Trust					
2009					
Non-derivative financial liabilities					
Term loan facility	380,000	(389,038)	(389,038)	–	–
Term loan facility	190,000	(193,089)	(193,089)	–	–
Trade and other payables	32,075	(33,488)	(17,189)	(16,299)	–
	602,075	(615,615)	(599,316)	(16,299)	–
Derivative financial liabilities					
Cross currency swaps and foreign exchange forwards					
– inflow	–	175,805	8,905	166,900	–
– outflow	38,754	(211,193)	(9,167)	(202,026)	–
Interest rate swaps and cap					
– inflow	–	2,472	664	1,808	–
– outflow	2,942	(9,677)	(2,496)	(7,181)	–
	41,696	(42,593)	(2,094)	(40,499)	–
	643,771	(658,208)	(601,410)	(56,798)	–

Trust	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Cash flows Within 1 to 5 years \$'000	After 5 years \$'000
2008					
Non-derivative financial liabilities					
Term loan facility	380,000	(401,155)	(12,084)	(389,071)	–
Term loan facility	190,000	(198,816)	(4,920)	(193,896)	–
Revolving credit facility	30,000	(31,392)	(777)	(30,615)	–
Unsecured revolving credit facility	16,067	(16,137)	(16,137)	–	–
Trade and other payables	32,827	(34,587)	(14,737)	(19,850)	–
	648,894	(682,087)	(48,655)	(633,432)	–
Derivative financial liabilities					
Cross currency swaps and foreign exchange forwards					
– inflow	–	179,512	87,114	92,398	–
– outflow	46,662	(223,345)	(111,615)	(111,730)	–
Interest rate swaps and cap					
– inflow	–	6,550	1,387	5,163	–
– outflow	2,933	(12,140)	(2,489)	(9,651)	–
	49,595	(49,423)	(25,603)	(23,820)	–
	698,489	(731,510)	(74,258)	(657,252)	–

14. UNITS IN ISSUE

	TRUST	
	2009 No. of units '000	2008 No. of units '000
At 1 January	957,934	951,329
Issue of units:		
– Rights issue ⁽¹⁾	963,724	–
– Management fees issued in units (base fee)	10,760	6,605
– Management fees issued in units (performance fee)	–	–
At 31 December	1,932,418	957,934
Units to be issued:		
– Management fees payable in units (base fee)	2,917	2,746
Total issued and issuable units at 31 December	1,935,335	960,680

⁽¹⁾ The Trust issued 963,724,106 new units at an issue price of \$0.35 per unit pursuant to the rights issue in August 2009.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- Attend all unitholder meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or one-tenth in number of the unitholders, whichever is the lesser) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;

14. UNITS IN ISSUE (cont'd)

- Receive income and other distributions attributable to the units held; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require that any assets (or part thereof) of the Trust be transferred to him.

The restrictions of a unitholder include the following:

- A unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A unitholder has no right to request the Trust to redeem his units while the units are listed on SGX-ST.

A unitholder's liability is limited to the amount paid or payable for any units in the Trust. The Trust Deed provides that no unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

15. GROSS REVENUE

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Property rental income	117,879	112,323	106,874	101,792
Turnover rental income	16,340	14,175	1,937	1,921
Other income	402	544	402	339
	134,621	127,042	109,213	104,052

16. PROPERTY OPERATING EXPENSES

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Maintenance and sinking fund contributions	5,979	5,677	5,748	5,472
Property management fees	4,482	4,200	3,229	3,136
Property tax	6,198	10,378	5,436	9,909
Depreciation expense	220	1,606	203	1,562
Leasing and upkeep expenses	4,409	4,040	2,865	2,087
Staff costs ⁽¹⁾	892	921	—	—
Marketing expenses	3,698	2,639	1,418	1,644
Impairment losses on trade receivables	252	13	252	13
Administrative expenses	1,542	1,684	1,141	1,301
	27,672	31,158	20,292	25,124

⁽¹⁾ Relates solely to the staff costs of the Group's wholly-owned subsidiary, Renhe Spring Department Store Co., Ltd, which operates a retail property in Chengdu, China.

17. DIVIDEND INCOME FROM SUBSIDIARY

Represents dividend income from its wholly-owned subsidiary (Note 6), Top Sure.

18. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include base fees payable to the Manager, and asset management fees payable to the asset manager of the Japan Properties. Base fees paid and payable to the Manager for the year ended 31 December 2009 amounted to approximately \$10,787,000 (2008: \$11,201,000). Approximately \$174,000 (2008: \$203,000) was paid to the asset manager of the Japan Properties for the year ended 31 December 2009.

The Manager has opted to receive, for the years ended 31 December 2009 and 31 December 2008, 60.0% of the Base Fee in respect of the Singapore Properties in the form of units with the balance in cash. For the overseas properties, the Manager has opted to receive, for the years ended 31 December 2009 and 31 December 2008, 100.0% of the Base Fee in cash.

No performance fee was earned by the Manager for the years ended 31 December 2009 and 31 December 2008.

19. TRUST EXPENSES

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration	375	358	185	185
Trustee's fees	357	368	357	368
Others ⁽¹⁾	4,175	2,695	3,088	2,451
	4,907	3,421	3,630	3,004

⁽¹⁾ Represents mainly project due diligence costs and professional fees. For the year ended 31 December 2008, other trust expenses included strategic review fees and MTN establishment costs. Included in professional fees are non-audit fees of approximately \$147,000 (2008: \$48,000) paid to the auditors.

20. FINANCE INCOME AND EXPENSE

	GROUP		TRUST	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Interest income	431	87	422	60
Finance income	431	87	422	60
Interest on borrowings	(18,321)	(18,111)	(13,264)	(13,400)
Interest on derivatives (net)	(2,313)	(1,118)	(2,108)	(935)
Amortisation of borrowing costs	(3,056)	(2,917)	(2,724)	(2,623)
Finance expense	(23,690)	(22,146)	(18,096)	(16,958)

21. INCOME TAX EXPENSE

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current tax expense				
Current year	2,297	2,196	–	–
Deferred tax				
Origination and reversal of temporary differences	2,325	(1,261)	–	–
	4,622	935	–	–
Reconciliation of effective tax rate				
Total return before tax and distribution	(41,609)	(136,343)	(44,702)	(87,299)
Income tax using Singapore tax rate of 17% (2008: 18%)	(7,074)	(24,542)	(7,599)	(15,714)
Effect of different tax rates in other countries	1,089	2,851	–	–
Effect of income not subject to tax	–	–	(556)	(1,052)
Non-tax deductible items	22,883	34,070	20,431	28,210
Tax transparency	(12,276)	(11,444)	(12,276)	(11,444)
	4,622	935	–	–

22. EARNINGS PER UNIT

Basic earnings per unit is based on:

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Total return for the year after tax, before distribution ⁽¹⁾	(46,231)	(137,278)	(44,702)	(87,299)
Earnings per unit (cents) ⁽²⁾	(3.06)	(11.25)	(2.96)	(7.16)

⁽¹⁾ Included in the Group's and the Trust's total return after tax for the year ended 31 December 2009 is a revaluation loss on investment properties of \$108.8 million (2008: revaluation loss on investment properties of \$160.9 million and an unrealised loss on derivatives of \$34.4 million).

⁽²⁾ The comparative figures have been restated to adjust for the effects of the rights issue.

	TRUST	
	2009	2008
	No. of units	No. of units
	'000	'000
Weighted average number of units		
Issued units at the beginning of the year	957,934	951,329
Effect of creation of new units:		
– issued and issuable as payment of management fees	3,417	3,059
– adjustment for effect of rights issue	548,845	265,702
	1,510,196	1,220,090

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue as at 31 December 2009.

23. OPERATING SEGMENTS

Segment information is presented in respect of the Group's portfolio of investment properties. The investment properties are managed separately because they require different operating and marketing strategies. This primary format is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the Group's Chief Operating Decision Makers ("CODM") on at least a quarterly basis. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

All of the Group's reportable segments are investment properties located in Singapore, Tokyo-Japan and Chengdu-China. The segments are as follows:

- Wisma Atria Property
- Ngee Ann City Property
- Japan Properties
- Renhe Spring Zongbei Property

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, non-property expenses, finance expense and income tax expense.

Performance is measured based on the net property income of each operating segment, which is the gross revenue less property operating expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment net property income is used to measure performance as such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no transactions between reportable segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, derivative financial instruments, borrowings, income tax payable and deferred tax liabilities. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Information regarding the Group's reportable segments is presented in the tables below. Amounts reported for the prior year have been represented to conform to the requirements of FRS 108.

23. OPERATING SEGMENTS (cont'd)

Information about reportable segments

Group	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)		Japan Properties (Japan)		Renhe Spring Zongbei Property (China)		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses										
External revenue	55,540	53,316	53,673	50,736	9,761	9,157	15,647	13,833	134,621	127,042
Depreciation of plant and equipment	203	1,562	–	–	–	–	17	44	220	1,606
Reportable segment net property income	43,600	38,491	45,321	40,436	8,479	7,719	9,549	9,238	106,949	95,884
Other material non-cash items:										
Change in fair value of investment properties	(38,242)	(52,665)	(44,764)	(84,791)	(32,288)	(21,318)	6,537	(2,110)	(108,757)	(160,884)
Unallocated items:										
Finance income									431	87
Fair value adjustment on security deposits									(666)	(28)
Non-property expenses									(15,868)	(14,825)
Finance expense									(23,690)	(22,146)
Change in fair value of unrealised derivative instruments									(8)	(34,431)
Total return for the year before tax									(41,609)	(136,343)
Group	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)		Japan Properties (Japan)		Renhe Spring Zongbei Property (China)		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities										
Reportable segment assets	814,909	853,354	903,072	947,603	183,245	226,486	97,515	94,302	1,998,741	2,121,745
Unallocated assets									313,604	41,625
Total assets									2,312,345	2,163,370
Reportable segment liabilities	(17,352)	(18,844)	(11,418)	(10,274)	(3,056)	(5,115)	(10,442)	(9,191)	(42,268)	(43,424)
Unallocated liabilities									(683,549)	(736,408)
Total liabilities									(725,817)	(779,832)
Other segmental information										
Capital expenditure	272	1,015	264	791	–	171	201	11	737	1,988
Non-current assets	813,584	851,877	902,719	947,161	183,015	226,411	96,467	92,856	1,995,785	2,118,305

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Tokyo-Japan (consisting of seven Japan Properties) and Chengdu-China (consisting of Renhe Spring Zongbei Property). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

Revenue from one tenant of the Group's Ngee Ann City Property segment represents approximately 26.4% (2008: 26.1%) of the Group's revenue for the year ended 31 December 2009.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective when managing capital is to optimise unitholders' return through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest service coverage ratios and maintains them within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. The Group's gearing as at 31 December 2009 is 26.9% (2008: 31.0%) and the Manager intends to continue with its prudent capital management and maintain a long-term optimal gearing level of below 40.0% for the Group.

The Property Fund Guidelines stipulate that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property.

The Trust has a corporate rating of Baa2 from Moody's and BBB from Standard and Poor's as at 31 December 2009 and remained within the Aggregate Leverage limit of 60.0% during the year.

There were no changes in the Group's approach to capital management during the year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest costs, foreign currency net income and foreign currency investments.

The Group has a system of controls in place to create an acceptable balance between the cost of the financial risks occurring and the cost of managing these risks. The Manager continuously monitors the Group's financial risk management process to ensure that an appropriate balance between risk and control is achieved. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial risk management policies contain the parameters and processes for managing these risks, and defines the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		GROUP		TRUST	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade and other receivables	9	16,476	2,572	16,606	2,172
Derivative financial instruments	8	448	8,714	448	8,714
Cash and cash equivalents	10	297,937	32,704	270,319	4,131
Recognised financial assets		314,861	43,990	287,373	15,017

The Group has established credit limits for its tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Group before lease agreements are entered into with tenants.

The tenant profile of the Group is generally well-diversified, except for one major tenant in the Ngee Ann City Property, which accounted for 26.4% (2008: 26.1%) of the Group's revenue for the year ended 31 December 2009. There are no arrears owing from this major tenant as at 31 December 2009 (2008: nil).

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by investing only in liquid securities and only with counterparties that have sound credit ratings. Given these high credit ratings, the Group does not expect any counterparty to fail to meet its obligations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. As at 31 December 2009, the Group has undrawn short-term revolving credit facilities of up to \$65.0 million available for working capital purposes and cash and cash equivalents of \$297.9 million.

In addition, the Group also monitors and observes the Property Fund Guidelines issued by MAS concerning limits on total borrowings.

Foreign currency rate risk

The Group is exposed to foreign currency risk arising from its investments in Japan and China. The income generated from these investments and net assets are denominated in foreign currencies, mainly Japanese Yen ("JPY") and Chinese Renminbi ("RMB").

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent) as at 31 December are as follows:

Trust	JPY \$'000	RMB \$'000	A\$ \$'000	Total \$'000
2009				
Trade and other receivables	–	–	14,805 ⁽¹⁾	14,805
Trade and other payables	(654)	–	–	(654)
Total	(654)	–	14,805	14,151
2008				
Trade and other payables	(915)	–	–	(915)

⁽¹⁾ Relates to deposit paid in Australian dollar ("A\$") for the acquisition of the David Jones Building in Perth, Australia as at 31 December 2009.

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments as at 31 December are as follows:

Group	JPY \$'000	RMB \$'000	A\$ \$'000	Total \$'000
2009				
Net balance sheet exposure	141,971	82,600	14,805	239,376
2008				
Net balance sheet exposure	185,617	79,093	–	264,710

Income hedging

Approximately 83.2% (2008: 82.3%) of the Group's net property income is derived in Singapore dollars for the year ended 31 December 2009. The Group has entered into a combination of foreign exchange forwards and cross currency swaps such that approximately 88.0% (2008: 96.0%) of the Group's net income as at 31 December 2009 is fixed in Singapore dollars for the next 12 months.

The Group intends to assess hedging on a case-by-case basis, and may use foreign exchange forward contracts or other suitable financial derivatives to reduce the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

The Group intends to maximise the use of local currency denominated borrowings, whenever possible, to match the currency of the asset investment as a natural currency hedge. As at 31 December 2009, the Group has entered into a combination of foreign currency denominated loans, cross currency swaps and a foreign currency option such that substantially all of the Group's net assets are fixed in Singapore dollars.

In view that the investments in overseas assets are long term in nature, the Group intends to assess hedging on a case-by-case basis, and may hedge the foreign exchange risks of such investments, where appropriate and economical to do so.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd)

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/ (decrease) unitholders' funds and the statement of total return as at 31 December by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP		TRUST	
	Unitholders' funds \$'000	Statement of total return \$'000	Unitholders' funds \$'000	Statement of total return \$'000
2009				
JPY	(14,197)	2,141	–	65
RMB	(8,260)	(1,553)	–	–
A\$	–	(1,481)	–	(1,481)
Derivative financial instruments	–	(21,586)	–	(21,586)
2008				
JPY	(18,470)	2,291	–	91
RMB	(7,909)	(361)	–	–
Derivative financial instruments	–	(22,393)	–	(22,413)

A 10% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group may hedge a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

The Group has fixed approximately 96.0% (2008: 89.4%) of its debt up to September 2010 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was 3.0% (2008: 3.0%) per annum for the year ended 31 December 2009.

As at 31 December 2009, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

- (i) Interest rate swaps whereby it receives a variable rate equal to the SOR on the notional contract amount of \$80 million until September 2013, and pays a fixed interest rate of 3.12% per annum up to September 2012, and 3.60% per annum one year thereafter.
- (ii) Interest rate caps, with a notional contract amount of \$85 million and JPY3.1 billion, whereby the benchmark interest rates are capped at between 3.50% to 4.00% per annum until September 2012 and 1.20% per annum until May 2012 respectively.
- (iii) Cross currency swaps with a notional contract amount of \$162 million, equivalent to approximately JPY13 billion. These cross currency swaps are denominated in Japanese Yen. The swaps mature within one to three years and have fixed interest rates ranging from 1.55% to 1.93% per annum.

Sensitivity analysis

For the interest rate swaps, interest rate caps, cross currency swaps and variable rate instruments, a change of 1% in interest rate at the reporting date would increase/(decrease) total return by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Group	Total return	
	1% increase \$'000	1% decrease \$'000
2009		
Variable rate instruments	(2,381)	1,620
Financial derivatives	3,358	(3,209)
	977	(1,589)
2008		
Variable rate instruments	(2,770)	2,686
Financial derivatives	7,482	(8,080)
	4,712	(5,394)
Trust		
2009		
Variable rate instruments	(1,900)	1,358
Financial derivatives	3,358	(3,209)
	1,458	(1,851)
2008		
Variable rate instruments	(2,340)	2,302
Financial derivatives	6,421	(5,850)
	4,081	(3,548)

Fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust.

Financial derivatives

The fair value of foreign exchange forwards is based on the listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate (based on government bonds).

The fair values of interest rate swaps, cross currency swaps and interest rate caps are based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd)

The Group's foreign exchange forwards, interest rate swaps, cross currency swaps and interest rate caps have been recognised as derivative financial instruments in the balance sheet and are stated at its fair values, as disclosed in Note 8.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate its fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine its fair values.

The fair value of the \$380 million fixed rate term loan (Note 13), which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the reporting date.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are computed from Singapore dollar swap offer rates as follows:

	2009 %	2008 %
Term loan	0.99	1.50

The aggregate net fair values of recognised financial assets and liabilities which are not carried at fair value in the balance sheet at 31 December are represented in the following table:

	Note	Carrying amount 2009 \$'000	Fair value 2009 \$'000	Carrying amount 2008 \$'000	Fair value 2008 \$'000
Group and Trust					
Term loan	13	380,000	385,895	380,000	390,681
Unrecognised loss			(5,895)		(10,681)

Fair value hierarchy

The Group's derivative financial instruments (Note 8), which are carried at fair value as at 31 December 2009, are classified in Level 2 of the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. OPERATING LEASES

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	GROUP		TRUST	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Within one year	106,986	113,013	99,970	102,976
Between one and five years	152,042	210,269	137,885	183,631
More than five years	120	830	–	–
	259,148	324,112	237,855	286,607

Except for one lease in Ngee Ann City Property (expiring in 2013) and one lease in the Japan Properties (expiring in 2015), the Group's leases generally contain an initial non-cancellable period ranging from one to five years. Subsequent renewals are negotiated with the lessees.

26. CAPITAL COMMITMENTS

The Group has capital commitments of approximately \$0.4 million (2008: \$1.4 million) authorised but not contracted for as at 31 December 2009, for renovation works and purchase of plant and equipment of its Singapore Properties and Renhe Spring Zongbei Property respectively.

On 18 November 2009, the Trust entered into an agreement to acquire the David Jones Building in Perth, Australia for \$145.7 million (or A\$114.5 million) and paid approximately \$14.8 million as a deposit for the acquisition of the property.

27. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

Other than related party information shown elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

27. RELATED PARTIES (cont'd)

	GROUP AND TRUST	
	2009	2008
	\$'000	\$'000
Property rental income from the Manager and Property Manager	1,432	1,087
Property rental income from related parties of the Manager	1,002	–
Lease commission fees paid to the Property Manager	(766)	(866)
Property management fees paid to the Property Manager	(3,229)	(3,136)
Management fees paid to the Manager	(10,787)	(11,201)
Trustee fees paid to the Trustee	(357)	(368)
Reimbursements paid to the Property Manager	(1,079)	(1,134)
Debt advisory fees and reimbursements paid to a related party of the Manager	–	(773)
Strategic review advisory reimbursements paid to a related party of the Manager	–	(390)

28. SUBSEQUENT EVENTS

Subsequent to the year ended 31 December 2009:

- the Trust issued 2,695,380 new units on 28 January 2010, at the issue price of \$0.5569 per unit as partial satisfaction of the Manager's Base Fee for the three months ended 31 December 2009.
- the Manager declared a distribution of 0.97 cents (post-rights issue) per unit in respect of the period from 1 October 2009 to 31 December 2009, which was paid on 26 February 2010.
- The Trust completed the acquisition of the David Jones Building in Perth, Australia on 20 January 2010 for a purchase price of \$145.7 million (or A\$114.5 million).

29. FINANCIAL RATIOS

	GROUP	
	2009	2008
	%	%
Ratio of expenses to weighted average net assets ⁽¹⁾	1.12	0.97
Portfolio turnover rate ⁽²⁾	–	–

⁽¹⁾ The ratios are computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and exclude property related expenses, finance expense and the performance component of the Manager's fees.

⁽²⁾ The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but will only become effective for the Group's financial statements for the year ending 31 December 2010, except for the amendments to FRS 32, amendments to FRS 102 and certain improvement to FRSs 2009, which only become effective for the year ending 31 December 2011:

- Amendment to FRS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 102 *Share-based Payment – Group cash-settled share-based payment transactions*
- FRS 103 (revised) *Business Combinations* and FRS 27 (revised) *Separate and Consolidated Financial Statements*
- Improvements to FRSs 2009
- INT FRS 117 *Distributions of Non-cash Assets to Owners*

The initial application of these standards (including their consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

31. COMPARATIVE INFORMATION

The Group and the Trust modified the balance sheet presentation to reflect the current and non-current classification of assets and liabilities as it provides more relevant information to unitholders. Comparative information has been aligned to the current year's presentation. The change in presentation does not have any impact on the financial position, total return and distributable income of the Group and the Trust.

Statistics of Unitholders

As at 1 March 2010

DISTRIBUTION OF UNITHOLDINGS

Size of Holdings	No. of Unitholders	%	No. of Units	%
1 - 999	20	0.17	1,734	0.00
1,000 - 10,000	6,635	57.83	36,407,452	1.88
10,001 - 1,000,000	4,763	41.52	290,378,562	15.01
1,000,001 and above	55	0.48	1,608,325,676	83.11
Total	11,473	100.00	1,935,113,424	100.00

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	11,060	96.40	1,908,551,404	98.63
Malaysia	305	2.66	22,454,020	1.16
Others	108	0.94	4,108,000	0.21
Total	11,473	100.00	1,935,113,424	100.00

TWENTY LARGEST UNITHOLDERS

Name	No. of Units	%
1 HSBC (Singapore) Nominees Pte Ltd	731,601,105	37.81
2 Citibank Nominees Singapore Pte Ltd	334,017,955	17.26
3 DBS Nominees Pte Ltd	162,766,518	8.41
4 United Overseas Bank Nominees Pte Ltd	76,778,000	3.97
5 OCBC Securities Private Ltd	48,276,000	2.49
6 UOB Kay Hian Pte Ltd	28,403,000	1.47
7 Raffles Nominees Pte Ltd	24,388,124	1.26
8 DBSN Services Pte Ltd	20,630,963	1.07
9 DB Nominees (S) Pte Ltd	18,345,300	0.95
10 Royal Bank of Canada (Asia) Ltd	17,001,000	0.88
11 DBS Vickers Securities (S) Pte Ltd	12,661,800	0.65
12 Oversea-Chinese Bank Nominees Pte Ltd	8,643,000	0.45
13 Kim Eng Securities Pte Ltd	8,160,151	0.42
14 BNP Paribas Securities Services S'pore	7,429,000	0.38
15 CIMB-GK Securities Pte Ltd	6,863,032	0.35
16 Phillip Securities Pte Ltd	6,757,000	0.35
17 ING Nominees (S'pore) Pte Ltd	6,542,000	0.34
18 Merrill Lynch (Singapore) Pte Ltd	6,222,488	0.32
19 DMG & Partners Securities Pte Ltd	5,477,000	0.28
20 Oscar Oliveira Joseph, Othman Bin Haron Eusoff & Lim Boon Heng	5,050,000	0.26
Total	1,536,013,436	79.37

SUBSTANTIAL UNITHOLDINGS

As at 1 March 2010

Unitholders	Direct interest		Deemed interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Starhill Global REIT Investments Limited ⁽²⁾	–	–	539,840,000	27.90
YTL Cayman Limited ⁽³⁾	–	–	562,868,231	29.09
YTL Corporation Berhad ⁽⁴⁾	–	–	562,868,231	29.09
Yeoh Tiong Lay & Sons Holdings Sdn Bhd ⁽⁴⁾	–	–	562,868,231	29.09
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay ⁽⁴⁾	–	–	562,868,231	29.09
American International Assurance Company, Limited and related entities ⁽⁵⁾	200,032,000	10.34	218,032,000	11.27

Notes:

⁽¹⁾ The percentage interest is based on total issued Units of 1,935,113,424 as at 1 March 2010.

⁽²⁾ Deemed interest held through nominee, HSBC (Singapore) Nominees Pte Ltd.

⁽³⁾ Deemed interest by virtue of 18,000,000 Units held through nominee, HSBC (Singapore) Nominees Pte Ltd, 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and the 5,028,231 Units held by YTL Pacific Star REIT Management Limited ("YPSRM").

⁽⁴⁾ Deemed interest by virtue of 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited ("YTL Cayman") and the 5,028,231 Units held by YPSRM.

⁽⁵⁾ AIG Global Investment Corporation (Asia) Ltd, AIG Global Investment Corporation (Singapore) Ltd, American International Group, Inc., AIG Life Holdings (International) LLC, American International Reinsurance Company Ltd., and American International Assurance Company (Bermuda) Ltd, and Jill M. Considine, Chester B. Feldberg and A. Langerman (as joint trustees of AIG Credit Facility Trust).

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 January 2010

Name of Director	Direct interest		Deemed interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	–	–	–	–
Dato' Yeoh Seok Kian	–	–	–	–
Hong Hai	400,000	0.02	–	–
Michael Hwang ⁽²⁾	–	–	100,000	– ⁽³⁾
Keith Tay Ah Kee	200,000	0.01	–	–

Notes:

⁽¹⁾ The percentage interest is based on total issued units of 1,932,418,044 as at 21 January 2010.

⁽²⁾ Deemed interest held through nominee, UBS AG.

⁽³⁾ Less than 0.01%.

FREE FLOAT

Under Rule 723 of the listing manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on information made available to the Manager as at 1 March 2010, no less than 50% were held in the hands of the public.

Additional Information

RELATED PARTY TRANSACTIONS BETWEEN STARHILL GLOBAL REIT AND RELATED PARTIES

Name of Related Party	Aggregate value of all related party transactions during the financial year under review (excluding transactions less than \$100,000)
	2009 \$'000
YTL Pacific Star REIT Management Limited	
Management fees ⁽¹⁾	(10,787)
Rental income	804
	(9,983)
YTL Pacific Star Property Management Pte Ltd	
Property management fees and reimbursements	(4,308)
Leasing commission fees	(766)
Rental income	628
	(4,446)
HSBC Institutional Trust Services (Singapore) Limited	
Trustee fees	(357)
YTL Corporation Berhad and its associates	
Rental income	1,002

Note:

⁽¹⁾ The Manager has opted to receive, for the year ended 31 December 2009, 60% of the Base Fee in respect of its Singapore Properties in the form of units with the balance in cash. In respect of the period from 1 January 2009 to 31 March 2009, a total of 2,920,252 units of Starhill Global REIT at \$0.4578 * were issued to the Manager on 28 April 2009. In respect of the period from 1 April 2009 to 30 June 2009, a total of 2,636,981 units at \$0.5013 * were issued to the Manager on 30 July 2009. In respect of the period from 1 July 2009 to 30 September 2009, a total of 2,332,851 units at \$0.6085 * were issued to the Manager on 29 October 2009. In respect of 1 October 2009 to 31 December 2009, a total of 2,695,380 units at \$0.5569 * were issued to the Manager on 28 January 2010.

* Based on the volume weighted average price for a Starhill Global REIT unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten trading days immediately preceding the date of issue of units.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF
STARHILL GLOBAL REIT AND ITS SUBSIDIARIES
FOR THE QUARTER ENDED 31 MARCH 2010**

The information in this Appendix IV has been reproduced from the unaudited financial statements announcement of Starhill Global REIT and its Subsidiaries for the quarter ended 31 March 2010 and has not been specifically prepared for inclusion in this Information Memorandum.



**Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the First Quarter Ended 31 March 2010**

These financial statements for the quarter from 1 January 2010 to 31 March 2010 have not been audited or reviewed by our auditors.

Starhill Global Real Estate Investment Trust ("Starhill Global REIT" or "Trust"), is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (amended and restated on 10 December 2007 and supplemented by a second Supplemental Deed dated 22 April 2010) between YTL Pacific Star 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 and to achieve long-term growth in the net asset value per unit.

Starhill Global REIT owns 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 seven properties in Tokyo, Japan (the "Japanese Properties"), 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property") and 100% interest in David Jones Building in Perth, Australia (the "David Jones Building Property").

Financial Statements Announcement For The First Quarter Ended 31 March 2010

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %
Gross revenue	37,622	34,325	9.6%
Net property income	29,138	27,053	7.7%
Net income available for distribution	18,730	19,079	(1.8%)
Income to be distributed	18,384	18,023	2.0%
Distribution per Unit ("DPU")	Cents per Unit		
For the quarter from 1 January to 31 March	NA	1.87	NM
For the quarter from 1 January to 31 March (restated) ¹	0.95	0.93	2.2%
Annualised (based on the three months ended 31 March)	3.85	3.77	2.1%
Footnotes:			
1. The number of units used to calculate DPU for 1Q 2009 includes 963,724,106 rights units ("Rights Units") issued pursuant to the rights issue completed in August 2009 ("Rights Issue").			

DISTRIBUTION DETAILS

Distribution period	1 January 2010 to 31 March 2010
Distribution amount	0.95 cents per unit
Books closure date	5 May 2010
Payment date	27 May 2010

Financial Statements Announcement For The First Quarter Ended 31 March 2010

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

Statement of Total Return and Distribution (1Q 2010 vs 1Q 2009)

	Notes	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %	Trust 01/01/10 to 31/03/10 S\$'000	Trust 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %
Gross revenue	(a)	37,622	34,325	9.6%	28,407	27,523	3.2%
Maintenance and sinking fund contributions		(1,478)	(1,467)	0.7%	(1,415)	(1,408)	0.5%
Property management fees	(b)	(1,161)	(1,178)	(1.4%)	(847)	(851)	(0.5%)
Property tax	(c)	(3,081)	(1,780)	73.1%	(2,604)	(1,492)	74.5%
Other property expenses	(d)	(2,764)	(2,847)	(2.9%)	(1,023)	(1,517)	(32.6%)
Property expenses		(8,484)	(7,272)	16.7%	(5,889)	(5,268)	11.8%
Net property income		29,138	27,053	7.7%	22,518	22,255	1.2%
Finance income		267	9	NM	196	1	NM
Fair value adjustment on security deposits	(e)	(28)	(179)	(84.4%)	(41)	(110)	(62.7%)
Management fees	(f)	(2,960)	(2,671)	10.8%	(2,917)	(2,611)	11.7%
Performance fees		-	-	-	-	-	-
Trust expenses	(g)	(877)	(843)	4.0%	(419)	(591)	(29.1%)
Finance expenses	(h)	(6,834)	(5,893)	16.0%	(4,372)	(4,437)	(1.5%)
Non property expenses		(10,432)	(9,577)	8.9%	(7,553)	(7,748)	(2.5%)
Net income before tax		18,706	17,476	7.0%	14,965	14,507	3.2%
Change in fair value of unrealised derivative instruments	(i)	2,259	(2,332)	NM	2,650	(2,350)	NM
Unrealised foreign exchange loss		-	-	-	(1,970)	(4,672)	(57.8%)
Total return for the period before tax and distribution		20,965	15,144	38.4%	15,645	7,485	109.0%
Income tax expense	(j)	(774)	(648)	19.4%	-	-	-
Total return for the period after tax, before distribution		20,191	14,496	39.3%	15,645	7,485	109.0%
Non-tax deductible/(chargeable) items and other adjustments	(k)	(1,461)	4,583	NM	2,676	11,594	(76.9%)
Income available for distribution		18,730	19,079	(1.8%)	18,321	19,079	(4.0%)

Footnotes:

- Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue for the Group was mainly due to the revenue contributed by the newly acquired David Jones Building Property, offset by the decrease in revenue from the Japanese Properties due to higher vacancies. Revenue from overseas properties accounted for approximately 25% (2009: 20%) of total gross revenue for the three months ended 31 March 2010.
- Property management fees comprise mainly 3% per annum and 1.8% per annum of the gross revenue from the Singapore Properties and Japanese Properties respectively, and 0.8% per annum of gross sales of the Renhe Spring Zongbei Property in China.
- The increase in property tax expense for the three months ended 31 March 2010 was mainly due to the expiry of property tax rebates granted by the Singapore government on the Singapore Properties in 2009.
- Other property expenses for the period are lower mainly due to a decrease in leasing and upkeep expenses of the Singapore Properties and no allowance made for bad debts for the three months ended 31 March 2010.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

- (e) Being change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.
- (f) Management fees consist of the base fee, which is calculated based on 0.5% per annum of the value of the trust property. The higher fee for the three months ended 31 March 2010 is in line with the higher average value of the trust property for the quarter.
- (g) The higher trust expenses are mainly due to higher professional fees incurred by the Group in relation to its overseas properties for the three months ended 31 March 2010.
- (h) Finance expenses are higher for the period mainly due to the interest incurred on the term loan taken up in relation to the acquisition of the David Jones Building Property.
- (i) Represents mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised gain on the cross currency swaps was offset by a decrease in value of the Japanese Properties due to a weakening in foreign currency exchange rates for the three months ended 31 March 2010.
- (j) Income tax expense includes withholding tax, income tax and deferred tax provided for in relation to the overseas properties.
- (k) See details in the distribution statement below.

Distribution Statement (1Q 2010 vs 1Q 2009)

	Notes	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %	Trust 01/01/10 to 31/03/10 S\$'000	Trust 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %
Total return after tax, before distribution		20,191	14,496	39.3%	15,645	7,485	109.0%
Non-tax deductible/(chargeable) items:		(1,461)	4,583	NM	3,085	11,594	(73.4%)
Management fees paid/payable in units	(l)	-	1,337	NM	-	1,337	NM
Finance costs	(m)	338	339	(0.3%)	810	788	2.8%
Sinking fund contribution		293	292	0.3%	293	292	0.3%
Depreciation		51	51	-	51	51	-
Change in fair value of unrealised derivative instruments		(2,259)	2,332	NM	(2,650)	2,350	NM
Deferred income tax		113	38	197.4%	-	-	-
Unrealised foreign exchange loss		-	-	-	1,970	4,672	(57.8%)
Other items	(n)	3	194	(98.5%)	504	690	(27.0%)
Net overseas income not distributed to the Trust		-	-	-	2,107	1,414	49.0%
Income available for distribution		18,730	19,079	(1.8%)	18,730	19,079	(1.8%)
Income to be distributed	(o)	18,384	18,023	2.0%	18,384	18,023	2.0%

Footnotes:

- (l) The Manager has elected to receive 100% of its base management fees in cash for the year ending 31 December 2010. There is no fees payable in units for the three months ended 31 March 2010.
- (m) Finance costs include mainly amortisation of upfront costs relating to refinancing.
- (n) Other items include mainly trustee's fee, fair value adjustment on security deposits, straight line rental adjustments and other non-tax deductible costs.
- (o) Approximately S\$0.3 million of income available for distribution has been retained by the Group for the three months ended 31 March 2010 to satisfy certain legal reserve requirements in China and for working capital and capital expenditure purposes.

NM – Not Meaningful

Financial Statements Announcement For The First Quarter Ended 31 March 2010

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

Balance Sheet as at 31 March 2010

	Notes	Group 31/03/10 S\$'000	Group 31/12/09 S\$'000	Trust 31/03/10 S\$'000	Trust 31/12/09 S\$'000
Non-current assets					
Investment properties	(a)	2,135,455	1,981,786	1,714,230	1,714,230
Plant and equipment		795	638	339	390
Interests in subsidiaries		-	-	303,612	226,341
Intangible asset	(b)	11,633	11,678	-	-
Derivative financial instruments	(c)	1,110	448	125	448
Trade and other receivables	(d)	1,860	16,488	1,451	16,488
		2,150,853	2,011,038	2,019,757	1,957,897
Current assets					
Trade and other receivables	(d)	11,385	3,370	4,823	3,212
Cash and cash equivalents	(e)	235,193	297,937	201,627	270,319
		246,578	301,307	206,450	273,531
Total assets		2,397,431	2,312,345	2,226,207	2,231,428
Non-current liabilities					
Trade and other payables		16,530	16,411	15,335	15,293
Derivative financial instruments	(c)	38,193	41,685	38,200	41,696
Deferred tax liabilities	(f)	18,507	18,440	-	-
Borrowings	(g)	129,871	50,133	-	-
		203,101	126,669	53,535	56,989
Current liabilities					
Trade and other payables	(h)	37,082	29,161	17,454	16,782
Income tax payable		490	573	-	-
Borrowings	(g)	570,098	569,414	568,926	568,239
		607,670	599,148	586,380	585,021
Total liabilities		810,771	725,817	639,915	642,010
Net assets		1,586,660	1,586,528	1,586,292	1,589,418
Represented by:					
Unitholders' funds		1,586,660	1,586,528	1,586,292	1,589,418

Footnotes:

- (a) Investment properties have increased largely due to the acquisition of 100% interest in David Jones Building Property in Perth, Australia.
- (b) Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns, through its wholly owned subsidiary, the Renhe Spring Zongbei Property.
- (c) Derivative financial instruments include the fair value of the interest rate swaps, interest rate caps, cross currency swaps and foreign currency contracts taken out in relation to the acquisition of the Group's overseas properties.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

- (d) The decrease in the non-current portion of trade and other receivables relates mainly to the S\$14.8 million deposit paid in November 2009 for the acquisition of the David Jones Building Property in Australia, which has been reclassified to investment properties upon the completion of the acquisition in January 2010.

The increase in the current portion of trade and other receivables relates mainly to the outstanding receivables arising from member card sales of Renhe Spring Zongbei Property for the month of March 2010 which had been fully settled subsequently.

- (e) The decrease in cash and cash equivalents is due largely to the settlement of the remaining purchase consideration for the acquisition of the David Jones Building Property in January 2010 and the payment of distribution to unitholders during the quarter.
- (f) Deferred tax liabilities are mainly in respect to the Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value. The amount will not be payable if the investment property were sold through a sale of shares in Top Sure Investment Limited.
- (g) Borrowings include a S\$380 million term loan, a S\$190 million term loan, a Yen3.1 billion (S\$46.5 million) Japan bond, a RMB23.7 million (S\$5.0 million) loan payable to a third party property vendor in China and a A\$63 million (S\$80.8 million) term loan taken up for the acquisition of the David Jones Building Property in Perth, Australia.
- (h) The increase in the current portion of trade and other payable is mainly due to outstanding payables to the concessionaires of Renhe Spring Zongbei Property for the month of March 2010 and payables of David Jones Building Property, which is newly acquired in January 2010.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/03/10 S\$'000	Group 31/12/09 S\$'000	Trust 31/03/10 S\$'000	Trust 31/12/09 S\$'000
Secured borrowings	(a)				
Amount repayable within one year		570,000	570,000	570,000	570,000
Amount repayable after one year		80,794	-	-	-
		650,794	570,000	570,000	570,000
Unsecured borrowings	(b)				
Amount repayable within one year		1,172	1,175	-	-
Amount repayable after one year		50,314	50,797	-	-
		702,280	621,972	570,000	570,000
Less: Unamortised loan acquisition expenses		(2,311)	(2,425)	(1,074)	(1,761)
Total borrowings		699,969	619,547	568,926	568,239

Footnotes:

(a) Secured

The Group has in place a secured term loan of S\$380 million with a tenure of five years (repayable on 20 September 2010) (the "Senior Facility"), a two-year term loan of S\$190 million (repayable on 10 September 2010) and a two-year RCF of S\$30 million (repayable on 10 September 2010) (the "Junior Facility"). There is no amount outstanding on the RCF as at 31 March 2010. In April 2010, Starhill Global REIT received a committed 3 and/or 5 year fully underwritten bank facility proposal of up to S\$620 million (subject to inter alia documentation). The said facility will be utilised to refinance Starhill Global REIT's existing debt obligation and to meet working capital requirements.

The Senior Facility and the Junior Facility are secured on the following:

- A first and second legal mortgage on the Singapore Properties respectively;
- A first and second fixed charge over the Trust's rental collection, current and fixed deposit accounts respectively;
- A first and second assignment of the Trust's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore Properties respectively; and
- A first and second fixed and floating charge over the assets of the Trust in relation to the Singapore Properties, agreements and collateral, as required by the financial institution granting the facilities respectively.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

The Group has obtained a three-year term loan of A\$63 million (S\$80.8 million) for the acquisition of the David Jones Building Property in January 2010. The loan is repayable on 18 January 2013 and secured by a fixed and floating charge over all the assets of the SG REIT (WA) Trust and a mortgage over the David Jones Building Property.

(b) Unsecured

The Group has a five-year bond facility of Yen3.1 billion (S\$46.5 million) maturing in May 2012, which was used to part finance the acquisition of the Japanese Properties. Whilst no security has been pledged, the bondholders have a statutory preferred right, under Japanese Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of the issuer.

The Group also has a loan of RMB28.6 million from a third party, which was assumed as part of the acquisition of the Renhe Spring Zongbei Property. The carrying amount of RMB23.7 million (S\$5.0 million) represents the discounted value of the RMB28.6 million loan, which is interest-free and repayable in equal and annual instalments. The final instalment is due in August 2014.

Financial Statements Announcement **For The First Quarter Ended 31 March 2010**

1(c) Consolidated cash flow statement **(1Q 2010 vs 1Q 2009)**

	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000
Operating activities		
Total return for the period before tax and distribution	20,965	15,144
Adjustments for		
Finance income	(267)	(9)
Fair value adjustment on security deposits	28	179
Depreciation	73	55
Management fees paid / payable in units	-	1,337
Finance expense	6,834	5,893
Change in fair value of unrealised derivative instruments	(2,259)	2,332
Operating income before working capital changes	25,374	24,931
Changes in working capital:		
Trade and other receivables	(7,080)	(4,436)
Trade and other payables	6,857	(1,225)
Income tax paid	(635)	(1,164)
Cash generated from operating activities	24,516	18,106
Investing activities		
Net cash outflows on purchase of investment property ⁽¹⁾	(140,006)	-
Purchase of plant and equipment	(231)	(1)
Capital expenditure on investment properties	-	(192)
Interest received on deposits	347	8
Cash flows from investing activities	(139,890)	(185)
Financing activities		
Borrowing costs paid	(8,595)	(4,614)
Proceeds from borrowings ⁽²⁾	80,151	16,354
Repayment of borrowings	-	(16,421)
Distributions paid to unitholders	(18,771)	(17,775)
Cash flows from financing activities	52,785	(22,456)
Net decrease in cash and cash equivalents	(62,589)	(4,535)
Cash and cash equivalents at the beginning of the period	297,937	32,704
Effects of exchange rate differences on cash	(155)	668
Cash and cash equivalents at the end of the period	235,193	28,837

⁽¹⁾ Net cash outflows on purchase of the David Jones Building Property include acquisition costs paid during current period, but exclude a deposit of S\$14.8 million which was paid in November 2009.

⁽²⁾ Increase is mainly due to the three-year term loan obtained for the acquisition of the David Jones Building Property in January 2010.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

1(d) (i) Statement of movements in Unitholders' Funds (1Q 2010 vs 1Q 2009)

	Notes	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000	Trust 01/01/10 to 31/03/10 S\$'000	Trust 01/01/09 to 31/03/09 S\$'000
Unitholders' funds at the beginning of the period		1,586,528	1,383,538	1,589,418	1,373,021
Operations					
Change in unitholders' funds resulting from operations, before distributions	(a)	20,191	14,496	15,645	7,485
Increase in unitholders' funds resulting from operations		20,191	14,496	15,645	7,485
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		682	2,804	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(1,970)	(4,672)	-	-
Net loss recognised directly in unitholders' funds	(b)	(1,288)	(1,868)	-	-
Unitholders' transactions					
Creation of units:					
- Management fees payable in units		-	1,337	-	1,337
Distribution to unitholders		(18,771)	(17,775)	(18,771)	(17,775)
Decrease in unitholders' funds resulting from unitholders' transactions		(18,771)	(16,438)	(18,771)	(16,438)
Unitholders' funds at the end of the period		1,586,660	1,379,728	1,586,292	1,364,068

Footnotes:

- (a) Change in unitholders' funds resulting from operations for the three months ended 31 March 2010, includes unrealised gain on derivative instruments of S\$2.3 million.
- (b) The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.

Financial Statements Announcement

For The First Quarter Ended 31 March 2010

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

	Notes	Group and Trust 01/01/10 to 31/03/10 Units	Group and Trust 01/01/09 to 31/03/09 Units
Issued units at the beginning of the period		1,932,418,044	957,933,611
Management fees issued in units (base fee)		2,695,380	2,870,243
Management fees issued in units (performance fee)		-	-
Issued units at the end of the period		1,935,113,424	960,803,854
Management fees payable in units to be issued (base fee)	(a)	-	2,972,852
Management fees payable in units (performance fee)	(b)	-	-
Total issued and issuable units at the end of the period		1,935,113,424	963,776,706

Footnotes:

- (a) The Manager has elected to receive 100% of its base management fees in cash for the year ending 31 December 2010. There is no fees payable in units for the three months ended 31 March 2010.
- (b) Performance fee is calculated for each six-month period ending 30 June and 31 December.

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 financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2009, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2010.

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 First Quarter Ended 31 March 2010

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

	Notes	Group 01/01/10 to 31/03/10	Group 01/01/09 to 31/03/09
EPU			
Basic and dilutive EPU			
Weighted average number of units	(a)	1,934,274,861	1,227,104,038
Earnings per unit for the period based on the weighted average number of units in issue (cents)	(b)	1.04	1.18
DPU			
Number of units issued and issuable at end of period		1,935,113,424	963,776,706
DPU for the period based on the total number of units entitled to distribution (cents) (pre-rights issue)		NA	1.87
DPU for the period based on the total number of units entitled to distribution including performance fee units (cents) (pre-rights issue)		NA	1.87
DPU (cents) (post-rights issue)	(c)	0.95	0.93

Footnotes:

- (a) The actual weighted average number of units used for computation of EPU for the three months ended 31 March 2010 is 1,934,274,861 and has been calculated on a time-weighted basis. The comparative has been restated to adjust for the effects of the Rights Issue.
- (b) The earnings per unit for the three months ended 31 March 2010 includes the unrealised gain on derivative instruments of S\$2.3 million. The comparative EPU has been restated to adjust for the effects of the Rights Issue.
- (c) The computation of Q1 2010 DPU is based on number of units entitled to distributions comprising the number of units in issue as at 31 March 2010 of 1,935,113,424. The computation of comparative DPU has been restated to include 963,724,106 Rights Units.

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

	Notes	Group 31/03/10	Group 31/12/09	Trust 31/03/10	Trust 31/12/09
Net asset value per unit (S\$)	(a)	0.82	0.82	0.82	0.82

Footnotes:

- (a) The number of units used for computation of NAV per unit is 1,935,113,424, which represents the number of units in issue as at 31 March 2010.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

8 Review of the performance Consolidated Statement of Total Return and Distribution (1Q 2010 vs 1Q 2009)

	Group 01/01/10 to 31/03/10 S\$'000	Group 01/01/09 to 31/03/09 S\$'000	Increase / (Decrease) %
Gross revenue	37,622	34,325	9.6%
Property expenses	(8,484)	(7,272)	16.7%
Net property income	29,138	27,053	7.7%
Non property expenses	(10,432)	(9,577)	8.9%
Net income before tax	18,706	17,476	7.0%
Change in fair value of unrealised derivative instruments	2,259	(2,332)	NM
Total return for the period before tax and distribution	20,965	15,144	38.4%
Income tax expense	(774)	(648)	19.4%
Total return for the period after tax, before distribution	20,191	14,496	39.3%
Non tax deductible/(chargeable) items and other adjustments	(1,461)	4,583	NM
Income available for distribution	18,730	19,079	(1.8%)
Income to be distributed	18,384	18,023	2.0%

The increase in gross revenue for the Group was mainly due to the revenue contributed by the newly acquired David Jones Building Property, offset by the decrease in revenue from the Japanese Properties due to higher vacancies. Revenue from overseas properties accounted for approximately 25% (2009: 20%) of total gross revenue for the three months ended 31 March 2010.

Property expenses were higher mainly due to the increase in property tax expense for the three months ended 31 March 2010 as a result of the expiry of property tax rebates granted by the Singapore government in 2009 and the inclusion of the property expenses by the newly acquired David Jones Building Property. The increase was offset by the decrease in other property expenses mainly due to a decrease in leasing and upkeep expenses of the Singapore Properties and no allowance made for bad debts for the three months ended 31 March 2010.

Non property expenses were higher mainly due to the interest incurred on the term loan taken up in relation to the acquisition of the David Jones Building Property for the three months ended 31 March 2010.

The unrealised gain on the derivative instruments for the three months ended 31 March 2010 represents mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised gain on the cross currency swaps was offset by a decrease in value of the Japanese Properties due to a weakening in foreign currency exchange rates for the three months ended 31 March 2010.

The non tax deductible items decreased mainly due to the unrealised gain on the derivative instrument for the current period, compared to an unrealised loss in the previous period, and there were no management fees payable in units in this current period.

Financial Statements Announcement For The First Quarter Ended 31 March 2010

Income available for distribution and income to be distributed for the three months ended 31 March 2010 was S\$18.7 million and S\$18.4 million which were 1.8% lower and 2.0% above the previous comparative period respectively.

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

Advance estimates indicate that Singapore's GDP grew by 13.1% yoy in 1Q 2010 and 32.1% qoq. The Ministry of Trade and Industry (MTI) upgraded its GDP growth forecast for 2010 to 7.0% to 9.0%, an improvement from the earlier forecast of 4.5% to 6.5% in view of the strong growth in the first quarter.¹

According to CB Richard Ellis (CBRE), the pace of decline of prime Orchard Road retail rents has slowed compared to the previous four quarters, averaging S\$32.30 per square foot per month (psf pm) in 1Q 2010, down 0.7% from that in 4Q 2009.² According to the Urban Redevelopment Authority (URA), office rents based on commenced leases edged up 0.4% in 1Q 2010 from the preceding quarter, reversing a 3.3% drop that quarter from the one before. The rise in 1Q 2010 marked the end of a six-quarter fall that began in 2Q 2008 as the global financial crisis unfolded.³

In 2009, Chengdu's GDP grew 14.7% yoy, at a much faster pace than the national GDP growth of 8.7%. The capital of Sichuan province also saw strong growth in retail sales which increased 20.3% yoy.⁴ In 2010, China's economy is likely to expand more than 9.0% due to pro-growth policies and an improving global environment.⁵ Prime retail rents in Chengdu saw a marginal rise in 1Q 2010, but vacancy also rose due to the opening of new malls.⁶ Greater competition is expected to put pressure on retail rents and occupancy rates, but many new local and foreign brands are entering the Chengdu market which will fuel demand for prime retail space.

Japan's economy showed some signs of improvement with GDP rising 3.8% yoy in 4Q 2009. Unemployment rate dropped to a 10-month low of 4.9% in January 2010.⁷ Despite signs of improving economic conditions, analysts expect the recovery in Japan to remain slow as companies are still far from operating at full capacity and unemployment is still at a relatively high level. Retail rents are expected to continue to be under pressure in 2010 amid the weak economy.⁸

Western Australia's GDP grew 2.7% in 2009, the highest level of annual growth since mid-2008.⁹ Real output growth for Western Australia is forecasted to be 5.6% in 2010. Central Business District (CBD) retail rents have remained steady throughout 2009 due to high occupancy rates and an improving economic outlook. As at December 2009, Super Prime gross face rents ranged between A\$3,500 per square meter per month ("psm pm") and A\$4,500 psm pm with an indicative rent of A\$4,125 psm pm. Perth CBD retail locations remain in demand, particularly along the Hay and Murray Street Malls. Tightly held Super Prime locations have seen low vacancy rates over the twelve months to December 2009, recording a 1.1% vacancy rate.¹⁰ With retailer demand remaining steady, low vacancy rates are likely to remain in 2010. However, increasing competition due to new developments opening in the CBD could see CBD rental levels plateau over the short term.

Outlook for the next 12 months

Analysts expect the Singapore economy to be robust in 2010. The two integrated resorts are expected to boost Singapore's tourism numbers which should generate multipliers for the broader economy.¹¹ Despite this upbeat expectation, there may be some downward pressure

Financial Statements Announcement For The First Quarter Ended 31 March 2010

on occupancy and rental rates in the short to medium term, especially for office properties due to potential oversupply. Similarly for Japan, retail rents and occupancy rates may continue to be impacted this year by the near term economic weakness. However, Starhill Global REIT's retail assets in Singapore, which contribute a significant portion of the Group's revenue, have mitigating characteristics such as the long term master lease for the bulk of retail space in the Ngee Ann City Property, and a staggered lease term expiry profile. The addition of the David Jones Building Property in Perth, Australia to the portfolio will contribute to the Group's revenue and net property income in 2010 while diluting geographical concentration risks.

In April 2010, Starhill Global REIT received a committed 3 and/or 5 year fully underwritten bank facility proposal of up to S\$620 million (subject to inter alia documentation). The said facility will be utilised to refinance Starhill Global REIT's existing debt obligation and to meet working capital requirements. As of 31 March 2010, Starhill Global REIT's outstanding debt is S\$702.3 million of which S\$570.0 million or 81.2% matures in September 2010.

Sources

1. MTI Press Release, MTI Revises 2010 Growth Forecast to 7.0 to 9.0 Per Cent, 14 April 2010
2. CBRE MarketView, Singapore, First Quarter 2010
3. URA News Release, Release of 1st quarter 2010 real estate statistics, 23 April 2010
4. Chengdu Municipal Government <<http://www.chengdu.gov.cn/news/detail.jsp?id=306956>>
5. The Business Times, China's 2010 GDP to grow more than 9%, 16 March 2010
6. CBRE Media Release, Review of China's Property Market in Q1 2010, 30 March 2010
7. Bloomberg, Japan Raises Economic View for First Time Since July, 15 March 2010
8. Reuters, Japan Retail Sales Log Biggest Rise in 13 Years, 29 March 2010
9. Western Australia Treasury Corporation, Economic Analysis GDP December Quarter 2009, 3 March 2010
10. CBRE, MarketView, Perth Retail, Fourth Quarter 2009
11. The Business Times, Sustaining an upturn, 25 March 2010

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2010 to 31 March 2010.

Distribution rate: 0.95 cents per unit (post-rights issue)

Distribution type:

Type	Cents
Taxable income component	0.87
Capital component	0.08
Total	0.95

Par value of units: NA

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

Financial Statements Announcement For The First Quarter Ended 31 March 2010

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. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period:

Yes

Name of distribution:

First quarter distribution for the period from 1 January 2009 to 31 March 2009.

Distribution rate:

1.87 cents per unit (pre-rights issue)

Distribution type:

Taxable income

Par value of units:

NA

Tax rate:

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).

Footnotes:

NA – Not applicable

(c) Date payable:

27 May 2010

(d) Books Closure Date:

5 May 2010

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

Not applicable

Financial Statements Announcement For The First Quarter Ended 31 March 2010

13 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 2010 (comprising the balance sheets as at 31 March 2010, the statements of total return and distribution, the cash flow statements and statements of changes in unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
Executive Chairman

Ho Sing
Chief Executive Officer/Director

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

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

**BY ORDER OF THE BOARD
YTL PACIFIC STAR REIT MANAGEMENT LIMITED
AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST**

Jeanette Lim
Joint Company Secretary
26 April 2010

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